

CITY OF KENT, OHIO

2011 BUDGET ASSUMPTIONS AND NOTES

Operating Revenues

1. Most Operating Revenue categories will be either level or slightly decreased from FY2010 levels.
2. Revenues in the Utility (Enterprise) funds will become increasingly inadequate to sustain services without rate revisions recommended by staff – to be determined as subsequent policy decision by Kent City Council.

Personnel Services Expenses

1. All authorized positions have been budgeted at the top of range for salary expenses (variance between top of range budgeting practice and actual for FY2011 is approximately \$490,000 citywide)
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 (pension board is discussing increase to 25.0% across the board)
6. Employer Health Insurance expenses are budgeted at \$11,040 (family) for everyone – (pending changes related to new National Health Care Program cannot be quantified at this time)
7. Sellback expenses for sick and vacation time is based on review of last two years individual activity. Budgeted maximum sellback amounts for 2011 if there was a past history.
8. Overtime expense projections were provided by each department
9. Salary & fringes for "Main Street Kent" (1 FTE position) were eliminated per 10/20/10 Council action.
10. Budgeted for 3 vacant firefighter positions and 2 vacant Finance positions (vacant positions totals approximately \$320,000 citywide)
11. Police Dept. budget reflects additional \$211,000 for three officers who are retiring (DROP).
12. Health Dept. budget reflects additional \$55,000 for two lab employee retirements that are anticipated.
13. At present there is one firefighter on short term disability and one firefighter on military leave (impact on Overtime)

Operations & Maintenance Expenses

1. Fuel – unchanged from 2010; consumption at \$3.00/gal
2. Utilities – unchanged from 2010 rates & consumption levels
3. Insurance/Bonding – minimal increase over 2010 level