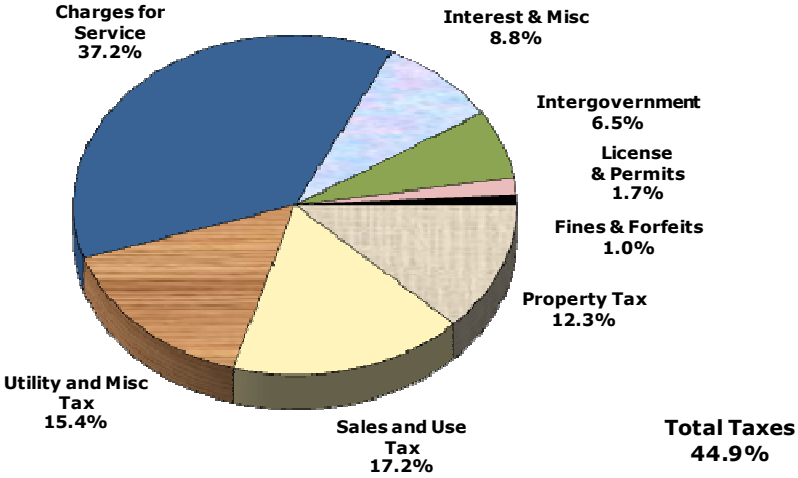
2012 BUDGET HIGHLIGHTS

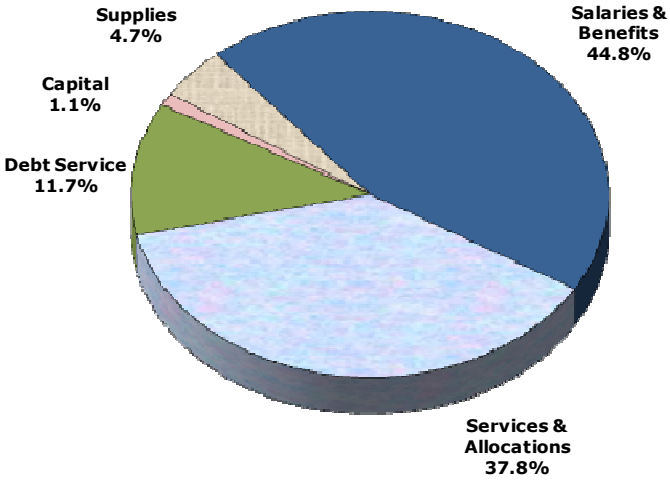
The proposed 2012 net budget totals $157,458,248, which is $1,809,474 (1.1%) less than the 2011 adopted budget. Kent continues to adjust to a new economic reality, where rising costs converge with deteriorating revenues. While basic expenditures remain flat, this budget reflects significant additional spending as a result of state mandates, contracted county services and rate increases. At the same time, revenues have deteriorated considerably over the past few years, compromising our ability to cover the increased costs.

Where the Money Comes From

During these challenging economic times, the City is fortunate to have diverse revenue streams. Taxes are the primary funding of general governmental services, composing 44.9% of the total funding sources for 2012. Charges for services are largely user fees for water and sewerage utilities. Golf revenues and parks-sponsored classes are other examples of this type of revenue. Intergovernmental revenue is primarily from grants and shared revenues from the State and county such as the Liquor Board profits and excise taxes. Licenses and permits include business licensing and permitting revenues. Fines and forfeitures are collected for city infractions and court costs.



