City of Kent

Financial Challenge

Revenues

Income tax trend
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

63% of City revenues comes from income taxes and nearly 50% of income taxes comes from Kent City Schools, City Government and Kent State.

Expenses

72% of the city's costs are "people" costs.

Reducing costs means reducing people.

60% of the city workforce are police and fire personnel.

City "belt tightening" has produced $1.2 million in personnel savings and $800,000 in materials savings.

Position Cuts and Personnel Savings

<table>
<thead>
<tr>
<th>Position Cuts</th>
<th>Personnel Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planner to Part Time</td>
<td>$37,750</td>
</tr>
<tr>
<td>Reduced 3 police</td>
<td>$247,500</td>
</tr>
<tr>
<td>Reduced 1 secretary</td>
<td>$58,000</td>
</tr>
<tr>
<td>Reduced 2 analysts</td>
<td>$154,000</td>
</tr>
<tr>
<td>Reduced 1 auditor</td>
<td>$60,000</td>
</tr>
<tr>
<td>Reduced 1 water op.</td>
<td>$92,000</td>
</tr>
<tr>
<td>Froze 3 firefighters</td>
<td>$259,800</td>
</tr>
<tr>
<td>Froze 2 police</td>
<td>$165,000</td>
</tr>
<tr>
<td>Froze 1 supervisor</td>
<td>$93,000</td>
</tr>
<tr>
<td>Froze 1 plant op.</td>
<td>$68,800</td>
</tr>
</tbody>
</table>

The City has cut 10% of its workforce in last 7 years by not filling vacancies.

History of Full Time Positions

Positions that would have to be cut to balance the budget.

The City has covered the gap with "reserve" funds but at current rates those will be exhausted by 2009.

Over the last 5 years the city's revenues have failed to keep pace with expense growth and despite expense management efforts the gap between revenues and expenses has increased each year.

We are here.

$2 million Deficit in 2006

Budget Gap

Millions of Dollars

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

The City has covered the gap with "reserve" funds but at current rates those will be exhausted by 2009.
Kent Community: **Higher Service Needs, Fewer Resources**

Different cities have different levels of needs for city services and resources available to fund those needs. Cities with higher poverty rates, lower home ownership, higher multi-family populations, wider age distribution, typically have higher service needs. Likewise, cities with higher median income, higher median house value, increasing population base, and greater revenue per capita have more resources to use to fund city services. In examining the socio-economic/demographic profile for Kent against peer cities, Kent ended up in the high needs, low resource quadrant; once again highlighting Kent’s challenge as a comparatively higher needs community with a declining resource base.

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### Kent Staffing and Activity Levels: **Smaller Staff, More Work**

When compared to 13 peer cities (Akron, Aurora, Alliance, Athens, Bowling Green, Cuyahoga Falls, Hudson, Oxford, Ravenna, Stow, Streetsboro, Tallmadge and Wooster) Kent has less staff and smaller budgets but higher activity levels.

#### Comparison Categories

<table>
<thead>
<tr>
<th>Comparison Categories</th>
<th>Below Average</th>
<th>At Average</th>
<th>Exceeds Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Spending and Staffing Levels</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses Per Capita</td>
<td>KENT</td>
<td>KENT</td>
<td></td>
</tr>
<tr>
<td>Fire and EMS Costs Per Resident</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Fire and EMS Costs Per Population Served</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Fire Service Costs Per Call</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Fire and EMS Staffing</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Police and Fire Public Safety Costs Per Capita</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Police Costs Per Capita</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Sworn Police Per 1,000 Population</td>
<td>KENT</td>
<td></td>
<td>KENT</td>
</tr>
<tr>
<td>Civilian Police Per 1,000 Population</td>
<td>KENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Service FTE Per 1,000 Population</td>
<td>KENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Service FTE Per Infrastructure Mile</td>
<td>KENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks and Rec Costs Per Capita</td>
<td>KENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Gov't Costs Per Capita</td>
<td>KENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comm. Devel. Costs Per Capita</td>
<td>KENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td>12/15</td>
<td>2/15</td>
<td>1/15</td>
</tr>
</tbody>
</table>

| **2. Activity and Service Need Indicators**               |               |            |                 |
| Fire and EMS Activity Levels                              | KENT          |            | KENT            |
| Part 1 Crimes Per 1,000 Population                        | KENT          |            | KENT            |
| Property Crimes Per 1,000 Population                      | KENT          |            | KENT            |
| Personal Violence Per 1,000 Population                    | KENT          |            | KENT            |
| Police Calls Per 1,000 Population                         | KENT          |            | KENT            |
| Police Arrests Per 1,000 Population                       | KENT          |            | KENT            |
| DUI Arrests Per 1,000 Population                          | KENT          |            | KENT            |
| Infrastructure Value                                      | KENT          |            | KENT            |
| % of Infrastructure Rated Poor/Fair                       | KENT          |            | KENT            |
| % of Roads Rated Poor/Fair                                | KENT          |            | KENT            |
| **SUBTOTAL**                                              | 2/10          | 2/10       | 6/10            |
On a per capita basis, the government service costs in Kent are one of the lowest in the region. With a regional average of $865 in revenues per capita, Kent residents contribute $133 less per year for government services than the average.

