

Mayor Nanette K. Johnston opened the work session at 6:11 p.m. on October 27, 2014. In attendance were Aldermen Greg Plumb, Kendall Welch, Jim Werner, Diane Driver, Kari Lamer, Dave Rittman and Marc Sportsman.

The following staff was also present:

Lauren Palmer, City Administrator
Sean Ackerson, Assistant City Administrator/Community Development Director
Kevin Chrisman, Police Chief
Matthew Chapman, Human Resources/Finance Director
Tim Blakeslee, Assistant to the City Administrator
Melissa McChesney, City Clerk

1. GENERAL AGENDA

A. Proposed 2015 Budget and 2015-2020 Capital Improvement Program

City Administrator Lauren Palmer summarized the work session, noting it would focus on the debt service fund, the General Fund portion of the Capital Improvement Program (CIP), and included in the packet were responses to the questions from the October 20 work session. A copy of the presentation is appended hereto as Exhibit A.

Palmer explained there were five active debt service funds supported by the general debt levy. The General Debt Fund included two elements which were the Certificates of Participation for the new city hall and voter-approved projects from the 2004 ballot measure. The Sewer Debt Service Fund included lease purchase and revolving loan projects that were supported by sewer customer fees. The other three active debt service funds included the Neighborhood Improvement Districts (NID) for River Park which retires in 2020, and for Brush Creek and Brink Meyer which retire in 2034. Palmer noted changes were made to the forecast sheet to also include these debt service funds. The general debt levy was set at the maximum amount in order to have a healthy reserve and a portion would be callable in 2018, but staff hoped to call some of it early. She added the reserves associated with the Brink Meyer and Brush Creek NIDs also had maintenance and restricted bond reserves that were established at the point of financing and would be used to make the final payment and protected the bondholder, but were not reserves the City should tap into.

Palmer summarized the debt position chart, noting that it showed the total debt and debt capacity at the end of 2014, but did not include principal payments. She stated the total indebtedness could not exceed 20 percent of the assessed valuation based on state law, but by policy the Board had further limited itself to only 80% of the statutory limit. In 2015 the debt payments would increase due to the Brush Creek and Brink Meyer NIDs and staff recommended paying off the sewer lease purchase in order to save approximately \$37,000 in interest payments for the remainder of the lease.

Palmer stated that the five-year projections for both NID bonds were a big impact to the 2015 budget. Interest-only payments would be made in 2015 and 2016 and by State law the City was required to collect a substantially equal assessment every year of the bond, which was 20 years. She added staff was planning a work session in late November or early December to discuss the development near Interstate 435 and Highway 45 and would include input from property owners and developers, policy points for what the City could allow, and trade-offs.

The CIP included funding for the restroom in English Landing Park, of which \$10,000 would come from the General Fund and the remainder would come from the Parks Donation Fund, an outreach grant through Platte County, and a four-year Fewson Fund loan. The Board discussed the Parks building façade project, maintenance and storage shed for the parks, the River Hills

sinkhole, and the second phase of Platte Landing Park. Palmer noted the façade project was almost complete but some code issues needed to be fixed before it could be closed out. She also said staff budgeted money to help assess the property in River Hills to determine a course of action to fix the problem.

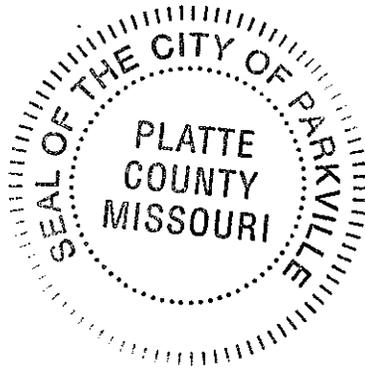
Palmer stated the proposed 2015 budget did not include an additional transfer to the Emergency Reserve fund, but staff recommended to be transferred to the General Fund reserve which would increase it to 13 percent. The surplus of funds was due to operating budget reductions with health insurance and Palmer would provide a revised General Fund budget at the November 4 work session. Further discussion focused on the surplus of funds being transferred from 2014 and the different reserve fund options. The policy stated Emergency Reserve funds could be used if approved by a supermajority of the Board of Aldermen. The General Fund reserves policy stated use of the funds required approval by a majority of the Board, but could not go below five percent without a supermajority approval. Palmer stated that staff would put together options for the 2014 surplus of funds to be presented at the next work session.

