

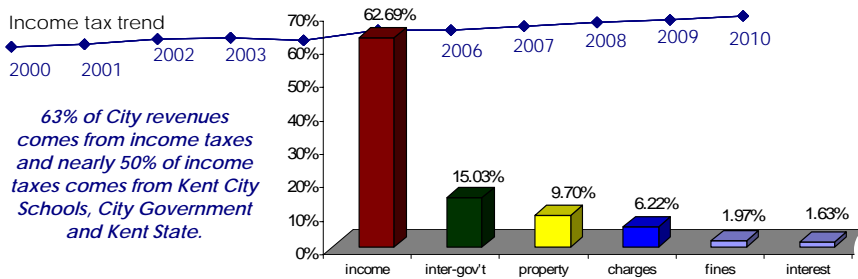


- engineering
- planning
- police
- water
- sewer
- streets
- parks
- law
- fire
- traffic
- health
- council
- city clerk
- civil service
- city manager
- human resources
- central maintenance

City of Kent

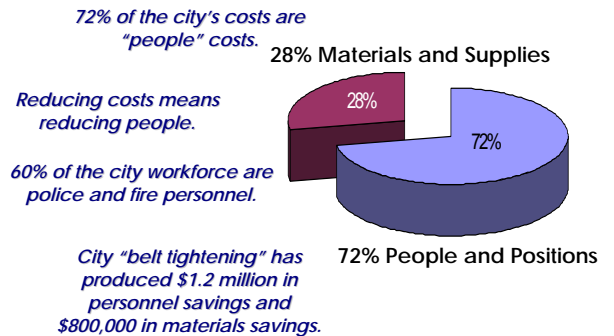
Financial Challenge

Revenues

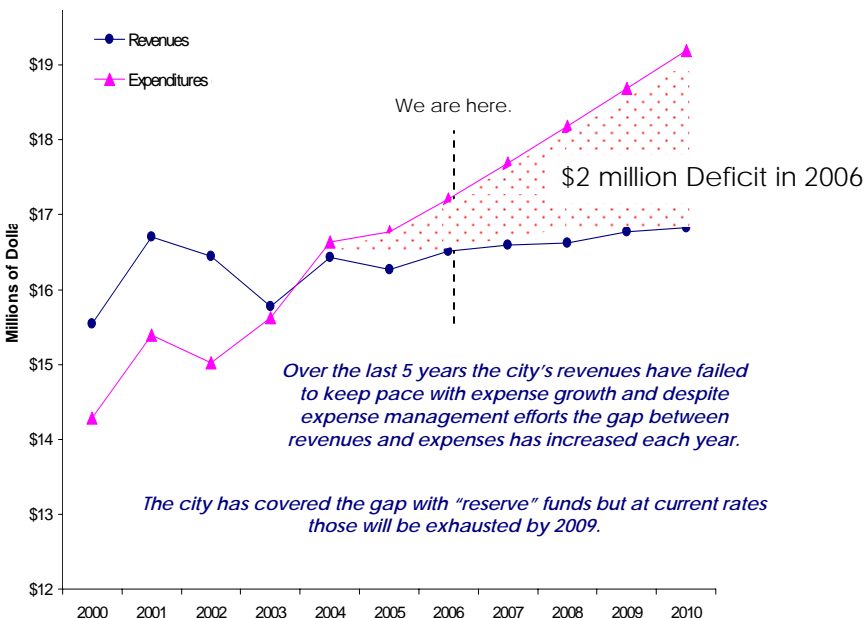


63% of City revenues comes from income taxes and nearly 50% of income taxes comes from Kent City Schools, City Government and Kent State.

