
APPENDICES

CITY OF KENT, OHIO
2013 RECOMMENDED CAPITAL APPROPRIATIONS BY FUND

		2013 RECOMMEND
GENERAL FUND - 001		
Service Administration		\$ 6,000
Service Administration - Shade Trees		10,000
TOTAL		\$ 16,000
PARKS AND RECREATION - 106		
Park and Recreation Services		\$ 1,506,000
TOTAL		\$ 1,506,000
Law Enforcement Trust - 125		
Police Services		\$ 0
TOTAL		\$ 0
COMMUNITY DEV BLOCK GRANT - 126		
CDBG Community Development		\$ 135,000
TOTAL		\$ 135,000
FIRE AND E.M.S. - 128		
Fire Services		\$ 292,000
TOTAL		\$ 292,000
Wireless 911 - 129		
Safety Services		\$ 0
TOTAL		\$ 0
WATER - 201		
Central Maintenance		19,000
Service (Plant)		625,000
Vehicle Maintenance		25,000
Engineering		5,000
Capital Facilities		0
TOTAL		\$ 674,000

CITY OF KENT, OHIO
2013 RECOMMENDED CAPITAL APPROPRIATIONS BY FUND (CONT'D)

	<u>2013</u> <u>RECOMMEND</u>
SEWER - 202	
Central Maintenance	19,000
Lab	20,700
Engineering	5,000
Vehicle Maintenance	25,000
Service (Admin)	0
Service (Plant)	1,107,000
Capital Facilities	0
TOTAL	\$ <u>1,176,700</u>
 STORM WATER DRAINAGE - 208	
Capital Facilities	\$ 1,416,000
Engineering	5,000
TOTAL	\$ <u>1,421,000</u>
 CAPITAL PROJECTS - 301	
Capital Projects - Safety	\$ 116,000
Capital Projects - Service Administration	60,000
Capital Projects - Central Maintenance	447,000
Capital Projects - Service (Capital Facilities)	2,040,266
Capital Projects - Engineering	12,000
Capital Projects - Health	19,000
Capital Projects - Community Development	15,525
Capital Projects - Vehicle Maintenance	100,000
TOTAL	\$ <u>2,809,791</u>
 GRAND TOTAL ALL FUNDS	 \$ <u><u>8,030,491</u></u>
 CHARTER TEST CAPITAL REQUIREMENT	 \$ 2,746,554
 CAPITAL RELATED TO CHARTER TEST	 \$ 2,425,888 **
 PERCENTAGE TO MEET CHARTER TEST	 38.25%
 RECOMMENDED CAPITAL IN EXCESS OF CHARTER REQUIREMENT	 \$ -320,666

****Includes Debt Service payments of \$198,000 on Service Administration G.O. Bond and Fairchild Issue II loan repayments of \$25,647, Elm/Mae/Morris \$4,300, and Erie/Depeyster \$37,000 and an estimated \$299,150 in debt service charges on the Fire Station/City Office Renovation Notes.**

CITY OF KENT, OHIO
2013 RECOMMENDED BUDGET
COMPARISON OF POSITIONS FUNDED BY BUDGET DIVISIONS

BUDGET DIVISIONS	2010 APPROVED	2011 APPROVED	2012 APPROVED	2013 RECOMMEND
<u>CITY COUNCIL</u>				
Councilmember	9	9	9	9
Clerk of Council	1	1	1	1
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<u>MAYOR</u>				
Mayor/President of Council	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>CITY MANAGER</u>				
City Manager	1	1	1	1
Executive Assistant to City Manager	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>HUMAN RESOURCES</u>				
Human Resources Manager	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>CIVIL SERVICE</u>				
Civil Service Commissioner	3	3	3	3
Civil Service Coordinator	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>LAW</u>				
Director of Law	1	1	1	1
Asst Law Dir/Prosecutor (part-time)	1	1	1	1
Asst Law Director (part-time)	1	1	1	1
Secretary to Dir. of Law	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>FINANCE ADMINISTRATION</u>				
Director of Budget and Finance	1	1	1	1
Controller	1	1	1	1
Operations Analyst	1	1	1	1
Senior Account Clerk	1	1	1	1
Account Clerk	5	5	5	5
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
<u>INCOME TAX ADMINISTRATION</u>				
Income Tax Auditor	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

CITY OF KENT, OHIO
2013 RECOMMENDED BUDGET
COMPARISON OF POSITIONS FUNDED BY BUDGET DIVISIONS (CONT.)

