

Kent Benchmarks



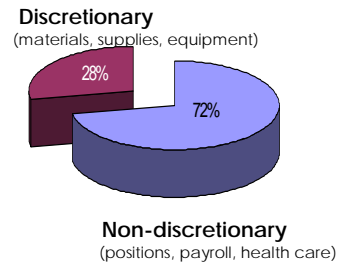
Financial Staffing Performance

Workshop #2
February 22, 2006

Financial Benchmarks

City of Kent

With 72% of the City's annual budget allocated to personnel related costs (e.g., salaries, health insurance, retirement benefits, etc.) staffing and employee productivity levels have significant influence on the City's financial condition. This report provides comparative data on relative staffing levels in Kent and select peer cities as a means to benchmark staffing efficiency and effectiveness. The comparative analysis is not intended for dollar-to-dollar comparisons, rather it provides general indicators of staffing commitments that can serve to signal relative positions of weakness or strength.



About the Data

The data was prepared using existing data sources, e.g., the 2000 Census, International City Manager's Association (ICMA), State of Ohio Auditor's Office. New data was also gathered by Kent staff for the purposes of this report using peer surveys.

No two cities are exactly the same and every city has its own nuances for budgeting and staffing that make exact comparisons across city borders challenging. However, the data in this report was normalized as much as possible in order to allow generalized comparisons and any significant differences remaining between cities are noted in the respective charts.

The inability to cross-check and control for all variables between the different jurisdictions makes this a "course grain" analysis, not "fine grain." What we are looking for in the data is order of magnitude differences that might raise red flags and suggest the need for further investigation. The data should not be considered conclusive in itself, it is at best an indicator that detects differences and brings focus to further review.

Kent and Peer Cities

Staffing

Staffing represents a resource allocation decision. It is the assignment of dollars to fund positions required to execute city policies and do the work necessary to achieve community goals. Policies and plans do nothing until employees put them to work.

Staffing does not happen in a vacuum, it is directly tied to the local context and while there are commonalities across jurisdictional boundaries, there's many differences that reflect the unique socio-economic, demographic and political contexts of each community. These differences result in different service needs in each community, and each community in turn has different levels of resources available to fill those needs. Despite these differences, we have tried to distill meaningful staffing comparisons.

Select Peer Cities

Staff selected peer cities that would appear to have the most in common with Kent. The principle criteria for peer cities was geographic proximity (north east Ohio) and relative size (in population/land area). In addition, given the presence of Kent State University, staff also included a number of similarly sized university cities, also from Ohio. Lastly, for reference purposes, staff included the City of Akron and where available data from the International City Manager's Association to provide national averages.

Regional Cities

City of Aurora
City of Cuyahoga Falls
City of Hudson
City of Ravenna
City of Stow
City of Streetsboro
City of Tallmadge

University Cities

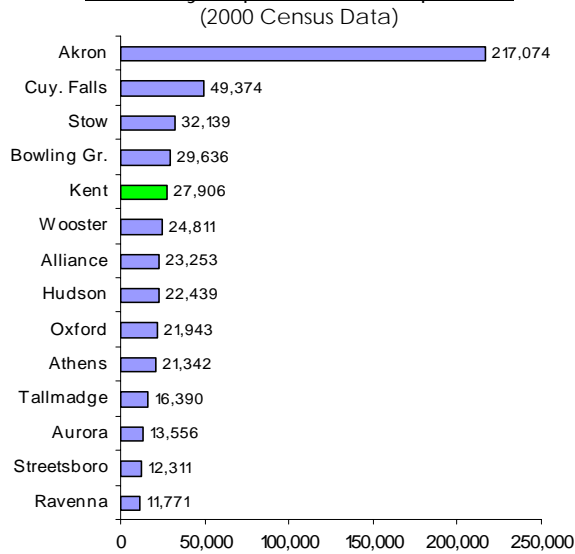
City of Athens, Ohio University
City of Alliance, Mount Union
City of Bowling Green, Bowling Green
City of Oxford, Miami of Ohio
City of Wooster, Wooster College
City of Akron, Akron U,

Community Demographic Context

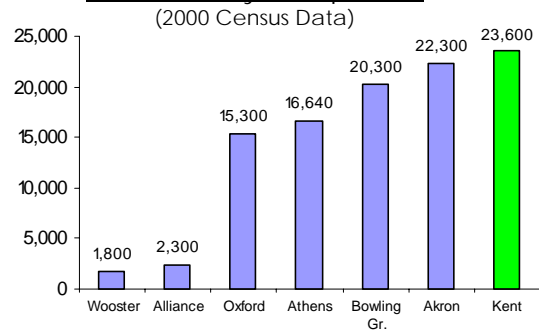
Of the peer cities selected Kent has the 5th largest resident population with 27,906. Of the cities with universities Kent ranks 3rd out of 8 based on resident population but 1st in student body size. Excluding Akron, Kent has the largest combined resident and student body population of all the peer cities at 51,500.

Kent is unique in that it is not predominantly residential nor predominantly student body as most of the other cities. Instead, it has both a relatively large residential community and a large campus community so its services have to be broad enough for the needs typical of each segment rather than specializing in one or the other.

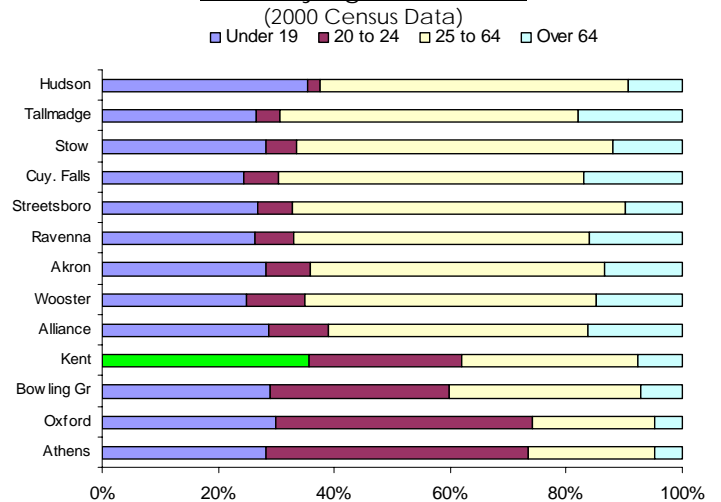
Peer City Population Comparison



Student Body Comparison

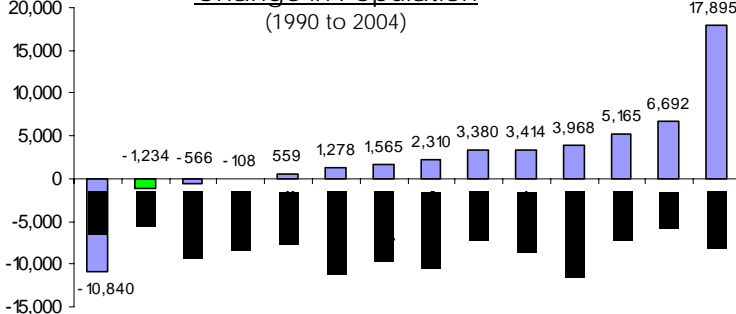


Peer City Age Distribution



In reviewing the age distribution within the peer cities, Kent again shows the tendencies of both a residential community and a campus community. Kent and Hudson have the largest cluster of children typical of residential communities but Kent also has a large segment of 20-24 year olds which is typical of campus communities. This combination places unique demands on city services.