Expenses



Budget Gap

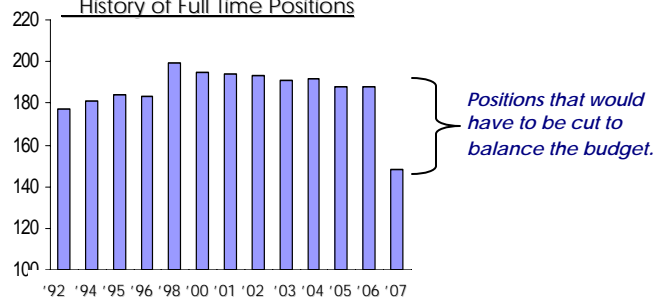


Position Cuts and Personnel Savings

| | | | |
|----------------------|-----------|-----------------------------------|------------|
| Planner to Part Time | \$ 37,750 | Froze 3 firefighters | \$ 259,800 |
| Reduced 3 police | \$247,500 | Froze 2 police | \$ 165,000 |
| Reduced 1 secretary | \$ 58,000 | Froze 1 supervisor | \$ 93,000 |
| Reduced 2 analysts | \$154,000 | Froze 1 plant op. | \$ 68,800 |
| Reduced 1 auditor | \$ 60,000 | | |
| Reduced 1 water op. | \$ 92,000 | | |
| | | TOTAL SAVED = \$ 1,235,800 | |

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

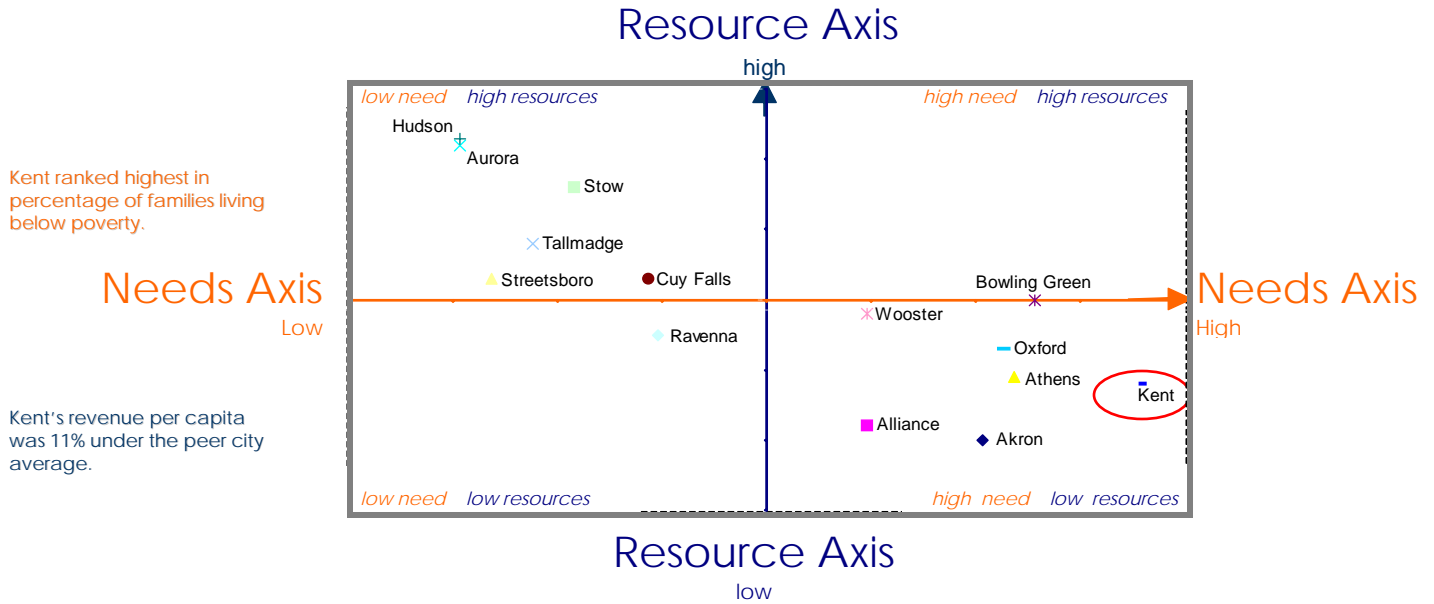
History of Full Time Positions



Kent Community:

Finding 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.



