

Mayor Nanette K. Johnston opened the work session at 5:30 p.m. on November 4, 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 provided an update to the General Fund discussion on October 27. The presentation is appended hereto as Exhibit A. She noted that staff recommended a compromise to transfer \$60,000 to the Emergency Reserve Fund which was not as significant as in the past but it acknowledged the City's commitment to be fiscally responsible. In regards to the revenue side of the General Fund, staff researched fee adjustments that were based on costs over previous years, were compared to peer communities, kept in line with the City's growth and costs, and were modest and reasonable to the public. In regards to the expense side of the General Fund, the changes included a transfer to the Emergency Reserve Fund, a reduction in health insurance, Capital Improvement Project (CIP) changes, and miscellaneous adjustments at the staff level. The projected balance of the General Fund was \$548,000, or 13 percent, and with the recommended transfer to the Emergency Reserve Fund, that balance would be at approximately \$1.5 million.

Aldermen Welch commented on the recommended fee increase for the dog licenses and recommended staff research coordinating with veterinarians to license more dogs than to raise the fees. Alderman Jones requested that staff determine if the recommended fees appropriately covered the cost of staff time and supplies.

Palmer provided an overview of the Transportation Fund that included CIP projects and equipment recommended at approximately \$500,000. She noted street striping was not completed for a couple of years but \$6,500 was expended in 2014 and staff requested an additional \$10,000 for 2015. Staff also recommended the purchase of two trucks for the Streets Division because purchases were not made in 2009, 2010 or 2012 and staff wanted to stay on the nine-year replacement schedule with the replacement of one truck per year. Other recommendations for the Transportation Fund included \$320,000 for the curb and sidewalk and mill/overlay projects. These projects were on an alternating cycle to help stretch limited dollars and put together larger packages, but mill/overlay was skipped for a couple of years. Palmer noted it would be a top priority of the new Public Works director to put together a plan for the street maintenance projects that could be re-evaluated with the Finance Committee if the new director recommended changes. Palmer then discussed the street ratings, which was based on traffic usage, noting that the more the Board spent for maintenance in 2015 the more it would help reduce the need for full replacement in the future.

In summary, Palmer stated that sales taxes were doing well overall, revenue looked good, the transfer to the General Fund was reduced, and staff for the Streets Division would remain in the General Fund so the Transportation Fund monies would be used for transportation projects.

The Board discussed the River Hills sinkhole and requested staff work on getting an estimate to fix the issue. Palmer noted the budget included \$15,000 for the analysis.

The work session ended at 6:38 p.m.

The work session minutes for November 4, 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 eighteenth day of November 2014.

Submitted by:

Melissa McChesney
City Clerk Melissa McChesney



City of Parkville 2015 Budget

Third Budget Work Session

November 4, 2014

Third Budget Work Session Topics

- General Fund Update
- Transportation Fund
- Preview for Final Work Session

Budgeted Funds

- **General Fund**
- **Emergency Reserve Fund**
- **Transportation Fund**
- Sewer Fund
- Other Special Revenue Funds
 - Economic Development Fund
 - Equipment Fund
 - Fewson Project Fund
 - Nature Sanctuary Fund
 - Park Donations
 - Capital Projects Fund
- Debt Service
 - Brink Meyer NID
 - Brush Creek NID
 - River Park NID
 - Sewer Service
 - General Capital Projects Bonds

2015 General Fund Updates

changes since 1st budget work session

Revenues	Impact
Charge a fee for occupancy inspections	\$2,500
Charge a commercial and residential plan review fee	\$10,000
Increase dog licensing fees	\$920
Increase liquor licensing fees	\$2,265
Increase occupational licensing fees	\$6,326
Increase fingerprinting fees	\$1,000
Increase estimate for credit card processing fees	\$2,000

Expenses	Impact
Emergency Fund Transfer	\$60,000
Health insurance	(\$32,000)
CIP changes (1 st to 2 nd work session)	\$20,000
Miscellaneous adjustments (net)	\$1,300

