

CITY OF KENT, OHIO

2015 BUDGET ASSUMPTIONS AND NOTES

Operating Revenues

1. Operating Revenue categories will reflect mixed changes compared to FY2013 & FY2014 levels.
 - a. Income Tax performance will slow (normalize) to a modest growth trend (4.03% increase over 2014 budgeted amount) due to uncertainties with national and local economies.
 - b. Local Government Funds and Estate Taxes 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 combined gain of \$90,000 due to continued tax base growth, primarily in the Kent-Franklin JEDD.
2. Revenues in Water and Sewer Funds will be adequate to replenish related Capital investments' use of reserve balances due to the rate stabilization plan approved by Kent City Council in 2012, while also allowing lower rate increases (3%) recommended/adopted for 2015 than what were approved (9%) in the original rate stabilization plan.

Personnel Services Expenses

1. All authorized positions have been budgeted at actual salary expenses as of October, 2014, plus adjustments of 3% for contracted increases scheduled for fourth quarter 2014 or first pay of 2015. (total increase of \$478,189)
2. Employer Medicare (FICA) expenses calculated at 1.45% of salary
3. Workers' Compensation expenses calculated at 1.8% 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 be a concern; for 2015 we are increasing the budget from \$12,300 (family) to \$13,050 for each full time employee – net increase of \$750 per employee has total budget impact of \$143,250. (average actual costs for last 5 years would have indicated a net increase of \$2,200 per employee)
7. Added 1 Full-time Compliance Officer position to Police Support Services authorized list, plus \$56,022 funding, for D/T parking enforcement.
8. Added 1 Full-time police officer position to authorized list to cover School Resource Officer assignment. To be fully reimbursed by KCSD (estimated to be \$86,400 in 2015).
9. Added 1 Part-time Sanitarian position to Health Dept. authorized list, approved by Health Board. Funding request may be presented to City Council as a budget amendment in 2015 based on management determination/recommendation.
10. Sellback expenses for sick and vacation time is based on prior two years activity.
11. Overtime expense projections were provided by each department
12. Budget authorizes 2 vacant firefighter positions, but does not fund for the positions (vacant positions would have required approximately \$160,000 in additional funding)
13. Public Safety-Police budget reflects an additional \$159,380 for anticipated retirements.
14. Safety Director position remains vacant, with duties absorbed by City Manager & staff, preserving budget savings in excess of \$100,000 including salary and benefits.

Operations & Maintenance Expenses

1. Fuel – While most cost centers' budgets remain unchanged from 2014 due to price moderation and reduced consumption/improving fleet efficiency, a few exceptions exist where projected usage increases will likely result in added costs.
2. Insurance/Bonding –For most cost centers there will be minimal, if any increases, however cost centers that have acquired new assets/asset replacements will see notable increases reflecting the additional costs of insuring those assets (Citywide, a \$9,000 premium increase)
3. Recommended O&M costs for 2015 compared to most recent 2014 amendment reflects a \$81,023 decrease, or 1.02% overall reduction (\$7,922,267 vs \$8,003,290)

Fund Notes

1. The delta between Parks & Recreation projected total expenditures (including Capital), and projected total funding sources is <\$374,255>, which will be funded from P&R's reserve fund balances.
2. The delta between Enterprise Funds projected total expenditures (including Capital), and funding sources is <\$906,564>, 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 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 by formal institutions (including the State of Ohio) 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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- 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
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
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
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
John D. Tosko	Fire Chief

City of Kent, Ohio Organizational Chart