Kent Staffing and Activity Levels:

Finding Smaller Staff, More Work

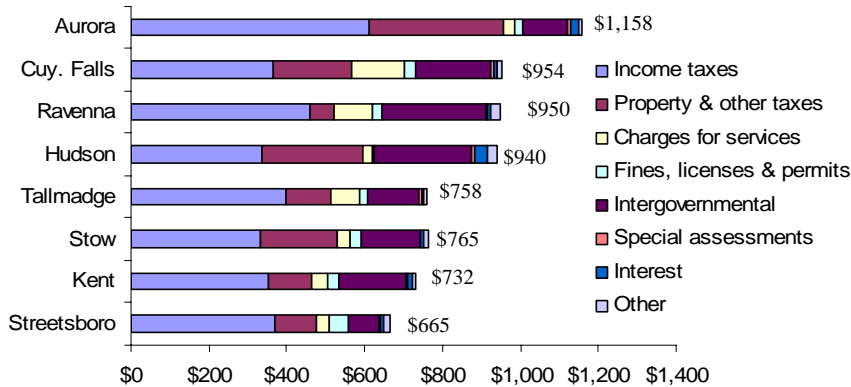
When compared to 13 peer cities (Akron, Aurora, Alliance, Athens, Bowling Green, Cuyahoga Falls, Hudson, Oxford, Ravenna, Stow, Streetsboro, Tallmadge and Wooster) Kent has less staff and smaller budgets but higher activity levels.

| Comparison Categories | | Below Average | At Average | Exceeds Average |
|--|--|---------------|------------|-----------------|
| For 12/15 measures Kent is budgeted and staffed below peer city averages. | 1. Spending and Staffing Levels | | | |
| | Expenses Per Capita | KENT | | |
| | Fire and EMS Costs Per Resident | | KENT | |
| | Fire and EMS Costs Per Population Served | KENT | | |
| | Fire Service Costs Per Call | KENT | | |
| | Fire and EMS Staffing | KENT | | |
| | Police and Fire Public Safety Costs Per Capita | KENT | | |
| | Police Costs Per Capita | KENT | | |
| | Sworn Police Per 1,000 Population | KENT | | |
| | Civilian Police Per 1,000 Population | | | KENT |
| | Public Service FTE Per 1,000 Population | KENT | | |
| | Public Service Budget Per Capita | KENT | | |
| | Public Service FTE Per Infrastructure Mile | KENT | | |
| | Parks and Rec Costs Per Capita | KENT | | |
| | General Gov't Costs Per Capita | KENT | | |
| | Comm. Devel. Costs Per Capita | | KENT | |
| | SUBTOTAL | 12/15 | 2/15 | 1/15 |
| For 6/10 measures Kent's service needs and activity levels exceeds peer city averages. | 2. Activity and Service Need Indicators | | | |
| | Fire and EMS Activity Levels | KENT | | |
| | Part 1 Crimes Per 1,000 Population | | KENT | |
| | Property Crimes Per 1,000 Population | | KENT | |
| | Personal Violence Per 1,000 Population | | | KENT |
| | Police Calls Per 1,000 Population | KENT | | |
| | Police Arrests Per 1,000 Population | | | KENT |
| | DUI Arrests Per 1,000 Population | | | KENT |
| | Infrastructure Value | | | KENT |
| | % of Infrastructure Rated Poor/Fair | | | KENT |
| | % of Roads Rated Poor/Fair | | | KENT |
| SUBTOTAL | 2/10 | 2/10 | 6/10 | |

Taxes and Cost of Living: Less Tax Revenues, Competitive Cost of Living

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.

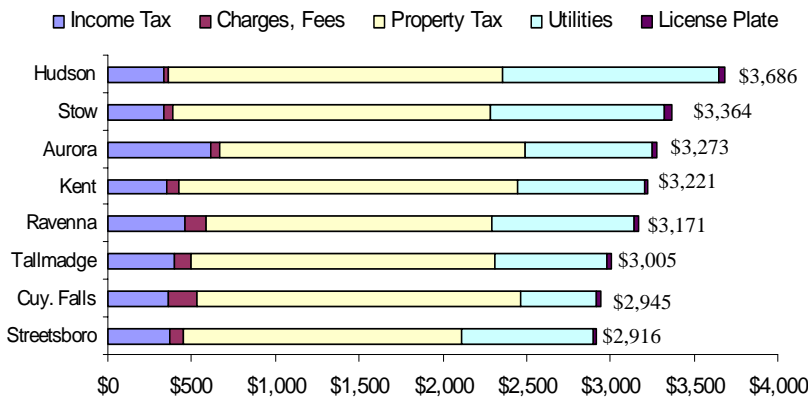
City Revenues Received Per Capita (excluding school revenues)



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

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.

