

CITY OF KENT
DEPARTMENT OF PUBLIC SERVICE

MEMO

November 25, 2009

To: Dave Ruller, City Manager

From: Gene Roberts

RE: Lease of City Bucket Truck

Gerald Shanley has been approached by the City of Aurora arborist regarding their need to rent a bucket truck to complete some tree trimming before the end of the year. Aurora is asking if the City of Kent is interested in renting the City's bucket truck at market value, Aurora's thought being that they would rather see a local community receive the rental income versus an out of county firm.

This type of issue was discussed during a Regional Service Committee Service Directors meeting without agreement between the communities represented. At issue are such things as insurance, damage, repair, maintenance, how to explain to Kent residents that see a Kent bucket truck in Aurora and how to get the equipment back to Kent if needed to respond to an emergency. I still believe that in the long run all communities will be better served if we share resources, having said that this may be a good starting point, a "test" so to speak.

Gerald has estimated that the City should receive \$500 to \$800 for the weekly rental of the bucket truck and I would like to at minimum investigate with Aurora their issues with this type of lease arrangements.

Given the time of Aurora's request to use the City's equipment, sometime in December 2009, I respectfully request Council's consideration of this issue.

Cc: Jim Silver, Law Director
Jack Hogue, Central Maintenance Manager
Gerald Shanley, City Arborist
file



CITY OF KENT, OHIO

DEPARTMENT OF FINANCE

TO: Dave Ruller, City Manager
FROM: Dave Coffee, Director of Budget and Finance *D. Coffee*
DATE: November 24, 2009
SUBJECT: Final 2009 Appropriation Amendments

I am hereby respectfully requesting City Council Committee agenda time to discuss plans for a final 2009 Amended Appropriations Ordinance at the 12/16/09 Council Meeting.

It is my understanding that it has been established practice for the Finance Department to present Council with such an ordinance for the purpose of resolving any negative budget variances that are beyond our administrative legal level of control. This action is intended to ensure budgetary compliance and the maintenance of this component of Kent's financial records so that there are no regulatory violations.

The action I am seeking from Council is the authority and latitude to compile the necessary 2009 Amended Appropriations during the next two weeks and present that summary listing at the 12/16/09 City Council Meeting as an ordinance for their review and approval.

Thank you in advance for your support of this initiative.



CITY OF KENT, OHIO

DEPARTMENT OF FINANCE

TO: Dave Ruller, City Manager
FROM: Dave Coffee, Director of Budget and Finance *D. Coffee*
DATE: November 24, 2009
Re: 2009 Appropriation Amendments

The following appropriation amendments are hereby requested:

Fund 106 – Parks and Recreation

Increase \$50,000 Increase appropriation to establish matched commitment of funding for \$250,000 Cooperative Boating Facility Grant.

Fund 108 – License Tax

Transfer \$1,488 Transfer to Fund 102 – Street Construction Maintenance and Repair to consolidate funds and close-out Fund 108. This is a simplification of fund accounting practices, a new line for License Tax will be established within Fund 102 – SCMR to track permissive tax revenue.

The final appropriations amendment will reflect the remaining operating contingency funds as a separate item on the appropriations ordinance attachment. This will enable the transfer of contingency funds to either operating or personnel lines.

I will continue to work with the Departments/Divisions during the next two weeks to resolve remaining or anticipated negative budget variances and would also request favorable consideration of any additional items that may be subsequently identified.



CITY OF KENT, OHIO

DEPARTMENT OF SAFETY

To: Dave Ruller, City Manager

From: William Lillich

Subject: Staffing for Adequate Fire and Emergency Response (SAFER) Program fire fighter funding opportunity

Date: November 25, 2009

Mr. Ruller,

The grant program outlined in the attached information is for hiring or retention of fire fighters, and is similar to the stimulus funding made available for police hiring earlier this year. I have asked Chief Williams has reviewed the requirements and has determined that it is be worth making an application.

The application period only runs from November 16, 2009, to December 18, 2009. If you feel that it is appropriate, we should review the basic information to get Council's general approval. I don't think it requires advanced approval by elected officials, nor does it mandate acceptance in the remote possibility of an award. We may also want to try to include a way to fund one or more of the shared positions referred to in the PAFERS report.

