

City of Parkville 2023 Budget

*Third Budget Work Session
Sewer Fund, CIP, Nonmajor Funds*

November 15, 2022




Third Budget Work Session Topics

- Sewer Fund
- Sewer CIP
- Sewer rates
- CIP Overview
- Nonmajor Funds Overview




Sewer Fund




2022 Sewer Fund Summary


	2021	2022 Budget	2022 Estimate
Revenues			
Sewer Charges	\$ 1,574,170	\$ 1,508,293	\$ 1,708,925
Sewer Tap Fees	28,000	50,000	28,000
Sewer Impact Fees	26,400	50,000	29,700
MOAW Bill Collection Payment	402	-	-
Grinder Pump Administrative Fee	4,620	4,713	4,620
Interest Income	1,440	2,500	1,372
Miscellaneous	3,763	-	-
Total Revenues	1,638,795	1,615,506	1,772,617
Expenses			
Operating Expenses	561,707	640,667	555,302
Capital Expenses	493,605	661,500	460,720
Debt Service	178,403	181,549	190,750
Transfer to General Fund	350,000	350,000	350,000
Total Expenses	1,583,715	1,833,716	1,556,772
Increase (Decrease)	55,080	(218,210)	215,845
Beginning Working Capital	898,030	746,285	953,110
Ending Working Capital	\$ 953,110	\$ 528,075	\$1,168,954



2023 Sewer Fund Request

	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Revenues					
Sewer Charges	\$ 1,760,193	\$ 1,812,998	\$ 1,867,388	\$ 1,923,410	\$ 1,981,112
Sewer Tap Fees	30,450	30,907	31,370	31,841	32,319
Sewer Impact Fees	50,750	51,511	52,284	53,068	53,864
MOAW Bill Collection Payment	550	550	550	550	550
Grinder Pump Administrative Fee	4,620	4,620	4,620	4,620	4,620
Interest Income	5,050	5,101	5,152	5,203	5,255
Miscellaneous	-	-	-	-	-
Total Revenues	1,851,613	1,905,687	1,961,364	2,018,692	2,077,720
Expenses					
Operating Expenses	742,008	756,054	770,379	784,991	799,893
Capital Expenses	693,200	614,000	641,000	1,375,000	1,274,000
Debt Service	187,500	179,000	31,350	-	-
Transfer to General Fund	360,500	371,315	382,454	393,928	405,746
Total Expenses	1,983,208	1,920,369	1,825,184	2,553,919	2,479,639
Increase (Decrease)	(131,595)	(14,682)	136,180	(535,227)	(401,919)
Beginning Working Capital	1,168,954	1,037,359	1,022,677	1,158,857	623,630
Ending Working Capital	\$1,037,359	\$1,022,677	\$1,158,857	\$ 623,630	\$ 221,711



- ### 2022 Sewer CIP Summary
- ## 2022 Sewer CIP Recap
- 2022 Sewer Maintenance & CIP projects
 - Items complete or in process
 - 3 deferred to 2023 – Aeration Blower, Clarifier, Trailer
 - Sewer System Analysis budgeted in 2022 = \$150K
 - Baker Tilly Engagement, 11/15/2022, \$47,500
 - Analysis and review of options for providing wastewater collection and treatment services.
 - Evaluate wastewater assets for condition and value.
- 

2023 Sewer CIP Summary

2023 CIP Project Overview

- Recommendations depending on analysis outcomes
 - Reconsider allocation calculation in 2023
 - Rate Study
- WWTP Improvements
 - Main Pump, Aeration, Clarifiers, ETC
- Pump Station Rebuild
 - Pinecrest, 45 HWY, S. National
- CCTV Inspection & Repairs
- SCADA System Replacement
- Riss Lake Low-Pressure System Preventative

- TOTAL = \$693,200



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 Estimated

Year	Estimated Working Capital	90-day Target	Difference
2021	\$953,110	\$406,330	\$546,780
2022	\$1,168,954	\$417,076	\$751,879
2023	\$1,037,359	\$463,127	\$574,232
2024	\$1,022,677	\$460,842	\$561,835
2025	\$1,158,857	\$319,558	\$839,298
2026	\$623,630	\$294,730	\$328,901
2027	\$221,711	\$301,410	\$(79,698)