BUDGET DIVISIONS	2010 APPROVED	2011 APPROVED	2012 APPROVED	2013 RECOMMEND
<u>SERVICE ADMINISTRATION</u>				
Director of Public Service	1	1	1	1
Administrative Assistant to Director of Public Service	1	1	1	1
Account Clerk	1	1	1	1
Engineering Aide I (part-time)	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>ENGINEERING</u>				
Deputy Service Director/ Superintendent of Engineering	1	1	1	1
Senior Engineer	2	2	3	3
Senior Engineer (part-time)	1	1	0	0
Engineering Technician	2	2	2	2
Engineering Aide I	0	0	0	0
Engineering Aide II	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
<u>SAFETY DIRECTOR</u>				
Safety Director	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>POLICE SERVICES</u>				
Police Chief	1	1	1	1
Police Captain	2	2	2	2
Lieutenant	5	5	5	5
Technical Sergeant	4	4	4	4
Police Officer	27	27	27	27
Administrative Assistant to Chief	1	1	1	1
Secretary to Police Department	1	1	1	1
	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>
<u>RECORDS AND COMMUNICATIONS</u>				
Coordinator - Dispatchers	3	3	3	3
Clerk-Dispatcher	7	7	7	7
Clerk-Dispatcher (part-time)	3	3	3	3
	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
<u>JUVENILE SERVICES</u>				
Juvenile Counselor	1	1	1	1
Police Officer	3	3	3	3
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>SUPPORT SERVICES</u>				
Compliance Officer	1	1	1	1
Detention Officer (part-time)	6	6	6	6
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

CITY OF KENT, OHIO
2013 RECOMMENDED BUDGET
COMPARISON OF POSITIONS FUNDED BY BUDGET DIVISIONS (CONT.)

BUDGET DIVISIONS	2010 APPROVED	2011 APPROVED	2012 APPROVED	2013 RECOMMEND
<u>FIRE SERVICES</u>				
Fire Chief	1	1	1	1
Assistant Fire Chief	0	0	0	0
Fire Captain	3	3	3	3
Fire Lieutenant	3	3	3	3
Firefighter	27	27	27	27
Fireman - Paid on Call	3	3	3	3
Fire Services Specialist	1	1	1	1
	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>
<u>COMMUNITY SERVICES - FIRE</u>				
Fire Lieutenant	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>CENTRAL MAINTENANCE</u>				
Cent. Maint. Mgr./Water Dist. Spec.	1	1	0	0
Utilities Manager	0	0	1	1
Chief Operator	3	3	3	3
Repair Operator	3	3	3	3
Service Technician/Gardener	1	1	1	1
Service Worker	11	11	11	11
Maintenance Worker/Carpenter	1	1	1	1
Arborist Supervisor	1	1	0	0
Facilities Manager	0	0	1	1
Account Clerk	1	1	1	1
	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
<u>VEHICLE MAINTENANCE</u>				
Master Mechanic	1	1	1	1
Mechanic	3	3	3	3
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>WATER TREATMENT PLANT</u>				
Water Plant Manager	1	1	1	1
Water Laboratory Technician	1	1	1	1
Plant Mechanic	1	1	1	1
Water Plant Chief Operator	1	1	1	1
Water Plant Operator	5	5	5	5
Laborer (General Maintenance)	1	1	1	1
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<u>WASTEWATER TREATMENT PLANT</u>				
Water Reclamation Plant Mgr.	1	1	1	1
Plant Mechanic	1	1	1	1
Water Reclamation Plant Operator	7	7	7	7
Chemist	0	0	0	1
Laboratory Technician	0	0	0	1
Environmental Technician	0	0	0	1
Chief Operator	1	1	1	1
	<u>10</u>	<u>10</u>	<u>10</u>	<u>13</u>