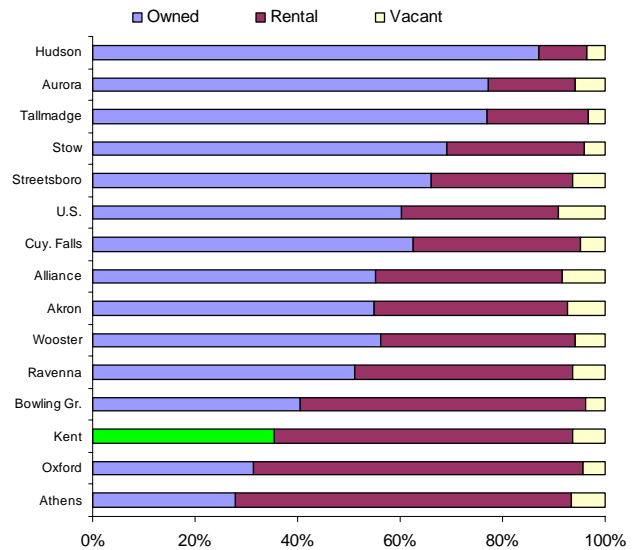
Change in Population



As most of the residential communities around Kent have experienced double digit growth, Kent has seen a 4% drop in its population base in the last 15 years.

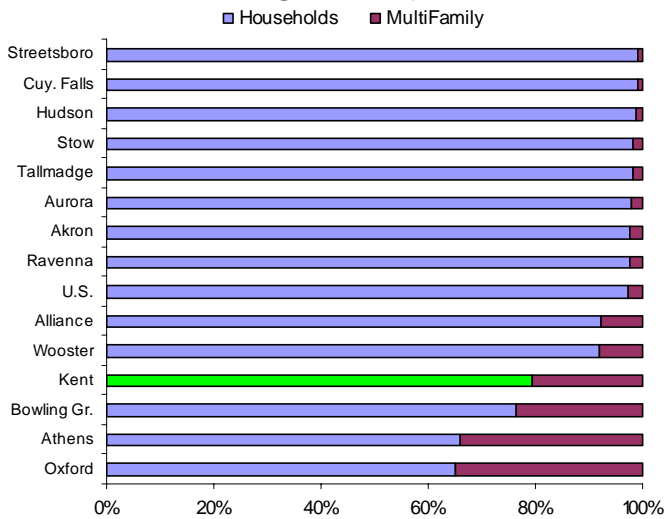
Housing ownership patterns across the peer cities indicates that Kent has one of the largest clusters of rental properties. Since rental properties tend to require more attention from city services, e.g., trash, fire, police, code violations, etc., the extent of the rental bloc in Kent will likely have an impact on city staffing levels.

Housing Ownership Comparison

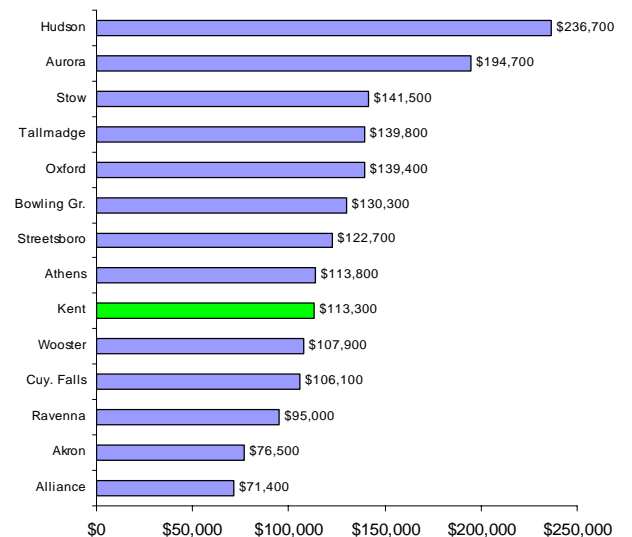


On a percentage basis Kent also has a relatively large number of multi-family structures. In this regard Kent's housing stock is more typical of university cities than residential communities.

Housing Stock (percent)



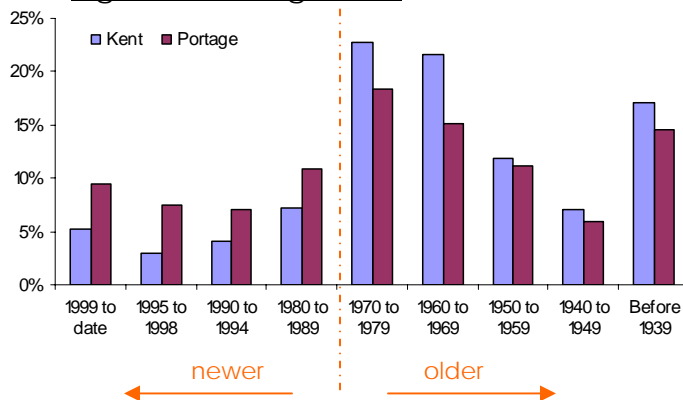
Median House Value Comparison (2000 Census Data)



The median home values for the peer cities indicates that Kent is in the lower half of the chart with comparatively inexpensive housing. The availability of reasonably priced housing is generally considered an economic advantage but when the age of the housing stock is factored in it would appear that the low cost of housing in Kent is not indicative of new affordable housing; rather it is symptomatic of an aging housing stock that is losing its competitive value over time, much of which is being converted to rentals.

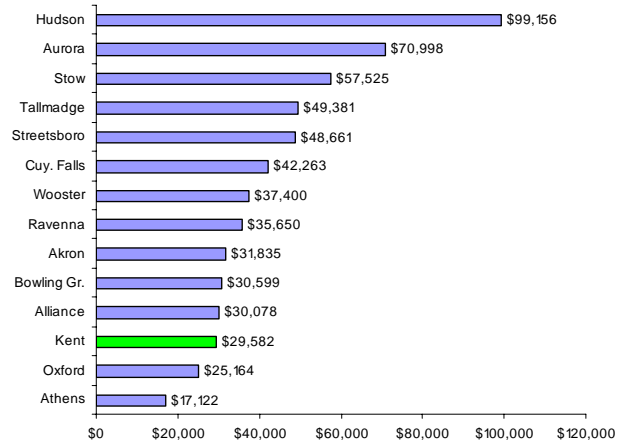
Kent lags behind Portage County in every category for new housing stock and exceeds Portage County for older homes in every category.

Age of Housing Stock

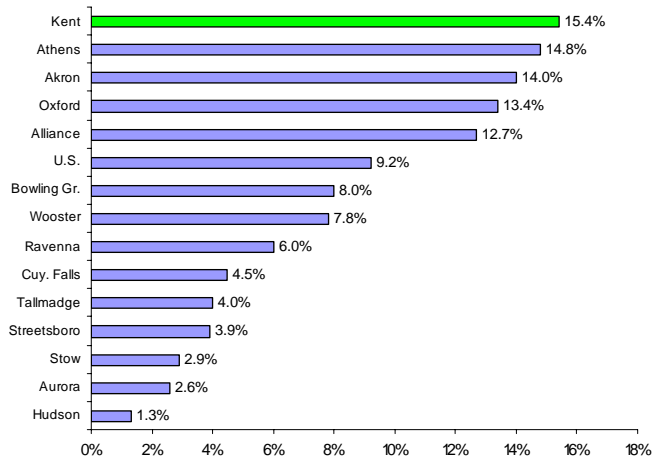


Income levels in a community provide an indicator of tax paying capacity. Cities with higher incomes generate greater income tax revenues. For the peer cities, income tax contributed an average of 52% of the total revenues collected. Kent has the unfortunate combination of a greater dependency on income tax (at 63%) and a median income that is 32% lower than the average of the peer cities and ranks third lowest overall.

