

# City of Parkville 2019 Budget

## *Third Budget Work Session*

November 20, 2018

1

## 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
  - COPS

2

## Third Budget Work Session Topics

- Sewer Fund
- Sewer CIP
- Sewer rates
- Follow-up from previous work sessions

3

## Sewer Fund

4

## 2018 Sewer Budget Recap

- Unbudgeted / Emergency Projects
  - Sewer Repair – 6149 Southlake Drive (\$1,175)
  - Sewer Repair – Curth Ridge (\$3,475)
  - Sewer Repair – Clearwater (\$1,550)
  - Sewer Repair – Parkview & Manor (\$1,875)
  - Blower Repair – WWTF (\$14,114)
  - Forcemain Repair – ELP (\$11,686)

5

## 2018 CIP Recap

- Carry-Over from 2017
  - Gravel Access Road (\$4,834)
  - Replace Sewer Plant Doors (\$4,042)
- Multi-Year Projects
  - Downtown Sewer Repairs
    - Design Completed in 2017
    - Construction Completed in 2018
  - S. National Pump Station Design
    - Design Completed in 2017
    - Construction Completed in 2018

6

## 2018 CIP Project Overview

- WWTP Headworks Screen
  - Budget = \$90,000
  - Actual Project Cost = \$146,975
  - Over Budget by \$56,975
- S. National Pump Station
  - Budget = \$63,000
  - Actual Project Cost = \$84,928
  - Over Budget by \$21,928

7

## 2018 CIP Project Overview

- Annual CCTV Program
  - Budget = \$57,000
  - Actual Project Cost = \$41,360
  - Under Budget by \$15,640
- Downtown Sewer Repairs
  - Budget = \$130,000
  - Actual Project Cost = \$91,624
  - Under Budget by \$38,376

Net Budget Impact (\$24,887)

8

## 2018 CIP Recap

- Projects deferred to 2019
  - Sanitary Sewer Repairs – Engineering (\$15,000)
  - Manhole Reconstruction – Downtown (\$12,000)

Total Amount Deferred to 2019 = \$27,000

9

## 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	\$420,915

10

## 2019 CIP – Sewer Fund

	<u>Project/Equipment</u>	<u>2019 Budget</u>
Equipment & Machinery	WWTF RAS Flow Meters	\$34,000
	Sewer Truck	\$31,000
	Equipment Trailer	\$3,000
Sewer Plant Improvements	WWTF RAS Pit Cleanout	\$11,000
	RAS Pump AFDs	\$5,400
Pump Station Improvements	No Improvements in 2019	\$0
Line Maintenance	CCTV	\$58,000
	Sanitary Sewer Phase 4	\$235,000
Other Maintenance	No Improvements in 2019	\$0

11

## Proposed Sewer CIP

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Equipment & Machinery	\$68,000	\$11,000	-	-	\$13,000
Sewer Plant Improvements	\$16,400	\$125,000	\$4,000	-	\$1,350,000
Pump Station Improvements	-	\$4,500	-	\$32,800	
Line Maintenance	\$293,000	\$289,000	\$260,000	\$261,000	\$262,700
Other	-	-	-	-	-
<b>TOTAL</b>	<b>\$377,400</b>	<b>\$369,100</b>	<b>\$334,300</b>	<b>\$338,300</b>	<b>\$1,625,700</b>

12

## 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.”

13

## Working Capital Estimates

Year	Estimated Working Capital	90-day Target	Difference
2018	\$478,349	\$364,264	\$114,085
2019	\$499,662	\$372,242	\$127,419
2020	\$539,248	\$382,471	\$156,777
2021	\$627,648	\$389,676	\$237,972
2022	\$727,051	\$396,935	\$330,116
2023	\$(444,231)	\$403,563	(\$847,794)

14

## Sewer Allocation Study

- Sewer Allocation Study by Springsted in 2016
- Study Recommendation
  - Reasonable Transfer of \$365,644 from Sewer Fund to General Fund
- Current Plan – increase \$15,000 per year. \$190,000 transfer in 2018.