5-year Sewer CIP

	2023	2024	2025	2026	2027
Equipment & Machinery	\$74,000	-	\$10,000	-	-
Sewer Plant Improvements	\$148,000	\$142,000	\$216,000	\$984,000	\$900,000
Pump Station Improvements	\$20,500	\$158,000	\$60,000	\$35,000	-
Line Maintenance	\$332,700	\$314,000	\$355,000	\$356,000	\$374,000
Other (fence, security, clearing)	\$118,000	-	-	-	-
TOTAL	\$693,200	\$614,000	\$641,000	\$1,375,000	\$1,274,000



2023 Sewer Allocation

- \$360,500 in 2023
- Established in 2016, updated 2021
- Study Recommendation
 - Calculated Transfer of \$449,800 from Sewer Fund to General Fund
 - \$350,000 in 2021
 - \$350,000 in 2022



History of Sewer Allocation


Year	Allocation from Sewer
2016	\$103,530
2017	\$150,000
2018	\$190,000
2019	\$230,000
2020	\$280,000
2021	\$350,000
2022	\$350,000
2023	\$360,500



Sewer Rates

Past Sewer Rate Increases

Year	Sewer Rate Increase
2014	3%
2015	3%
2016	2.5%
2017	10%
2018	10%
2019	10%
2020	5%
2021	6%
2022	3%
2023	3%




Sewer Rate Breakdown

Sewer Rate	Sewer Base Fee	Consumption Rate	Average Monthly Bill*	Monthly Cost Difference
Current Rate	\$19.10	\$0.903 per 100 gallons	\$57.91	-
3%	\$19.67	\$0.93 per 100 gallons	\$59.66	\$1.75

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

3% Rate Increase = \$51,268 in additional revenue



Sewer Options Study – Work Session?

December 6, 2022

Nick Dragsich from Baker Tilly will be here to discuss:

- OPTION 1: CONTINUE OUTSOURCING: NO CHANGE TO THE SEWER UTILITY, CONTINUE TO OPERATE "AS IS"
- OPTION 2: EXPANDED SERVICES BY ALLIANCE WATER RESOURCES (AWR), BILLING
- OPTION 3: BRING SERVICES IN-HOUSE
- OPTION 4: CONSOLIDATION WITH THE PLATTE COUNTY REGIONAL SEWER DISTRICT
- OPTION 5: SELL THE UTILITY



Feedback / Questions / Comments

- Sewer Fund Options
 - CIP
 - Allocation: \$360,500
 - Sewer Rate Increase: 3%
- Any additional changes or information desired by the Board of Aldermen prior to final adoption



Capital Improvement Plan

- This presentation shows the high-level summary for each fund
- Exhibit A includes full details of all capital projects for 2023 – 2027



2023 Capital Improvement Plan (CIP)

Funding Source	2023 Budget Impact	Total 5-Year Estimate
General Fund	\$261,094	\$1,214,101
Sewer Fund	\$693,200	\$4,528,200
Transportation Fund	\$335,000	\$5,494,000
Parks Fund	\$478,500	\$1,606,500
Nature Sanctuary Fund	\$90,000	\$310,000
City Hall / Public Safety Upgrades (Temporary Levy)	\$110,000	\$433,184 (3 Years)
Total	\$1,967,794	\$13,585,985



2023 CIP – General Fund Summary

General Fund – 2023 Projects	Project Estimate
Admin – Computers / Software	\$23,750
Police – Vehicle, Cameras, Planning	\$139,303
Community Development – Housing Study, ADA Transition, Design Standards	\$50,000
Public Works – Parking Lot, Tornado Siren	\$48,041
Total	\$261,094



2023 CIP – Transportation Fund Summary

Transportation Fund – 2023 Projects	Project Estimate
Street Maintenance Program	\$330,000
Equipment – Snow Box	\$5,000
Total	\$335,000



2023 CIP – Parks Fund Summary

Parks Fund – 2023 Projects	Project Estimate
Farmer’s Market Project	\$250,000
Equipment – Tractor Lease, ATV	\$37,000
Park Enhancements	\$107,000
Planning & Software	\$54,500
Train Depot Maintenance	\$30,000
Total	\$478,500



2023 CIP – Nature Sanctuary Fund Summary

Nature Sanctuary Fund – 2023 Projects	Project Estimate
Girl Scout Shelter	\$40,000
Boardwalk / Bridges	\$20,000
Trail Upgrades / Maintenance	\$30,000
Total	\$90,000



2023 CIP – City Hall / Public Safety Upgrades

Temporary Levy – 2023 Projects	Project Estimate
City Hall Needs Assessment & Renovations	\$85,000
City Hall Security Upgrades	\$35,000
Total	\$110,000



5-Year Capital Improvement Plan (CIP)

