

# CITY OF KENT, OHIO

## 2020 BUDGET ASSUMPTIONS AND NOTES

---

### Operating Revenues

1. Operating Revenue categories reflect a very modest level of positive growth overall.
  - a. Income Tax performance is expected to grow a modest \$200,000 (1.2%) compared to the 2019 budgeted amount. The local private sector economy continues to moderate with an overall leveling of the tax base, plus an anticipated payroll contraction at KSU.
  - 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, and in fact are projected to decrease further for the City of Kent in 2020 due to the impact of a change in allocation formula for Portage County entities.
  - c. Kent-Franklin JEDD and Kent-Brimfield JEDD will show a leveling of projected revenues and remain comparable to 2019.
2. Revenues in Water, Sewer and Storm Water Funds will be adequate to cover operating expenses for 2020 but will require adoption of 3% rate increases for both Water and Sewer to meet Capital needs and adequately stabilize fund reserves. A subsequent 2020 analysis of Sewer Fund viability will be needed for fiscal years beyond 2020. Storm Water Fund does not have rate increases planned for 2020.

### Personnel Services Expenses

1. All authorized positions have been budgeted at actual salary expenses as of October, 2019, plus adjustments for contracted increases effective in fourth quarter 2019 or first pay of 2020. (contracted increases = \$567,566 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 2020 we are increasing the budget from \$15,600 to \$16,500 for each full time employee – net increase of \$900 per employee has a total budget impact of \$182,700.
7. Further revised staffing proposed for 2020 accounts for an additional \$104,588 annually in the budget.
8. Sellback expenses for sick and vacation time is based on prior two years activity.
9. Overtime expense projections were provided by each department.

### Operations & Maintenance Expenses

1. Fuel – Most cost centers' budgets remained the same or increased modestly from 2019 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.
3. Recommended O&M costs for 2020 compared to most recent 2019 revised amendment reflects a \$1,253,357 decrease, or 14.3% overall reduction (\$8,759,693 vs \$10,013,050).

### Fund Notes

1. The delta between Parks & Recreation projected total expenditures (including Capital), and projected total funding sources is <\$269,887>, 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 <\$623,720>, which will be funded from Enterprise Fund reserve balances.
3. Capital expense for the City's New Administration Building in 2020 is budgeted at \$7,000,000 and is funded from the sale proceeds of previous City Administration property being held in reserve and an additional \$5,500,000 of projected bond proceeds.



# CITY OF KENT, OHIO

## Definition of Expenditure Categories Operation and Maintenance Accounts Only

- 7210 *Travel and Training* - 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, and includes tuition for continuing education.
- 7250 *Auto Allowance* – Expenditures for vehicle allowances.
- 7280 *Vehicle Fuel* - Represents the cost of fuel (gasoline & diesel) bid with multiple vendors and 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, 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.

# CITY OF KENT, OHIO

## 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, internet service, 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 from vendors with the best pricing.
- 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.
- 7430 *Salt* - Purchases of salt for snow and ice remediation for the Central Maintenance Department
- 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 and computers. Tool and equipment items costing more than \$2,500 are charged to line 7630, 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
Garret 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
Gwen Rosenberg	Councilmember at Large

APPOINTED OFFICIALS

David A. Ruller	City Manager
Hope Jones	Law Director
David A. Coffee	Budget and Finance Director
Melanie A. Baker	Service Director
Joan Seidel	Health Commissioner
Bridget O. Susel	Community Development Director
Kevin Schwartzhoff	Parks and Recreation Director
Michelle A. Lee	Police Chief
John D. Tosko	Fire Chief

# City of Kent, Ohio Organizational Chart

