

City of Parkville 2018 Budget

Fourth Budget Work Session

November 15, 2017

Sewer Fund

2017 CIP Recap

- Projects deferred to 2018
 - Clarifier Drives (\$15,000)
 - Headworks Screen Rebuild (\$47,000)

Total Amount Deferred to 2018 = \$52,000

2017 CIP Recap

- Unbudgeted / Emergency Projects
 - 700 Main St Sewer Repairs (\$37,000)
 - Sludge Wagon Repairs (\$5,000)
 - River Hills Pump Repairs (\$7,400)
 - McAfee Pump Repair (\$7,600)
 - Riverchase Sewer Repair (\$4,000)
 - Hwy 9 Sewer Repair (\$2,215)
 - Spruce Ct Sewer Repair (\$2,200)
 - Clearwater Repair (\$4,300)
 - UV Ballast & Bulb Replacement (\$9,400)
 - Manor Dr Sewer Repair (\$2,100)
 - Twilight Sewer Repair (\$3,500)

2017 CIP Recap

- Multi-Year Projects
 - Sanitary Sewer Phase 3
 - Carryover from 2016
 - Downtown Sewer Repairs
 - Carryover from 2016
 - Riverchase Sewer Replacement
 - Design Completed in 2016
 - Construction Completed in 2017
 - Hwy 45 Pump Station Design
 - Design Completed in 2016
 - Construction Completed in 2017

Beginning Fund Balance

<u>Year</u>	<u>Beginning Fund Balance</u>
2013	\$605,952
2014	\$516,873
2015	\$1,101,730
2016	\$795,105
2017	\$424,422
2018	\$400,321

2018 CIP – Sewer Fund

	<u>Project/Equipment</u>	<u>2018 Budget</u>
Equipment & Machinery	Headworks Screen Replacement	\$90,000
	RAS Drive Replacement	\$5,200
	Clarifier Drive Rebuild	\$16,000
	Lab Equipment	\$6,000
Sewer Plant Improvements	No Improvements in 2018	\$0
Pump Station Improvements	South National Pump Station	\$63,000
Line Maintenance	CCTV	\$57,000
	Manhole Reconstruction Phase 2	\$130,000
	Sanitary Sewer Phase 4 (Design only)	\$15,000
Other Maintenance	No Improvements in 2018	\$0

Proposed Sewer CIP

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Equipment & Machinery	\$117,200	\$53,900	\$11,000	-	-
Sewer Plant Improvements	-	\$150,000	\$125,000	\$54,000	-
Pump Station Improvements	\$63,000	-	\$4,500	-	\$32,800
Line Maintenance	\$202,000	\$258,000	\$289,000	\$260,000	\$261,000
Other	-	-	-	-	-
TOTAL	\$382,200	\$461,900	\$429,500	\$314,000	\$293,800

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.”

Working Capital Estimates

<u>Year</u>	<u>Estimated Working Capital</u>	<u>90-day Target</u>	<u>Difference</u>
2017	\$400,321	\$357,871	+ \$42,450
2018	\$335,115	\$385,010	- \$49,895
2019	\$256,690	\$370,646	- \$113,956
2020	\$227,531	\$372,781	- \$145,250
2021	\$326,709	\$379,922	- \$53,213
2022	\$459,877	\$387,117	+ \$71,955

Sewer Allocation Study

- Sewer Allocation Study by Springsted in 2016
- Study Recommendation
 - Reasonable Transfer of \$365,644 from Sewer Fund to General Fund

History of Sewer Allocation

<u>Year</u>	<u>Allocation from Sewer</u>	<u>Percent Increase</u>
2013	\$100,000	33.33%
2014	\$100,000	0%
2015	\$101,500	1.5%
2016	\$103,530	2%

<u>Year</u>	<u>Allocation from Sewer</u>	<u>Percent Increase</u>
2017	\$150,000	45%
2018	\$165,000	10%
2019	\$180,000	9.09%
2020	\$195,000	8.33%
2021	\$210,000	7.69%
2022	\$225,000	7.14%

Sewer Allocation Study recommendation = \$365,644

Sewer Rate Proposal

- Proposal from 2016:
 - 10% Rate in 2017 (Previously Approved)
 - 6% Rate in 2018 and 2019
 - 3% Rate in 2020, 2021 and 2022