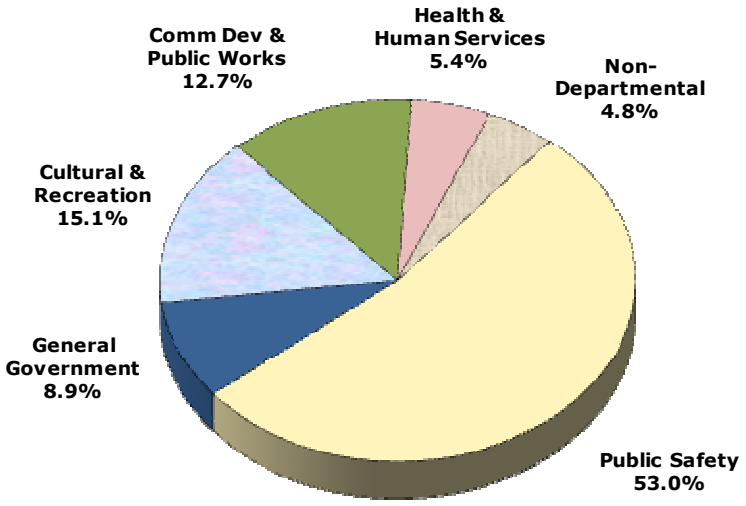
Where the Money Goes by Category

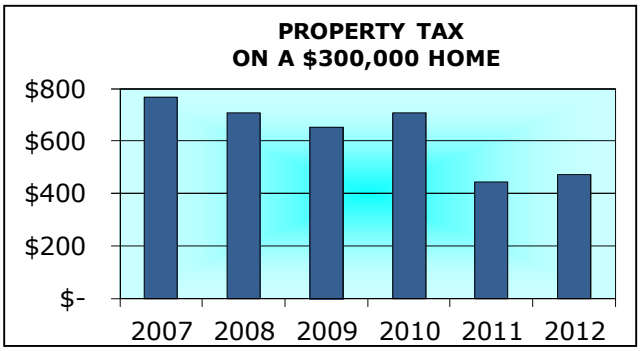


Salaries and benefits make up 44.8% of city uses supporting 630.155 full time equivalent positions. Services and allocations are expenditures for outside contractors, consultants and other services. Debt service is the debt repayment of principal and interest on the City's bonded debt. The bonds are issued to finance construction of capital projects such as parks, roads, water, storm sewer and system improvements. Capital outlays are valuable fixed assets generally with a lifetime of more than three years. Supplies expenditures are for office and operating expenses.

Where the Money Goes by Program

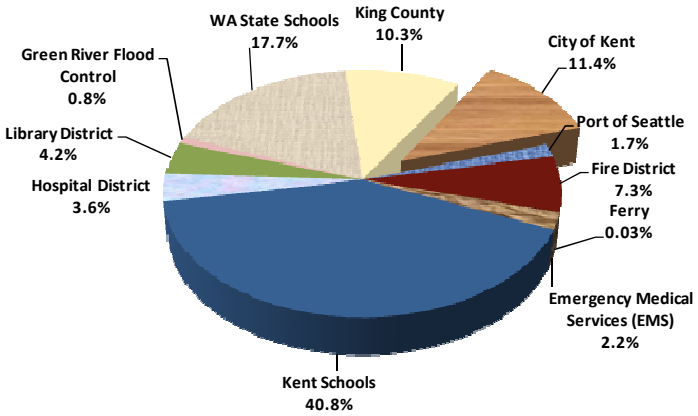
Public Safety, including Police, Municipal Court and Youth Teen Programs, represent 53.0% of the General Fund expenditures, including Annexation. Health and Human Services at 5.4% include contracts with human service agencies, Parks Senior Center, Adult Day Care, and Adaptive Recreation Programs. Community Development and Public Works at 12.7% includes the Permit Center, Planning and Building Services, Street and Public Works. Other Parks Programs at 15.1% are included in Culture and Recreation. General Government includes the administrative and support functions of City Council, Mayor's Office, City Clerk, Employee Services, Legal and Finance Departments. General Government composes 8.9% of the General Fund budget.





City Share of Property Taxes

Property taxes are a major source of revenue for municipalities as well as other government entities. Beginning in 2011, property taxes were reduced by $1 per assessed valuation due to formation of the Regional Fire Authority. Based on citywide assessed valuation, the 2012 total levy rate is $1.568 per one thousand dollars assessed valuation, which is well below the maximum allowable rate of $2.10.

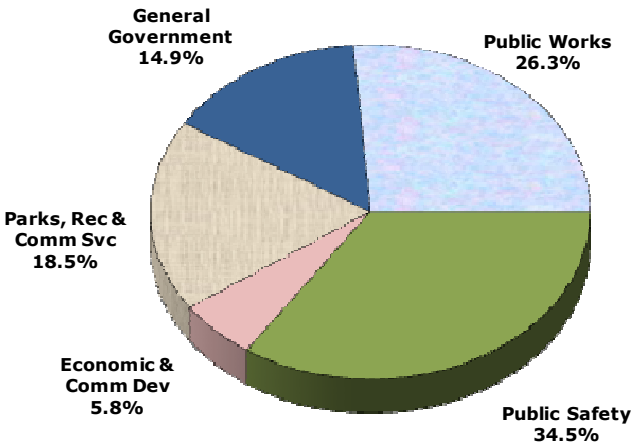


Where Property Taxes are Distributed

King County establishes property values and sets property tax rates based on each area's submitted needs. Of a typical Kent 2012 property tax bill, only 11.4% goes to the City of Kent. The remaining 88.6% is distributed to other agencies as shown here.

