

City Budget Cuts and Savings

There was a lot of discussion of tax issues in Kent this past fall so I thought it was worth summarizing where things stand today. After voting to enact a change in the income tax credit the bottom fell out of the economy and Council decided to rescind their vote, keeping the tax credit at 100%. Council also voted to take an income tax rate change (.25%) to the voters next year.

Taxes are a sensitive issue and City Council has worked very hard to make this a discussion of last resort. We have cut jobs, frozen positions and cut services all to save money to avoid having a tax decision to make. We spent the first 8 months of 2006 studying the City's financial condition with a panel of local financial experts in public meetings hoping to find a solution that we might have missed. The citizen panel noted that when they signed up for the job they thought for sure there was some government fat somewhere to be found but by the end they reported that they saw no other option than to discuss taxes and that was what they recommended to City Council.

City Council thanked the citizen Blue Ribbon Panel for the many hours of study but as you might imagine they were still a bit uncomfortable with the prospect of raising taxes so they directed the City staff to hold public meetings in each Ward to get citizen reaction to the Panel's recommendations.

We held another 10 meetings visiting each Ward, we ran surveys and information articles in the Tree City Bulletin, we set up a web site dedicated to the financial study and tax recommendations, we ran stories on the KENT360 Blog site, and the Record Courier continued to cover this issue with a number of news stories as well. I raise these points only to say that Council has made it a priority for this to be an open process and to engage the community at every step of the way. That's why it has taken over 2 years from the start of the study work to Council action on the citizen recommendations.

I understand frustration with any talk of tax increases in these tough economic times and I can tell you so does City Council -that's why they haven't changed the City's income tax for 24 years. I regret that the discussion of the tax credit issue occurred in isolation from the total package of recommendations offered by the Blue Ribbon Panel because the Panel members worked really hard to that say all of us in Kent are in this together and all of us need to be part of the solution.

My job as City Manager is to ensure that the professional staff and I provide the highest levels of service possible with the resources that City Council allocates to us to do the job. I'm proud of what the City staff have done to delay the tax discussion through cost cutting and savings initiatives but as I listen to the tax debate I see that we haven't done a good job telling our cuts and savings story. Most people say before considering a tax change the City needs to tighten

it's belt, and I couldn't agree more, and that's exactly what we've been doing to the tune of \$6 million dollars since 2005. Here's how we did it.

City Operations Cuts and Savings

2005-06 Cost Savings

Blood Alcohol Testing	\$ 5,000
Sponsored Training	\$ 5,600
High Grass Transfer	\$ 1,500
One Stop Software	\$ 16,000
OSU Bicentennial Plan	\$ 100,000
In-House Design Work	\$ 16,000
Hook Lift Trucks	\$ 45,000
Vehicle Fuel Purchase	\$ 2,300
Oil Storage Room	\$ 1,900
Leaf Service Equipment	\$ 8,800
<u>Snow Plow Equipment</u>	<u>\$ 5,280</u>
SUBTOTAL	\$ 207,830

Phone Network Changes	\$ 15,700
Cell Phone Carrier	\$ 3,000
County-wide Rescue Team	\$ 52,000
Regional Haz Mat Team	\$ 23,000
Homeland Security Purchases	\$ 70,000
Smoke Trailer Elimination	\$ 6,000
Pager Contract Renegotiation	\$ 2,500
Digital Fingerprint Program	\$ 75,000
Deferred Vehicle Replacement	\$ 255,000
State Contract Purchases	\$ 30,000
Contract IT Services	\$ 35,000
<u>Firearms Qualifications</u>	<u>\$ 5,000</u>
SUBTOTAL	\$ 572,200

Road Salt Purchases	\$ 32,800
In-house Design of Area Q	\$ 12,450
Cuyahoga River Design Work	\$ 117,000
E. & W. Main Street Design	\$ 81,000
McKinney Blvd. Design	\$ 7,500
Glad Blvd. Re-Design	\$ 23,000
City Hall Parking Lot Design	\$ 6,000
Fish Creek Parking Lot	\$ 3,000
E. Main St. Ped Island Design	\$ 10,000
Liberty Garden Design	\$ 4,500
Middlebury Waterline	\$ 88,000
<u>Street Resurfacing</u>	<u>\$ 35,000</u>
SUBTOTAL	\$ 420,250

Uniform Contract Changes	\$ 19,000
Dissolved Floation Savings	\$ 20,000
Clarifier Reductions	\$ 1,000
In-Sludge Presses	\$ 200,000
Electric Demand Meters	\$ 84,000
Risk Management Plans	\$ 6,500
In-House Training	\$ 8,000
Sludge Conveyor Bldg.	\$ 50,000
Plant Heating	\$ 10,000
Property Mtce. Contract	\$ 2,500
<u>Water Level Monitoring</u>	<u>\$ 3,000</u>
SUBTOTAL	\$ 404,000
TOTAL	\$ 1,600,000

2007-08 Cost Savings

In-House CAFR	\$ 50,000
Grant Audits	\$ 44,000
Bank Changes	\$ 22,000
Bond Refinancing	\$ 650,000
In-House GASB 34	\$ 7,500
State Contracts	\$ 10,000
Law Funds	\$ 217,000
Training Cuts	\$ 2,000
Consolidated Equip.	\$ 5,000
In-House GIS	\$ 25,000
Vehicle Sharing	\$ 7,500
In-House Paving	\$ 82,000
In-House Wellhead Plan	\$ 41,000
In-House Plant Work	\$ 33,800
Reduced Sr. Engineer	\$ 38,000
Horning Rd. In-House	\$ 5,000
Environ. Training	\$ 20,000
<u>Construction Inspection</u>	<u>\$ 10,000</u>
TOTAL	\$ 1,269,800

**TOTAL O & M SAVINGS
2005 TO 2008 \$2,869,800**

**TOTAL PERSONNEL
SAVINGS 2005 TO 2008 \$3,325,800**

CUMULATIVE SAVINGS \$6,195,600

Proposed for 2009-10

Citywide Trash Bid	\$ 300,000
<u>Regional Tax Agency</u>	<u>\$ 225,000</u>
Subtotal	\$ 525,000

Personnel Cuts and Savings



The city cut 5% of the workforce and has frozen an additional 5% to contain costs.

2005	
Positions Cut	\$ 650,000
<u>Positions Frozen</u>	<u>\$ 586,600</u>
Subtotal	\$ 1,235,800

2006	
<u>Positions Frozen</u>	<u>\$ 1,100,000</u>
Subtotal	\$ 1,100,000

2007	
<u>Positions Frozen</u>	<u>\$ 990,000</u>
Subtotal	\$ 990,000

TOTAL \$ 3,325,800