City "Living" Costs Per Capita (including school taxes)

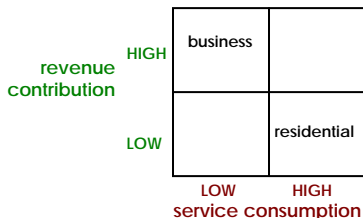


Only the City of Hudson has a higher school property tax allocation than Kent and Kent exceeds the regional school average by 12%.

Kent Tax Sources: Gain \$ on Businesses, Lose \$ on Homes

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.

Tax Contribution Matrix



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

| Type of Land Use | Fiscal Impact on City |
|-----------------------|-----------------------|
| Research Tech Park | +++ |
| Office Park | +++ |
| Industrial | ++ |
| Commercial Retail | ++ |
| Restaurant Bar | + |
| Open Space | + |
| Garden Apartments | -- |
| Mid Rise Apartments | - |
| Condominiums | - |
| Rental Homes | -- |
| Single Family (owned) | - |

Public Safety

| POLICE | Administration | Patrol | Dispatch | Compliance/Jail | Pension |
|--|---|--|--|---|--|
| % budget | | | | | |
| % people | | | | | |
| customers: 50,000 | <u>Resources</u> | <u>Resources</u> | <u>Resources</u> | <u>Resources</u> | <u>Resources</u> |
| 06 Budget: \$5,830,000 | Budget: \$ 400,000 | Budget: \$ 4,200,000 | Budget: \$ 930,000 | Budget: \$ 180,000 | Budget: \$ 118,000 |
| Employees: 66 FTE | People: 4 FTE | People: 42 FTE (2 frozen) | People: 13 FTE | People: 7 FTE | People: |
| Funding Sources: 100% Gen Fund (\$2.4 million income tax) | <u>Business Focus</u> | <u>Business Focus</u> | <u>Business Focus</u> | <u>Business Focus</u> | <u>Business Focus</u> |
| | Administration manages police 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. | This is a financial account that provides for the police pension that is generated from .30 mills of property tax. |

| Staff Assessment | Resource Position | Resource Position | Resource Position | Resource Position | Resource Position |
|------------------|-------------------|--|--|--|--|
| | | | | | |
| | Adequate | Lagging | Adequate to below | Adequate to below | Adequate |
| | | 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 | Fire and Rescue | Fire Services | Pension |
|---|---|---|--|--|
| % budget | | | | |
| % people | | | | |
| customers: 75,000 | <u>Resources</u> | <u>Resources</u> | <u>Resources</u> | <u>Resources</u> |
| 06 Budget: \$4,060,000 | Budget: \$ 200,000 | Budget: \$ 3,660,000 | Budget: \$ 200,000 | Budget: \$ 118,000 |
| Employees: 40 FTE | People: 2 FTE | People: 36 FTE, (3 frozen) | People: 2 FTE | People: |
| Funding Sources: 56% Contracts 38% General 6% Levy | <u>Business Focus</u> | <u>Business Focus</u> | <u>Business Focus</u> | <u>Business Focus</u> |
| | 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. | This is a financial account that provides for the fire pension that is generated from .30 mills of property tax. |

| Staff Assessment | Resource Position | Resource Position | Resource Position | Resource Position |
|------------------|--|---|---|--|
| | | | | |
| | Lagging | Lagging | Adequate to below | Adequate |
| | 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

| ADMIN. | City Manager | City Clerk/Council | HR/Civil Service | Law | Community Fund |
|---|--|--|---|--|---|
| % budget | | | | | |
| % people | | | | | |
| customers: 50,000 | Resources | Resources | Resources | Resources | Resources |
| 06 Budget: \$1,040,000 | Budget: \$ 270,000 | Budget: \$ 190,000 | Budget: \$ 150,000 | Budget: \$ 380,000 | Budget: \$ 50,000 |
| Employees: 9 FTE, 13 PT | People: 2 FTE | People: 1 FTE, 10 PT | People: 2 FTE, 3 PT | People: 4 FTE | People: |
| Funding Sources 100% General | Business Focus | Business Focus | Business Focus | Business Focus | Business Focus |
| HR Sources 60% General 20% Water 20% Sewer | 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 | Resource Position | Resource Position | Resource Position | Resource Position |
|------------------|-------------------|-------------------|---|-------------------|-------------------|
| | | | | | |
| | Adequate | Adequate | Adequate to below | Adequate | Adequate |
| | | | The city does not have an IT Manager and as a result the state of technology is behind in city functions. | | |