Thanks,

William C. Lillich
Safety Director
2009082

Title of Opportunity: Staffing for Adequate Fire and Emergency Response (SAFER) Program
Funding Opportunity Number: [if applicable, assigned by GPD/GMD]
Federal Agency Name: Department of Homeland Security, Federal Emergency Management Agency (FEMA) Grant Programs Directorate (GPD)
Announcement Type: Annual
Dates: Completed applications must be submitted no later than 5 p.m. Eastern Time, Friday, December 18, 2009.
Additional Overview Information:

As a result of the passage of the American Recovery and Reinvestment Act of 2009 (ARRA) and the Supplemental Appropriation Act, 2009 (P.L. 111-32), the Fiscal Year (FY) 2009 Staffing for Adequate Fire and Emergency Response (SAFER) Grants for the Hiring of Firefighters Activity will be awarded under conditions significantly different from those in effect prior to the passage of these Acts. The content of this Program Guidance and its official issuance reflects the Secretary's and the DHS/FEMA implementation of the provisions provided by these Acts. NOTE: These changes ONLY affect the FY 2009 grants and the FY 2010 SAFER grants when the FY 2010 solicitation becomes available. The new conditions are NOT retroactive to prior year grants nor will they remain in effect beyond FY 2010.

Under authorities provided under ARRA and P.L. 111-32, the following requirements are being waived for the FY09 SAFER program:

- Salary limits; there are no annual salary limits
- Cost-share; there is no prescribed cost-share
- Retention commitment; grantees that are rehiring laid off firefighters do not have to commit to retaining the SAFER-funded firefighters
- Period of performance; reduced for hiring grants from four years to two years.

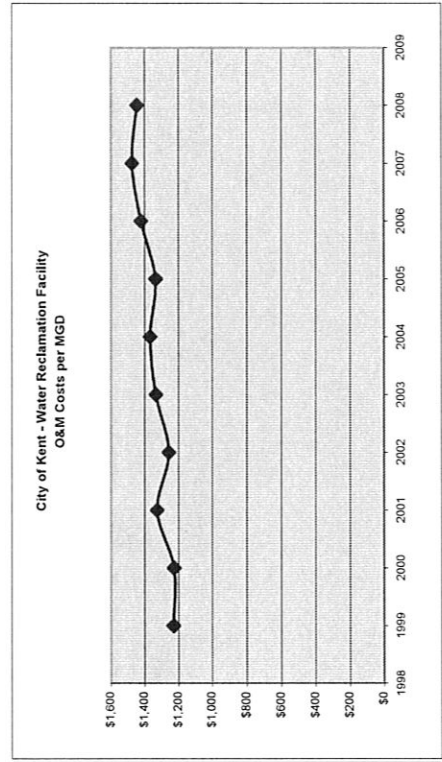
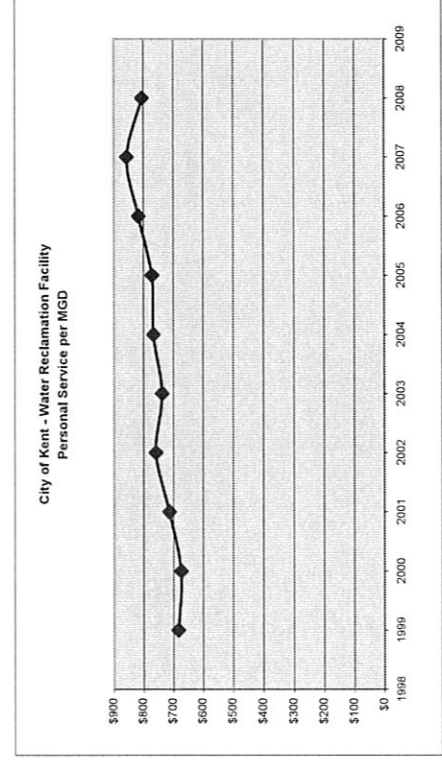
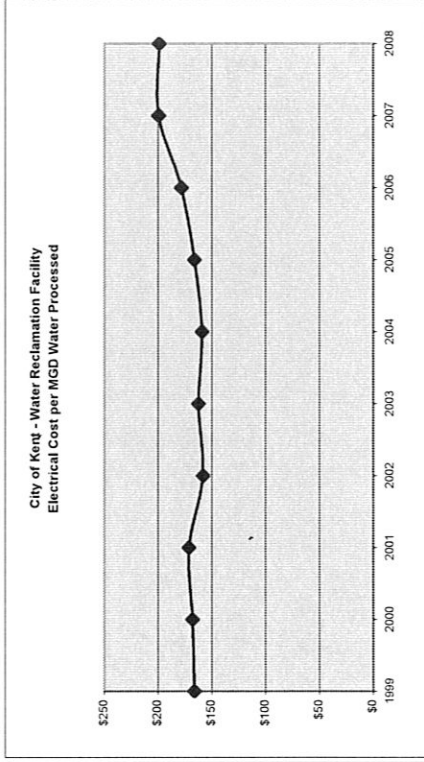
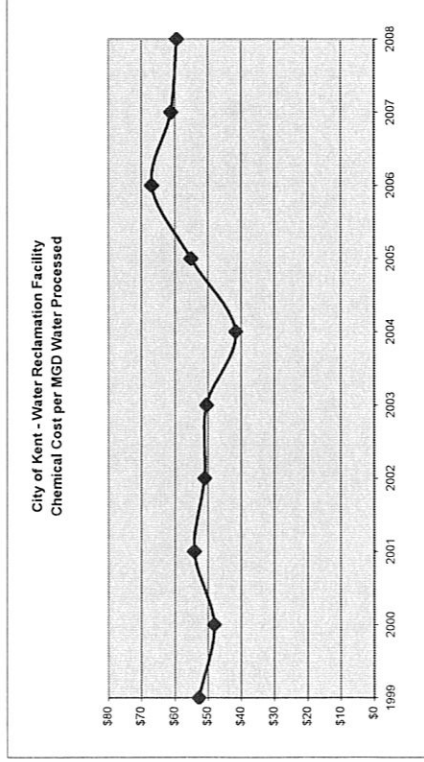
The application period for this FY2009 SAFER solicitation begins on Monday, November 16, 2009, and ends on December 18, 2009.