Peer City Median Income
(2000 Census Data)



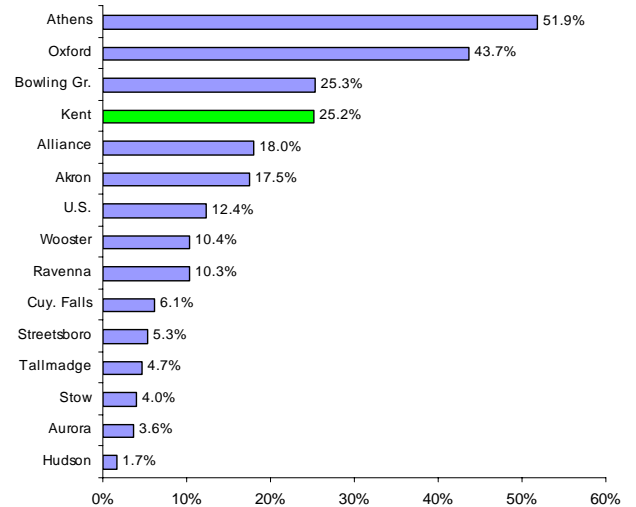
% of Families Below Poverty
(2000 Census Data)



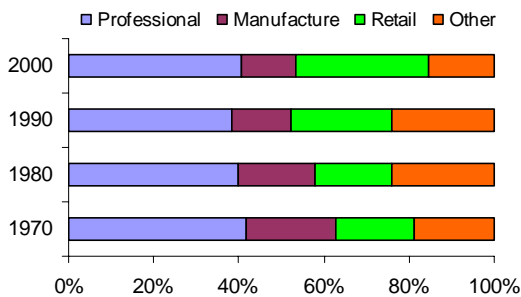
Income levels also provide an indication of service needs. For example, Kent leads all peer cities in the number of families living below the poverty level. Families in need typically rely on government supported services that might otherwise be purchased. Kent also has a high percentage of individuals living below poverty which is typical of a campus community. What's different in Kent is the large number of families living below the poverty line.

Families and individuals living below poverty tend to be more at-risk and often consume a higher degree of services. The challenge for Kent is providing that higher degree of service with a comparatively disadvantaged income tax base.

% Individuals Below Poverty
(2000 Census Data)



Kent Economic Base History

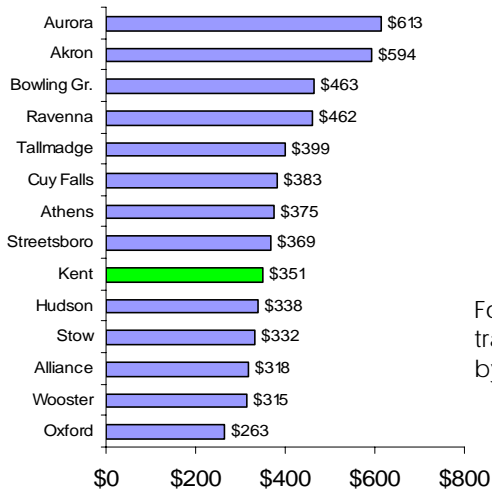


One of the trends contributing to the erosion of income tax in Kent has been the gradual loss of high paying manufacturing jobs that have been replaced with lower paying retail/restaurant types of jobs.

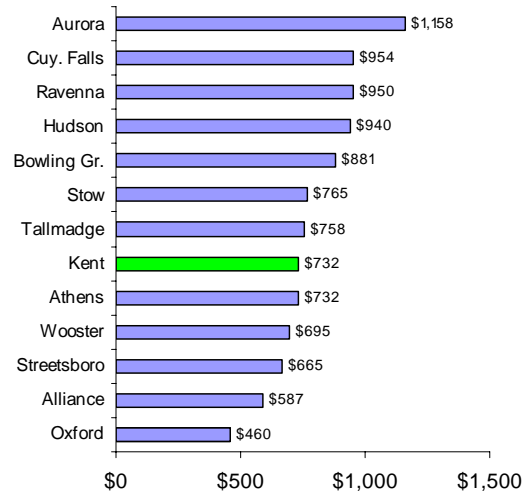
Revenues

In reviewing the revenue generated per capita in the peer cities the average overall was \$828 per person per year. Kent's revenue per capita was 11% under the average at \$732 per person.

2005 Income Tax Revenue Per Capita



2005 Total Revenue Per Capita

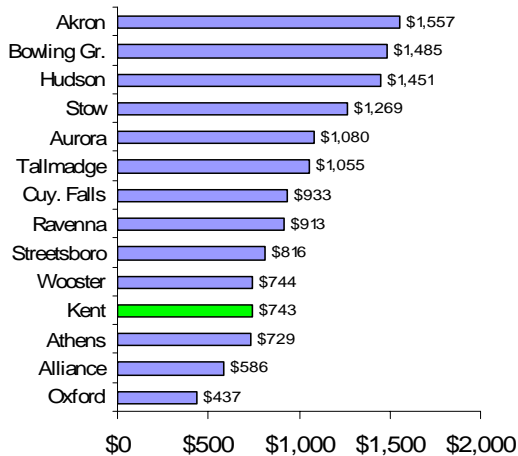


For income tax generated per capita, Kent also trailed the peer city average of \$397 per capita by 12% at \$351 per Kent resident.

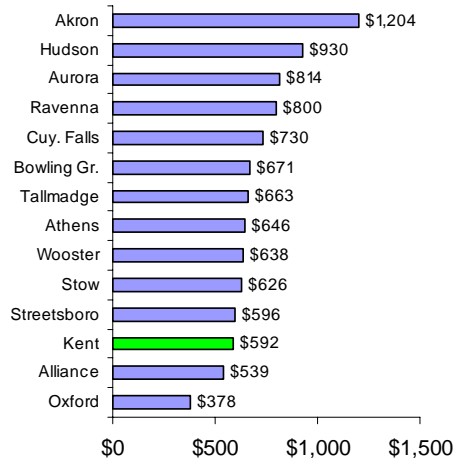
Expenses

On the expense side, total governmental expenses in 2005 per capita for the peer cities averaged \$986 per capita (including debt and capital) or \$702 per capita (excluding debt and capital). Kent spent 25% and 16% less (respectively) than the peer city averages in 2005.

2005 Total Expenses Per Capita
(including debt and capital)



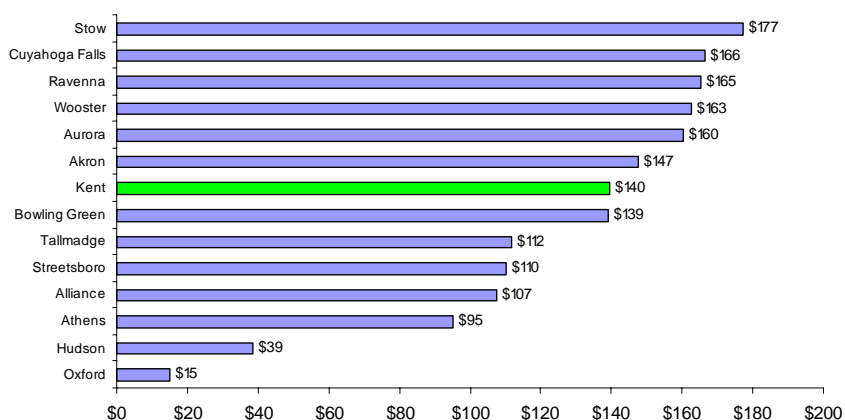
2005 Total Expenses Per Capita
(excluding debt and capital)



Fire and EMS Costs

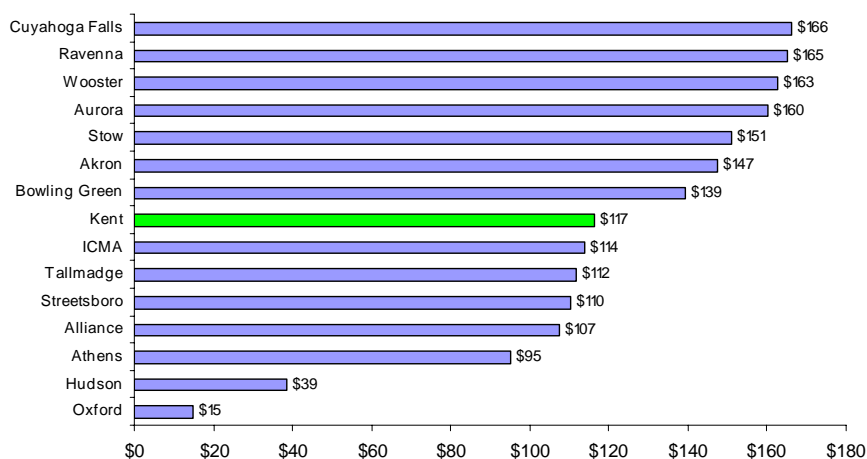
In comparing peer city Fire and EMS costs, there was a fairly wide range in costs due to a similarly wide range of services offered. Three of the cities do not provide EMS, but of those that provide both Fire and EMS the average cost per resident was \$140 – which is the same as the cost for Kent.

