

2025

Operating Budget Overview

On behalf of the city administration, I am proud to present the proposed **2025 Operating Budget** to Akron City Council. This budget proposes **\$798 million in expenditures, a decrease of 2.0%** from the 2024 operating budget, with **71% of general fund expenditures** allocated to staffing needs. This budget includes a **forecasted 2% cost-of-living estimate**, which has not been finalized.

Amidst considerable uncertainty and revenue constraints, this year's budget **prioritizes four things** – (1) **public safety** as this administration's **highest priority**, including maintaining the current level of police and fire staffing, (2) continuing to deliver **core city services**, (3) **targeted investment** in innovative programs around **gun violence prevention, youth opportunity, education, and more**, and (4) **fiscal responsibility**.

WHAT DOES THIS BUDGET DO?

A. PROMOTES SAFETY AS THE TOP PRIORITY

- Budgeting for **488 uniformed Police Officers** which maintains the current, high level of police staffing. The Akron Police Department currently has a class of **28 police recruits** going through the academy, and a class of equal size will begin towards the end of the year.
- Budgeting for **402 uniformed Firefighter/medics** which maintains the current, high level of fire staffing. Akron Fire will graduate one class of cadets this year with approximately **28 new firefighter/medics**.
- **\$1 million** investment to replace **cardiac monitors in EMS vehicles** which have reached the end of their useful life.
- Filling a **role to manage Public Safety** in partnership with Chief Henderson, Chief Harding, and Assistant to the Mayor for Emergency Management Natko.
- The purchase and implementation of **case management software** that utilizes metrics to improve the effectiveness of the **Citizens' Police Oversight Board's** operations.



B. FOCUSES ON CORE CITY SERVICES

- As previously mentioned, **71% of the city's general fund budget** is for staffing costs, focusing on the core of what makes our city government effective, our team of roughly **2,000 employees**.
- **Selling our aging fleet of trash trucks and leasing 26 new trucks** to improve long-term cost savings on maintenance and to increase reliability of our service delivery.
- **Upgrading the city's automated vehicle location (AVL) system** to Samsara in all public service vehicles. This will **enhance our mapping capabilities, provide more accurate real-time data, and improve our internal and public facing dashboards for public service**.
- Increasing staffing in the **Plans and Permits Division** by adding **2 roles** to **expedite the processing and issuance** of all varieties of city permits.

C. TARGETED INVESTMENTS AS STRATEGIC INITIATIVES

- Budgeting **\$125,000 to pilot an expanded pre-k and child care initiative** focused on workforce recruitment and training and professional development in partnership with other community stakeholders.
- Allocating **\$73,000 for a Hospital Linked Violence Intervention coordinator** to provide crisis intervention, counseling, service connections, and long-term case management relating to gun violence, a proposed project with hospital systems for the last several years.
- Continuing to invest in **Youth Success Summit with \$125,000** to provide out of school time opportunities for Akron's young people.
- Allocating **\$100,000 in new funding around sports and wellness programming**, including support for smaller non-profit organizations in our community.

D. FISCAL RESPONSIBILITY

The City of Akron is working to address longstanding issues such as the city's **federal consent decree** while also facing uncertainty with several funding sources including **Federal** and **State** dollars, as well as the loss of funding from the **American Rescue Plan Act (ARPA)**, and **several safety staffing grants** previously used by the city to support police and fire costs. The loss of these revenues will create financial pressure on the city's general fund. Even with a decreasing overall budget from 2024, the city must utilize **several different funding sources** in order to balance a **forecasted \$13 million shortfall** between revenues versus expenditures.



Specifically, here are several of the city's most impactful financial challenges:

- The **loss of CARES Act and ARPA revenues** that have supported city budgets in a total amount of over \$49 million over the last 5 years.
- The **loss of federal grant income mentioned above** that supported **25 police roles** and **50 fire roles** at an annual cost of **about \$7.5 million**, roles which are now being charged to the general fund.
- The **limitations of the city's current 2.25% income tax rate** to keep pace with inflation. The community's vote in 2003 to increase and dedicate 0.25% of the city's total income tax for the construction of the Akron Public School's Community Learning Center projects (CLC's) **has left the city at a lower tax rate, for city operations, than the 2.50% rate currently charged by all but one other major city in Ohio.** (Cincinnati is at 1.80%). This sharing of the city's income tax revenue to pay for the CLC's limits the ability of the city to afford increasing costs for daily services, and for the safety and security of our residents.

In **2025**, the budget is being balanced by **\$8 million in interest earnings** from ARPA, and a **\$5 million draw down** from IT4 funding. This will allow the city to maintain its current level of general fund cash balance of \$29.9 million, **equivalent to 49 days cash on hand.** General fund cash on hand is a cash basis metric that measures how many days the city's general fund government can operate without revenues coming in. The city's goal is to get to and maintain **60 days cash on hand.**

As mentioned above, there are **other financial uncertainties** that will likely impact the city in future years:

- Possible cuts to longtime federal funding sources like **Community Development Block Grant (CDBG)** and **HOME Investment Partnerships Program** which are estimated at **\$9 million in 2025.**
- Whether the city will be required to construct a more than **\$200 million Enhanced High Rate Treatment (EHRT) facility** as part of the longstanding **federal consent decree** over sewer overflows. This project is currently the subject of court litigation, with the city arguing that other projects would provide substantially more environmental benefits at a much-reduced cost to Akron residents.



Going forward, my administration **will evaluate other potential new revenue sources**, including **advocating for new public safety funding** at the state level through the Ohio Mayor's Alliance, potential **support for stadium improvements** in Gov. DeWine's proposed state budget (these expenses have never had a dedicated fund from the city), **restarting photo speed enforcement in school zones**, which was suspended in 2020 (this also aligns with the administration's goals around reducing speeding in neighborhoods), and more.

Additionally, the city will look to **find efficiencies and to decrease expenditures** where appropriate, while seeking to prioritize proper staffing levels, as this budget does. **In short, my administration will continue serving Akron's residents with the highest service levels possible while at the same time being fiscally responsible.**

ACKNOWLEDGEMENTS

Many people have put in hard work to make this budget possible. In particular, I want to thank **Finance Director Steve Fricker, Deputy Finance Director Mike Wheeler, the Audit and Budget division** of the Finance Department, and **Communications Director Stephanie Marsh.**

In each department, there are many other people to thank, and this budget is truly stronger because of each person who contributed. In the coming weeks, our administration looks forward to engaging with City Council on this critical topic.

Sincerely,

