




Kent Parks & Recreation Department

497 Middlebury Road Kent, Ohio 44240 (330) 673-8897 FAX: (330) 673-8898

TO: Dave Ruller, Jim Silver
FROM: John Idone 
DATE: October 24, 2017
RE: Kent Parks & Recreation Donation

* M E S S A G E *

Kent Parks & Recreation Department has received a donation of \$200 from Judith Swearingen representing the Beech /Norwood Neighborhood for a tree along The Portage Bike Trail in memory of Harold Walker and a donation of \$200 from Charles & Betty Lim for a tree at Plum Creek Park in memory of Liu Yu Min.

The cash and check has been forwarded to Budget and Finance and will be held until Council formally accepts the donation. Your attention to this matter is sincerely appreciated.

PC: Budget & Finance
Tara Grimm, Clerk of Council
Kent Parks & Recreation Board



KENT FIRE DEPARTMENT MONTHLY INCIDENT REPORT SEPTEMBER 2017

FIRE INCIDENT RESPONSE INFORMATION

Summary of Fire Incident Alarms

City of Kent	65	72	55	456	468	457
Kent State University	9	10	7	71	55	41
Franklin Township	12	12	9	131	107	96
Sugar Bush Knolls	1	0	1	1	2	1
Brady Lake Village	0	1	1	5	13	15
Mutual Aid Given	2	1	3	22	25	28
Total Fire Incident Alarms	89	96	76	686	670	638

	CURRENT PERIOD			YEAR TO DATE		
	2017	2016	2015	2017	2016	2015
City of Kent	65	72	55	456	468	457
Kent State University	9	10	7	71	55	41
Franklin Township	12	12	9	131	107	96
Sugar Bush Knolls	1	0	1	1	2	1
Brady Lake Village	0	1	1	5	13	15
Mutual Aid Given	2	1	3	22	25	28
Total Fire Incident Alarms	89	96	76	686	670	638

Summary of Mutual Aid Received by Location

City of Kent	0	2	0	7	10	8
Kent State University	0	0	0	0	1	1
Franklin Township	0	1	0	1	4	3
Sugar Bush Knolls	0	0	0	0	0	0
Brady Lake Village	0	0	0	0	1	0
Total Mutual Aid	0	3	0	8	16	12

	CURRENT PERIOD			YEAR TO DATE		
	2017	2016	2015	2017	2016	2015
City of Kent	0	2	0	7	10	8
Kent State University	0	0	0	0	1	1
Franklin Township	0	1	0	1	4	3
Sugar Bush Knolls	0	0	0	0	0	0
Brady Lake Village	0	0	0	0	1	0
Total Mutual Aid	0	3	0	8	16	12

EMERGENCY MEDICAL SERVICE RESPONSE INFORMATION

Summary of Emergency Medical Service Responses

City of Kent	227	235	195	1882	1749	1719
Kent State University	49	55	69	207	238	245
Franklin Township	45	43	30	359	342	300
Sugar Bush Knolls	0	0	3	2	6	9
Brady Lake Village	3	4	1	28	22	17
Mutual Aid Given	3	2	3	30	20	26
Total Emergency Medical Service Responses	327	339	301	2508	2377	2316

	CURRENT PERIOD			YEAR TO DATE		
	2017	2016	2015	2017	2016	2015
City of Kent	227	235	195	1882	1749	1719
Kent State University	49	55	69	207	238	245
Franklin Township	45	43	30	359	342	300
Sugar Bush Knolls	0	0	3	2	6	9
Brady Lake Village	3	4	1	28	22	17
Mutual Aid Given	3	2	3	30	20	26
Total Emergency Medical Service Responses	327	339	301	2508	2377	2316

Summary of Mutual Aid Received by Location

City of Kent	1	3	5	10	12	19
Kent State University	1	0	2	3	3	3
Franklin Township	0	1	2	1	4	2
Sugar Bush Knolls	0	0	0	0	0	0
Brady Lake Village	0	0	1	0	3	1
Total Mutual Aid	2	4	10	14	22	25

	CURRENT PERIOD			YEAR TO DATE		
	2017	2016	2015	2017	2016	2015
City of Kent	1	3	5	10	12	19
Kent State University	1	0	2	3	3	3
Franklin Township	0	1	2	1	4	2
Sugar Bush Knolls	0	0	0	0	0	0
Brady Lake Village	0	0	1	0	3	1
Total Mutual Aid	2	4	10	14	22	25

TOTAL FIRE AND EMERGENCY MEDICAL SERVICE RESPONSE INCIDENTS

	416	435	377	3194	3047	2954
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TOTAL ALL RESPONSES, INCLUDING MUTUAL AID

	418	442	387	3216	3085	2991
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CITY OF KENT, OHIO
2018 RECOMMENDED BUDGET

CITY OF KENT
2018 RECOMMENDED BUDGET
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City Manager's Budget Message

2018 Proposed Operating Budget

November 8, 2017



To: Honorable Mayor and Members of City Council

The City Charter [Section 42. e] requires the development of an annual budget that provides a financial plan for all City funds and activities for the ensuing fiscal year, and I am pleased to fulfill that obligation with the submission of this draft 2018 Proposed Operating Budget for City Council's consideration.

Overview

The 2018 proposed City budget contains the budgetary line items that the staff recommends for sustaining the levels of services for our community in 2018. We submit this budget believing that it represents the best balance between what we can afford and what Kent residents and businesses expect from their City government.

In asking for your approval of the budget, we are seeking confirmation that the funding decisions contained in this budget are aligned with the goals and priorities of City Council and the Kent community.

The budget that you adopt will set the stage for what we are capable of achieving in 2018, as it governs the pace of progress towards our strategic priorities through the resource allocation decisions contained within it.

Across a range of economic indicators – including unemployment, private investment, new jobs, University spending, manufacturing production, corporate profit and retail sales – the Kent economy has demonstrated improved resiliency coming out of the recession.

However, as the pace of expansion has slowed so has City revenue growth, settling in at a 1-2% growth rate. With inflation hovering around 2-3%, we are anxious to find ways to reignite economic growth and keep pace, and preferably exceed inflation in the years to come.

Consequently, the 2018 budget remains tight but the combination of a little revenue growth and the cumulative impact of more than a decade of aggressive expense management, we have continued to make progress in chipping away at the gap between our resource availability and resource needs. We're still not where we'd like to be financially – but we're closer to where we need to be to sustain, improve, and in a few strategic areas expand City service capabilities in 2018.

The proposed 2018 Operating Budget not only fully funds our core City services, it continues the sidewalk snow clearing pilot program, and it recommends a number of position changes that we believe are important to meet longstanding staffing needs.

Last year, for the first time in more than a decade, Council authorized \$300,000 to go towards hiring 3 new firefighters and the City's first Information Technology Manager.

