

CITY OF KENT, OHIO

2016 BUDGET ASSUMPTIONS AND NOTES

Operating Revenues

1. Operating Revenue categories will reflect continued positive growth overall, but at a more moderate rate of growth compared to FY2014 & FY2015 levels.
 - a. Income Tax performance is expected to grow significantly compared to the 2015 budgeted amount, but at a slower rate of growth compared to actual 2015 collections, reflecting more moderate levels of tax base expansion.
 - 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 in comparison to 2015.
2. Revenues in Water and Sewer Funds will be adequate to cover operating expenses and required Capital needs for 2016 while implementing rate increases of 3% to stabilize fund reserves. Storm Water Fund will only support related operating expenses with no capacity to support Capital needs under current rate structure.

Personnel Services Expenses

1. All authorized positions have been budgeted at actual salary expenses as of October, 2015, plus adjustments of 3% for contracted increases effective in fourth quarter 2015 or first pay of 2016. (total increase is \$541,254, including pension & other employer payroll expenses)
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 increase; for 2016 we are increasing the budget from \$13,050 (family) to \$13,500 for each full time employee – net increase of \$450 per employee has total budget impact of \$87,750.
7. Added 1 F.T. Equipment Technician position to Wastewater Treatment Plant authorized list.
8. Restructured Central Maintenance to add 5 Full-time laborer positions to authorized list, and removed 3 higher paid Service Workers, and one Account Clerk
9. Added 1 P.T. Accreditation position to Health Dept. authorized list, apprvd. by Health Board.
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 \$170,000 in additional funding)
13. 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 – Many cost centers' budgets remain unchanged from 2015 due to price moderation and improving fleet efficiency, although a few exceptions exist on a case by case basis.
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 \$4,210 premium increase)
3. \$100,000 in additional O&M expenses are more than offset by directly related revenue increases (Bed Tax, Income Tax Collection Costs, and Parking Meters). 2016 O&M increase over 2015 would be 3.4% without these added expenses.
4. Recommended O&M costs for 2016 compared to most recent 2015 amendment reflects a \$198,394 decrease, or 2.3% overall reduction (\$8,287,265 vs \$8,485,659)

Fund Notes

1. The delta between Parks & Recreation projected total expenditures (including Capital), and projected total funding sources is <\$332,927>, 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 <\$824,686>, 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.

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