By adding the per capita costs for income tax, charges, fees, property tax (including school taxes), utilities and vehicle plate fees for “average” families, it is possible to derive a comparative cost of living estimate for Kent. Kent is right at the average cost burden for all the regional cities at $3,221 per capita per year.

Kent adopted a 2% income tax rate in 1984 and it has not changed in the last 22 years.

With income tax contributing approximately 90% and property taxes 10% of the local tax revenues, business growth is economically more beneficial than residential growth. Businesses are also low consumers of city services when compared to residential properties.

1 minimum wage job generates as much tax revenue as a $120,000 home.

University Tax Contribution = $3.4 million
University Service Consumption = $1.4 million
Net University Impact = $2 million

Finding: Kent Tax Sources: Gain $ on Businesses, Lose $ on Homes
## Public Safety

### POLICE

#### Administration
- % Budget: [ ]
- % People: [ ]
- Resources: Budget: $400,000, People: 4 FTE

#### Patrol
- Resources: Budget: $4,200,000, People: 42 FTE (2 frozen)

#### Dispatch
- Resources: Budget: $930,000, People: 13 FTE

#### Compliance/Jail
- Resources: Budget: $180,000, People: 7 FTE

#### Pension
- Resources: Budget: $118,000

### Business Focus

- Administration manages fire business functions, e.g., personnel, purchasing, budgeting, customer service, planning.
- Patrol provides core police services; responding to calls, patrolling city streets and neighborhoods, making arrests, etc.
- Dispatch is the communications hub for public safety, routing citizen calls to police and fire for response.
- This section includes a compliance officer who handles animal issues, parking issues and the jail detention center.

### Resources

- Budget: $400,000
- People: 4 FTE

### Staff Assessment

- Adequate
- Lagging
- Adequate to below
- Adequate to below
- Adequate

### Resource Position

- The number of police officers available per shift is below industry standards.
- The operations have facility constraints that impair productivity.
- The operations have facility constraints that impair productivity.
- The City's police pension contributions are driven by state statute.

### FIRE

#### Administration
- % Budget: [ ]
- % People: [ ]
- Resources: Budget: $200,000, People: 2 FTE

#### Fire and Rescue
- Resources: Budget: $3,660,000, People: 36 FTE, (3 frozen)

#### Fire Services
- Resources: Budget: $200,000, People: 2 FTE

#### Pension
- Resources: Budget: $118,000

### Business Focus

- Administration manages fire business functions, e.g., personnel, purchasing, budgeting, customer service, planning.
- Fire and rescue includes emergency medical and accident response as well as fire suppression.
- Fire services include programs that benefit the community such as fire prevention, inspections, plan review and education.

### Resources

- Budget: $200,000
- People: 2 FTE

### Staff Assessment

- Lagging
- Lagging
- Adequate to below
- Adequate

### Resource Position

- A deputy chief is needed to provide secondary leadership functions that are being neglected.
- The number of fire fighters available per shift is below prudent minimum staffing levels.
- Due to staff limitations educational, training and prevention programs have been dropped.
- The City’s fire pension contributions are driven by state statute.
## City Administration

<table>
<thead>
<tr>
<th>ADMIN.</th>
<th>City Manager</th>
<th>City Clerk/Council</th>
<th>HR/Civil Service</th>
<th>Law</th>
<th>Community Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>% budget</td>
<td>% people</td>
<td>% budget</td>
<td>% people</td>
<td>% budget</td>
<td>% people</td>
</tr>
<tr>
<td>customers</td>
<td>50,000</td>
<td>06 Budget</td>
<td>$1,040,000</td>
<td>Employees</td>
<td>9 FTE, 13 PT</td>
</tr>
<tr>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
</tr>
<tr>
<td>Budget: $270,000</td>
<td>Budget: $190,000</td>
<td>Budget: $150,000</td>
<td>Budget: $380,000</td>
<td>Budget: $50,000</td>
<td></td>
</tr>
<tr>
<td>People: 2 FTE</td>
<td>People: 1 FTE, 10 PT</td>
<td>People: 2 FTE, 3 PT</td>
<td>People: 4 FTE</td>
<td>People:</td>
<td></td>
</tr>
</tbody>
</table>

### Business Focus
- The City Manager is the chief executive officer responsible for organizational leadership, financial management and service performance.
- The City Clerk oversees the administrative functions of the work of City Council, including minutes, agenda preparation and legal documents.
- The Human Resource manager ensures compliance with federal and state labor laws, provides training and serves as liaison with unions.
- The Law Director provides legal counsel to the city, advises on legal matters, and represents the city in legal actions.
- The Community Fund was created to provide financial support for community activities, e.g., downtown festivals, litter collection, etc.

