

CITY OF KENT, OHIO

2017 BUDGET ASSUMPTIONS AND NOTES

Operating Revenues

1. Operating Revenue categories will continue to reflect positive growth overall, but will also be at a more moderate rate of growth compared to FY2014, FY2015 levels; like FY2016 YTD.
 - a. Income Tax performance is expected to grow a very modest \$200,000 (1.3%) compared to the 2016 budgeted amount. Anticipating some additional construction benefit, but general local economy to moderate with an overall leveling/normalization of tax base.
 - b. Local Government Funds and Estate Taxes (which are now obsolete) will remain fully decreased by an annual average of \$900,000, attributable to changes imposed by the State.
 - c. Kent-Franklin JEDD and Kent-Brimfield JEDD will show a leveling of projected revenues and remain comparable to 2016.
2. Revenues in Water, Sewer and Storm Water Funds will be adequate to cover operating expenses for 2017 but will require adoption of 8% rate increases for Water and 3% for Sewer to meet Capital needs and adequately stabilize fund reserves. Storm Water Fund does not have rate increases planned for 2017, but some changes will be required in either rates and/or Capital plans in subsequent years to maintain adequate fund reserves.

Personnel Services Expenses

1. All authorized positions have been budgeted at actual salary expenses as of October, 2016, plus adjustments for contracted increases effective in fourth quarter 2016 or first pay of 2017. (contracted increases = \$585,908, including pension, OT & other employer payroll expenses)
2. Employer Medicare (FICA) expenses calculated at 1.45% of salary
3. Workers' Compensation expenses calculated at 2.0% of salary
4. Employer OPERS expenses calculated at 14.0% of salary
5. Employer Police & Fire Pension expenses calculated at 19.5% and 24.0% respectively
6. Employer Health Insurance expenses continue to increase; for 2017 we are increasing the budget from \$13,500 (family) to \$13,900 for each full time employee – net increase of \$400 per employee has total budget impact of \$80,000.
7. Further revised Central Maintenance staff by reducing Full-time laborer positions by 1 position to new total of 4, and reinstating the 1 Account Clerk position on the authorized list.
8. Sellback expenses for sick and vacation time is based on prior two years activity.
9. Overtime expense projections were provided by each department
10. Budget proposes authorizing & funding 3 new firefighter positions in place of 2 unfunded positions in previous budgets, for a total additional cost of \$264,741 including full benefits.

Operations & Maintenance Expenses

1. Fuel – Many cost centers' budgets remain unchanged from 2017 due to price moderation and improving fleet efficiency, although a few exceptions exist on a case by case basis.
2. Insurance/Bonding – We are not projecting any increases on an overall citywide budget basis, however there will be some reallocation of expenses to cost centers that have acquired new assets/asset replacements reflecting the additional costs of insuring those assets (Actual citywide premiums are expected to decrease <\$8,196> compared to 2015)
3. \$100,000 plus in additional O&M expenses are offset by program related revenues, e.g., bed tax, income tax collections, permit and fee revisions, etc.
4. Recommended O&M costs for 2017 compared to most recent 2016 revised amendment reflects a \$291,094 decrease, or 3.25% overall reduction (\$8,650,606 vs \$8,941,700)

Fund Notes

1. The delta between Parks & Recreation projected total expenditures (including Capital), and projected total funding sources is <\$522,209>, which will be funded to the extent possible from P&R's remaining reserve fund balances.
2. The delta between Enterprise Funds projected total expenditures (including Capital), and funding sources is <\$2,059,328>, which will be funded from Enterprise Fund reserve balances.

