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DATE: September 30, 2025

TO: City Council Members and Mayor Anzevino

FROM: Jeff Knoblauch, Asst. City Manager – Finance Director
Margaret Tussey, Asst. Finance Director

C: Thomas Sheridan, City Manager

RE: 2026 – 2030 Five Year Plan

The review of the 2026 – 2030 Five Year Plan begins at the October 14, 2025, Council Workshop. Listed below are highlights of the current draft:

1. Revenue

- a. For 2025 Income Tax is projected to decrease 3.7% over 2024 Actual Income Tax Revenue due to the loss of a major employer. Through September 2025 Income Tax Revenue is down .9% overall but is flat in the General Fund over 2024. Parks, Fire and EMS is down 3.1%. The increase for 2026-2030 is 2.5% per year over 2025 projected.
- b. 2026 Property Tax is projected to remain flat as compared to 2025. Property Tax is projected to increase 2% for 2027 based on triennial county appraisal.

2. Capital Expenditures

- a. The Annual Street Construction Program averages \$3,482,000 per year for 2026–2030. This is a 38% increase over the 2015-2024 average. Other street improvement projects total \$3.9 million from 2026-2030.
- b. Total annual expenditures on public and private Stormwater projects are \$8.3 million for 2026-2030. This is a 54% increase over the average from 2016-2025.
- c. The estimated debt service for the new Public Works Facility (General Fund/HPP/Water Funds), Ellsworth Meadows Clubhouse, Fiber to the Home, Fire Department renovation project, Boston Mills and Valley View/Hunting Hollow Trails (Parks Fund) are forecasted in the Plan.

3. Personnel Expenditures

- a. 2026 includes a 3% COLA and 10% increase for health insurance.
- b. 2027-2030 includes a 4% increase per year.
- c. The overall increase in 2025 personnel expenditures in 6.68% based on the COLA and health care increase.

4. Operating Expenditures

- a. 2026 budgeted increase for Professional Development, Contractual Services, Materials and Supplies is 5.52% over 2025.
- b. The main driver of this increase is across the board increases in materials and contractual services
- c. For 2027-2030 Operating Expenditures are budgeted to increase 1% per year.

5. Fire Department

- a. The Fire Department personnel cost includes the continuation of the daytime staffing that started in mid- 2025. The cost estimate also includes the overnight shift staffing that will begin once the renovations are complete. The estimated start of the overnight shift is summer 2026.
- b. The General Fund is transferring \$600,000 per year to the Fire Fund to supplement the increased cost of the part-time firefighters.

6. Connectivity

- a. From 2021 to September 2025, the City spent \$13.2 million in connectivity from the General Fund and \$4.8 million from the Parks Fund for a total of \$18 million.
- b. There is an additional \$3,250,000 scheduled for 2026-2030 out of the General Fund and \$1,000,000 out of the Parks Fund.
 - i. The General Fund projects are (1) Stow Rd from SR 303 to Ravenna St (2) Hudson Drive sidewalk from the Metro Parks trail to the existing sidewalk at 5601 Hudson Drive and (3) Norfolk Southern rails to trails from Barlow Rd to Veteran's Way.
 - ii. The Parks Fund project is the completion of the E. Barlow Rd. trail that connects Barlow Farm Park to Wood Hollow Park.
- c. The remaining connectivity projects are listed in the Unfunded column of the Five-Year Plan. With the loss of a major employer and additional funding directed to the Fire Department for public safety, it was deemed necessary to move the remaining projects to unfunded to help ensure the City maintains adequate reserves and financial stability.