

Mayor Nanette K. Johnston opened the work session at 5:32 p.m. on November 18, 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 stated staff was targeting a budget adoption date of December 2 and provided an overview of updates to the General Fund. A copy of the presentation is appended hereto as Exhibit A. She noted that cable franchise revenue was missed on a forecast sheet because a double payment was received, therefore the line needed to be reduced by 50 percent. A formula error was found in the CIP forecast sheet which did not affect the 2015 budget directly but would affect the other years. Palmer added staff was working hard to provide accurate numbers. She also noted staff felt comfortable increasing the sales tax projections, small expense and Capital Improvement Program (CIP) adjustments were made, and there was a healthier year-end balance than projected in the third budget work session.

On November 10, the Finance Committee discussed an option to eliminate the alderman expense allowance and combine the money into an expense account. Palmer said staff would write a formal policy on how the expense account could be utilized and present it to the Board by the end of the year.

Palmer then discussed the General Fund CIP, noting that electrical service to the Nature Sanctuary maintenance shed would be funded from the Nature Sanctuary Donations Fund as a special project because additional funding was needed for tree removal. Other highlights included removing the funding for the English Landing Park restroom - staff was encouraged to apply for a Platte County outreach grant with the remaining funding from the Fewson Fund; a revised construction estimate based on the final design for the Downtown Entryway Project would help to absorb any construction observation costs within the original budget; and the Creating Sustainable Places committee approved the Highway 9 Corridor Project up to 95 percent of the original grant request and would then go to the Total Transportation Policy Committee for final approval.

Palmer said the CIP included \$40,000 to conduct a study for a parks master plan before additional resources for amenities in the park were committed, but if the Board desired additional reductions in the CIP the study would be the first option to cut. She added an alternative option would be to begin with a citizen satisfaction survey. The Board discussed the possibility of using the study completed prior to the design of Platte Landing Park since it was completed more recently than the P3 plan.

Palmer summarized several sewer projects, including the Eastside Pump Station. Palmer stated that the 2014 budget included \$225,000 to redirect the Eastside Pump Station from the Kansas City, Missouri system with a force main to help reduce treatment costs. She recommended decommissioning the station and establishing an agreement with the Platte County Regional Sewer District (PCRS) to install a gravity line. Contract City Engineer Jay Norco provided an

overview of the project, noting that he learned there may be some hidden costs to redirect the pump station to Parkville due to the length of the proposed force main.

Further discussion focused on other projects in the CIP, including the pole barn at the sewer plant, the closed circuit television (CCTV) cleaning project, and sewer rate increases. Palmer explained that part of the policy the Board adopted in 2013 for sewer working capital included enough funds for 90 days of operations in addition to the year's debt payment. The proposed budget included retirement of the lease purchase in 2015, which would require a three percent increase in sewer rates for residents. Palmer noted a lease payment in 2015 would save \$37,000 in interest payments over the remaining life of the lease purchase. She recommended modest rate increases each year in order to avoid double digit increases in the future.

Alderman Welch joined the meeting at 6:14 p.m.

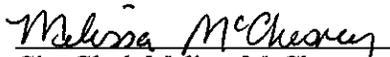
Palmer summarized the budget to-date in all the funds, noting there was a \$260,000 increase on the operations side due to personnel and insurance adjustments and increased legal expense projections.

The Board then discussed other aspects of the budget, including future phases of Platte Landing Park, grinder pump fee collection by the City, and the spring and fall cleanup. Platte County did not have any money included in the spending of the Parks Sales Tax money until approval of the next round of sales tax funding. In response to the grinder pump fee collection, Palmer explained the City was an agent to collect the grinder pump fees for the Riss Lake Homeowners' Association and received a small administrative fee. The process could be discontinued if the Board decided after discussion with Riss Lake leadership. Staff's concern was with the precedent to collect private fees on behalf of a private entity that was not provided to other groups. In response to the fall and spring cleanup discussion, Palmer noted staff recommended removing the spring cleanup event and combining it with the fall cleanup since the Recycling Extravaganza was scheduled around the same time as the spring cleanup event. The 2015 budget was reduced in anticipation that the City would be more efficient with those services.

The work session ended at 6:48 p.m.

The work session minutes for November 18, 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 second day of December 2014.

Submitted by:


City Clerk Melissa McChesney



City of Parkville 2014 Budget

Fourth Budget Work Session

November 18, 2014

Fourth Budget Work Session Topics

- General Fund Update
- Sewer Fund and Sewer Rates

General Fund Updates

- Adjustments to revenue projections for cable franchises and sales taxes.
- Adjustments to CIP.
- Formula error in 5-year forecast.
- Ongoing review of all budget sheets before Dec. 2.
- Eliminate individual elected official expense allowances.