Sewer Rate Breakdown

Sewer Rate	Sewer Base Fee	Consumption Rate	Average Monthly Bill*	Monthly Cost Difference
Current Rate	\$13.77	\$0.651 per 1,000 gallons	\$41.75	-
3%	\$14.18	\$0.670 per 1,000 gallons	\$43.00	\$1.25
6%	\$14.59	\$0.690 per 1,000 gallons	\$44.25	\$2.50
10%	\$15.14	\$0.716 1,000 gallons	\$45.92	\$4.17

* Based on the average consumption rate of 4,300 gallons per month for a 4-person household

3% Rate Increase = \$33,099 Revenue
 6% Rate Increase = \$66,198 Revenue
 10% Rate Increase = \$110,330 Revenue

Sewer Fund Recommendation

1. Adjust the Sewer Allocation
 - \$165,000 (increase \$15,000)
2. Proposed CIP
 - \$382,200
3. Increase Sewer Rates
 - Proposed 6% rate increase

Need Direction

- Sewer Fund Options
 - Allocation
 - CIP
 - Sewer Rates
- Transportation Fund Follow-Up
- Increase EDC Contribution from \$30,000 to \$40,000
- Any additional changes or information desired by the Board of Aldermen prior to final adoption on Dec. 19th

2018 Parkville City Budget

Recommended 2018 Budget

	Expenses	Revenues (includes carryover fund balance except in debt service funds)	Projected Balance
General Fund	\$4,566,277	\$5,584,458	\$1,018,181
Emergency Reserve Fund	\$417,661	\$1,740,943	\$1,323,282
Debt Service Funds	\$ 1,806,733	\$ 1,806,582	\$0
Special Revenue Funds	\$2,394,428	\$3,251,358	\$856,930
Sewer Enterprise Fund	\$1,335,924	\$1,687,028	\$351,104
TOTAL	\$10,521,023	\$14,070,369	\$3,549,497

Vision Statement

Parkville will offer an exceptional quality of life for residents and visitors by embracing opportunities to enhance commerce and economic activity, while preserving the community's historic charm, attractive character, and unique natural environments.

Critical Success Factors

- Basic Services
- Infrastructure
- Economic Development
 - Parks
 - Finances

Budget Purpose

- Policy Document
- Financial Plan
- Operations Guide
- Communications Device

2018 Capital Improvement Plan

- General Fund CIP is \$384,895
 - Continued increased building maintenance and IT improvements
 - ELP Low Water Dam Project
 - Police Patrol Vehicle and CrimeStar Records Management Upgrade
- Transportation Fund CIP is \$1,458,297
- Sewer Fund CIP is \$382,200

Transportation Fund Annual Street Maintenance Program

	Asphalt Overlay	Curbs and Sidewalk	Crack Seal	Pavement Marking	Total Street Maintenance
2017 Project	\$770,000	\$280,000	\$10,000	\$13,150	\$1,073,150
	5.6 Miles	9,450 LF	varies	varies	
2018 Project	\$250,000	\$50,000	\$15,000	\$15,000	\$330,000
	1.4 Miles	1,500 LF	varies	varies	
2019 to 2022 Estimated	\$250,000	\$50,000	\$15,000	\$15,000	\$330,000
	1.4 Miles	1,500 LF	varies	varies	
2023 (debt paid off)	\$250,000	\$100,000	\$15,000	\$15,000	\$380,000
	1.4 Miles	3,200 LF	varies	varies	

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Transportation Fund

Route 9 Improvements

- Funded: Route 45 to Clark Avenue – Budgeted \$1,068,297
- Next Phase: Clark to Lakeview – Engineering initiated; State Grant funding application pending.

Sewer Fund

- Sewer Budget:
 - \$559,286 Operating Expenses
 - \$382,200 Capital Expenses
 - \$204,438 Debt Payments for Sewer System Upgrade
 - \$190,000 Sewer transfer for Sewer Administration
Costs borne by the General Fund
- 2018 Rate Increase
- Adoption of a 5 Year Capital Improvement Plan for continued investment in the Sewer Treatment Plant, and the transmission system to the plant - sewer lines and lift stations.

Proposed Sewer CIP

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Questions?