Division	Total Project Cost					
		2023	2024	2025	2026	2027
Admin / IT	\$ 51,750	\$ 23,750	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Police	396,146	139,303	78,889	56,477	56,477	65,000
CD	50,000	50,000	-	-	-	-
Public Works	716,205	48,041	302,041	172,041	172,041	22,041
GENERAL FUND TOTAL	1,214,101	261,094	387,930	235,518	235,518	94,041
Transportation	5,494,000	335,000	1,814,000	1,512,000	1,250,000	583,000
Sewer	4,597,200	693,200	614,000	641,000	1,375,000	1,274,000
Parks	1,606,500	478,500	457,000	157,000	212,000	302,000
PNS	310,000	90,000	45,000	65,000	30,000	80,000
COP	433,184	110,000	80,000	243,184	-	-
Grand Total CIP	\$ 13,654,985	\$ 1,967,794	\$ 3,397,930	\$ 2,853,702	\$ 3,102,518	\$ 2,333,041



Non-Major Funds

Non-Major Funds Summary

- Debt Service
- Emergency Fund
- ARPA
- Eco Devo
- Fewson
- Veterans Memorial



Debt Service Summary

Debt Service Summary

- As of January 1, 2022, the City has 5 outstanding debt notes, totaling \$11,951,712
- On December 31, 2022, the City's debt will total \$10,536,609
- The financial forecast includes all debt payments



Debt Service Summary

Debt Issue	Retirement of Debt	12/31/2022 Balance	2023 Principal Payment	2023 Interest Payment	2023 Total Payment
Series 2020A - Brush Creek	2034	\$ 3,710,000	\$ 290,000	\$ 53,904	\$ 343,904
Series 2020B - Brink Meyer	2034	2,535,000	195,000	36,903	231,903
Series 2015 -City Hall COP	2025	1,251,609	420,474	23,327	443,800
Series 2021 - Hwy 9 COP	3037	2,610,000	160,000	52,200	212,200
Sewer Revenue Bonds	2025	430,000	170,000	17,500	187,500
		\$ 10,536,609	\$ 1,235,474	\$ 183,833	\$ 1,419,307

Debt Issue	Source of Repayment			12/31/2023 Balance
	Sewer Fees	Property Taxes	Special District	
Series 2020A - Brush Creek	\$ -	\$ 56,278	\$ 283,833	\$ 3,420,000
Series 2020B - Brink Meyer	-	230,297	1,678	2,340,000
Series 2015 -City Hall COP	-	443,800	-	831,135
Series 2021 - Hwy 9 COP	-	-	212,200	2,450,000
Sewer Revenue Bonds	187,500	-	-	260,000
	\$ 187,500	\$ 730,375	\$ 497,711	\$ 9,301,135



Emergency Fund Summary


Emergency Reserve Fund (50)									
Revenues	2021	2022 Budget	2022 Estimate	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-	-	-	-
Expenditures									
Transfers Out	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Increase (decrease)	-	-	-	-	-	-	-	-	-
Net Change to FB	-	-	-	-	-	-	-	-	-
Beginning FB	1,332,108	1,232,108	1,332,108	1,332,108	1,332,108	1,332,108	1,332,108	1,332,108	1,332,108
Ending FB	\$ 1,332,108	\$ 1,232,108	\$ 1,332,108	\$ 1,332,108	\$ 1,332,108	\$ 1,332,108	\$ 1,332,108	\$ 1,332,108	\$ 1,332,108



ARPA Fund Summary

ARPA Fund – Summary & Chart


- \$\$\$ to general fund personnel to balance the budget
 - About \$500K
- Leaving \$359K in ARPA should the public safety sales tax not pass
 - Will help fund currently vacant Police salaries in 2024



ARPA Fund Summary

American Recovery Protection Act Fund 68								
Revenues	2021	2022 Budget	2022 Estimate	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Grants	\$ 722,594	\$ 722,594	\$ 736,520	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	722,594	722,594	736,520	-	-	-	-	-
Expenditures								
Capital	275,000	100,000	-	-	-	-	-	-
Transfers Out	-	325,000	325,000	859,114	-	-	-	-
Total Expenditures	275,000	425,000	325,000	859,114	-	-	-	-
Increase (decrease)	447,594	297,594	411,520	(859,114)	-	-	-	-
Beginning FB	-	-	447,594	859,114	-	-	-	-
Ending FB	\$ 447,594	\$ 297,594	\$ 859,114	\$ -	\$ -	\$ -	\$ -	\$ -