The work session ended at 8:18 p.m.

The work session minutes for October 27, 2014, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the fourth day of November 2014.

Submitted by:


City Clerk Melissa McChesney



City of Parkville 2015 Budget

Second Budget Work Session

October 27, 2014

Second Budget Work Session Topics

- Debt Service Funds
- Capital Improvement Program – Part 1
- General Fund Follow-Up
- Review of Future Work Session Topics

Debt Service Funds

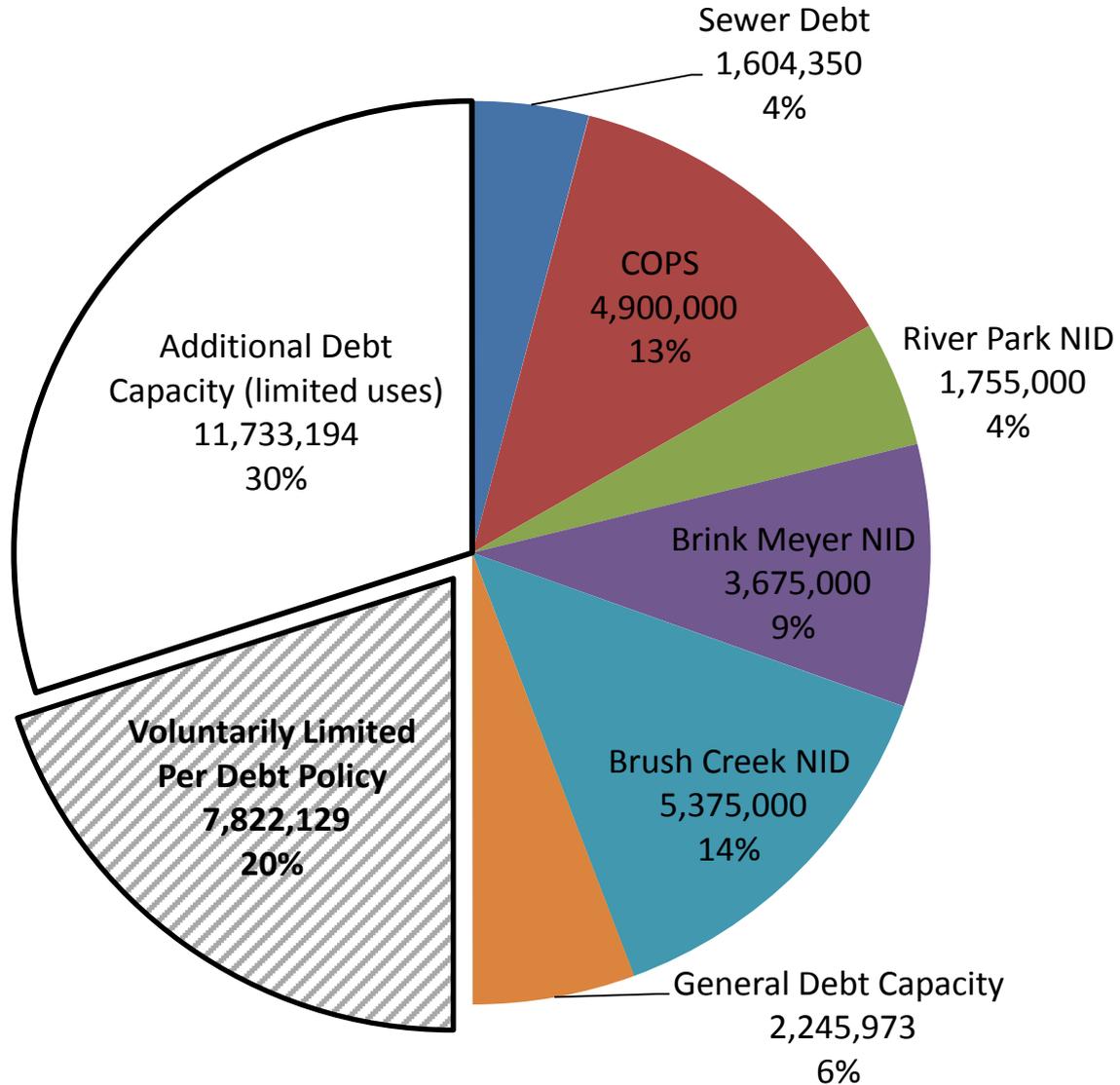
Five Active Debt Funds:

1. **General Debt Fund (22)** - 2006 Certificate of Participation (COPS), which includes the new City Hall and voter-approved projects from the 2004 ballot measure. The debt is supported by the general debt property tax levy (2004 portion) and General Fund revenues. Retires in 2027.
2. **Sewer Debt Service Fund (30)** - includes sewer lease purchase and revolving loan projects that are supported by sewer fees. Retires in 2025.
3. **Neighborhood Improvement Districts (21, 23, 24)** – supported by assessments on benefitting properties
 - a. River Park NID financed infrastructure in The National. Retires in 2020.
 - b. Brush Creek NID financed sewer expansion. Retires in 2034.
 - c. Brink Meyer NID financed road improvements. Retires in 2034.

Total Debt and Debt Capacity (Dec. 2014) Based on 2014 Assessed Valuation

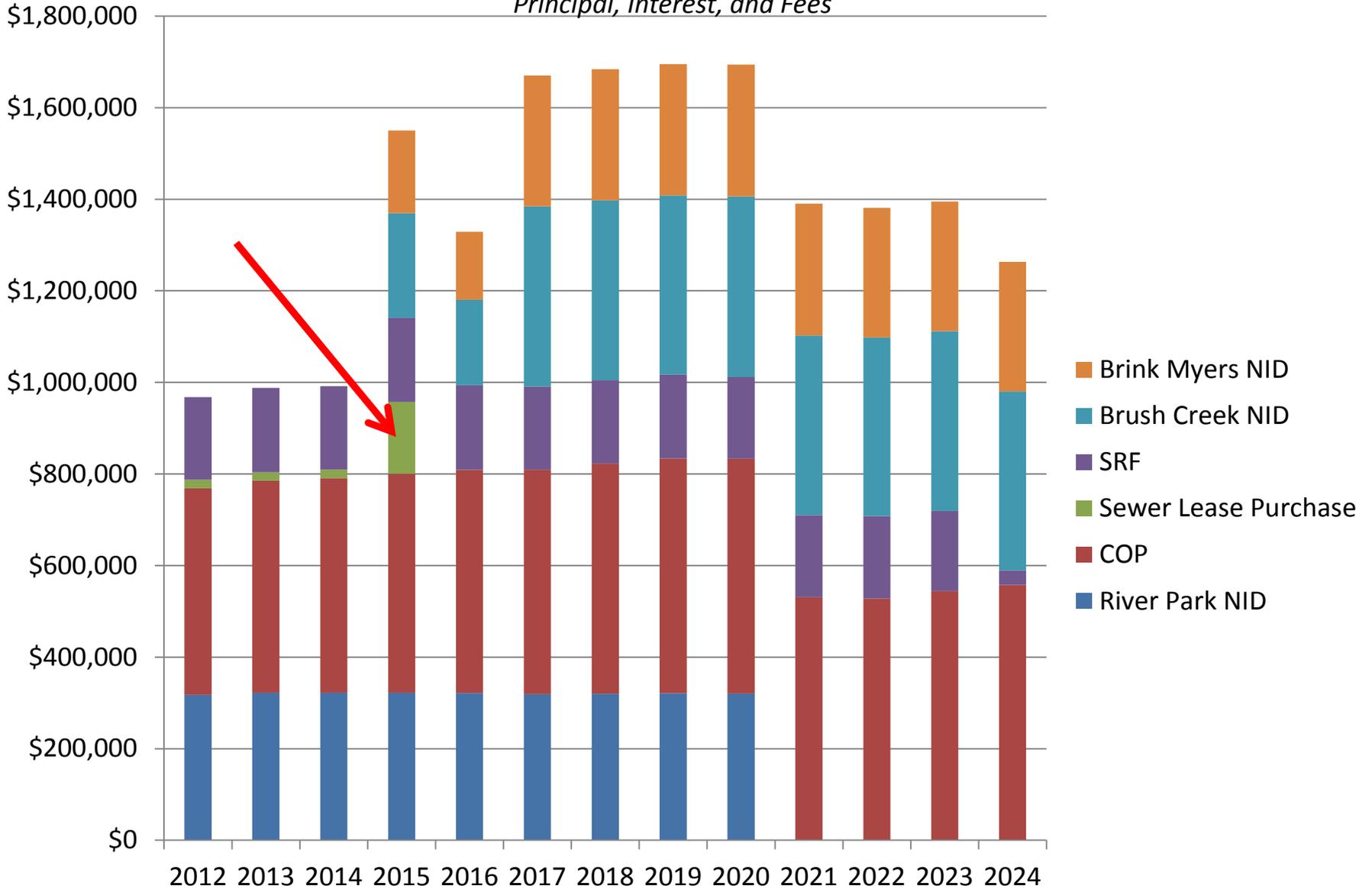
Principal Only

The General Obligation Debt Limit is 10% of the assessed value of the taxable tangible property. There is an additional 10% available for street and sewer expansions, or construction of utility plants. Total G.O. indebtedness may not exceed 20% of the assessed valuation of taxable property. By policy (Resolution No. 09-01-14), the Board has limited itself to no more than that 80% of the statutory limit.



Projected Total Debt Payments

Principal, Interest, and Fees



Five-Year Projections

Brush Creek NID

	2015	2016	2017	2018	2019
Assessments	\$388,030	\$388,030	\$388,030	\$388,030	\$388,030
Principal	\$0	\$0	\$210,000	\$215,000	\$220,000
Interest	\$228,663	\$187,088	\$183,938	\$177,563	\$171,083
Difference	\$159,367	\$200,942	(\$5,908)	(\$4,533)	(\$3,008)

Brink Meyer NID

	2015	2016	2017	2018	2019
Assessments	\$275,166	\$275,166	\$275,166	\$275,166	\$275,166
Principal	\$0	\$0	\$140,000	\$145,000	\$150,000
Interest	\$180,874	\$147,988	\$285,888	\$286,613	\$287,188
Difference	\$94,292	\$127,179	(\$10,722)	(\$11,447)	(\$12,022)

Six-Year CIP by Year

budget impact only

	2015	2016	2017	2018	2019	2020
Com Dev	\$110,000	\$22,000	-	-	-	-
IT	-	-	\$5,000	\$5,000	\$5,000	\$5,000