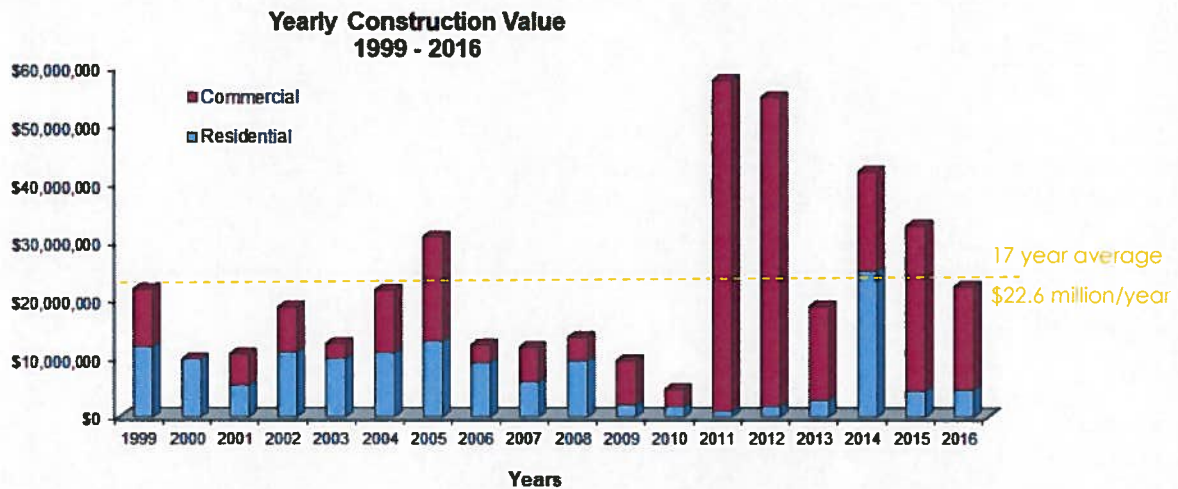
In 2018, we're asking Council's consideration for a smaller allocation (\$145,000) that would go towards more personnel changes that had previously been deferred but are considered critical to the success of City services.

Local Economic Conditions

The proposed 2018 budget reflects the strengths and weaknesses of the City's economy. The construction rebound that peaked in 2011 continued to show a gradual decline heading into 2016.

In the 11 years prior to the downtown redevelopment (1999 thru 2010) commercial construction investment in Kent averaged \$6.5 million a year. Coinciding with the downtown redevelopment in 2011 and 2012 commercial investment jumped to an average of \$55 million/year (an increase of 745%).

In 2016 commercial construction declined but coming in at \$17 million it was still more than double the pre-redevelopment pace -- and as illustrated in the chart below the combined investment in 2016 reached the 6th highest level in the last 20 years.



In 2016, Kent State University marked the 10th straight year of enrollment growth, adding 125 students to the previous hundred year enrollment record set in 2015. In 2016 Kent State University surpassed the highest retention rate in the history of the University at 82.2%. The Kent campus also welcomed the largest freshman class in its history – 4,335 new students.

In 2016, Kent State University continued an aggressive capital re-investment program with major renovations underway at Rockwell Hall, Lake and Olson Halls, MAC Center, Cunningham Hall, Smith All, Williams Hall and the Integrated Science Building. These investments have transformed the campus and the campus community connection, generating significant construction related jobs and tax revenues.

Elsewhere in Kent the construction values remained above the 10 year average. Single family residential construction continued to show signs of recovery with the new phases of single family homes selling well at the Lakes of Franklin Mills, the senior housing at Maplebrook II fully leased up, and new apartment occupancies overall averaging greater than 95% full.

Kent's older shopping plazas continued to generate new investment and show signs of recovery as vacant spaces were quickly filled with new tenants keeping Kent's retail vacancy rate one of the lowest in the region at 5%.

In late 2016 and early 2017, three historic Kent properties – the former County Courthouse building, the L.N. Gross building, and the downtown train depot – were all undergoing major reinvestment and restoration.

On Main Street, the Kent natural food co-op property began an expansion project, the former optometrist building was sold for conversion to a new bar/restaurant, and a new restaurant was announced for the former tattoo parlor at the corner of Water Street.

University Hospital also began a major investment project at the medical campus at Devon Place in Kent, adding 24 hour emergency and critical care services.

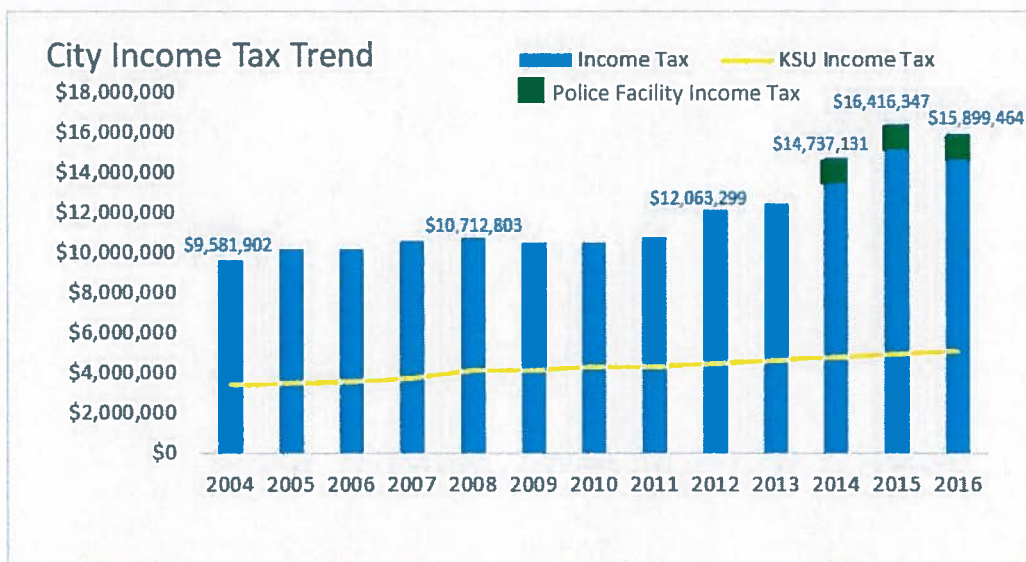
In 2016, the City and Kent State University completed Phase 1 of the \$18 million Summit Street Transportation Project. City planning and right of way work continued on the \$3 million SR 43 Signal Upgrade project and construction began on the new \$12 million City Police building with a projected completion date of November 2017.

Preliminary space planning and early design work also began on the new City Administrative building with bids for an architectural firm issued late in 2017.

As a result of aggressive grant efforts, the City was able to continue to reinvest in City bridges, streets and sidewalks at near record levels in 2016, allocating an extra \$1 million towards street repairs for the reconstruction of Woodward, Rockwell and Whittier Streets.

City Financial Profile

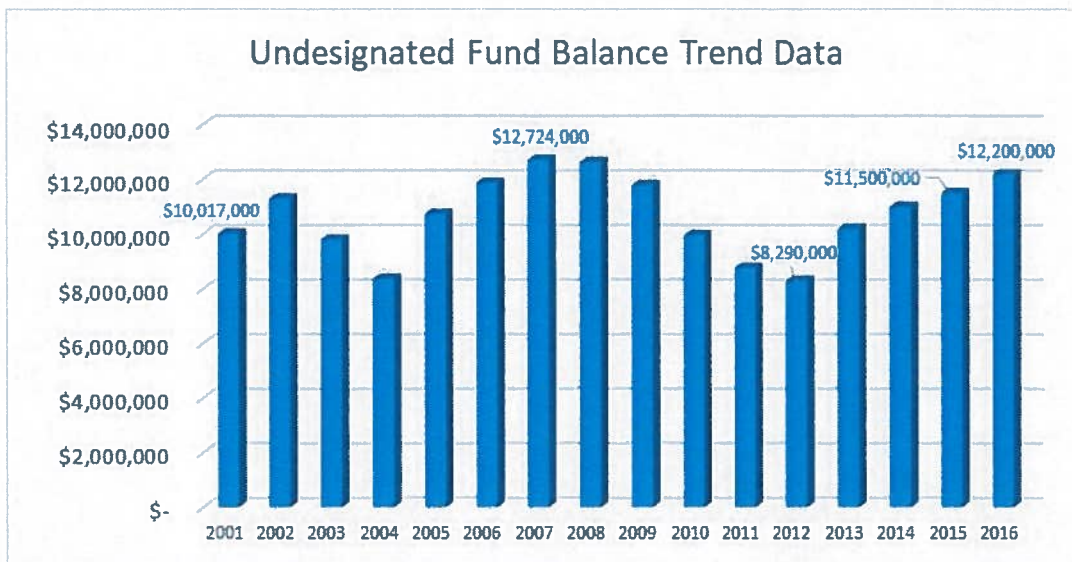
For year-end 2016, overall City income tax collections were down 3.15% percent (\$516,883) from 2015, while Kent State University's collections in 2016 were up 2.8 percent (\$139,559). The drop in private sector income taxes between 2015 and 2016 does not appear to be a trend but rather reflects a one-time business profit contribution that occurred in 2015, producing a bonus tax payment of \$739,957 in 2015 that was not repeated (and was not expected to be repeated) in 2016.