- 2021 expenditures were for the 9 HWY Project



Economic Development Summary


2023 Budget Request

- Tourism related funds
- Hotel Tax
- Grant Match for Marketing
- Building toward fully funding EDC, MSPA, PKV Chamber, Northland Chamber, and PCEDC



Economic Development Summary


Economic Development Fund (46)								
Revenues	2021	2022 Budget	2022 Estimate	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Guest Room Tax	\$ 6,410	\$ 85,000	\$ 50,000	\$ 58,000	\$ 61,000	\$ 64,000	\$ 67,000	\$ 70,000
Interest	-	-	-	-	-	-	-	-
Total Revenues	6,410	85,000	50,000	58,000	61,000	64,000	67,000	70,000
Expenditures								
Operating	1,000	20,000	6,400	10,000	11,000	12,000	13,000	14,000
Transfers Out	-	40,000	35,000	40,000	42,000	44,000	46,000	48,000
Total Expenditures	1,000	63,000	41,400	50,000	53,000	56,000	59,000	62,000
Increase (decrease)	5,410	22,000	8,600	8,000	8,000	8,000	8,000	8,000
Net Change to FB	5,410	22,000	8,600	8,000	8,000	8,000	8,000	8,000
Beginning FB	3,536	2,390	8,946	17,546	25,546	33,546	41,546	49,546
Ending FB	\$ 8,946	\$ 24,390	\$ 17,546	\$ 25,546	\$ 33,546	\$ 41,546	\$ 49,546	\$ 57,546



Fewson Fund Summary


What is the Fewson Fund?

- George W. Fewson left an endowment to the City for projects that improve quality of life in the city
- Currently, \$600,000+ in the fund
- Any funds spent beyond interest accrued must be repaid w/ interest (5%)
- 50% of the accumulated interest goes to the City for Project(s)




Fewson Fund Summary

Fewson Fund (45)	2021	2022 Budget	2022 Estimate	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Revenues								
Interest	\$ 1,943		\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Total Revenues	1,943	-	1,500	1,500	1,500	1,500	1,500	1,500
Expenditures								
Equipment	-	-	-	-	-	-	-	-
Capital	-	17,290	-	24,019	-	-	-	-
Total Expenditures	-	17,440	-	24,019	-	-	-	-
Increase (decrease)	1,943	(17,440)	1,500	(22,519)	1,500	1,500	1,500	1,500
Net Change to FB	1,943	(17,440)	1,500	(22,519)	1,500	1,500	1,500	1,500
Beginning FB	599,230	581,086	601,173	602,673	580,154	581,654	583,154	584,654
Ending FB	\$ 601,173	\$ 563,646	\$ 602,673	\$ 580,154	\$ 581,654	\$ 583,154	\$ 584,654	\$ 586,154
1/2 of prior Year Interest	3,316		972	750				
Amount available for "general Project"	22,298		23,269	24,019				



Veterans Mem. Fund Summary


Vetrans Memorial 66	2021	2022 Budget	2022 Estimate	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Revenues								
Donations	\$ 41,781	\$ 100,000	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -
Total Revenues	41,781	100,000	40,000	40,000	-	-	-	-
Expenditures								
Operating	3,350	25,000	600	40,000	-	-	-	-
Capital	-	40,000	-	93,829	-	-	-	-
Total Expenditures	3,350	65,000	600	133,829	-	-	-	-
Increase (decrease)	38,431	35,000	39,400	(93,829)	-	-	-	-
Net Change to FB	38,431	35,000	39,400	(93,829)	-	-	-	-
Beginning FB	15,998	48,292	54,429	93,829	-	-	-	-
Ending FB	\$ 54,429	\$ 83,292	\$ 93,829	\$ -	\$ -	\$ -	\$ -	\$ -



Previous Session Updates

General Fund, Transportation, Parks, PNS

- 5-Year forecasts for all City-budgeted funds are included in the packet
- Assumptions outlined in previous work sessions were used to prepare the forecasts
- Fund forecasts include 5-year CIP requests for each department/fund
- The 2023 column in each forecast is the City Administrator’s draft of the 2023 budget



Next Steps

- ~~October 18 – Revenue Projections, General Fund, Debt Service, Minor Funds~~
- ~~November 1 – CIP, Parks Sales Tax Fund, Transportation Fund, miscellaneous follow-up~~
- ~~November 15 – Sewer Fund, CIP, Minor Funds~~
- November 22 - Summary review of final budget and miscellaneous follow-up
- December 6 – Adoption – 1st Reading
- December 20 – Adoption – 2nd Reading