Under the Hiring of Firefighters Activity in this solicitation, we will distinguish between grants to hire new firefighters and grants to rehire laid-off firefighters.

- Grants to hire new firefighters have a 2-year period of performance and require grantees to commit to retaining the SAFER-funded firefighters for one full year after the end of the period of performance. Federal funds may be used to pay for 100% of the actual salary and benefit costs of these newly hired firefighters without a local cost-share.
- Grants to rehire laid-off firefighters have a 2-year period of performance with no requirement to retain the firefighters beyond the period of performance. Federal funds may be used to pay for 100 percent of the actual salary and benefit costs of rehired firefighters with no requirement for a local cost-share.
- Priorities for Hiring of Firefighters Activity grants remain largely unchanged from last year's grants in that they continue to focus on staffing standards established by the National Fire Protection Association (NFPA) and the Occupational Safety and Health Administration (OSHA).

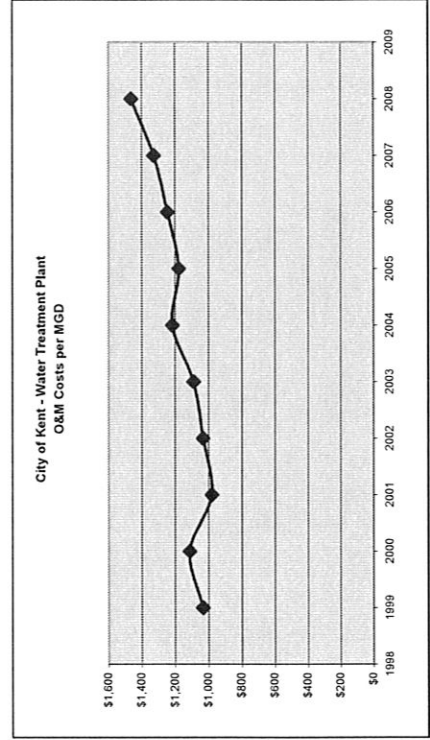
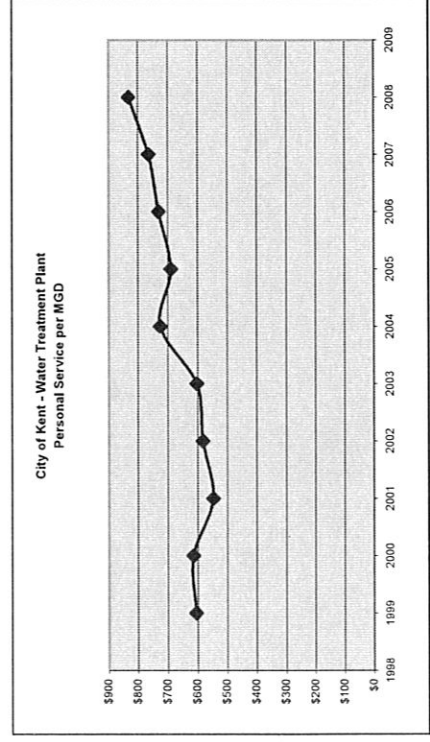
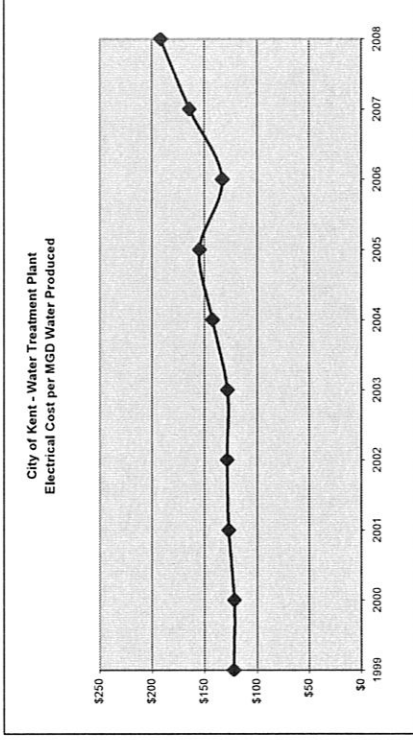
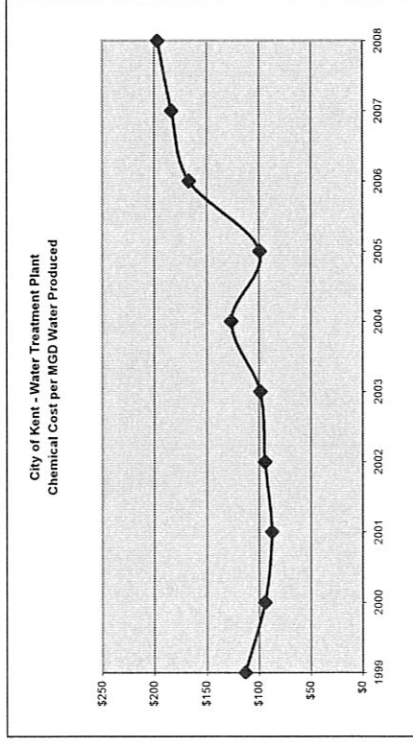
City of Kent - Water Reclamation Facility
Historical Cost Trends

