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. Selloff 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