Revised 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
<i>Parks</i>	<i>Parks Plan for Progress update</i>	<i>\$40,000</i>
Police	Replace patrol vehicle	\$34,500
PW	Downtown Entryway Improvement Project	\$44,175
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		\$356,175

Six-Year Sewer Fund CIP by Year

	2015	2016	2017	2018	2019	2020
Equipment & Machinery	33,500	25,000	58,000	10,000	20,000	10,000
Sewer Plant Improvements	90,000			125,000		
Pump Station Improvements	191,000	41,900	37,800	20,000		
Line Maintenance	415,750	307,500	50,000	203,000	200,000	400,000
Other	72,025		107,000			
TOTAL	\$802,275	\$374,400	\$252,800	\$358,000	\$220,000	\$410,000

2015 CIP - Sewer Fund

Project/Equipment	2015 Budget
Bluffs Sewer Re-Alignment	\$72,025
Pump Station Equipment Replacement	\$67,300
Eastside Pump Station Decommission	\$28,900
Pole Barn at Wastewater Treatment Plant	\$90,000
SRF Equipment Replacement	\$33,500
Pinecrest Wetwell Replacement	\$77,000
Miscellaneous Pump Station Improvements	\$17,800
Annual CCTV & Cleaning	\$109,000
Line Repairs	\$306,750
TOTAL	\$802,275

Eastside Pump Station

- Recommend decommissioning the pump station and extending a gravity line to PCRSD.
- PCRSD is prepared to absorb the capital cost of the gravity line.
- More affordable solution than a force main when considering all costs, including long-term maintenance of the pump station and the new main.
- Will require a collection and treatment agreement with PCRSD to work out details of rates and construction.

Sewer Fund Working Capital Policy

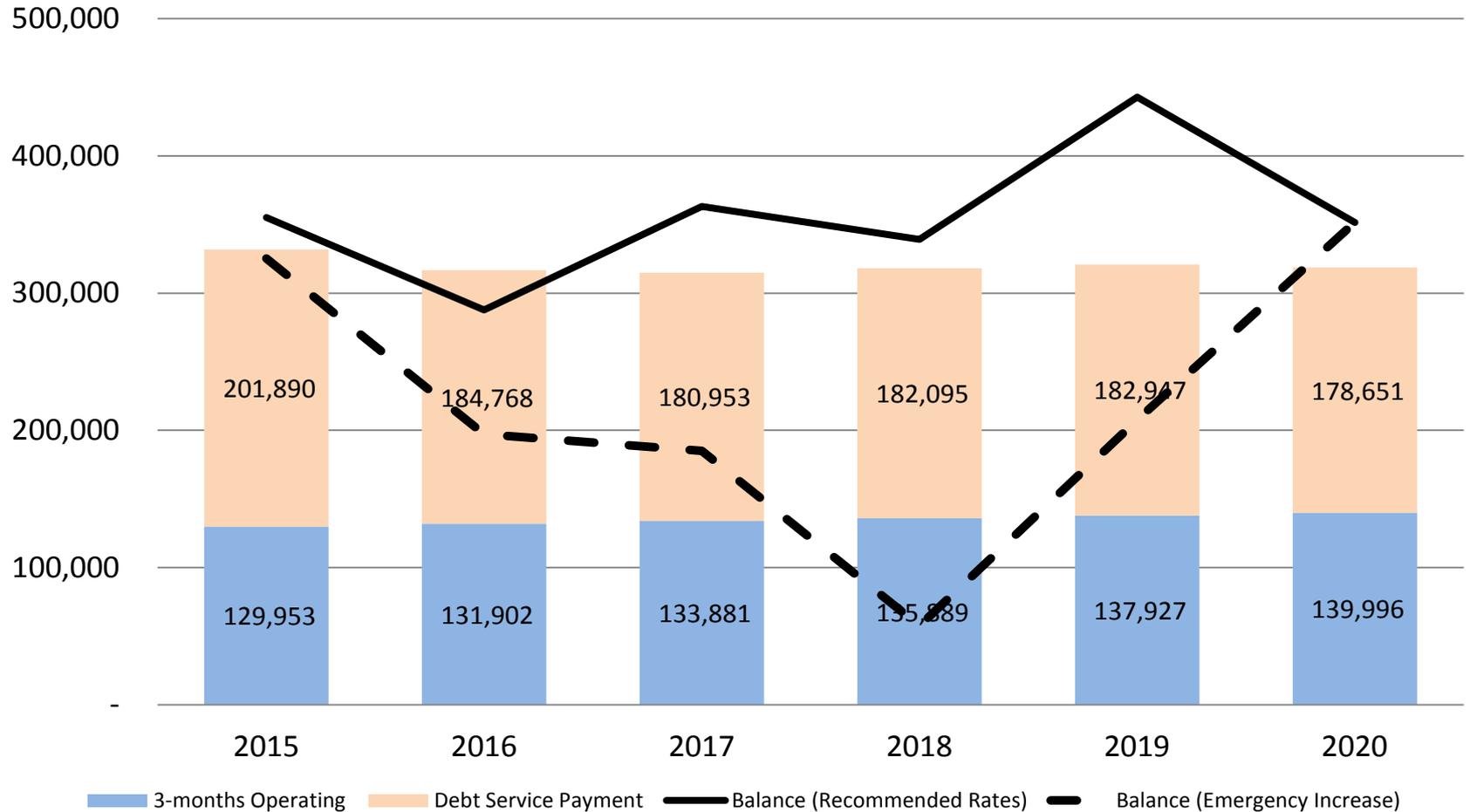
Reserve Policy – Resolution No. 12-01-13