The City's financial condition is still heavily influenced by the University but private sector expansion is driving the majority of the City's income tax growth. In the last 12 years the total income taxes (excluding the Police Building taxes) increased by 47% -- with private sector increases responsible for 66% of that increase.

Kent State University remains the City's largest employer, but private sector job growth has resulted in Kent State University's income tax contributions dropping from a high of 40% in 2010 to 31.8% of total income tax revenues in 2016.

As the revenue vs. expense balance returned to a positive position, the City has been able to slowly replenish undesignated reserve balances to near pre-recessionary highs.



Income taxes from new construction are still likely to provide a slight revenue lift as construction will be underway on a number of University, City, and private developer projects in 2018 that should generate contractor income taxes.

The proposed 2018 does not build any temporary construction income gains into the base budget so it is reasonable to assume that income tax revenues may exceed the budget projections for 2018 -- providing a small buffer for unanticipated needs or unfunded mandates. However, with construction values slowly declining from their record highs, this buffer is thinning as well.

Despite many favorable economic indicators, a few financial cautions remain.

Income taxes are the single most important factor to the City's financial well being and there appears to be a softening in income tax growth -- to the point where the rate of growth in income taxes may fall below the rate of inflation for the first time in 7 years. That's a potential point of concern that must be monitored closely.

The City's Utility rate plans have significantly helped relieve the financial burden carried by the General Fund to bail them out but the General Fund remains somewhat at risk to projected deficits in the stormwater fund.

In 2016 Council authorized an increase of \$2/month in stormwater fees (from \$2.30 to \$4.30/month) which should allow the stormwater fund to remain solvent in 2018. That rate increase has provided adequate revenues to bridge the stormwater funding gap without a General Fund subsidy in 2017 or 2018 but 2019 is forecast to run a deficit, even with stormwater project deferrals -- and the General Fund has traditionally been the source to cover those shortfalls.

The combination of less income tax revenues coming in to the General Fund, and potentially needing General Fund revenues to cover Stormwater Fund shortfalls is a matter that will have our attention throughout 2018.

2018 Budget Strategy

The challenge for our organization is to prepare a budget for 2018 that recognizes our financial limitations without negatively impacting the organization's ability to serve the public now and in the future. We believe we've accomplished that objective through the combination of a strategically aligned Operating budget and Capital Plan.

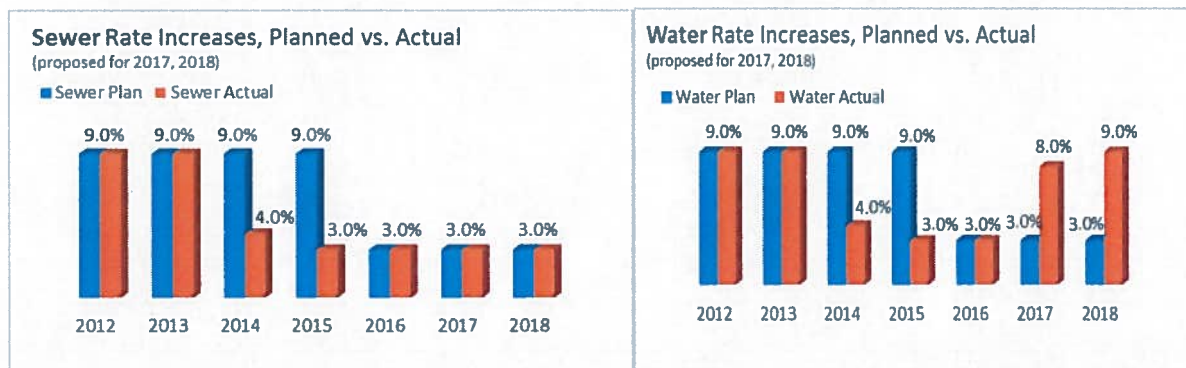
The staff success in securing grant funds over the last 7 years has created a degree of financial flexibility not otherwise available to us, which when combined with our cash balances in the undesignated fund, have enabled us to bridge operating budget gaps. We look to continue to leverage partnerships and grants in 2018.

Utility Rate Plans

Council approved the multi-year rate stabilization plans for the water and sewer funds in 2011. The approved rate plans included 4 years of 9% rate increases to "catch-up" with deferred maintenance and capital costs, followed by 3% rate increases in the out years of the plan to keep pace with inflation.

In the first 2 years (2012, 2013) of rate "catch up" the rates approved by Council matched the rate plans. However, in the subsequent following 2 years, the rates were less than half of what was originally projected in the plans. As a result, in 2017 Council authorized rate increases to make up a portion of the lost rates in 2017 (8%) and 2018 (9%) for the water fund only; the sewer fund is projected to be sustainable at the planned rate of 3%.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Sewer Plan	9.0%	9.0%	9.0%	9.0%	3.0%	3.0%	3.0%
<u>Sewer Actual</u>	<u>9.0%</u>	<u>9.0%</u>	<u>4.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
Difference	0.0%	0.0%	5.0%	6.0%	0.0%	0.0%	0.0%
Water Plan	9.0%	9.0%	9.0%	9.0%	3.0%	3.0%	3.0%
<u>Water Actual</u>	<u>9.0%</u>	<u>9.0%</u>	<u>4.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>8.0%</u>	<u>9.0%</u>
Difference	0.0%	0.0%	5.0%	6.0%	0.0%	-5.0%	-6.0%



Even with the rate recovery increases proposed for the water fund of 8% in 2017 and 9% in 2018, the City's utility customers will be paying an average of \$4.50 less per month, or around \$54 less per year, than what they would have been paying based on the original 2011 rate plan.

Although our dependency on undesignated reserves has diminished, we remain committed to improving our productivity and staying vigilant with our efficiency and effectiveness. We are committed to maintaining what we consider financial "best practices":

- We will track and forecast revenues and expenses utilizing historical and month-to-month trend analysis;
- We will monitor and work with our elected delegations to mitigate any legislative initiatives that could threaten our fiscal stability or impose more unfunded mandates on the City;
- We will research best practices in our industry and adopt productivity and cost savings measures wherever practical and affordable;
- We will collaborate and partner to lower our costs and take advantage of economies of scale;
- We will press for State and Federal funds for capital projects and available competitive grant processes.