CITY OF KENT, OHIO

Definition of Expenditure Categories Operation and Maintenance Accounts Only

- 7210 *Travel and Transportation* - Includes any costs associated with travel by City employees on official business. Such charges may include costs for lodging, meals, common carrier fares, car rental, mileage allowance, tolls, parking charges, per diem allowances, phone calls and other incidental costs of traveling. Also included in this category would be training and professional development events for individual City personnel, including registration fees for meetings and conferences.
- 7220 *Training* – Includes any costs associated with job-related training. This category is being used by the Fire Department to track expenditures by cost center.
- 7250 *Auto Allowance* – Expenditures for vehicle allowances.
- 7280 *Vehicle Fuel* - Represents the cost of fuel (gasoline & diesel) purchased in bulk by the City for use in its vehicles and power equipment. Vehicle and equipment supplies such as motor oil and tires are charged to line 7420, operating materials.
- 7310 *Utilities* - Expenditures for the purchase of electricity, natural gas, water and sewer services provided by both public and private utilities.
- 7320 *Communications and Postage* - Services provided by businesses to assist in transmitting and receiving messages or information. Included in this category are such costs as postage, telephone usage and installation, fax transmission, post office box rental, radio equipment accessories, alarm system purchases and express delivery charges.
- 7330 *Rents and Leases* - Expenditures for leasing or renting land, buildings or equipment for both temporary and long-term use by the City. This category includes vehicle rental for other than travel on official business and capital and operating lease agreement payments.
- 7340 *Professional Services* - Contracted services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Included are the services of management consultants, architects, engineers, lawyers, auditors and physicians. Fees for banking services (e.g., safekeeping and trustee services, fiscal agency, account maintenance, etc.) are also included. Education and training services provided onsite (City facilities) by formal institutions (including State of Ohio) for groups of City personnel are recorded here.
- 7350 *Maintenance of Equipment and Facilities* - Expenditures for repair and maintenance services provided by outside persons or firms. Includes the cost of service, maintenance, overhaul, part replacement or rework of any City equipment (including computer equipment) or facility. Annual maintenance contracts and agreements are charged here.
- 7360 *Insurance and Bonding* - Expenditures for all types of insurance including, property, automobile, general liability and employee fidelity are charged here. Insurance related to employee benefits (e.g., health and life insurance) are not recorded here.

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Definition of Expenditure Categories Operation and Maintenance Accounts Only

- 7370 *Printing, Photocopying and Advertising* - Costs of printing, reproduction, microfilming, photographing, blueprinting and binding are recorded in this category. Custom form design and printing charges are also included here. Publication of announcements, official notices and legal ads in professional publications, newspapers and periodicals or broadcast over radio and television are charged to this account.
- 7380 *Criminal Apprehension* - Expenditures related to so-called "sting operations" conducted by the City's Police Department. The purpose of these operations is to apprehend and prosecute persons involved in illegal activities.
- 7390 *Miscellaneous Contractual Services* - Includes the costs of contracted services provided to the City but not elsewhere classified. Examples of such costs include professional membership dues, software license agreements and solid waste removal.
- 7410 *Office Supplies* - Expenditures for the purchase of office supplies including, but not limited to, pencils, pens, erasers, paper clips, staples, ribbons, tape, notepads, rubber bands, calendars and copy paper.
- 7420 *Operating Materials* - Purchases of materials used in the fulfillment of departmental operations are recorded in this account. Examples of such items include cleaning supplies, chemicals, drugs and medicines, lab supplies, road salt and cinders, food, motor oil, tires, lubricants, gravel, lumber, sand and hardware. Subscriptions to newspapers and periodicals are also included in this classification.
- 7440 *Small Tools and Minor Equipment* - Purchases of tools and equipment costing less than \$2,500 are recorded in this account. Items may include hammers, saws, wrenches, garden tools, small power tools, rakes, shovels. Tool and equipment items costing more than \$2,500 are charged to line 63, capital equipment.
- 7450 *Ammunition* - Expenditures for the purchase of ammunition for weapons used by the City's Police Department.
- 7460 *Prisoner Sustenance* - Costs related to the physical needs of prisoners housed in the City jail. Items purchased from this account may include meals, toiletries and medicines.
- 7480 *Fees Remitted to the State* - Fees mandated by the Ohio Revised Code and collected by the City which must periodically be remitted to the State.
- 7560 *Social Service* – Expenditures for nonprofit entities that provide needed social services for low income persons, including homeless services, employment training services, information and referral services, legal aid services, case management services, minor home repair and exterior yard clean-up services and other related supportive service programs.

CITY OF KENT, OHIO
ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS

Jerry T. Fiala	Mayor/Council President
Garrett M. Ferrara	Councilmember – Ward 1
Jack E. Amrhein	Councilmember – Ward 2
Robin G. Turner	Councilmember – Ward 3
John M. Kuhar	Councilmember – Ward 4
Heidi L. Shaffer	Councilmember – Ward 5
Tracy A. Wallach	Councilmember – Ward 6
Michael A. DeLeone	Councilmember at Large
Roger B. Sidoti	Councilmember at Large
Melissa M. Long	Councilmember at Large

APPOINTED OFFICIALS

David A. Ruller	City Manager
James R. Silver	Law Director
David A. Coffee	Budget and Finance Director
Melanie A. Baker	Service Director
Jeffrey S. Neistadt	Health Commissioner
Bridget O. Susel	Community Development Director
John J. Idone	Parks and Recreation Director
Michelle A. Lee	Police Chief
John D. Tosko	Fire Chief

City of Kent, Ohio Organizational Chart

