

City of Parkville 2021 Budget

Third Budget Work Session

November 3, 2020



Third Budget Work Session Topics

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



Sewer Fund



2020 Sewer Budget Recap

- Unbudgeted / Emergency Projects
 - Sewer Repair – 7913 Twilight (\$2,680)
 - Sewer Repair – 6059 Southlake (\$2,600)
 - Sewer Repair – 6039 Southlake (\$2,285)
 - Sewer Repair – Trailridge / Manor (\$1,560)



2020 Sewer Budget Recap

- Emergency Forcemain Repairs
 - February 2020 – \$2,200
 - March 2020 – \$1,350
 - September 2020 – \$1,880
- Riverchase Forcemain Relocation
 - August 2020 – \$22,330



2020 Sewer CIP Recap

- Carry-Over from 2019
 - RAS Flow Meters – \$34,000
 - Clarifier Drive – \$16,000
 - RAS AFD's – \$5,400
 - Sanitary Sewer Phase 5 – \$215,800



2020 Sewer CIP Recap

- Multi-Year Projects
 - McAfee Forcemain Repairs
 - Design started in late 2018 / completed in 2019
 - Construction started in 2020 (Phase 1)
 - Additional phases planned in 2023 and 2024



2020 CIP Project Overview

- WWTF RAS Pumps (purchase 2 pumps)
 - Budget = \$11,500
 - Actual Project Cost = \$11,670.32
 - Project Complete
- Upgrade Exterior Lighting
 - Budget = \$9,000
 - Anticipated Cost = \$9,000
 - To be completed in late 2020



2020 CIP Project Overview

- WWTF RAS Flow Meter
 - Budget = \$34,000
 - Anticipated Cost = \$29,700
 - Project Complete
- Clarifier Drive
 - Budget = \$16,000
 - Deferred to 2021



2020 CIP Project Overview

- RAS Pump AFDs
 - Budget = \$5,400
 - Anticipated Cost = \$5,400
 - To be completed in late 2020
- Annual CCTV Program
 - Budget = \$30,000
 - Anticipated Cost = \$30,626
 - To be completed in late 2020



2020 CIP Project Overview

- Manhole Inspection Program
 - Budget = \$30,000
 - Anticipated Cost = \$30,646
 - To be completed in late 2020
- McAfee Forcemain Repairs
 - Budget = \$475,000
 - Anticipated Cost = \$389,759
 - Project Complete



2020 CIP Project Overview

- Sanitary Sewer Phase 5
 - Budget = \$215,800
 - Project Complete



Beginning Fund Balance

<u>Year</u>	<u>Beginning Fund Balance</u>
2014	\$516,873
2015	\$1,101,730
2016	\$795,105
2017	\$424,422
2018	\$439,493
2019	\$531,261
2020	\$979,986
2021	\$857,587



2021 CIP – Sewer Fund

	<u>Project/Equipment</u>	<u>2020 Budget</u>
Equipment & Machinery	Zero Turn Mower	\$17,000
	DO Meter Unit	\$20,500
Sewer Plant Improvements	Clarifier Drive (Deferred from 2020)	\$16,000
	Clarifier Floor Replacement	\$54,000
	Mixer for Sewer Plant	\$12,000
	Replace UV Bulbs/Sleeves/Ballasts	\$14,000
Pump Station Improvements	FF Hwy Pump Station Repairs	\$140,000
Line Maintenance	CCTV	\$60,300
	Sanitary Sewer Repairs	\$240,000
Other Maintenance	No Improvements in 2020	\$0



Proposed Sewer CIP

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Equipment & Machinery	\$36,026	\$37,500	\$60,000	\$13,000	-	
Sewer Plant Improvements	\$56,232	\$96,000	\$220,000	\$25,000	\$75,000	2,200,000
Pump Station Improvements	-	\$140,000	-	-	-	
Line Maintenance	\$528,762	\$300,300	\$281,500	\$262,700	\$364,000	900,000
Other	-	-	-	-	-	
TOTAL	\$621,020	\$573,300	\$561,500	\$300,700	\$439,000	\$3,100,000



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>
2019	\$ 979,986	\$381,464	\$598,522
2020	\$ 857,587	\$395,915	\$ 461,672
2021	\$ 772,065	\$ 407,513	\$ 364,552
2022	\$ 749,710	\$ 411,100	\$ 338,610
2023	\$ 1,004,136	\$ 419,583	\$ 584,553
2024	\$ 1,142,217	\$ 423,348	\$ 718,869
2025	(1,219,069)	\$288,729	(1,507,798)




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 \$20,000 per year. \$300,000 transfer in 2021.
- An updated study will support future increases.