Budgetary Assumptions

As noted, we have applied conservative budget principals to our draft 2018 Operating Budget. The most significant assumptions built into the budget include the following:

- Income Tax budget shows a slight (1.2%) increase; Local Government Funds show no net increase, and the Kent JEDDs show a leveling off in annual tax receipts (\$550,000) with no increase projected for 2018.
- All authorized positions have been budgeted at actual salary expenses as of October, 2017, plus adjustments of 3.25% for contracted increases scheduled for late 2017.
- Revenues in Water and Sewer Funds will be adequate to cover operating expenses and required capital needs for 2018 after implementing rate increases of 3% in sewer and 9% in water to stabilize fund reserves.
- Employer Medicare (FICA) expenses calculated at 1.45% of salary
- Workers' Compensation expenses calculated at 2.0% of salary
- Employer OPERS expenses calculated at 14.0% of salary
- Employer Police & Fire Pension expenses calculated at 19.5% and 24.0% respectively
- Employer Health Insurance expenses continue to be a concern, for 2018 this budget will increase from \$13,900 to \$14,700 per family for a total increase in City costs of \$160,000.
- Upgraded 1 position (Community Development Director from a II to IA), converted 2 part time positions to full time (Health Department Accreditation Coordinator, Engineering Aide I) and 1 new position is proposed to be added (Code Compliance Officer for rental registration) at a total Personnel cost of \$145,000 annually.
- Sellback expenses for sick and vacation time is based on prior two years activity.
- Overtime expense projections were provided by each department.
- The vacant Public Safety Director position is not budgeted to be replaced with the duties absorbed by the City Manager, preserving budget savings in excess of \$100,000 in salary and benefits.
- Recommended O&M costs for 2018 reflects a \$287,599 decrease (-3.3%) from the originally approved 2017 O&M budget (\$8,740,792 in 2017, \$8,453,193 in 2018); and a \$1,307,043 or 13.4% decrease below the most recent 2017 amended O&M budget (\$8,453,193 in 2018, \$9,760,236).
- Insurance/Bonding – we are not projecting increases in insurance overall, however there is some reallocation of expenses to cost centers that have added new insurable assets.

Budgetary Objectives

The principle role of City Council in the budget adoption process is to ensure that the City's policy commitments are in alignment with budgetary allocations. The question for Council is have we appropriated the funds necessary in our budget to achieve our community priorities?

To that end, the budget is our investment plan for progress toward the vision we share for our community and for which Kent is proud to be known. We will look to partner with our citizen advisory boards, commissions, peer governments, and of course, the public to fulfill our strategic goals as noted below:

- Financial Health and Economic Development
"to be a prosperous and livable city for all citizens"
- Natural Resources
"to protect and promote the City's natural resources"
- Quality of Life
"to enhance lifestyle choices through physical and social environment"
- Community Safety
"to be an exceptionally safe city"
- Communities within the City
"to strengthen the quality and enhance the value of neighborhoods"
- City / University Synergy
"to expand collaborative opportunities that enrich the community experience"
- Governmental Performance
"to provide the best services at the lowest possible cost"

2018 Budget Numbers

The proposed 2018 budget looks to ensure critical spending where it is most needed and maintain cost containment practices in everything we do. Where staff requested budget increases we asked them to look for cuts to offset those increases. The goal was to keep discretionary cost increases on par with inflation.

The staff exceeded that budget challenge and the recommended total for 2018 Operations and Maintenance compared to the 2017 Operating Budget reflects a 3% **decrease** -- \$8,453,193 in 2018 from \$8,740,792 in 2017.

As a service provider the City's largest cost relates to its investment in personnel. In total, it costs about \$70,000 per workday to perform City services – with 50% of those costs attributed to Fire and Police functions.

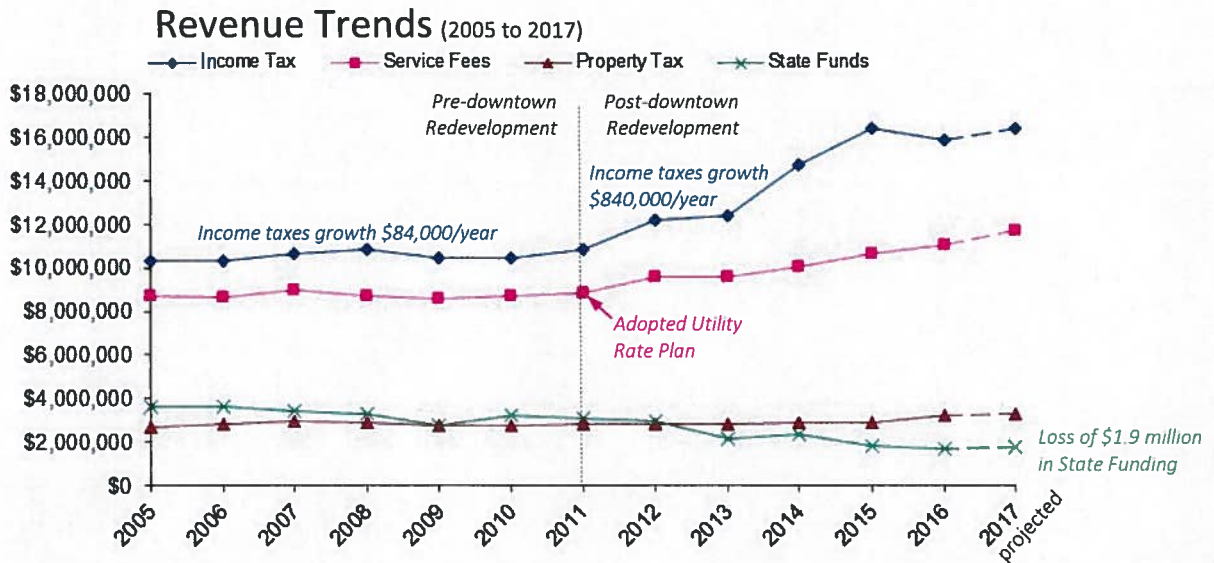
Most notably, the proposed 2018 Personnel budget includes the upgrade and reclassification of a couple of positions that staff felt are critical to the long term performance of the respective City operations. Those personnel changes will add \$145,000 annually to the City's operating costs.

It is important to note that the Personnel increases also reflect union contract agreements of a 3.25% pay increase in 2018 (followed by 3% in 2019, and 2.75% in 2020). With every 1% increase in wages, Personnel costs increase by approximately \$150,000 in increased pay.

Even with proposed personnel changes, and the contractual pay increases of 3.25% for 2018, the total Personnel Costs are projected to only go up \$225,230 or 1% above 2017.

Every City department still has legitimate new staffing needs, but we have had to prioritize and continue to defer those position needs until further revenue gains are achieved.

As noted, there has been a trend of recovery in select revenue categories so for 2018 the staff is projecting a modest range of operating revenue growth from 1% to 2% (excluding capital/grants/bond revenues/user charges).



In Closing

We recognize that the City government must find ways of doing more with less. We continually review priorities, make decisions about what we can afford and what we cannot afford, and seek out better, less expensive ways to deliver essential services. We have done all of those things in preparing this budget.

I am honored to work alongside our skilled City employees to implement our collective vision and I thank them for their hard work and dedication. I am particularly proud of the teamwork that Department Heads have exhibited with one another in charting new ways of going about our business.

I would also like to specifically acknowledge David Coffee, Director of Finance and Budget, Brian Huff, City Controller, and the entire Finance Department team for the many hours required to produce a spending plan of this complexity and scope.

As the end of another fiscal year looms, I am grateful to you, our Council Members, for your many hours of service and dedication to our community.