Year	Water Produced MGD	Cost Chemicals	Chemical Cost per MGD	Electrical Cost:	Electrical Cost per MGD	Total O&M	Personal Service	% Personal of O&M	% Chemical of O&M	% Electrical of O&M	Water Produced MGD
1999	916	\$48,333	\$53	\$152,232	\$166	\$1,127,779	\$626,615	56%	4%	13%	916
2000	934	\$44,940	\$48	\$157,020	\$168	\$1,146,699	\$629,989	55%	4%	14%	934
2001	905	\$49,013	\$54	\$155,066	\$171	\$1,201,378	\$646,231	54%	4%	13%	905
2002	916	\$46,749	\$51	\$145,000	\$158	\$1,152,365	\$695,438	60%	4%	13%	916
2003	1,015	\$51,200	\$50	\$164,907	\$162	\$1,355,330	\$749,309	55%	4%	12%	1,015
2004	1,029	\$42,899	\$42	\$163,714	\$159	\$1,408,207	\$789,611	56%	3%	12%	1,029
2005	986	\$54,354	\$55	\$163,953	\$166	\$1,318,163	\$760,975	58%	4%	12%	986
2006	916	\$61,308	\$67	\$163,399	\$178	\$1,303,337	\$748,458	57%	5%	13%	916
2007	854	\$52,237	\$61	\$170,420	\$200	\$1,260,577	\$731,596	58%	4%	14%	854
2008	924	\$54,905	\$59	\$183,859	\$199	\$1,337,537	\$743,904	56%	4%	14%	924



City of Kent - Water Treatment Plant
Historical Cost Trends

Year	Water Produced MGD	Cost Chemicals	Chemical Cost per MGD	Electrical Cost:	Electrical Cost per MGD	Total O&M	Personal Service	% Personal of O&M	% Chemical of O&M	% Electrical of O&M	Water Produced MGD
1999	967	\$109,484	\$113	\$118,330	\$122	\$1,000,411	\$585,702	59%	11%	12%	967
2000	966	\$91,238	\$94	\$117,772	\$122	\$1,076,666	\$594,055	55%	8%	11%	966
2001	1,064	\$93,463	\$88	\$135,352	\$127	\$1,043,812	\$582,644	56%	9%	13%	1,064
2002	1,022	\$96,473	\$94	\$131,481	\$129	\$1,055,548	\$595,562	56%	9%	12%	1,022
2003	1,009	\$99,770	\$99	\$129,536	\$128	\$1,099,632	\$608,187	55%	9%	12%	1,009
2004	1,015	\$128,592	\$127	\$144,777	\$143	\$1,236,016	\$736,825	60%	10%	12%	1,015
2005	1,043	\$103,582	\$99	\$161,554	\$155	\$1,229,181	\$719,595	59%	8%	13%	1,043
2006	1,015	\$169,451	\$167	\$135,023	\$133	\$1,265,445	\$742,193	59%	13%	11%	1,015
2007	994	\$182,613	\$184	\$163,208	\$164	\$1,320,188	\$760,327	58%	14%	12%	994
2008	929	\$182,921	\$197	\$178,266	\$192	\$1,360,062	\$773,096	57%	13%	13%	929