| FINANCE | Administration | Income Tax | Finance Operations | Utility Billing |
|---|---|--|---|---|
| % budget | | | | |
| % people | | | | |
| customers: 27,000 | Resources | Resources | Resources | Resources |
| 06 Budget: \$1,260,000 | Budget: \$ 360,000 | Budget: \$ 450,000 | Budget: \$ 300,000 | Budget: \$ 150,000 |
| Employees: 12 FTE | People: 4 FTE, (2 frozen) | People: 3 FTE, (1 frozen) | People: 3 FTE | People: 2 FTE |
| Funding Sources 50% General 50% Utilities | Business Focus | Business Focus | Business Focus | 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 | Resource Position | Resource Position | Resource Position |
|------------------|-------------------|-------------------|---|-------------------|
| | | | | |
| | Adequate | Adequate | Adequate to below | Adequate |
| | | | Investments in new tech could significantly improve staff productivity. | |

Public Service

| CENTRAL MAINT. | Administration | Transportation | Storm Drainage | Sanitary Sewers | Water Distribution |
|--|---|---|---|---|---|
| % budget | | | | | |
| % people | | | | | |
| customers: 27,000 | Resources | Resources | Resources | Resources | Resources |
| 06 Budget: \$3,455,000 | Budget: \$ 215,000 | Budget: \$ 825,000 | Budget: \$ 240,000 | Budget: \$270,000 | Budget: \$ 370,000 |
| Employees: 25 FTE | People: 3 FTE | People: 4 FTE | People: 2 FTE | People: 2.5 FTE | People: 3.5 FTE |
| Funding Sources: 60% General 20% Water 20% Sewer | Business Focus | Business Focus | Business Focus | Business Focus | Business Focus |
| | Administration manages all division business functions, e.g., personnel, purchasing, budgeting, customer service. | Transportation is responsible for the repairs, replacement, and installation of signs, signals and traffic markings; etc. | Provides street drainage response, maintenance and repair; also includes street sweeping. | Performs routine maintenance and emergency response for sanitary sewer collection system. | Performs routine maintenance and emergency response for water distribution network. |

| Staff Assessment | Resource Position | Resource Position | Resource Position | Resource Position | Resource Position |
|------------------|-------------------|--|-------------------|--|-------------------|
| | | | | | |
| | Adequate | Lagging | Adequate | Adequate to below | Adequate |
| | | The city lags in technology and funding for signals, LED bulbs, etc. | | The sanitary collection system has unfunded mtce. needs. | |

| CENTRAL MTCE. | Vehicle Mtce. | Tree Mtce. | Facilities Mtce. | Environmental | Special Events |
|---------------|---|--|---|---|---|
| % budget | | | | | |
| % people | | | | | |
| | Resources | Resources | Resources | Resources | Resources |
| | Budget: \$ 360,000 | Budget: \$ 325,000 | Budget: \$ 200,000 | Budget: \$ 600,000 | Budget: \$ 50,000 |
| | People: 4 FTE | People: 2 FTE | People: 1 FTE | People: 2 FTE | People: 1 FTE |
| | Business Focus | Business Focus | Business Focus | Business Focus | Business Focus |
| | Vehicle Mtce. personnel repair and maintain the city's vehicle fleet. | Crews manage the city's urban forestry and tree maintenance, projects required to comply with Tree City USA designation. | Facilities services include planning, maintenance, repair and capital construction. | Leaf collection, recycling, brush chipping, and related landscaping and gardening services. | Central Mtce. crews provide set up, take down and clean up work for community events. |

| Staff Assessment | Resource Position | Resource Position | Resource Position | Resource Position | Resource Position |
|------------------|---|---|---|---|--|
| | | | | | |
| | Adequate to below | Adequate to below | Lagging | Adequate | Adequate |
| | Vehicle replacement is often over-extended due to new purchase funding limitations. | The City complies with Tree City requirements but funding is at a bare minimum level. | The lack of staff and resources has not enabled proactive management of facilities. | Complaints are received concerning the reduction in brush collection frequency. | Resource levels support existing programs only, any new events would require additional resources. |