I submit this budget anticipating good results for Kent in 2018. While we might not have all the funds we need to support City services at the level we desire, we have invested well and we have seen steady progress – to the point where we are now recommending to finish a few more critical staffing needs for the second year in a row after more than 10 years of deferral.

Whatever next year may bring, I look forward to working with the City Council, our staff and the citizenry to keep Kent strong and its future bright for generations to come.

Respectfully submitted,

Dave Ruller, Kent City Manager

CITY OF KENT, OHIO

2018 BUDGET ASSUMPTIONS AND NOTES

Operating Revenues

1. Operating Revenue categories will continue to reflect a moderate level of positive growth overall.
 - a. Income Tax performance is expected to grow a very modest \$200,000 (1.2%) compared to the 2017 budgeted amount. Anticipating some additional construction benefit, but general local economy to moderate with an overall leveling/normalization of tax base.
 - 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 and remain comparable to 2017.
2. Revenues in Water, Sewer and Storm Water Funds will be adequate to cover operating expenses for 2018 but will require adoption of 9% rate increases for Water and 3% for Sewer to meet Capital needs and adequately stabilize fund reserves. Storm Water Fund does not have rate increases planned for 2017, but some changes will be required in either rates and/or Capital plans in subsequent years to maintain adequate fund reserves.

Personnel Services Expenses

1. All authorized positions have been budgeted at actual salary expenses as of October, 2017, plus adjustments for contracted increases effective in fourth quarter 2017 or first pay of 2018. (contracted increases = \$572,193, 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 2017 we are increasing the budget from \$13,900 to \$14,700 for each full time employee – net increase of \$800 per employee has total budget impact of \$160,000.
7. Further revised staffing for 2018 which accounts for an additional \$145,000 annually in the budget.
8. Sellback 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 were reduced or remained the same from 2017 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 2018 compared to most recent 2017 revised amendment reflects a \$1,307,043 decrease, or 13.4% overall reduction (\$8,453,193 vs \$9,760,236). There are a number of reasons for this decline, the biggest being a one-time 2017 budget amendment that added \$832,000 to the budget for the payoff of a line of credit.

Fund Notes

1. The delta between Parks & Recreation projected total expenditures (including Capital), and projected total funding sources is <\$163,643>, 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 <\$1,934,308>, 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 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.
- 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, 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.
- 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

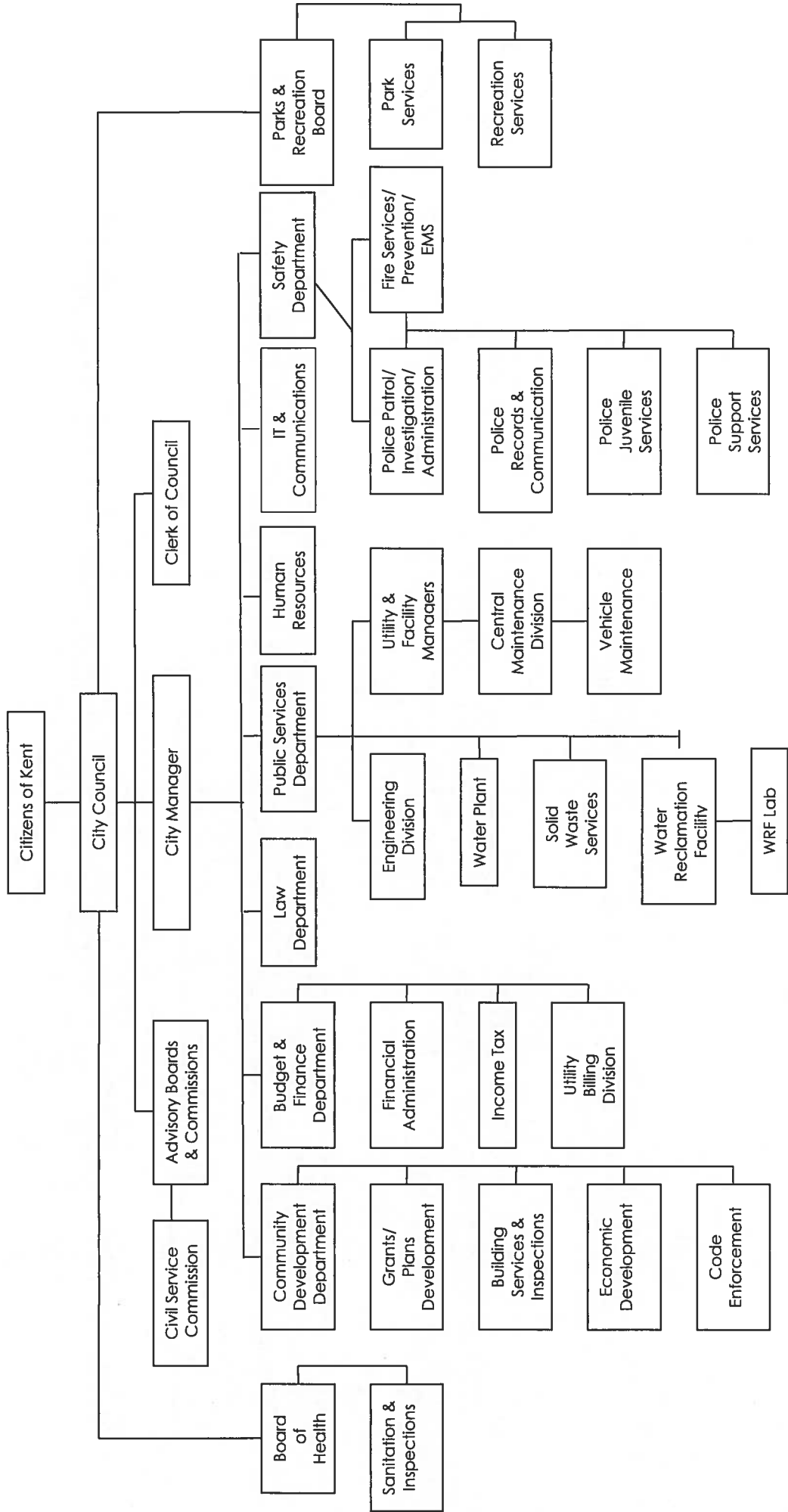
ELECTED OFFICIALS

Jerry T. Fiala	Mayor/Council President
Garrett M. Ferrara	Councilmember – Ward 1
Jack E. Amrhein	Councilmember – Ward 2
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
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
Melanie A. Baker	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