Residents in the Federal Way School District may notice a variance in the percentages shown here due to a levy rate difference between the two school districts.

Staffing

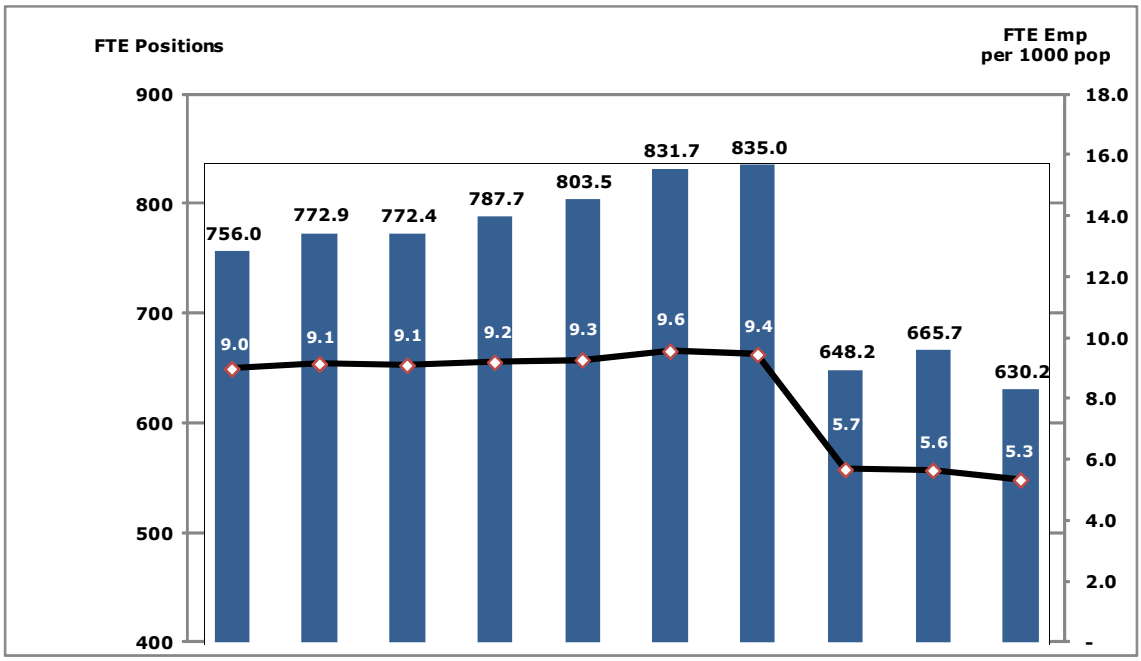


Salaries and benefits represent approximately 67.1% of the General Fund and Annexation expenditures. The 2012 salaries and benefits budget has decreased by 1.0% from the 2011 adjusted budget. The decrease reflects the net of moving 8.35 existing positions into the General Fund, eliminating 25.25 FTE in the General Fund and Annexation, and rate increases for medical insurance (5%) and workers compensation (27%).

Citywide for 2012, there are a total of 630.155 full time equivalent positions. Authorized positions decreased by 35.81 in eliminated or reduced positions, offset by a 1.25 FTE increase in the Facilities Fund.

Efficiency

Our increasing efficiency is demonstrated by the graph shown below. In the past ten years, the population in Kent has increased by 40.4%, yet the number of employees per 1,000 residents has declined from 9 to 5.3.



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
FTE Positions*	756.0	772.9	772.4	787.7	803.5	831.7	835.0	648.2	665.7	630.2
Population **	84,210	84,560	84,920	85,650	86,660	86,980	88,380	114,218	117,869	118,200
FTEs per 1000 Pop	9.0	9.1	9.1	9.2	9.3	9.6	9.4	5.7	5.6	5.3

* Full-Time Equivalent (FTE) employees were reduced by 166 Fire Department employees that transferred to the Regional Fire Authority (RFA) on July 1, 2010.

** Populations are based on state official estimates. 2010 includes the Panther Lake Annexation effective July 1, 2010.