Peer Cities Fire Services Costs Per Resident



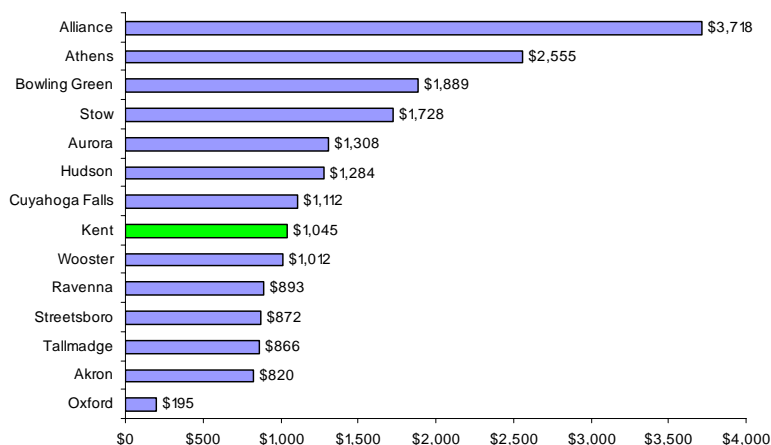
Since some of the peer cities offer service outside their borders, a cost per “population served” was also calculated. Using the total population served, the average cost was \$136 with Kent coming in 14% below the average at \$117.

Peer Cities Fire Services Costs Per Population Served



Lastly, the Fire and EMS costs were compared on a cost per call basis. The average cost per call was \$1,378, with Kent coming in 24% below the average at \$1,045.

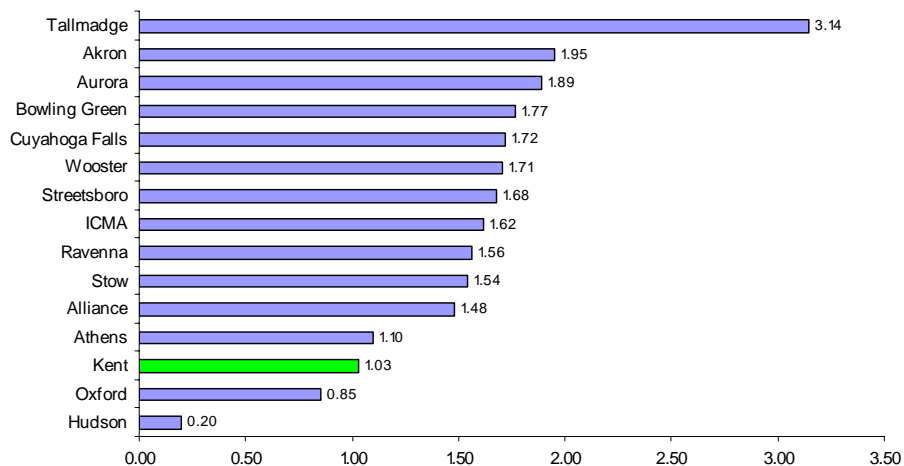
Peer Cities Fire Services Costs Per Call



Fire and EMS Staffing

In comparing peer city Fire and EMS staffing levels, the average number of employees per 1,000 population served for cities with both Fire and EMS is 1.71. At 1.03 Kent is 40% below its peer cities.

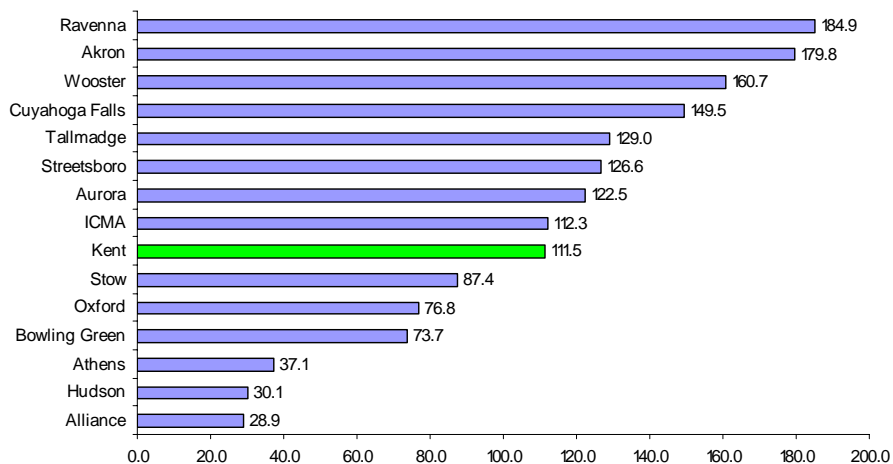
Peer Cities Fire & EMS FTE Per 1,000 Population Served



Fire and EMS Activity Levels

In comparing peer city Fire and EMS activity levels (number of calls per 1,000 population served), the average for all the peer cities in 2005 was 126 calls/1,000. At 112 calls, Kent was 12% below the average in 2005.

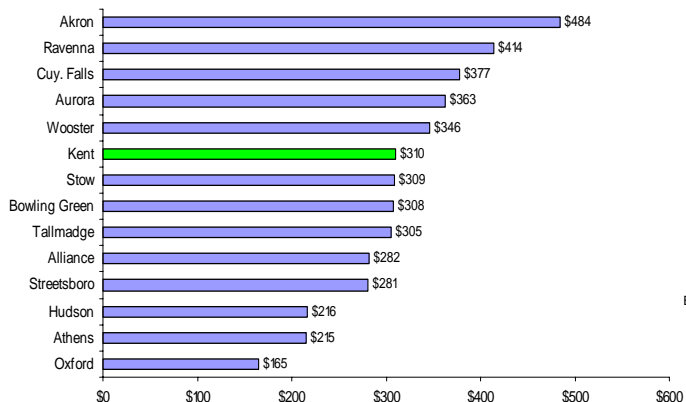
Peer Cities Fire & EMS Calls Per 1,000 Population Served



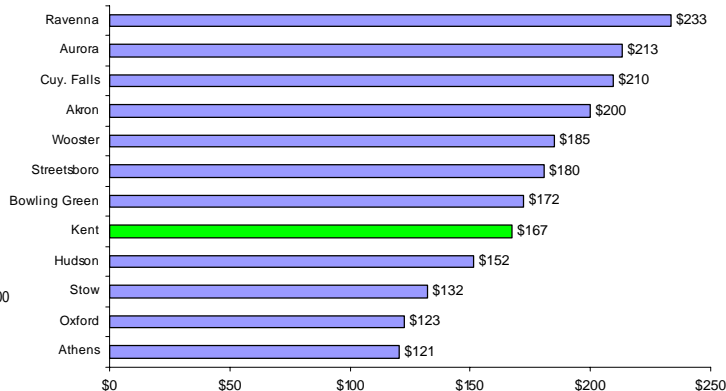
Police and Fire Service Costs

In comparing peer city Public Safety (Fire and Police) costs per capita using 2004 data, the average cost was \$313 per resident. Kent was just under the average at \$310 per resident.

