

CITY OF KENT, OHIO

2013 BUDGET ASSUMPTIONS AND NOTES

Operating Revenues

1. Operating Revenue categories will reflect mixed changes compared to FY2012 levels.
 - a. Income Tax receipts will continue the current favorable increase trend (4.59%)
 - b. Local Government Funds will reflect the full impact decrease of \$600,000 attributable to State budget cuts
 - c. Kent-Franklin JEDD will show a further increase of \$80,000 due to the 2012 rate increase and continued net growth in the JEDD
2. Revenues in Utility (Enterprise) funds will increasingly help to sustain fund balances and services due to long term rate stabilization plan approved by Kent City Council in 2012.

Personnel Services Expenses

1. All authorized positions have been budgeted at actual salary expenses as of October, 2012, plus adjustments for contracted increases scheduled for late year 2012 and late year 2013. Additional adjustments have been made for some departments not to exceed 3% above actual adjusted levels.
(The resulting variance for adjusted actual salary expense for FY2013 is approximately \$370,000 citywide)
2. Citywide salaries will reflect contractual adjustments of 1% in late 2012; 2% in late 2013
3. Employer Medicare (FICA) expenses calculated at 1.45% of salary
4. Workers' Compensation expenses calculated at 2.0% of salary
5. Employer OPERS expenses calculated at 14.0% of salary
6. Employer Police & Fire Pension expenses calculated at 19.5% and 24.0% respectively (pension board is discussing increase to 25.0% across the board)
7. Employer Health Insurance expenses have increased and this is reflected in a 9% revised budget of \$12,300 (family) for each full time employee – \$200K total for City (\$\$ impact of new National Health Care Program still cannot be reliably quantified)
8. Sellback expenses for sick and vacation time is based on prior two years activity. Budgeted maximum sellback amounts for 2013 if there was a past history.
9. Overtime expense projections were provided by each department
10. Budget authorizes 2 vacant firefighter positions, but does not fund for the positions (vacant positions would have required approximately \$148,000 in additional funding)
11. Public Safety budget reflects additional \$189,000 for anticipated retirements
12. Recommended Personnel costs for 2013 compared to most recent 2012 amendment reflects a \$85,987 decrease, or 4.46% overall reduction (\$19,176,659 vs \$19,262,646)

Operations & Maintenance Expenses

1. Fuel – unchanged City cost of \$3.00/gal from 2012; consumption to show further decreases overall due to improving fleet efficiency
2. Utilities – reflect decreases in multiple departments as a result of fully implemented energy conservation program enhancements
3. Insurance/Bonding – minimal increase over 2011 level
4. Recommended O&M costs for 2013 compared to most recent 2012 amendment reflects a \$336,003 decrease, or 4.21% overall reduction (\$7,639,194 vs \$7,975,197)

Fund Notes

1. The delta between Parks & Recreation projected total expenses including capital, and funding is <\$451,689>, which will be funded from accumulated P&R Fund balances.
2. The delta between Enterprise Funds projected total expenses including capital, and funding sources is <\$1.5 million>, which will be funded from accumulated Enterprise Fund balances.

CITY OF KENT, OHIO

Definition of Expenditure Categories Operation and Maintenance Accounts Only

- 21 *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 registration fees for meetings and conferences.
- 22 *Training* – Includes any costs associated with job-related training. This category is being used by the Fire Department to track expenditures by cost center.
- 25 *Auto Allowance* – Expenditures for vehicle allowances.
- 28 *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 42, operating materials.
- 31 *Utilities* - Expenditures for the purchase of electricity, natural gas, water and sewer services provided by both public and private utilities.
- 32 *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.
- 33 *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.
- 34 *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 by formal institutions (including the State of Ohio) are recorded here.
- 35 *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.
- 36 *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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- 37 *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.
- 38 *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.
- 39 *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.
- 41 *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.
- 42 *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.
- 44 *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.
- 45 *Ammunition* - Expenditures for the purchase of ammunition for weapons used by the City's Police Department.
- 46 *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.
- 48 *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.
- 56 *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
Wayne A. Wilson	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
Robin G. Turner	Councilmember at Large

APPOINTED OFFICIALS

David A. Ruller	City Manager
William C. Lillich	Safety Director
James R. Silver	Law Director
David A. Coffee	Budget and Finance Director
Eugene K. Roberts	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
David A. Manthey	Interim Fire Chief

City of Kent, Ohio Organizational Chart