Public Service

| UTILITIES | Wastewater Plant | Water Plant | Engineering |
|---------------------------|---|--|---|
| | | | |
| | | | |
| customers: 27,000 | Resources Budget: \$ 1,410,000 | Resources Budget: \$1,310,000 | Resources Budget: \$ 400,000 |
| 06 Budget: \$3,120,000 | People: 10 FTE | People: 10 FTE | People: 8 FTE |
| Employees: 28 FTE | Business Focus The sewer plant is responsible for the operation and maintenance of plant and lift stations. | Business Focus The water plant is responsible for the operation and maintenance of plant, pump facilities and tanks. | Business Focus Responsible for site plan review, capital project planning, design, inspection and construction. |

| Staff Assessment | Resource Position | Resource Position | Resource Position |
|------------------|--|--|-------------------|
| | | | |
| | Adequate | Adequate to below | Adequate |
| | Sewer rates were raised last year to pay for increasing needs. | Increasing chemical and plant power costs have stretched resources thin. | |

Community Development

| COMM. DEV. | Administration | Dev. Services | CDBG Program | Building Inspection | Economic Dev. |
|---------------------------|--|---|--|--|---|
| | | | | | |
| | | | | | |
| customers: 27,000 | Resources Budget: \$ 250,000 | Resources Budget: \$ 550,000 | Resources Budget: \$ 400,000 | Resources Budget: \$ 240,000 | Resources Budget: \$ 270,000 |
| 06 Budget: \$1,720,000 | People: 3 FTE | People: 3 FTE | People: 1 FTE | People: 1 FTE, 6 PT | People: 1 FTE |
| Employees: 9 FTE, 6 PT | Business Focus Oversees the development services business functions, e.g., purchasing, budgeting, etc. | Business Focus Provides land use and development services, e.g., site plan, zoning, and manages social service, permit parking and shade tree programs. | Business Focus Administers the federal CDBG program including housing rehabilitation, fair housing, etc. | Business Focus Provides inspection services to ensure compliance with state and city building code requirements. | Business Focus Manages a range of tax abatement, tax incentive, and business development programs to attract, grow and retain businesses. |

| Staff Assessment | Resource Position | Resource Position | Resource Position | Resource Position | Resource Position |
|------------------|-------------------|---|--|-------------------|--|
| | | | | | |
| | Adequate | Adequate to below | Adequate to below | Adequate | Adequate |
| | | 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 | Resources Budget: \$ 1,450,000 | Resources Budget: \$ 66,000 |
| Employees: 8 FTE, 51 PT | People: 8 FTE, 50 PT | People: 1 PT |
| Funding Sources: 100% Levies and Fees | Business Focus This budget area includes administration of programs, maintenance of parks, recreational supplies, and special event funding. | Business Focus The Kent Amateur Baseball Congress funding is used to support softball development leagues in Kent. |
| Staff Assessment | Resource Position ▲ Adequate | Resource Position ▲ Adequate |

Health Services

| HEALTH | Administration | Food Services | Pool Inspections | Revolving Housing | Lab Services |
|---|---|---|--|--|---|
| % budget | | | | | |
| % people | | | | | |
| customers: 27,000 | | | | | |
| 06 Budget: \$ 825,000 | Resources Budget: \$ 330,000 | Resources Budget: \$ 58,000 | Resources Budget: \$ 5,000 | Resources Budget: \$ 82,000 | Resources Budget: \$ 350,000 |
| Employees: 8 FTE, 1 PT | People: 3 FTE, 1PT | People: 2 FTE | People: | People: | People: 3 FTE |
| Funding Sources: 40% General 40% Sewer 20% Fees | Business Focus Oversees the Health department business functions, e.g., purchasing, budgeting, etc. | Business Focus Handles annual licensing of restaurants and routine health inspections of food establishments. | Business Focus Provides public swimming pool inspection services and monitoring as required. | Business Focus Assists in the repair in and rehabilitation of at risk housing. (fee based service) | Business Focus Provides required sampling testing services for the water reclamation plant. |
| Staff Assessment | Resource Position ▲ Adequate | Resource Position ▲ Adequate to below | Resource Position ▲ Adequate to below | Resource Position ▲ Adequate | Resource Position ▲ Adequate |