

WORK SESSION MINUTES OF THE BOARD OF ALDERMEN OF NOVEMBER 17, 2015

Page 1 of 1

Mayor Nanette K. Johnston opened the work session at 5:34 p.m. on November 17, 2015, at City Hall located at 8880 Clark Avenue, Parkville. In attendance were aldermen Greg Plumb, Douglas Wylie, Jim Werner, Diane Driver, Kari Lamer and David Jones.

The following staff was also present:

Lauren Palmer, City Administrator
Sean Ackerson, Assistant City Administrator/Community Development Director
Kevin Chrisman, Police Chief
Alysen Abel, Public Works Director
Jay Norco, North Hills Engineering
Richard Wilson, Alliance Water Resources
Matthew Chapman, Human Resources/Finance Director
Tim Blakeslee, Assistant to the City Administrator
Melissa McChesney, City Clerk

1. GENERAL AGENDA

A. Proposed 2016 Operating and Capital Budget

City Administrator Lauren Palmer the Sewer Fund Capital Improvement Program (CIP); presentation attached as Exhibit A. She noted that line maintenance was the largest item and staff was working toward an intensive program each year. In 2007-2008, a sanitary sewer evaluation study was completed that identified improvements and each year, closed-circuit television was completed to help identify priorities. Palmer said that Phase 2 began in 2015 and final payments would be made in 2016. She added Phase 3 was included in the 2016 CIP for manhole repairs and future years would be a cycle for major line repairs and annual line maintenance.

Staff recommended a 2.5 percent rate increase for sewer customers in 2016 to cover obligations and address the strategy of staying ahead of deferred maintenance. Palmer stated the increase was less than forecasted in 2015 and that modest inflationary adjustments were made over the years to help reduce the need for major double-digit increases in the future. With the recommended increase, the average residential customer would be impacted less than one dollar per month.

Palmer recapped past work sessions and presented highlights of projected fund balances. She noted that the Fewson Fund was higher in 2016 due to the intergovernmental loan for the English Landing Park restroom project. In regards to the Debt Service Fund, Palmer said the reserves were decreasing in 2016 because of the Refunding Certificates of Participation in December. She added that not much happened with the fund in early 2015 because of the Neighborhood Improvement District payments for delinquent property owners.

Alderman Driver recommended that the Board reconsider demolishing the vacant home on Highway 9 across from Clark Avenue as part of the 2016 CIP. The Board discussed the cost for the City to demolish it versus the cost for the developer. The consensus of the Board was to complete the project in 2016 using money from reserves if necessary.

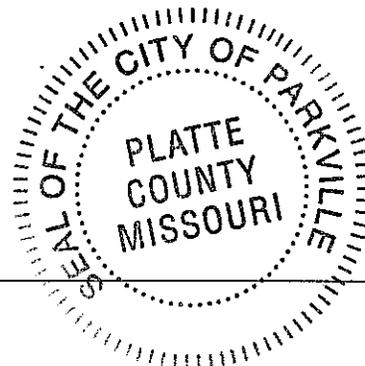
The work session ended at 6:31 p.m.

The work session minutes for November 17, 2015, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the first day of December 2015.

Submitted by:


City Clerk Melissa McChesney

2015-109



City of Parkville 2015 Budget

Fourth Budget Work Session

November 17, 2015

1

Fourth Budget Work Session Topics

- Sewer Fund and Sewer Rates

2

Six-Year Sewer Fund CIP by Year

	2016	2017	2018	2019	2020	2021
Equipment & Machinery	\$10,000	\$81,600	\$24,200	\$28,700	\$10,000	\$152,400
Sewer Plant Improvements	\$147,000	\$6,000	\$45,000	-	-	-
Pump Station Improvements	\$34,000	\$82,700	\$71,800	-	\$4,500	-
Line Maintenance	\$543,500	\$257,000	\$72,000	\$346,000	\$334,000	\$60,000
Other						
TOTAL	\$734,500	\$427,300	\$213,000	\$374,700	\$348,500	\$212,400

3

2016 CIP - Sewer Fund

Project/Equipment	2016 Budget
Equipment replacement for sludge wagon and tractor	\$7,000
WWTP headworks screen rebuild	\$3,000
Pole barn for equipment at WWTP	\$90,000
Removal and replacement of one clarifier floor	\$45,000
WWTP mission control upgrades	\$12,000
Pinecrest Pump Station reconstruction (started in 2015)	\$16,000
Pump Station Improvements (FF Hwy, Pinecrest, McAfee, 45 Hwy)	\$18,000
Sanitary Sewer Phase 2 Line Repairs (started in 2015)	\$252,000
Sanitary Sewer Phase 3 Manhole Repairs (continue in 2016)	\$230,000
Sewer mapping and evaluation	\$6,500
CCTV and cleaning	\$55,000
TOTAL	\$734,500