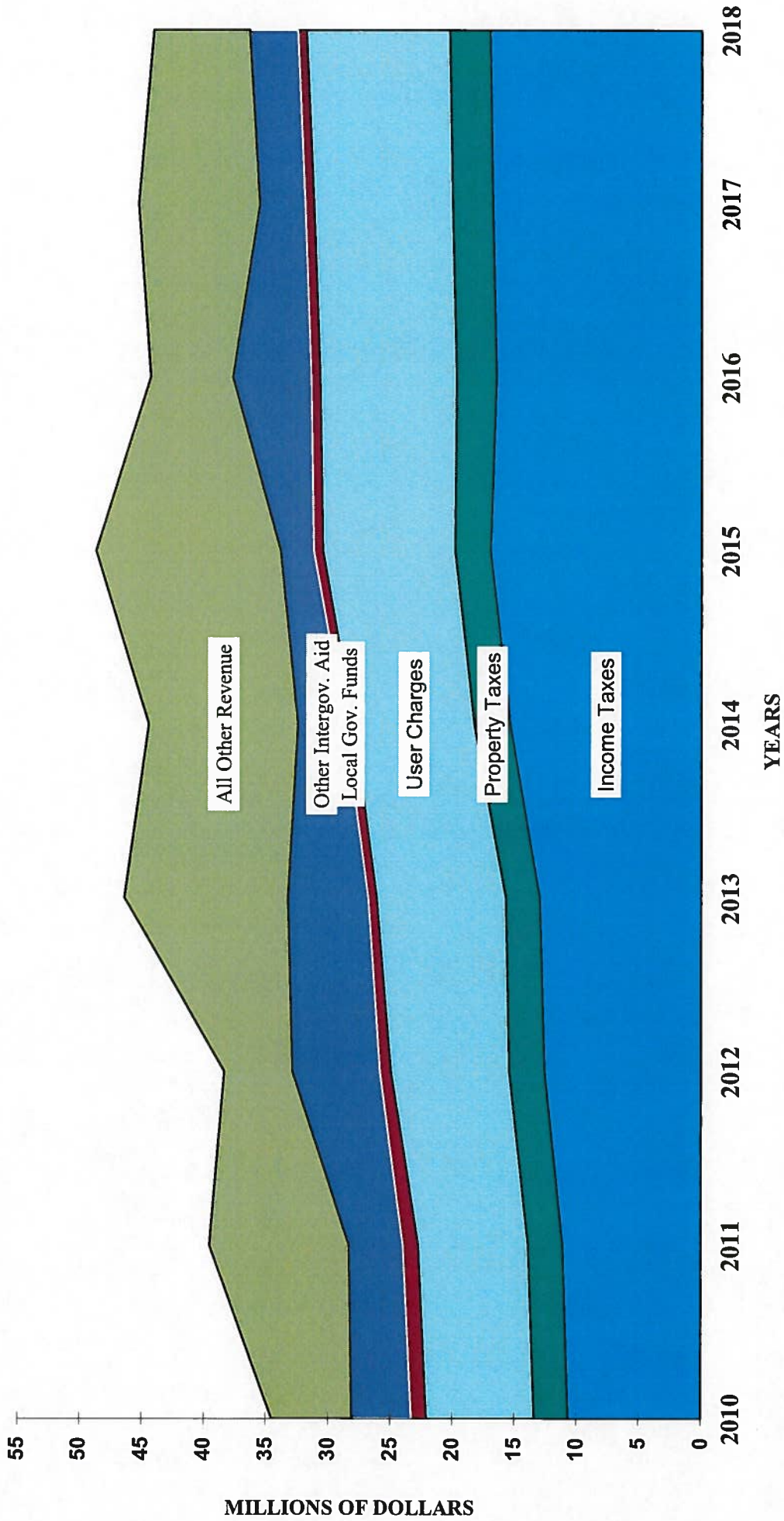


CITY OF KENT, OHIO
2018 RECOMMENDED BUDGET
OVERVIEW

**CITY OF KENT, OHIO
2018 RECOMMENDED BUDGET
REVENUE CATEGORY COMPARISON**

<u>CATEGORY</u>	<u>2015 ACTUAL</u>	<u>2016 ACTUAL</u>	<u>2017 REVISED BUDGET</u>	<u>2018 RECOMMEND BUDGET</u>
TAXES				
Income Tax	\$ 16,406,396	\$ 15,898,251	\$ 16,200,000	16,400,000
Brimfield-Kent JEDD	59,104	72,332	55,000	55,000
Kent-Franklin JEDD	453,272	476,968	495,000	495,000
Property Taxes	2,858,464	3,193,021	3,230,689	3,245,813
PILOTs from the TIF	511,990	368,097	350,000	350,000
Motor Vehicle License Tax	192,448	196,128	190,000	190,000
Lodging Tax	161,273	180,031	160,000	160,000
Cable TV Franchise Tax	245,570	221,622	225,000	225,000
Subtotal Taxes	20,888,517	20,606,450	20,905,689	21,120,813
USER CHARGES				
Sewer	4,067,729	4,119,816	4,004,461	4,124,595
Water	3,338,481	3,403,008	3,515,307	3,831,685
Recycling	498,072	525,694	470,000	500,000
Storm Water Drainage	565,904	887,084	1,028,280	1,028,280
Intergovernmental (Franklin Twp EMS)	555,957	638,515	530,000	530,000
Recreation	651,019	664,288	650,000	739,000
Other (Primarily EMS and Parking Meters)	1,001,479	785,117	990,000	800,000
Subtotal User Charges	10,678,641	11,023,522	11,188,048	11,553,560
FEDERAL, STATE AND LOCAL AID - (Restricted to Specific Programs/Projects)				
Community Development Block Grant(s)	171,521	374,105	271,075	271,075
FEMA Fire Fighters Grant	1,903	35,455	0	0
Police Vests/OT reimburse/JAG Grant/Farmer's Market	32,277	36,742	0	0
State Health Subsidy and Medicaid	58,897	87,838	60,000	60,000
Downtown	1,171	0	0	0
NOPEC Energy Conservation Grant	0	145,489	0	0
Summit Street Traffic Signal (ODOT & KSU and OPWC	416,639	3,766,146	189,000	0
Annual Sidewalk/Street Program (AMATS/ODOT)	27,702	229,625	400,000	0
CHIP grant	0	79,305	0	0
SR 43 Signalization	0	0	240,000	2,500,000
CORF grant	0	184,822	0	0
Valleyview/Morris Water and Storm Improvement	0	0	390,000	0
Parks and Rec. Step up to Quality	7,150	7,100	0	0
Area Q Drainage Project (Issue II)	406,287	0	0	0
Hike & Bike/Clean Ohio Trails	0	0	700,000	0
Ohio Municipal Bridge Grant-Redmond (Fred Fuller) Bric	82,411	0	0	0
Inter Fund Transfer - Fire Vehicle Replacement	310,000	350,000	350,000	0
New Police Facility - accrued funding	0	0	0	0
Subtotal (Restricted) Federal, State and Local Aid	1,515,958	5,296,627	2,600,075	2,831,075
ALL OTHER FEDERAL, STATE AND LOCAL AID				
Local Government Fund (State)	720,121	703,052	700,000	700,000
Shared Taxes and Fees	1,105,377	982,282	1,000,000	1,000,000
Subtotal Federal, State and Local Aid	1,825,498	1,685,334	1,700,000	1,700,000
INTEREST EARNINGS	339,774	378,608	350,000	375,000
FINES AND FORFEITURES	267,081	291,441	225,000	225,000
PERMITS, LICENSES, INSPECTIONS	622,164	394,785	435,000	420,000
ALL OTHER REVENUE				
Bond/Note/Loan (Issue II) Proceeds	8,560,931	3,035,864	7,366,000	4,950,000
Rents (City property & cell phone towers)	62,378	53,056	60,000	53,000
Tap-in Fees	290,052	43,461	40,000	40,000
Special Assessments	231,876	235,584	230,000	230,000
Miscellaneous (includes sale of City Hall in 2015)	3,361,074	1,212,866	125,000	500,000
Subtotal All Other Revenue	12,506,311	4,580,831	7,821,000	5,773,000
TOTAL ALL REVENUE	\$ 48,643,944	\$ 44,257,598	\$ 45,224,812	43,998,448