2004 Peer Cities Public Safety Costs Per Capita



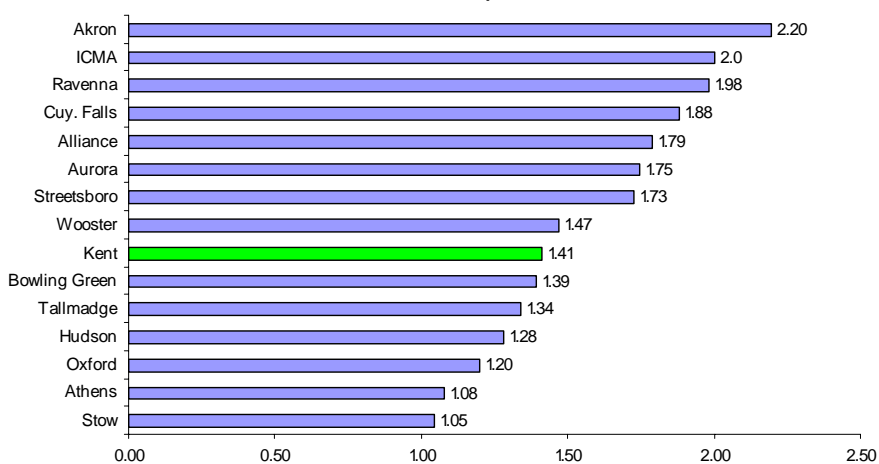
2004 Peer Cities Police Costs Per Capita



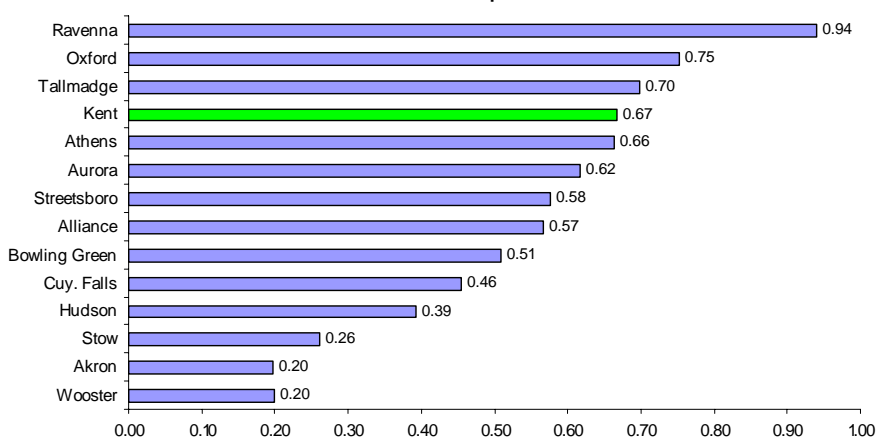
Police Staffing

In comparing peer city sworn police staffing levels, the average number of sworn officers per 1,000 population is 1.57. At 1.41 Kent is 10% below its peer cities. For the civilian workforce, the average is .54 so at .67 Kent is nearly 25% more than the average.

Peer Cities Sworn FTEs Per 1,000 Population



Peer Cities Civilian FTEs Per 1,000 Population

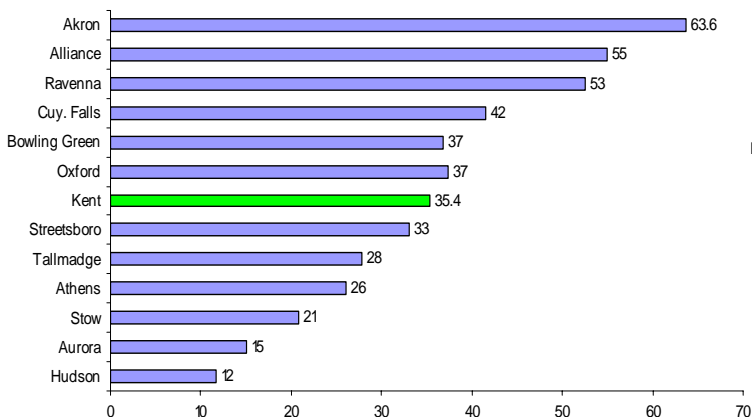


Police Activity Levels

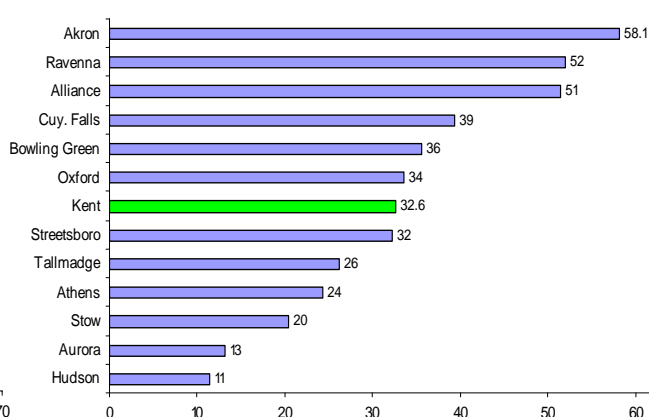
In comparing incidents of Part I Crimes per 1,000 population the average for the peer cities was 35. Kent was right on the average.

Likewise, with a Property Crime rate (per 1,000 population) average for the peer cities of 33, Kent was again at the average.

Part I Crimes Per 1,000 Population



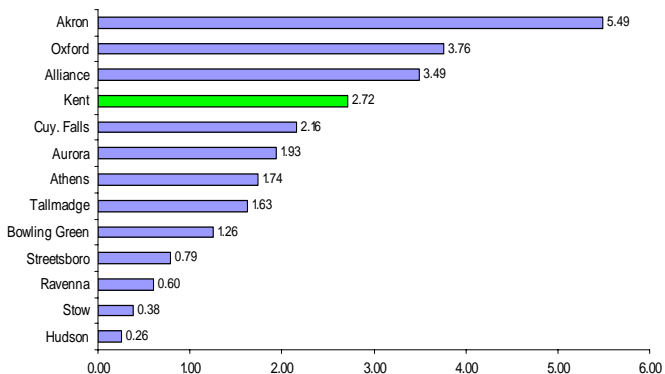
Property Crimes Per 1,000 Population



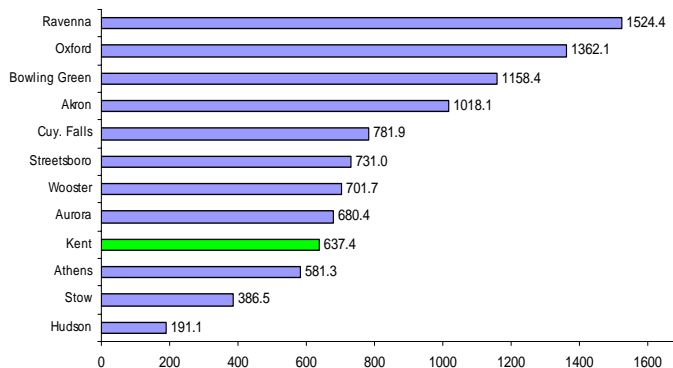
For incidents of Personal Violence Crimes the average for the peer cities was 2.02. Kent had a 35% higher incident rate at 2.72.

Despite being at or above the average for incidents of Part I, Property and Personal violence crimes, the total calls for service for Kent was 22% below the average at 637.