“The sewer utility fund balance should be able to provide 90 days of operations in addition to the current fiscal year debt service payments.”

2015 Rates

- 3.0% rate increase for 2015.
- Consistent with forecasted rate increase from last budget cycle.
- Adequate to cover debt (including retirement of the lease-purchase) and an aggressive CIP to catch up on deferred maintenance.

Impact of Rate Increase on Sewer Fund Balance



RATE INCREASES	2015	2016	2017	2018	2019	2020
Recommended	3%	3%	2.5%	1.5%	0%	0%
Emergency	0%	0%	0%	0%	15%	16.5%

Impact of Recommendation

	2014	2015	2016	2017	2018	2019	2020
Increase	3%	3%	3%	2.5%	1.5%	0%	0%
Base Rate	\$11.86	\$12.21	\$12.58	\$12.89	\$13.09	\$13.09	\$13.09
Consumption Rate	\$0.560	\$0.577	\$0.594	\$0.609	\$0.618	\$0.618	\$0.618
Average Monthly*	\$35.95	\$37.03	\$38.14	\$39.09	\$39.68	\$39.68	\$39.68
Riverchase	\$54.29	\$55.92	\$57.60	\$59.04	\$59.92	\$59.92	\$59.92

**Based on average monthly consumption of 4300 gallons for a 4-person household.*

2015 Impact - \$1.08 per month

Six-Year Average Impact - \$0.62 per month

Total Six-Year Increase - \$3.73 per month

Last Increase – 2014 – 3.0% (2010 – 2.0%)

Budget To Date

	Expenditures		
	2014 Budget	2014 Projected	2015 Budget
General Fund (operations)	\$3,436,762	\$3,297,400	\$3,697,208
Capital Outlay	\$245,750	\$110,112	\$356,175
Transfers Out	\$538,000	\$538,000	\$277,250
Debt Service	\$1,081,406	\$1,088,755	\$1,892,347
Sewer Enterprise Fund	\$1,288,764	\$845,215	\$1,755,622
Special Revenue Funds			
Transportation Fund	\$963,050	\$760,162	\$1,100,500
Projects Fund	\$0	\$94,470	\$0
Parks Donations	\$0	\$0	\$15,000
Eco Devo/Guest Tax	\$5,000	\$5,000	\$0
Equipment Fund	\$0	\$1,530	\$0
Nature Sanctuary Fund	\$13,000	\$8,225	\$4,000
Fewson Fund	\$22,616	\$21,350	\$159,032

Projected Fund Balances

	Ending Fund Balance	
	2014 Budget	2015 Budget
General Fund	\$420,243	\$592,659
Emergency Reserve Fund	\$1,387,966	\$1,447,966
Transportation Fund	\$867	\$97,268
Projects Fund	\$0	\$82
Parks Donations	\$45,105	\$30,767
Eco Devo/Guest Tax	\$1,501	\$1,812
Equipment Fund	\$0	\$1,751
Nature Sanctuary Fund	\$30,292	\$35,996
Fewson Fund	\$556,819	\$389,096*
Debt Service	\$574,565	\$919,995
Sewer Fund	\$496,141	\$358,880

Need Direction

- Sewer CIP
- Sewer Lease-Purchase Retirement
- Sewer Rates
- Grinder Pump Fee Collection
- General Fund Changes
- Any additional changes or information desired before adoption on Dec. 2