2018 BUDGET - REVENUE CATEGORY COMPARISON

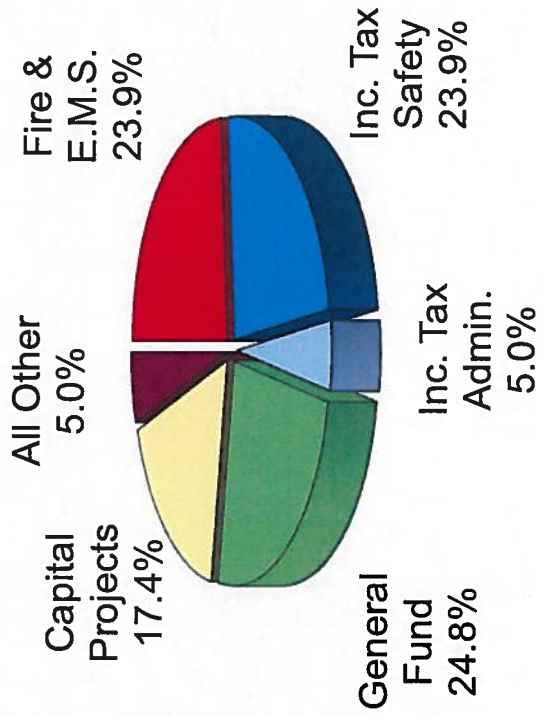


CITY OF KENT, OHIO
2018 RECOMMENDED BUDGET
USE OF MUNICIPAL INCOME TAX DOLLARS

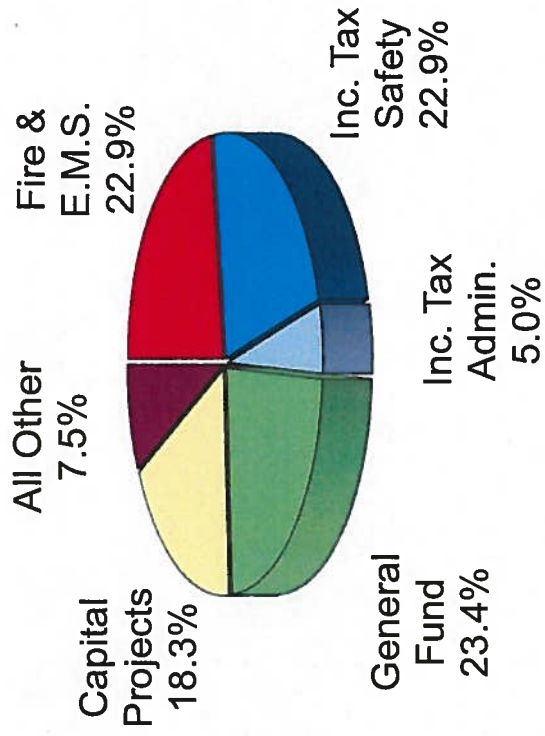
<u>USE</u>	<u>2015 ACTUAL</u>	<u>2016 ACTUAL</u>	<u>2017 APPROVED BUDGET</u>	<u>2018 RECOMMEND BUDGET</u>
Street Construction				
Maintenance & Repair Fund	\$616,171	\$1,099,314	\$426,000	\$867,500
Capital Projects	2,589,554	2,591,262	2,509,880	2,828,520
New Police Station	1,586,559	1,694,080	1,736,314	1,766,120
Fire & Emergency				
Medical Service Fund	3,037,521	3,388,160	3,472,628	3,532,228
Income Tax Safety Fund	3,037,521	3,388,160	3,472,628	3,532,228
General Fund	2,600,000	2,700,000	3,600,000	3,600,000
Income Tax Administration	685,425	664,846	732,209	757,947
Health Insurance Fund	160,000	0	-	-
Managed Reserve	25,540	25,540	25,540	25,540
Debt Service fund	271,744	266,898	280,248	268,708
Totals	<u>14,610,035</u>	<u>15,818,260</u>	<u>16,255,447</u>	<u>17,178,791</u>
Less Police Facility (P.F. not reflected in graph)	1,586,559	1,694,080	1,736,314	1,766,120
Total (less Police Facility)	13,023,476	14,124,180	14,519,133	15,412,671