General Fund Summary

	2013 Actual	2014 Budget	2014 Projected (revised)	2015 Budget (revised)
Beginning Balance	\$374,112	\$751,955	\$738,327	\$941,357
Revenues	4,451,713	3,888,800	4,140,985	3,960,141
Total Sources	4,825,825	4,640,755	4,881,812	4,901,498
Administration	766,897	909,886	909,469	997,321
Police	1,096,361	1,212,836	1,122,367	1,251,430
Municipal Court	135,531	147,314	140,722	156,858
Public Works	102,708	146,414	133,373	177,436
CD	258,083	265,367	259,033	289,000
Street Department	674,175	360,137	360,689	385,694
Parks Department	251,594	302,008	285,864	350,330
Nature Sanctuary	19,352	28,300	22,233	29,077
IT	45,884	46,900	35,028	42,324
Public Information	16,915	17,600	15,565	17,750
Capital Outlay (CIP)	-	245,750	118,112	378,175
Transfers	720,000	538,000	538,000	277,500
Total Expenses	\$ 4,087,498	\$ 4,220,512	3,940,455	4,352,895
Fund Balance	\$738,327	\$420,243	\$941,357	\$548,603

General Fund Reserve

	2012 Actual	2013 Actual	2014 Budget	2014 Projected	2015 Budget
Balance	\$374,112	\$738,327	\$420,243	\$941,357	\$548,603
% of Appropriations	9%	18%	10%	24%	13%

Emergency Reserve Fund

2014 Projected Year End Balance	\$1,387,966
2015 Revenues	\$60,000
2015 Expenses	\$0
2015 Projected Fund Balance	\$1,447,966
<i>Target (25% of GF appropriations)</i>	<i>\$1,050,000</i>

Review 2015 CIP by Funding Source

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

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	\$502,500

2015 CIP - Transportation Fund

Project/Equipment	2015 Budget
Crack Sealing	\$20,000
Street Striping	\$10,000
Street Truck/Plow/Spreader (2)	\$110,000
Tractor with Ditch Bank Mower	\$42,500
Curb & Sidewalk Repairs	\$100,000
Asphalt Mill & Overlay	\$220,000
TOTAL	\$502,500

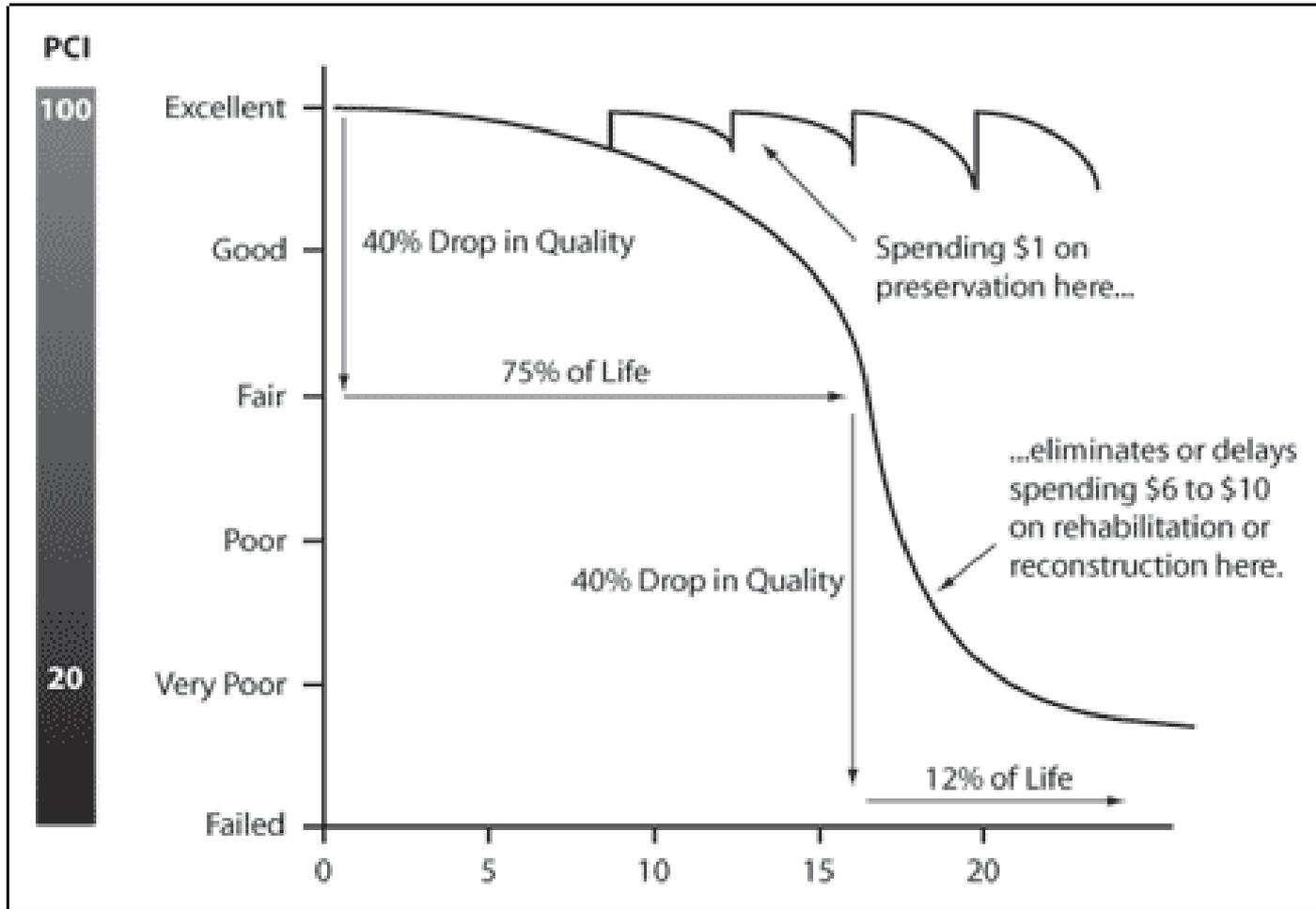
History of Transportation Fund Capital Outlay