**CITY OF KENT, OHIO
2013 RECOMMENDED BUDGET
COMPARISON OF POSITIONS FUNDED BY BUDGET DIVISIONS (CONT.)**

BUDGET DIVISIONS	2010 APPROVED	2011 APPROVED	2012 APPROVED	2013 RECOMMEND
<u>HEALTH</u>				
Health Commissioner	1	1	1	1
Deputy Health Commissioner	1	1	1	0
Public Health Sanitarian	2	2	2	3
Admin. Asst. to Health Commissioner	1	1	1	1
Laboratory Technician	2	2	2	0
Chemist	1	1	1	0
Secretary (part-time)	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>6</u>
<u>PARKS AND RECREATION</u>				
Director - Parks and Recreation	1	1	1	1
Supervisor - Recreation	1	1	1	1
Supervisor - Parks	1	1	1	1
Account Clerk	1	1	1	1
Parks Maintenance Laborer	2	2	2	2
Senior Parks Crew Leader	1	1	1	1
Part-time and Seasonal	34	35	37	39
	<u>41</u>	<u>42</u>	<u>44</u>	<u>46</u>
<u>KABC</u>				
KABC Coordinator-Part Time	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>K-6 CHILD CARE</u>				
Rec Specialist-Full-time	1	1	1	1
Part-time	16	16	16	16
	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
<u>COMMUNITY DEVELOPMENT</u>				
Director of Community Development	1	1	1	1
Administrative Assistant to Director of Community Development	1	1	1	1
Grants & Neighborhood Programs Coordinator	1	1	1	1
Development Planner	1	1	1	1
Development Engineer	1	1	1	1
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<u>BUILDING</u>				
Building Services Supervisor	1	1	1	1
Specialized Inspectors (part-time)	5	5	5	5
Code Enforcement Officer (full-time)	1	1	1	1
Account Clerk	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

**CITY OF KENT, OHIO
2013 RECOMMENDED BUDGET
COMPARISON OF POSITIONS FUNDED BY BUDGET DIVISIONS (CONT.)**

BUDGET DIVISIONS	2010 APPROVED	2011 APPROVED	2012 APPROVED	2013 RECOMMEND
<u>MAIN STREET PROGRAM</u>				
Sustainability Planner	1	0	0	0
	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>ECONOMIC DEVELOPMENT</u>				
Economic Development Director	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL ALL DEPARTMENTS	<u>278</u>	<u>278</u>	<u>280</u>	<u>282</u>
Full-time	193	192	192	192
Part-time	85	86	88	90

MANAGED RESERVE

This is the account that was established by Council and it is increased every year by the interest earned in the prior year. This balance is not shown anywhere in the budget document, however the estimated amount of interest is included as a use of income tax revenue.

116	Managed Reserve	\$2,221,407.87	As of September 31, 2012
		\$1,887,407.87	Held in Certificates of Deposit
		334,000.00	Held in City of Kent Bonds

Timing is Everything.

A lot of exciting things are happening in Kent. Big things, little things, things that have been dreamed about for decades – all of which hold great promise for Kent's future.

With the future so bright for Kent, what worries could a City Manager possibly have? My worries come from trying to figure out how to solve a serious financial shortfall that is hard to explain when all you see is new construction, new businesses and new jobs popping up each week in Kent.

There's no doubt that right now we're enjoying early success in turning our economy around but the benefits from those gains are still years out and in the meantime our financial troubles are as persistent as ever.

Kent has become the envy of peer cities all over Northeast Ohio for what we've been able to accomplish in these challenging economic times, and I wouldn't trade our future for anyone else's in the region, but we've still got lingering financial difficulties that continue to keep the City staff up at night.

At the moment we're living a mixed message financially. Our investments are off to a great start and should raise revenues over time but State funding cuts have set us back by \$900,000 more a year in lost revenues. Things are looking great and worse at the same time.

I'm sure that sounds crazy but it's really an issue of timing. There's no doubt that we've got momentum taking us in the right direction – the question is will we get there fast enough before we run out of cash.

Through 9 months in 2012 our income tax revenues are up 6%. If current trends hold that could translate into a \$600,000 improvement in income tax collections for 2012.