### Staff Assessment
- Resource Position: Adequate
- Resource Position: Adequate
- Resource Position: Adequate to below
- Resource Position: Adequate
- Resource Position: Adequate

### Resources
- **Adequate**

---

<table>
<thead>
<tr>
<th>FINANCE</th>
<th>Administration</th>
<th>Income Tax</th>
<th>Finance Operations</th>
<th>Utility Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>% budget</td>
<td>% people</td>
<td>% budget</td>
<td>% people</td>
<td>% budget</td>
</tr>
<tr>
<td>customers</td>
<td>27,000</td>
<td>06 Budget</td>
<td>$1,260,000</td>
<td>Employees</td>
</tr>
<tr>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
<td>Resources</td>
</tr>
<tr>
<td>Budget: $360,000</td>
<td>Budget: $450,000</td>
<td>Budget: $300,000</td>
<td>Budget: $150,000</td>
<td></td>
</tr>
<tr>
<td>People: 4 FTE, (2 frozen)</td>
<td>People: 3 FTE, (1 frozen)</td>
<td>People: 3 FTE</td>
<td>People: 2 FTE</td>
<td></td>
</tr>
</tbody>
</table>

### Business Focus
- Finance administration is responsible for proper management of all financial operations and planning.
- The City income tax group manages the tracking, collections and distribution of income tax revenues.
- Finance Operations include accounting, data processing, record keeping, billing, payroll and accounts receivable for all city operations.
- Provides billing and account management services for water and sewer customers.

### Staff Assessment
- Resource Position: Adequate
- Resource Position: Adequate
- Resource Position: Adequate to below
- Resource Position: Adequate

### Resources
- **Adequate**

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**Investments in new tech could significantly improve staff productivity.**
### CENTRAL MAINT.

**Administration**
- **Resources**
  - Budget: $215,000
  - People: 3 FTE
- **Business Focus**
  - Administration manages all division business functions, e.g., personnel, purchasing, budgeting, customer service.

**Transportation**
- **Resources**
  - Budget: $825,000
  - People: 4 FTE
- **Business Focus**
  - Transportation is responsible for the repairs, replacement, and installation of signs, signals and traffic markings, etc.

**Storm Drainage**
- **Resources**
  - Budget: $240,000
  - People: 2 FTE
- **Business Focus**
  - Provides street drainage response, maintenance and repair; also includes street sweeping.

**Sanitary Sewers**
- **Resources**
  - Budget: $270,000
  - People: 2.5 FTE
- **Business Focus**
  - Performs routine maintenance and emergency response for sanitary sewer collection system.

**Water Distribution**
- **Resources**
  - Budget: $370,000
  - People: 3.5 FTE
- **Business Focus**
  - Performs routine maintenance and emergency response for water distribution network.

### CENTRAL MTCE.

**Vehicle Mte.**
- **Resources**
  - Budget: $360,000
  - People: 4 FTE
- **Business Focus**
  - Vehicle Mte. personnel repair and maintain the city's vehicle fleet.

**Tree Mte.**
- **Resources**
  - Budget: $325,000
  - People: 2 FTE
- **Business Focus**
  - Facility services include planning, maintenance, repair and capital construction.

**Facilities Mte.**
- **Resources**
  - Budget: $600,000
  - People: 2 FTE
- **Business Focus**
  - Crews manage the city's urban forestry and tree maintenance, projects required to comply with Tree City USA designation.

**Environmental**
- **Resources**
  - Budget: $50,000
  - People: 1 FTE
- **Business Focus**
  - Leaf collection, recycling, brush chipping, and related landscaping and gardening services.

**Special Events**
- **Resources**
  - Budget: $50,000
  - People: 1 FTE
- **Business Focus**
  - Central Mte. crews provide set up, take down and clean up work for community events.

### Staff Assessment

- **Vehicle Mte.**
  - Adequate to below
  - Vehicle replacement is often over-extended due to new purchase funding limitations.

- **Tree Mte.**
  - Adequate to below
  - The City complies with Tree City USA requirements but funding is at a bare minimum level.

- **Facilities Mte.**
  - Lagging
  - The lack of staff and resources has not enabled proactive management of facilities.

- **Environmental**
  - Adequate
  - Complaints are received concerning the reduction in brush collection frequency.