Nat. Sanc.	\$4,000	-	-	-	-	-
Parks	\$107,500	\$158,500	\$148,500	\$91,000	\$41,000	-
Police	\$34,500	\$35,115	\$35,850	\$36,570	\$37,300	\$37,300
PW	\$139,175	\$50,000	-	-	-	-
Sewer	TBD	TBD	TBD	TBD	TBD	TBD
Streets	\$492,500	\$350,000	\$277,500	\$340,000	\$365,000	\$335,000
TOTAL	\$887,675	\$615,615	\$466,850	\$472,570	\$448,300	\$377,300

2015 General Fund CIP

Division	Project	GF Budget Impact
Com Dev	Upgrade zoning and subdivision regulations	\$85,000
Com Dev	Replace 2000 F150 truck with small SUV	\$25,000
PNS	Extend electrical service to the maintenance shed	\$2,000
Parks	Maintenance and equipment storage shed	\$35,000
Parks	Parks building façade improvements	\$7,500
Parks	Replace/expand ELP restroom facility	\$10,000
Parks	Parks Plan for Progress update	\$40,000
Police	Replace patrol vehicle	\$34,500
PW	Downtown Entryway Improvement Project	\$14,175
PW	North Crooked Road erosion/bank stabilization	\$95,000
PW	River Hills sinkhole geotechnical review	\$15,000
PW	Highway 9 Corridor Study	\$15,000
TOTAL		\$378,175

General Fund Target

Based on current projections (see General Fund forecast), a General Fund CIP of \$378,175 is reasonable for the 2015 budget.

Key considerations:

- Budget does not include a transfer to the Emergency Reserve Fund in 2015.
- Budget includes a 13% General Fund reserve (\$542,720).
- General Fund will likely have some operating budget reductions from health insurance and other minor adjustments throughout.

Other Funds

Project	Source	Amount
Extend electrical service to the maintenance shed	Nature Sanctuary Donations Fund (50/50 cost share with GF)	\$2,000
ELP Restroom Facility	Fewson Fund Loan	\$155,000
ELP Restroom Facility	Park Donations Fund	\$15,000
Sewer Projects	Sewer Fund	TBD
Street Equipment and Projects	Transportation Fund	\$492,500
TOTAL		\$664,500

Need Direction

- ELP Restroom Project – Fewson Fund Loan
- Retiring sewer lease in 2015 (may wait until 4th work session)
- Follow-up from 1st work session
- Direction on a General Fund budget target
 - Emergency Reserve transfer
- Additional information needed for 3rd work session