CITY OF KENT, OHIO

DEPARTMENT OF ECONOMIC DEVELOPMENT

Date: November 23, 2009

To: David Ruller, City Manager

From:  Dan Smith, Economic Development Director

Subject: Line of Credit/Land Banking, Downtown Kent Corporation

As we work to implement our Kent Downtown Masterplan and negotiate final development agreements with Kent State University, Pizzuti, Fairmount and Portage County, we continue to evaluate the best opportunities and alternatives to acquire the critical properties necessary to secure investments at this level of redevelopment. One tool we have been evaluating that continues to demonstrate merit in terms of cash flow impact and ease of use, is a new line of credit. This option, as in the past, would be utilized for land acquisition in conjunction with the Downtown Kent Corporation, the City will be the guarantor. The basic components of this proposed financial/economic development tool includes:

- A \$2.25 million line of credit that three local banks have agreed to fund (Huntington Bank, Home Savings Bank and Portage Community Bank).
- The line offers great flexibility compared to the issuance of bonds or utilizing general funds for property acquisition. The line features interest only payments for the first five years, allowing for business activities (especially income taxes) to be generated in support of purchases.
- Loan structure will include a five year interest only draw period from the date of each transaction, a 15 year amortization period, a variable floor rate of 5% with 50 basis points above prime.
- Having the line in place will enable City Council the flexibility to evaluate potential projects and purchases on a case-by-case basis. **As in the past, each individual transition must be reviewed and approved by City Council.** This is simply another tool in the ED toolbox. In the past, strategic properties have become available, sometimes at extremely reasonable rates and we have not had the ability to secure the site due to a lack of available options for acquisition. This program addresses this deficiency.
- There is a one time initial bank fee of \$18,000 to implement this line of credit. This fee can be rolled into a draw and amortized over the first five years. After the initial bank fees for set up and processing, there will be no additional future fees (no annual maintenance, transaction or analysis fees) associated with the line of credit for future draws or purchases. There will be legal fees (minimal) in finalizing the line of credit agreements.
- Our previous line of credit is coming to a close and we anticipate this effort should encompass a "no net impact" and be budget neutral upon approval of Council.

- Per the terms of the agreement, the City agrees to have one year's debt service on hand in our general fund. We would limit or reduce our transactions to insure this requirement is met. In addition, we will maintain an interest bearing account in the name of the City as a guarantor. We can likely utilize the previous certificate of deposit that currently exists at Huntington Banks.

Having outlined the line of credit/land banking program with the above points, the next question is why would we want to have this type of economic development tool available? I would suggest the following reasons for implementing this line of credit:

- Most major development proposals in mature business districts and brownfield areas, like our historic downtown region require some level of assistance from municipalities, especially with regards to land acquisition. Many proposals have failed in the past because the City did not or could not control the site.
- Strategic properties can be obtained as they become available as opposed to when they are being sought for a development at a much more reasonable expense. This program will allow for optimal flexibility on a case-by-case basis.
- The West River Neighborhood has been revitalized with the assistance of City involvement. Without the City's participation in land banking and infrastructure, the new medical offices at the old Kemp site and renovation of the West River Place would not have occurred.
- If a project requires "one last piece of the puzzle" to be obtained in leveraging private investment and jobs, the City will have the opportunity and appropriate tools available to make the necessary commitment and insure the project becomes a reality.
- By way of example, a project that would create 150 jobs at \$50K per job would yield back \$150,000 per year or \$1.5 million over ten years in income tax alone. Property and net-profit taxes would also increase substantially. Several projects we have evaluated could have yielded these levels of activity for a minor investment.
- Again, each and every use of this line of credit will be required to be approved by City Council. The initial cost of the line of credit is quite small in comparison to the level of investment this development tool can leverage.

In closing, I have been working with our local banking leaders over the past year to gain their approval and draft the framework for this new line of credit. We can utilize this option in a myriad of options to attract new investment and jobs in the City of Kent. For the level of expense and overall flexibility, I would highly recommend we approve securing this new line of credit. In this current climate of extreme competition from other cities and communities in attracting quality new business investments and the jobs that follow, this is an economic development tool that we should have in our toolbox to insure we capitalize on all meaningful and beneficial opportunities that are presented.