

# Financial Strategy Resource Team

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overtime	staffing	reductions	fees	taxes	econ dev	parking lot
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## Parking lot Items

### 1) Compare City Department OT to peer cities

*(done to extent possible in previous workshop)*

The first workshop in January was devoted to reviewing overtime trends and practices. A request was made to compare city trends and practices with peer cities. In trying to gather comparative data it became apparent that practices, service demands and resources vary so much between cities that comparative data was not meaningful for overtime purposes. With so much variability comparisons had little value so no further analysis was completed.

### 2) Calculate service demand vs. revenue contributions from KSU

*(to be presented)*

Staff has been working on coming up with a way to reasonably allocate costs for services so that some rough estimates can be made that isolate costs for services for the university. Generating these costs requires a fair amount of assumptions and educated "guessing" because the city does not track its costs at the business-by-business level which this requires.

On the other hand, the city has good information on direct revenues received from the university, through income tax receipts, and some assumptions can be made regarding the value of indirect economic benefits created by the university based on existing research findings.

From this data staff will try to offer a net impact statement for the university as a service consumer and revenue generator.

### 3) Discuss legal costs and use of professional services for legal work

*(done in previous meeting)*

Jim Silver provided an analysis and led a discussion of city legal costs at the February 22<sup>nd</sup> workshop. Jim provided a more detailed review of the City's use of in-house and outside counsel for specialty legal needs, e.g., labor law, tax law, bond counsel, etc. Jim illustrated the extent that specialty practices in the legal profession required frequent use of outside counsel for expert work. Jim has no further information to offer at this time.

### 4) Calculate effective tax rate for Kent and compare with peer cities

*(in progress)*

There were two parts to this request. One had to do with trying to normalize the per capita data by "backing out" the student population that live off campus in Kent who potentially distort the baseline data to the extent that they are service consumers but they don't actually pay

taxes. At the city's request, Kent State has completed a sort of their student database by permanent address to generate the number of students that could be reduced from the total population to come up with a revised per capita figure. The effective rates are being re-calculated based on the adjusted figures for distribution Wednesday night.

The second part of the request involved factoring in more costs than were used in the first round of calculations – property tax, income tax, typical fees, water and sewer charges – in order to provide a broader snapshot of the cost of living comparisons across communities. Staff has been polling the peer cities to gather relevant stormwater fees, street lighting fees, assessments, etc. To the extent that this data is available staff will present their findings Wednesday night.

5) Investigate the use of seasonal Solid Waste fees

*(deferred – as it requires more time for analysis)*

This item remains on the staff “to do” list as the analysis has not yet been completed. In part, the comparative work required for item #4 above should provide good background data as to what seasonal fees are used elsewhere and could be used to guide Kent's effort.

6) Evaluate the impact of charging for parking

*(deferred to Aug./Sept. per R. Hawksley's request)*

Councilman Hawksley has been advocating consideration of parking fees to capture a portion of the costs related to providing parking services, e.g., enforcement, signage, maintenance, etc. in order to better manage parking services, send a price signal (meaning parking and driving on city streets is not free) and to encourage more use of alternative modes of transportation. Rick will be on vacation in July and he plans to present his recommendation in August / September at the regular Council committee meeting.

7) Explore the use of using city inspection personnel in the JEDD area

*(in progress)*

The idea behind this item was to better optimize (get more work) from existing personnel and leverage the city's technical knowledge to generate more revenues from the increasing development in the townships. Initial review of this item suggested that the extension of city staff into the townships could spread resources thinner than desired, especially since this staff is also increasingly involved in code compliance and nuisance abatement activities in the city.

Re-directing city staff to more township work would mean less focus on city issues at a time when the city issues arguably need more attention. The prospect of hiring more city staff to cover the gap – the costs of which we would try to recover from fees levied for township work – seems fairly low given both the city's and the township's fiscal constraints, and the

JEDD themselves are not currently generating the level of revenue needed to pay for additional personnel.

Staff will be available to discuss the legal and functional complications of this proposal Wednesday night but I not recommend spending any more additional time on this issue at this time.

8) Rate of unemployment and retirees from census data  
*(to be presented)*

Barb Rissland has been working with the different aspects of the census data to try to come up with figures that indicate the level of under-employment by distinguishing between retired/unemployed and non-retired/unemployed as requested. She's collected more data from the census but it doesn't appear possible to cull out retirees who are unemployed or not. Barb will distribute what she's assembled at the workshop.

9) Further investigation into fees that can be charged, e.g., street lighting  
*(to be presented)*

This item is similar to the work underway for Items #4 and #5 and the finding of those efforts should facilitate answering this item as well. Barb has been polling peer cities and checking with legal counsel to verify what is allowed to be charged under Ohio law. She should be able to present her findings Wednesday night.

10) Identification of a 10 year solution showing cuts to balance budget  
*(in progress)*

This item is one of the first steps leading into the strategy discussions and staff is working on providing this input in preparation for the August workshop. The staff will identify the size of the gap in the budget as it stands now and forecast the gap over the next 10 years. Financial forecasts for 5 years out are feasible with a reasonable degree of accuracy but for years 5 - 10 those estimates are based mostly on assumptions of future conditions which are largely speculative.

Staff is not identifying what cuts need to be made, we are only calculating how much of a cut would be needed to balance the budget as it stands today. I would be remiss to not point out that how things stand today (level of resources) can not be sustained for the long term. We have been in a "freeze" mode with our resources yet service expectations and service costs are not "freezable" so we've been losing ground for the last 5 years.

There are two targets that we will seek to present: 1)how much money (either thru taxes or cuts) is needed to keep from having to lay off any employees; and 2)how much money is needed to fund the services to match service expectations as they stand today. From there we can look

at answering the question, what sort of community do we want Kent to be and then figure out how much it will cost to get us there.

11) Report on the amount of outstanding fines for last 5 years

*(done in previous meeting)*

Jim Silver researched this issue and reported back to Council with his findings in May.

12) Report on integrating KSU and City fee/fine collection systems

*(in progress)*

Summer schedules have not provided an opportunity to discuss this item with KSU staff. The issue is whether there is an opportunity to utilize the university collection mechanisms to support city based fees and fines. I understand that Jim Silver has reviewed this request before and he determined that the university can not legally enforce city fines through their systems but I will ask him to update his opinion.