USE OF MUNICIPAL INCOME TAX DOLLARS

2017 APPROVED



2018 RECOMMENDED

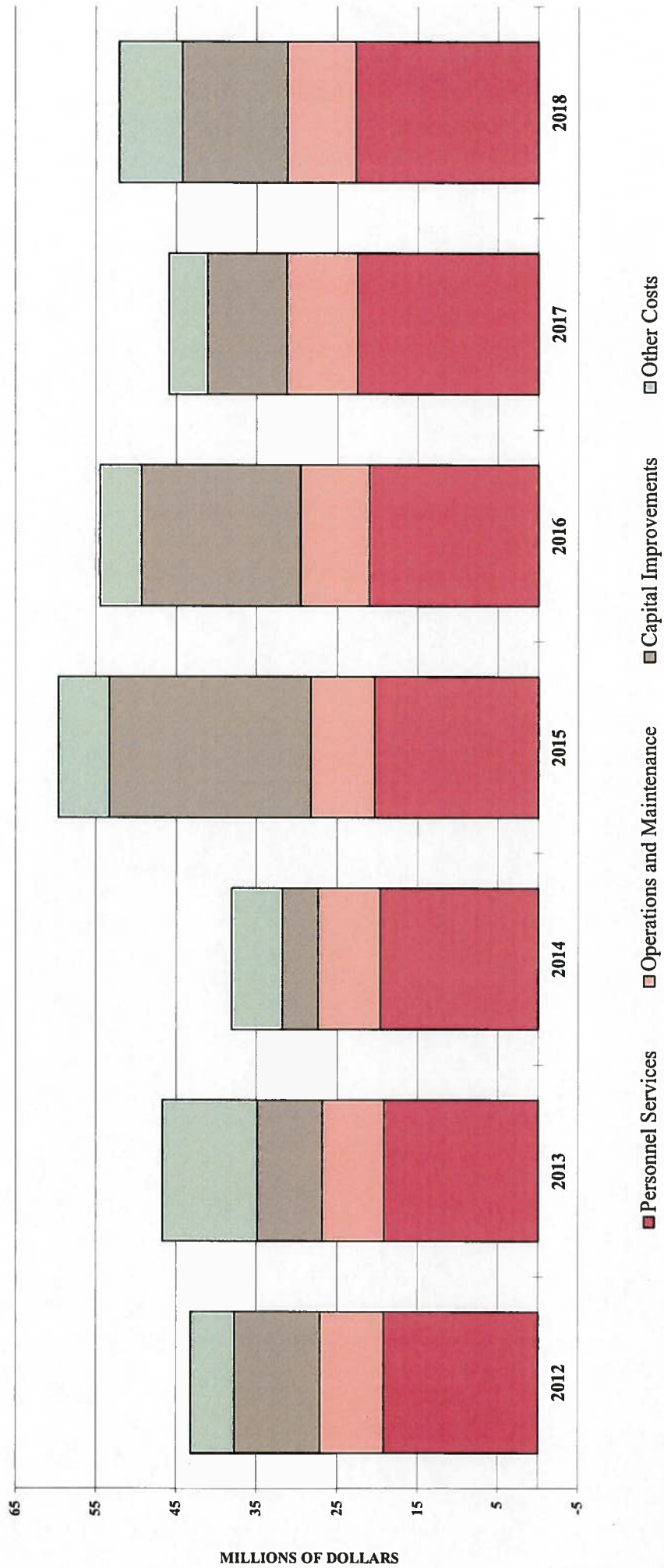


*Excludes 0.25% Special Income Tax - Dedicated to New Police Facility

CITY OF KENT, OHIO
2018 RECOMMENDED BUDGET
SUMMARY & COMPARISON OF MAJOR BUDGET TYPES

<u>FUND</u>	<u>PERSONNEL SERVICES</u>	<u>OPERATIONS & MAINT.</u>	<u>CAPITAL</u>	<u>RESRV & DEBT</u>	<u>CONTGY</u>	<u>TOTALS</u>		
General Fund	\$ 2,834,938	2,334,437	310,000	0	100,000	5,579,375		
West Side Fire	256,301	27,827	0	0	0	284,128		
SCM&R	1,105,077	1,059,131	0	0	25,000	2,189,208		
State Highway	0	70,000	0	0	0	70,000		
Parks and Recreation	1,353,255	663,644	185,000	0	0	2,201,899		
Food Service	93,439	8,000		0	0	101,439		
Income Tax	255,764	502,183	0	25,540	0	783,487		
Revolving Housing	146,333	10,500	0	0	0	156,833		
State & Local Forfeits	0	2,000	0	0	0	2,000		
Drug Law Enforcement	0	12,000	0	0	0	12,000		
Enforcement and Education	0	6,000	0	0	0	6,000		
Income Tax Safety	6,603,345	584,200	0	0	0	7,187,545		
Law Enforcement Trust	0	1,000	0	0	0	1,000		
CDBG Grants	22,625	193,150	120,000	0	0	335,775		
Fire and EMS	4,479,301	465,719	1,125,000	0	0	6,070,020		
Wireless 911	0	0	0	0	0	0		
Swimming Pool Inspections	7,783	500	0	0	0	8,283		
Water	2,214,265	864,591	1,728,175	54,608	50,000	4,911,639		
Sewer	2,484,735	943,421	3,096,800	684,208	50,000	7,259,164		
Utility Billing	0	89,086	0	0	0	89,086		
Solid Waste	84,089	497,683	0	0	0	581,772		
Storm Water Drainage	533,454	67,121	621,500	9,968	0	1,232,043		
Water Guarantee Deposits	0	1,000	0	0	0	1,000		
Capital Projects	0	0	4,908,650	806,258	25,000	5,739,908		
Downtown Dev.-MPITIE	0	0	0	1,517,151	0	1,517,151		
Debt Service	0	0	0	297,694	0	297,694		
Police Pension	110,000	0	0	0	0	110,000		
Fire Pension	110,000	0	0	0	0	110,000		
EDA RLF	0	50,000	0	0	0	50,000		
Police Facility Fund	0	0	975,494	4,189,098	0	5,164,592		
TOTALS 2018	\$ 22,694,704	1.0%	8,453,193	-3.3%	13,070,619	7,584,525	250,000	52,053,041
TOTALS 2017	\$ 22,469,474	6.8%	8,740,792	3.0%	9,925,153	4,540,120	250,000	45,925,539
TOTALS 2016	\$ 21,030,974	3.2%	8,487,265	4.7%	19,801,100	4,891,290	250,000	54,260,629
TOTALS 2015	\$ 20,371,316	3.7%	7,917,267	3.0%	24,999,600	6,105,037	250,000	59,643,220
TOTALS 2014	\$ 19,649,725	2.5%	7,685,933	0.6%	4,427,000	6,072,196	750,000	38,084,854
TOTALS 2013	\$ 19,176,659	-0.3%	7,639,195	-3.1%	8,030,491	11,619,641	750,000	46,715,986
TOTALS 2012	\$ 19,224,891	-0.1%	7,880,753	1.1%	10,587,642	5,239,666	250,000	43,182,952
TOTALS 2011	\$ 19,243,187	4.3%	7,792,694	1.3%	7,472,255	5,208,320	250,000	39,966,456
TOTALS 2010	\$ 18,441,771	2.9%	7,695,240	4.4%	14,064,353	4,605,090	250,000	45,056,454
TOTALS 2009	\$ 17,928,462	1.8%	7,371,530	7.9%	10,052,500	5,195,986	250,000	40,548,478
TOTALS 2008	\$ 17,611,109	3.2%	6,831,949	4.9%	7,706,300	6,525,041	250,000	38,674,399

2018 - COMPARISON OF MAJOR BUDGET TYPES

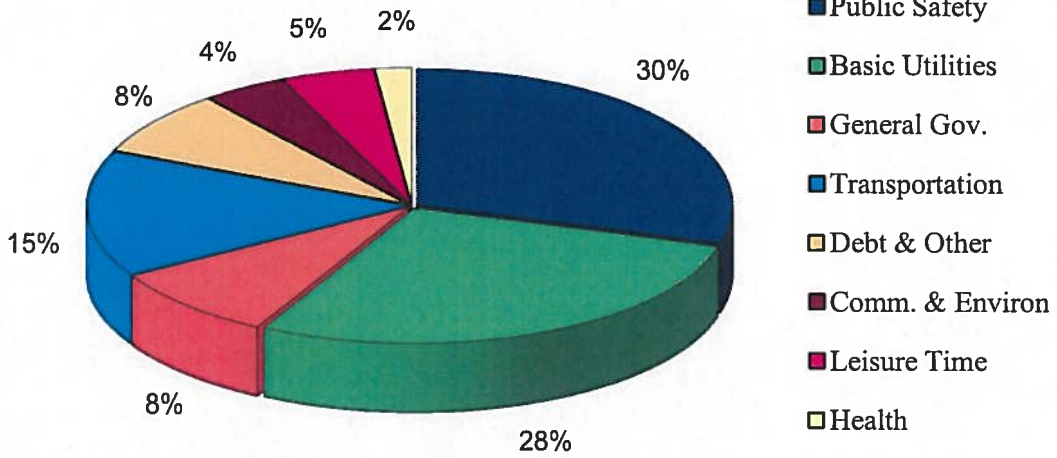


**CITY OF KENT, OHIO
2018 RECOMMENDED BUDGET
PROGRAM AREA COMPARISON - ALL FUNDS**

<u>PROGRAM AREA</u>	<u>2014 APPROVED</u>	<u>2015 APPROVED</u>	<u>2016 APPROVED</u>	<u>2017 APPROVED</u>	<u>2018 RECOMMEND</u>
Basic Utilities	\$ 8,529,937	9,374,588	8,923,314	11,180,467	13,224,920
Public Safety	11,893,425	12,791,776	13,110,327	13,886,526	13,857,623
Police Facility	2,350,000	5,779,000	13,658,775	1,391,920	5,164,592
Transportation	3,376,805	17,324,970	4,745,736	4,719,414	7,004,958
General Government	3,331,649	3,474,346	3,782,676	3,805,919	4,105,997
Debt Service	6,072,196	6,105,037	4,891,290	4,540,120	3,395,427
Community and Environment	1,933,160	1,793,031	2,031,764	2,234,650	1,980,511
Leisure Time Activities	2,105,285	2,111,350	2,178,520	3,123,898	2,201,899
Health Services	591,397	643,122	687,227	791,625	866,144
Contingency - Operating	250,000	250,000	250,000	250,000	250,000
Non-Departmental	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Totals	\$ <u>40,434,854</u>	\$ <u>59,648,220</u>	<u>54,260,629</u>	<u>45,925,539</u>	<u>52,053,071</u>
Less Police Facility (P.F. not reflected in graph)	2,350,000	5,779,000	13,658,775	1,391,920	5,164,592
Total (less Police Facility)	38,084,854	53,869,220	40,601,854	44,533,619	46,888,479

PROGRAM AREA COMPARISON

2018 RECOMMENDED



2017 APPROVED