Personal Violence Crimes Per 1,000 Population



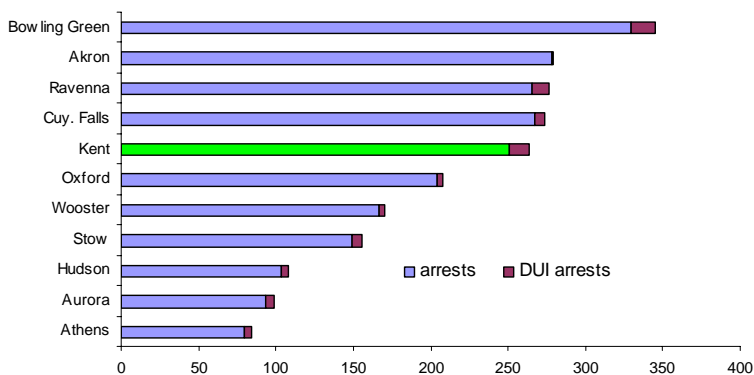
Police Calls for Service per 1,000 population



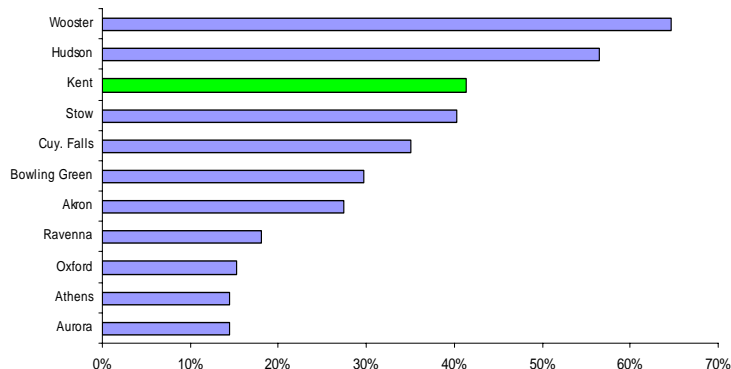
However, in terms of actual arrests and enforcement actions Kent was 28% over the peer city's average of 263.

With fewer calls for service and higher enforcement actions, the Kent Police action rate was 27% higher than the peer city's average.

Police Arrests and DUI per 1,000 population



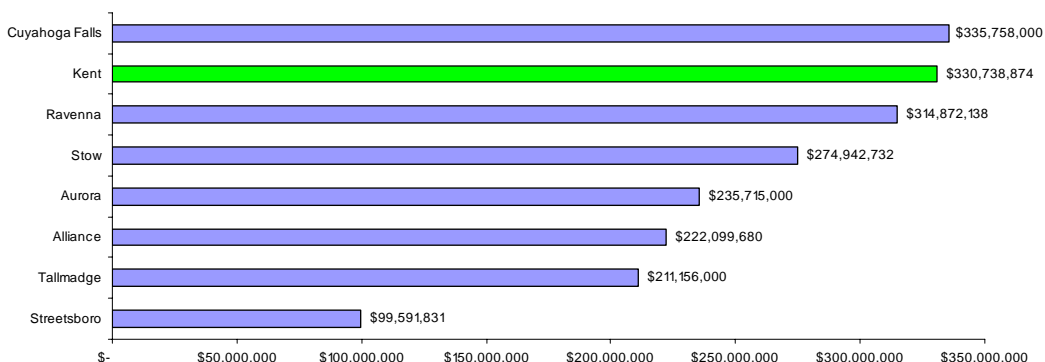
Police Arrests per Call



Infrastructure / Public Service Costs

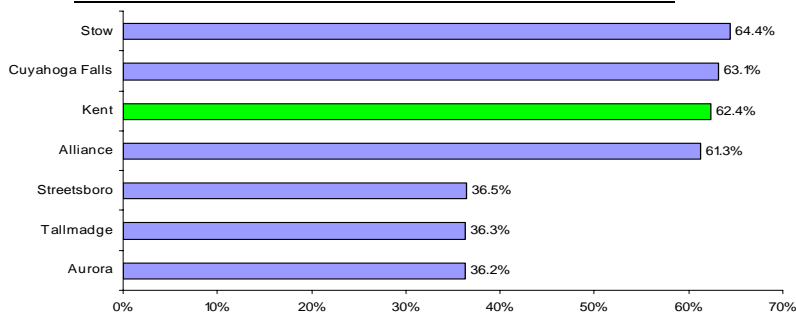
In comparing peer city infrastructure value (roads, bridges, culverts, water lines, sewer lines, etc.) Kent has one of the more extensive infrastructure systems in place estimated at a replacement value of \$330 million, second only to Cuyahoga Falls.

Peer City Total Infrastructure Value

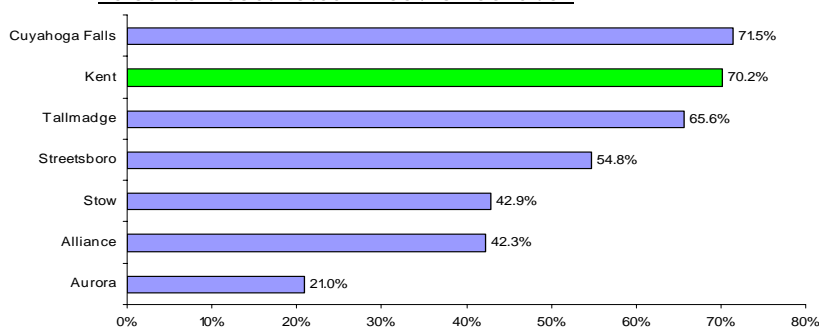


When comparing the percent of infrastructure rated in fair or poor condition, Kent rated in the top half with 62% of the infrastructure in poor condition. Just looking at road condition, 70% of Kent's roads were estimated to be in poor condition.

Percent of Total Infrastructure Rated in Poor/Fair Condition



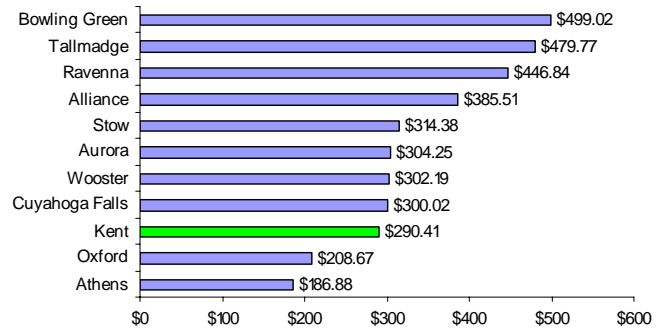
Percent of Roads Rated in Poor/Fair Condition



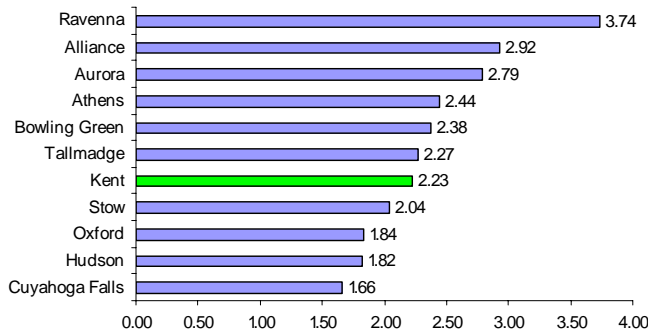
With one of the larger infrastructure systems, Kent is showing its age relative to the newer peer cities. As a result Kent has a high needs infrastructure network that will require a higher level of attention in maintenance until substantial capital reinvestments can be made.

In comparing the public service budgets per capita, Kent was 14% below the peer cities average of \$338.