	2012 Actual	2013 Actual	2014 Budget	2014 Projected	2015 Budget
Crack Sealing	\$8,356	\$14,303	\$20,000	\$20,000	\$20,000
Full Depth Patching	\$0	\$0	\$0	\$0	\$0
Slurry Sealing	\$49,681	\$10,970	\$95,000	\$0	\$0
Street Striping	\$0	\$0	\$10,000	\$6,902	\$10,000
Asphalt Overlay	\$78,114	\$0	\$120,000	\$0	\$220,000
Curb & Sidewalk	\$60,000	\$63,287	\$0	\$7,784	\$100,000
Equipment	\$20,000	\$111,000	\$50,000	\$50,879	\$152,500
TOTAL	\$216,151	\$199,560	\$295,000	\$88,655	\$502,500

2014 Street Ratings

Rating	Description	# of Streets	% of Streets
1	Newly constructed	6	3%
2	Slight imperfections	120	58%
3	Some deterioration; minor maintenance	41	18%
4	Noticeable deterioration; mill and overlay needed	28	14%
5	Considerable cracking, potholes, fatigue	7	4%
6	Serious deficiency; edge milling and overlay needed	1	1%
7	Severe deficiency; various repairs needed	0	0%
8	Major failure; some good street is left within a total replacement street	0	0%
9	Nearly total replacement required; limited salvage	0	0%
10	Total replacement is required	5	2%

Pavement Maintenance Curve



Source: Federal Highway Administration's Office of Asset Management, Pavements and Construction

Other Transportation Fund Notes

- Sales taxes are performing well – revenue outlook is good.
- Reduced General Fund transfer by \$110,000.
- No longer projecting deficits in the five-year forecast.
- Projected to maintain a modest reserve (\approx \$90K) for contingency.
- No major operating adjustments – biggest adjustments were for streetlighting and building maintenance.

Fourth Work Session

- Sewer Fund
 - Operating budget
 - Capital outlay (CIP)
 - Rate increase (if needed)
- Any follow-up items desired by Mayor and Board of Aldermen

Need Direction

- General Fund changes
 - General Fund reserve and Emergency Fund transfer
- Transportation Fund
- Additional information needed for final work session before budget adoption on December 2.