That kind of income tax jump in any economy is fantastic but in this economy it's worthy of a double fist pump and a chorus of "wahoo".

The trouble is figuring out how much of that new cash comes from temporary construction income taxes -- which will stop as soon as the construction stops -- and how much is a reflection of real job growth in Kent.

Our City financial folks have studied the numbers and they think that the majority of those new income taxes are actually construction related rather than the arrival of new jobs. We always planned to leverage the temporary construction income taxes

to help us bridge over the lingering financial shortfalls until the new jobs took hold and they tell me that's exactly what's happening.

As a bonus, all of the new student housing projects provided an unplanned boost in construction income taxes this year too, which makes the bottom line revenue look even more inflated right now, but those jobs will also be wrapping up shortly so we can't bank on that cash to be available to plow streets and respond to 911 calls beyond this year.

It's looking like it will be the end of 2013 before the downtown construction work will be winding down so heading into to 2014 I thought we'd begin to be able to get a handle on what our "new normal" income tax receipts will be - except that's about the same time that Kent State University will be hitting high gear with their \$200 million in construction on campus which will give us another nice shot in the arm from temporary construction revenues -- so it's still going to be very hard to determine what is temporary versus what is sustainable with income tax revenues.

I'll never complain about a temporary bump in revenues from construction, but it makes calibrating forecasts for sustainable budgeting a real challenge. With close to 75% of the City budget invested in our employees we can't afford to miss on our budget projections because a wrong turn means cutting services and losing jobs, so the stakes are high to get this right.

In case there's any confusion I want to reiterate that our immediate financial troubles are not a result of the City's investments in the downtown. The fact that the City's financial conditions were on a downward slide dating back to 2003 prompted City Council to make some strategic investments before it was too late and its working.

The City was able to take advantage of State economic development programs to finance the City's share of the downtown project by borrowing against future growth in revenues rather than putting a lot of cash in up front. It's like a line of credit that allowed us to advance ourselves cash to create new revenues most of which we've had to commit to use to pay ourselves back.

That strategy let us preserve our savings and keep City services operating during these lean years but it also means that we aren't going to receive a huge windfall in new revenues from the redeveloped blocks downtown until all of our new debt is paid off some 30 years from now.

We are calculating that after we pay our annual debt service on the \$6.8 million in bonds that we issued to build the parking garage and the adjacent infrastructure, we will be looking at about \$200,000/year net in new revenues from the downtown project. That's a full build out net revenue estimate so the soonest that would occur would be in 2014 with tax collection receipts beginning in 2015.

With the City budget dealing with a \$500,000 to \$1.8 million revenue shortfall each year, \$200,000 a year in new revenues isn't going to fix our financial problems but it creates an asset - a new downtown destination - that we believe has the capacity to create and sustain economic growth around the downtown core for years to come.

Evidence of that kind of adjacent investment has already begun and we figured that over a 2-4 year period our steady growth in revenues would allow us to close the gap in spending and get revenues out in front of expenses to eliminate deficit spending.

It's a solid plan that is working, but the State of Ohio threw us a curveball by announcing the elimination of the estate taxes and Local Government Funds last year. The elimination of these State revenues means an annual average loss of about \$900,000 a year for Kent.

So now our new \$200,000 a year in new revenues, plus the incremental growth that we hoped would close the gap in 2-4 years, has to cover the pre-existing gap of \$500,000 to \$1.8 million PLUS the loss of \$900,000 in State funds to make us whole. That's a tall order.

As a result of the State funding changes, our financial troubles doubled overnight. Thankfully we already had a plan in place to dig ourselves out but facing another \$900,000 loss from the State, we're figuring it's going to take twice as long, which puts us at 4-8 years out.

The question is will our existing savings, plus the temporary construction revenues we can collect along the way, be enough to bridge this gap which is now twice as long as originally planned?

It's too soon to tell. We're not in a state of panic yet and I don't want this to diminish anyone's enthusiasm for all the great things that are happening in Kent but I felt that it was important for residents to be aware of the financial challenge that remains as it may lead to discussions of cuts in services and personnel beyond the \$3 to \$4 million in cuts and savings that we have already achieved.