- **Special Events**
  - Adequate
  - Resource levels support existing programs only, any new events would require additional resources.
## Public Service

### Utilities

<table>
<thead>
<tr>
<th>Service</th>
<th>Customers</th>
<th>06 Budget</th>
<th>Employees</th>
<th>Business Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Plant</td>
<td>27,000</td>
<td>$1,410,000</td>
<td>10 FTE</td>
<td>The sewer plant is responsible for the operation and maintenance of plant and lift stations.</td>
</tr>
<tr>
<td>Water Plant</td>
<td></td>
<td>$1,310,000</td>
<td>10 FTE</td>
<td>The water plant is responsible for operation and maintenance of plant, pump facilities and tanks.</td>
</tr>
<tr>
<td>Engineering</td>
<td></td>
<td></td>
<td>8 FTE</td>
<td>Responsible for site plan review, capital project planning, design, inspection and construction.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resource Position</th>
<th>Adequate</th>
<th>Adequate</th>
<th>Adequate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% People</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Sewer rates were raised last year to pay for increasing needs.
- Increasing chemical and plant power costs have stretched resources thin.

### Community Development

<table>
<thead>
<tr>
<th>Service</th>
<th>Customers</th>
<th>06 Budget</th>
<th>Employees</th>
<th>Business Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>27,000</td>
<td>$250,000</td>
<td>3 FTE</td>
<td>Oversees the development services business functions, e.g., site plan, zoning, and manages social service, permit parking and shade tree programs.</td>
</tr>
<tr>
<td>Dev. Services</td>
<td></td>
<td>$550,000</td>
<td>3 FTE</td>
<td>Provides land use and development services, e.g., site plan, zoning, and manages social service, permit parking and shade tree programs.</td>
</tr>
<tr>
<td>CDBG Program</td>
<td></td>
<td>$400,000</td>
<td>1 FTE</td>
<td>Administers the federal CDBG program including housing rehabilitation, fair housing, etc.</td>
</tr>
<tr>
<td>Building Inspection</td>
<td></td>
<td></td>
<td>1 FTE, 6 PT</td>
<td>Provides inspection services to ensure compliance with state and city building code requirements.</td>
</tr>
<tr>
<td>Economic Dev.</td>
<td></td>
<td>$270,000</td>
<td>1 FTE</td>
<td>Manages a range of tax abatement, tax incentive, and business development programs to attract, grow and retain businesses.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resource Position</th>
<th>Adequate</th>
<th>Adequate</th>
<th>Adequate</th>
<th>Adequate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Assessment</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>% Budget</td>
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<td></td>
</tr>
<tr>
<td>% People</td>
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</tbody>
</table>

- This group deals with rooming house and code compliance issues which needs more attention in at-risk neighborhoods.
- Federal CDBG funding available to Kent has been cut by almost 50% in the last 3 years.
- Include $100,000 for land banking, $90,000 for urban renewal, and $70,000 in salary with little funding for general economic dev.
Parks and Leisure Services

**PARKS**

- **Parks and Recreation**
  - KABC
  - % budget: 
  - % people: 
  - Customers: 27,000
  - 06 Budget: $1,516,000
  - Employees: 8 FTE, 51 PT
  - Funding Sources: 100% Levies and Fees

- **Resources**
  - Budget: $1,450,000
  - People: 8 FTE, 50 PT

- **Business Focus**
  - This budget area includes administration of programs, maintenance of parks, recreational supplies, and special event funding.

- **Staff Assessment**
  - Resource Position: Adequate

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Health Services

**HEALTH**

- **Administration**
  - Food Services
  - Pool Inspections
  - Revolving Housing
  - Lab Services

- **% budget: % people**
  - Administration: 
  - Food Services: 
  - Pool Inspections: 
  - Revolving Housing: 
  - Lab Services: 

- **Resources**
  - Administration: Budget: $330,000
  - Food Services: Budget: $58,000
  - Pool Inspections: Budget: $5,000
  - Revolving Housing: Budget: $82,000
  - Lab Services: Budget: $350,000

- **Employees**
  - Administration: 3 FTE, 1 PT
  - Food Services: 2 FTE
  - Pool Inspections: 
  - Revolving Housing: 
  - Lab Services: 3 FTE

- **Business Focus**
  - Administration: Oversees the Health department business functions, e.g., purchasing, budgeting, etc.
  - Food Services: Handles annual licensing of restaurants and routine health inspections of food establishments.
  - Pool Inspections: Provides public swimming pool inspection services and monitoring as required.
  - Revolving Housing: Assists in the repair and rehabilitation of at risk housing. (fee based service)
  - Lab Services: Provides required sampling testing services for the water reclamation plant.

- **Staff Assessment**
  - Administration: Adequate
  - Food Services: Adequate to below
  - Pool Inspections: Adequate to below
  - Revolving Housing: Adequate
  - Lab Services: Adequate