Public Service Budget / Capita



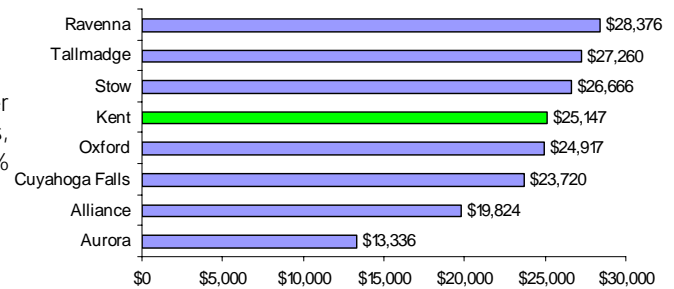
Public Service FTEs / 1,000 Pop



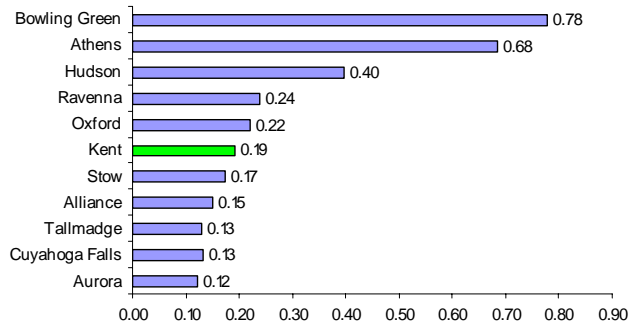
In comparing the number of public service FTEs per 1,000 population, Kent was 6% below the peer cities average of 2.37.

In comparing the public service budgets per mile of reported infrastructure (including roads, sewer, storm sewer, water mains), Kent was 6% over the average for peer cities.

Public Service Budget / Infrastructure Mile



Public Service FTE / Infrastructure Mile

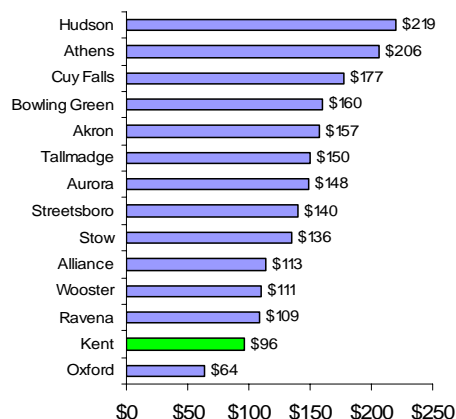


In comparing the number of public service FTEs per mile of infrastructure, Kent was 30% below the peer cities average of .29 FTE/mile.

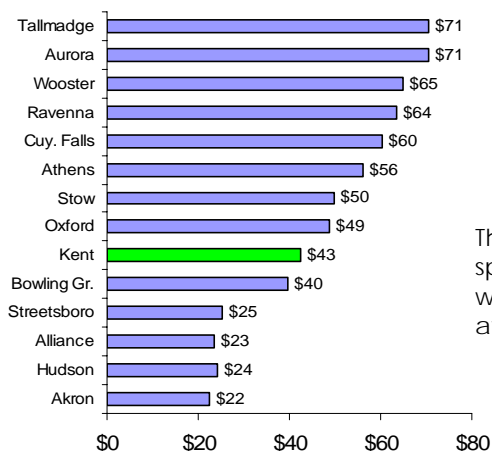
Comparative costs specific to Public Service functions is not currently available. Instead, general government costs were used.

The general government expenses per capita show Kent to be second lowest of all peer cities.

General Government Expenses Per Capita



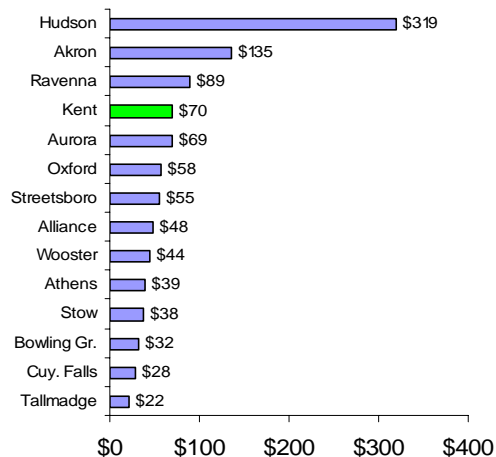
Parks and Rec Expenses Per Capita



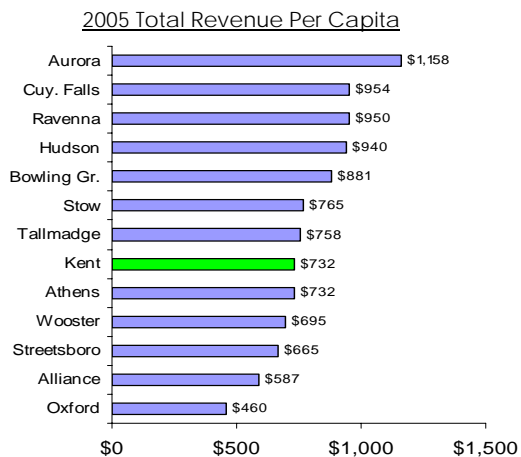
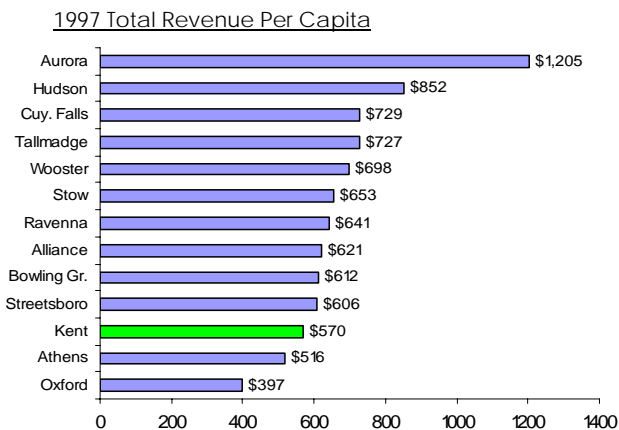
The average Parks and Recreation spending per capita for the peer cities was 47. Kent was 10% below the average at \$43 per capita.

The average Community Development spending per capita for the peer cities was \$75 including Hudson and \$55 excluding Hudson. Kent is in the high end of the range but its important to note that a significant portion of Kent's cost is related to the CDBG program that go towards impoverished neighborhoods.

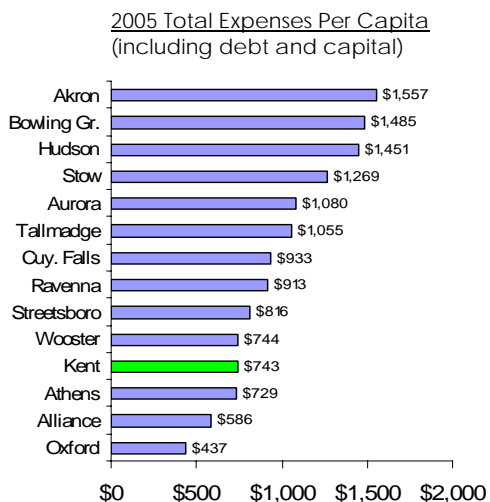
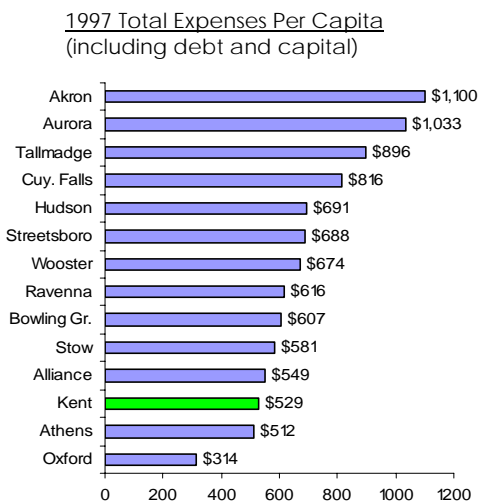
Community Development Expenses Per Capita



In comparing the total revenues received per capita in 1997 vs. 2005, the peer cities' average increased a total of \$128 (from \$700 in 1997 to \$828 in 2005). By comparison, Kent's revenues received per capita increased a total of \$126. Kent was 11.3% below the peer cities' in 1997 and 11.6% below in 2005.