4

Sewer Fund Working Capital Policy

Reserve Policy – Resolution No. 12-01-13

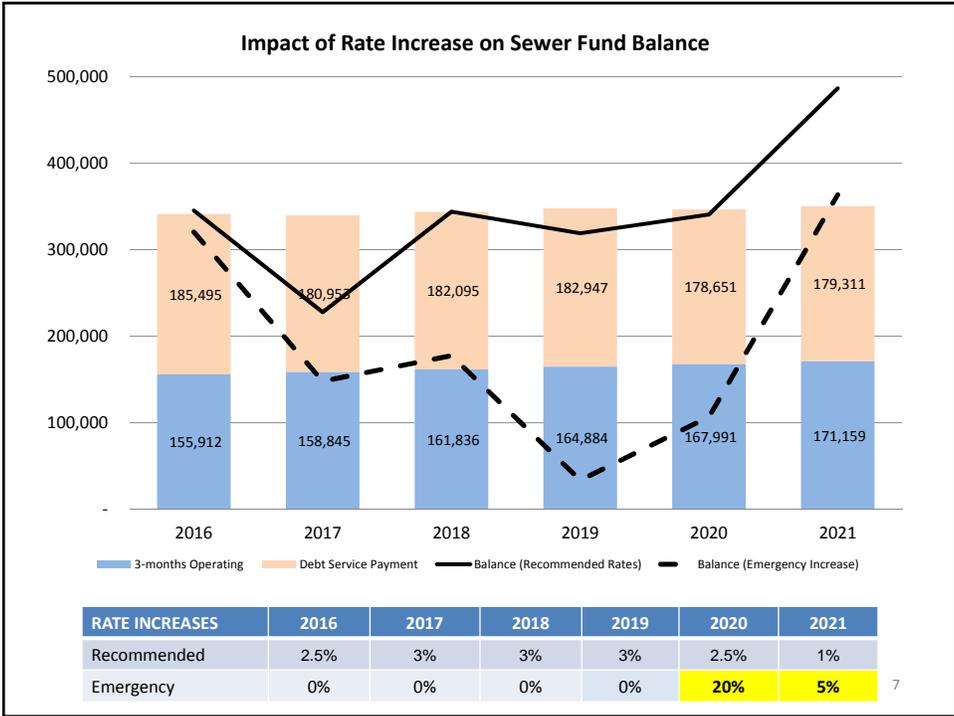
“The sewer utility fund balance should be able to provide 90 days of operations in addition to the current fiscal year debt service payments.”

5

2016 Rates

- 2.5% rate increase for 2016.
- Slight decrease from what was forecasted during last budget cycle (3.0%).
- Adequate to cover debt, operations, and an aggressive CIP to continue strategy of catching up on deferred maintenance.

6



Impact of Recommendation

	2014	2015	2016	2017	2018	2019	2020
Increase	3%	3%	2.5%	3%	3%	3%	2.5%
Base Rate	\$11.86	\$12.21	\$12.52	\$12.89	\$13.28	\$13.68	\$14.02
Consumption Rate	\$0.560	\$0.577	\$0.592	\$0.609	\$0.628	\$0.646	\$0.663
Average Monthly*	\$35.95	\$37.03	\$37.95	\$39.09	\$40.26	\$41.47	\$42.51

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

2016 Impact - \$0.92 per month
 Seven-Year Average Impact - \$1.09 per month
 Total Seven-Year Increase (2014 – 2020) - \$6.56 per month
 Last Increase – 2015 – 3.0% (2014 – 3.0%)

Budget To Date

	Expenditures		
	2015 Budget	2015 Projected	2016 Budget
General Fund (operations)	\$3,698,160	\$3,281,564	\$3,774,532
Capital Outlay	\$356,175	\$170,987	\$336,035
Transfers Out	\$277,250	\$281,827	\$317,500
Debt Service	\$1,893,070	\$1,660,997	\$1,240,410
Sewer Enterprise Fund	\$1,756,372	\$1,360,466	\$1,543,641
Special Revenue Funds			
Transportation Fund	\$1,100,500	\$1,039,990	\$1,114,000
Projects Fund	\$213,585	\$76,851	\$380,672
Parks Donations	\$15,000	\$10,621	\$5,000
Eco Devo/Guest Tax	-	\$2,776	-
Equipment Fund	1,751	1,751	-
Nature Sanctuary Fund	4,000	4,550	6,200
Fewson Fund	\$159,032	\$929	\$6,478

Projected Fund Balances

	Ending Fund Balance	
	2015 Budget	2016 Budget
General Fund	\$598,773	\$919,302
Emergency Reserve Fund	\$1,447,966	\$1,456,173
Transportation Fund	\$101,954	\$38,524
Projects Fund	\$82	\$295
Parks Donations	\$30,767	\$37,373
Eco Devo/Guest Tax	\$1,904	\$2,054
Equipment Fund	-	-
Nature Sanctuary Fund	\$35,996	\$39,381
Fewson Fund	\$389,096	\$569,859
Debt Service	\$920,337	\$240,155
Sewer Fund	\$355,180	\$345,292

Need Direction

- Sewer CIP
- Sewer Rates
- Any additional changes or information desired before adoption on Dec. 1

11