History of Sewer Allocation

Year	Allocation from Sewer
2014	\$100,000
2015	\$101,500
2016	\$103,530
2017	\$150,000
2018	\$190,000
2019	\$230,000
2020	\$280,000
2021	\$300,000
2022	\$320,000
2023	\$340,000
2024	\$360,000



Past Sewer Rate Increases

Year	Sewer Rate Increase
2014	3%
2015	3%
2016	2.5%
2017	10%
2018	10%
2019	10%
2020	5%



Sewer Rate Proposal

Year	Sewer Rate Increase
2021	3%
2022	3%
2023	3%
2024	3%
2025	3%

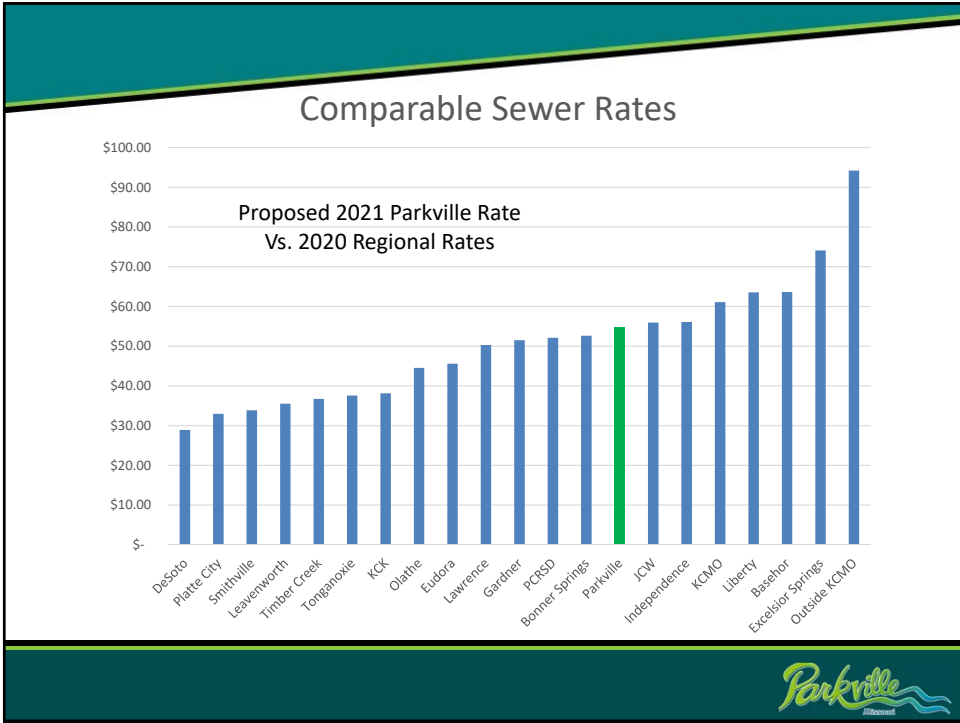



Sewer Rate Breakdown

Sewer Rate	Sewer Base Fee	Consumption Rate	Average Monthly Bill*	Monthly Cost Difference
Current Rate	\$17.49	\$0.827 per 1,000 gallons	\$53.04	-
3%	\$18.06	\$0.852 per 1,000 gallons	\$54.63	\$1.59
6%	\$19.10	\$0.903 per 1,000 gallons	\$57.91	\$4.87
10%	\$19.82	\$0.937 per 1,000 gallons	\$60.10	\$7.061

* Based on the average consumption rate of 4,300 gallons per month for a 4-person household
 3% Rate Increase = \$45,502 Revenue
 6% Rate Increase = \$91,004 Revenue
 10% Rate Increase = \$151,674 Revenue





- ### Sewer Fund Recommendation
1. Adjust the Sewer Allocation for Administrative Charge
 - \$300,000 (increase \$20,000)
 2. Proposed CIP
 - \$573,800
 3. Increase Sewer Rates
 - Proposed 3% rate increase
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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 15th



Next Steps

- ~~October 20 – Revenue Projections, General Fund, Debt Service, Minor Funds~~
- ~~October 26 – CIP, Parks Sales Tax Fund, Transportation Fund, miscellaneous follow-up~~
- ~~November 3 – Sewer Fund, miscellaneous follow-up~~
- November 17 – Summary review of final budget and miscellaneous follow-up
- December 1 – Adoption – 1st Reading
- December 15 – Adoption – 2nd Reading