For expenses per capita, the peer cities' average increased a total of \$299 (from \$686 in 1997 to \$985 in 2005). By comparison, Kent's expenses per capita increased a total of \$214, \$85 less per capita than the peer cities. In 1997 Kent's expenses per capita was 23% below the peer cities' and it fell further to 26% below by 2005.



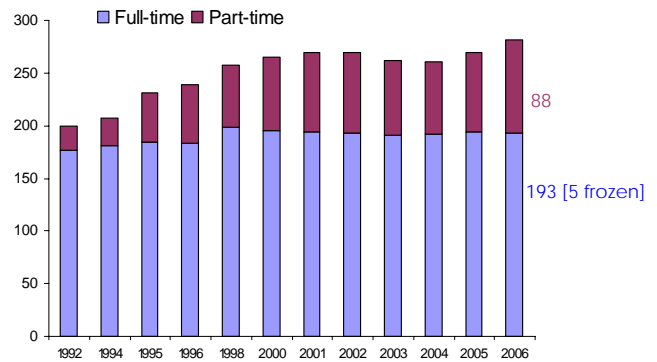
The comparative data between 1997 and 2005 shows that compared to its peers, Kent is proportionally getting less per capita in 2005 than it was in 1997 in revenues, and Kent is spending proportionally less per capita as well.

Kent Staffing

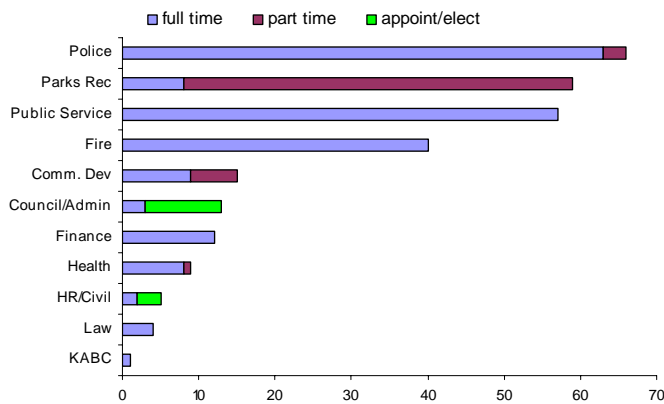
Kent full time positions reached a high of 199 in 1998. In 2006, there are 193 approved full time positions but only 188 are filled as 5 vacant positions have been frozen due to financial constraints.

The addition of positions has principally been in response to expanded city responsibilities, e.g., stormwater management.

Kent Staffing History



Kent Staffing by Department



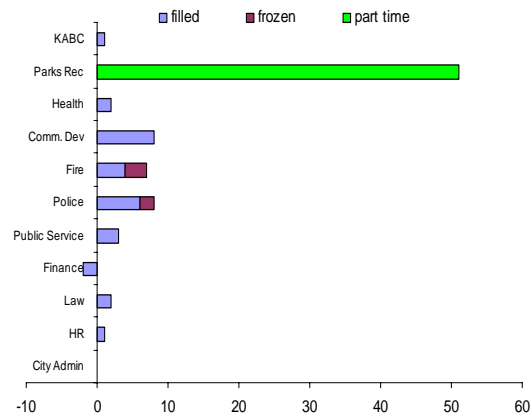
Overall, Police staffing represents 30% of the full time city workforce, followed by Public Service at 27% and Fire at 19%. These three departments comprise 76% of the total city workforce.

The increase in part time positions in Recreation reflects the transition from using contract service employees to using part time employees, e.g., seasonal positions, camp counselors, Before and After School Program.

Despite the fact that total parks acreage has nearly doubled (8 new park areas), the seasonal park maintenance positions has remained the same.

Changes in Staffing by Dept.

(1992 to 2006)



Position Cuts and Personnel Savings 2000-06

Planner to Part Time	\$ 37,750
Reduced 3 police positions	\$247,500
Reduced 1 secretary	\$ 58,000
Reduced 2 systems analysts	\$154,000
Reduced 1 tax auditor	\$ 60,000
Reduced 1 water specialist	\$ 92,000
Reduced 1 assignment spvr.	\$ 93,000
Reduced 1 wastewater oper.	\$ 68,800

TOTAL = \$ 811,050

Froze 3 firefighter positions	\$ 259,800
Froze 2 police positions	\$ 165,000

Total = \$ 424,800

Although new positions have been added to match new responsibilities, staff has managed to cut \$1.2 million from the personnel budget during the same period.

Report Summary

72% of City Budget is personnel related – so staffing levels and productivity affect financial condition

Community Profiles – indicates level of community need and resources available to fill the need

- Population – Kent has the largest combined resident and campus population of peer cities
-
- Age Demographic – Kent has patterns typical of both residential and campus communities
-
- Growth – Kent has lost 4% of its population base while suburban neighbors have had double digit growth
-
- Housing – Kent has a very high rate of rental properties and multi-family housing structures with an aging housing stock that lags in value compared to peer cities
-
- Income - the median income in Kent is 32% lower than the peer city average and Kent has the highest percentage of families living in poverty than any of the peer cities

Based on the profile data, Kent is a community with comparatively higher needs than peer cities (size of combined population, families living in poverty, high number of rental units) but unfortunately Kent has comparatively lower financial capabilities to meet those needs (low income, declining population, aging housing stock, diminishing manufacturing presence) creating a financial “double whammy.”

Government Financials – indicates comparative revenue and expense impacts of government services

- Revenues – Kent received 11% less tax revenue per capita (\$732) than the peer cities’ average (\$828)
- Total Expenses – Kent spent 25% less per capita (\$743) overall in 2005 than the peer cities’ average (\$986)
- Fire and EMS Costs – For each measure, Kent was either at or below the peer cities’ average costs
- Fire and EMS Staffing – Kent staffing was 40% less than the peer cities’ average
- Fire and EMS Activities – In 2005, Kent service calls dropped, falling below the peer cities’ average by 12%
- Police Costs - Kent police costs (\$310) were slightly under the average peer cities’ cost per capita (\$313)
- Police Staffing – The number of Kent sworn officers was below the peer cities’ average by 10% while the civilian force exceeded the peer cities’ average by 25%
- Police Activities – For each measure Kent police was either at or above the peer cities’ averages
- Infrastructure – Kent has one of the largest and oldest infrastructure networks of peer cities with 60-70% rated in fair or poor condition; Public Service FTE and Budget per capita below peer average
- General Government - Kent’s general government expenses were 2nd lowest of any peer city
- Parks and Rec – Kent’s costs per capita for Parks and Rec were 10% lower than the peer cities’ average
- Community Development – Kent’s costs per capita for Community Development were 7% lower than the peer cities’ average (including Hudson) but were generally high due to CDBG programs
- Staffing - Police staffing represents 30% of the full time city workforce, followed by Public Service at 27% and Fire at 19%. These three departments comprise 76% of the total city workforce. Since 1998 \$1.2 million in position cuts have occurred.

Kent’s costs for government services is lower in nearly every category than peer cities’ averages and likewise the revenue received per resident is lower in Kent than the peer cities’ average as well. Despite having comparable activity levels, Kent’s costs have been held down by having lower staffing levels than the peer cities.