15

## History of Sewer Allocation

<u>Year</u>	<u>Allocation from Sewer</u>
2013	\$100,000
2014	\$100,000
2015	\$101,500
2016	\$103,530
<u>Year</u>	<u>Allocation from Sewer</u>
2017	\$150,000
2018	\$190,000
2019	\$205,000
2020	\$220,000
2021	\$235,000
2022	\$250,000

Sewer Allocation Study recommendation = \$365,644

16



## Past Sewer Rate Increases

- Sewer Rate Increases:

<u>Year</u>	<u>Sewer Rate Increase</u>
2014	3%
2015	3%
2016	2.5%
2017	10%
2018	10%

17

## Sewer Rate Proposal

- Proposal

<u>Year</u>	<u>Sewer Rate Increase</u>
2019	6%
2020	3%
2021	3%
2022	3%
2023	3%

18

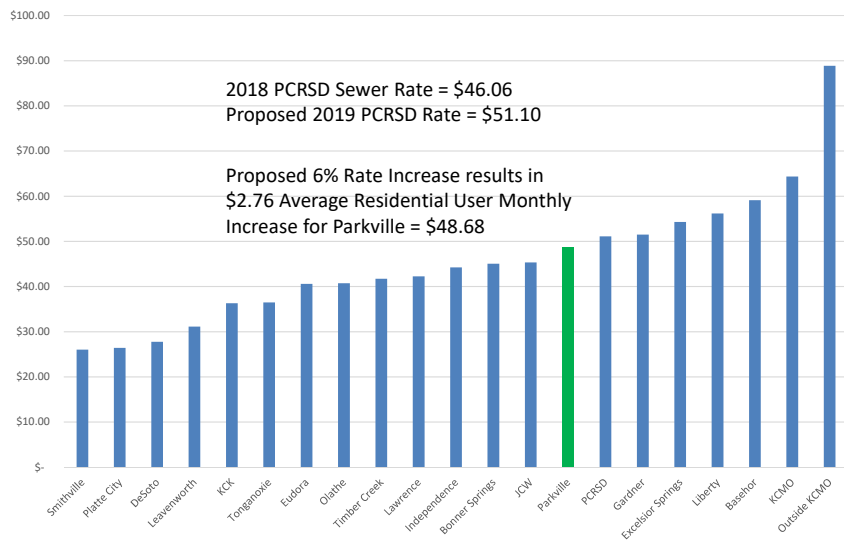
## Sewer Rate Breakdown

Sewer Rate	Sewer Base Fee	Consumption Rate	Average Monthly Bill*	Monthly Cost Difference
Current Rate	\$15.14	\$0.716 per 1,000 gallons	\$45.92	-
3%	\$15.60	\$0.737 per 1,000 gallons	\$47.30	\$1.38
6%	\$16.05	\$0.759 per 1,000 gallons	\$48.68	\$2.76
10%	\$16.66	\$0.787 per 1,000 gallons	\$50.52	\$4.60

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

3% Rate Increase = \$36,409 Revenue  
 6% Rate Increase = \$72,818 Revenue  
 10% Rate Increase = \$121,363 Revenue

## Comparable Sewer Rates



## Sewer Fund Recommendation

1. Adjust the Sewer Allocation for Administrative Charge
  - \$205,000 (increase \$15,000)
2. Proposed CIP
  - \$377,400
3. Increase Sewer Rates
  - Proposed 6% rate increase

21

## Need Direction

- Sewer Fund Options
  - Allocation
  - CIP
  - Sewer Rates
- Any additional changes or information desired by the Board of Aldermen prior to final adoption on Dec. 18<sup>th</sup>

22

## Next Steps

- ~~October 16~~ — Revenue Projections, General Fund, Debt Service
- ~~November 6~~ — CIP, Transportation Fund, miscellaneous follow-up
- ~~November 20~~ — Sewer Fund, miscellaneous follow up, summary review
- 2018 Capital Outlay Carryover Projects added to 2019 Budget
- December 4 – Adoption – 1<sup>st</sup> Reading
- December 18 – Adoption – 2<sup>nd</sup> Reading

23