



Work Session Agenda
BOARD OF ALDERMEN
CITY OF PARKVILLE, MISSOURI
November 7, 2017; 6:00 p.m.
City Hall Board Room

1. GENERAL AGENDA

- A. 2018 City of Parkville Operating and Capital Budget

CITY OF PARKVILLE Policy Report

Date: Thursday, November 2, 2017

Prepared By:
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City Administrator

Reviewed By:
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Public Works Director

ISSUE:
Third Budget Work Session – 2018 City of Parkville Operating and Capital Budget

BACKGROUND:

The City operates on a January 1 – December 31 fiscal year and therefore must adopt a 2018 budget before the end of the calendar year. The process involves four budget work sessions followed by final adoption of the final budget at a legislative meeting.

At the first budget work session, staff presented preliminary budget sheets for the General Fund, Economic Development Fund, Emergency Reserve Fund, Fewson Fund, Nature Sanctuary Donations Fund, and the Park Donations Fund. The second budget work session focused on the Debt Service Funds and the Capital Improvement Program (CIP). Additional information in response to questions and comments raised at the prior two work sessions is included in Attachment 1. An updated General Fund forecast is included as Attachment 2.

The major topic for the third budget work session is the Transportation Fund. In the current year 2017 Budget, the Board approved the issuance of short-term debt to finance street maintenance projects. The project was completed in 2017, and because of the financing, more roads curb, and sidewalks were completed than would have been on a pay as we go basis. As the Board anticipated, the City received better pricing for the improvements because it was able to scope out a larger project. It also was able to improve the overall ratings of the streets.

As part of the strategy to finance the improvements, the Transportation Fund forecast included a reduction in planned expenditures for the 5-year CIP in exchange for an annual debt payment that funded the 2017 expanded streets program. The capital streets program was funded at \$380,000 in 2016. In 2018, with the incurring of the debt payment, the annual street maintenance program is reduced to \$230,000. This level of investment is still considerably higher per year than years 2011 through 2014. Staff will have a presentation at the work session summarizing the results of advancing these projects through financing.

In addition to the operations and maintenance costs outlined in the budget request, staff recommends the following transportation capital projects in 2018:

Capital Outlay Equipment (CIP):

Replacement of 1-ton Dump Truck	\$ 60,000
Total 2018 Transportation Fund CIP Equipment	\$ 60,000

Annual Street Maintenance Program:

Regular Street Maintenance Program	
• Crack Sealing	\$ 15,000
• Asphalt Mill & Overlay	\$ 200,000
• Street Striping	\$ 15,000
• Curb & Sidewalk Repair	\$ 50,000
Total 2018 Transportation Fund CIP	\$ 280,000

(Includes \$50,000 in unspent funds from 2017)

Route 9 Improvements

On January 5, 2016, the Board of Aldermen adopted the final report for the Highway 9 Corridor Study and directed staff to submit an application to the Mid-America Regional Council (MARC) for improvements proposed in the study. The City's application for the first phase of improvements (from Route 45 to Clark Ave.) has been approved. The grant local match is funded by proceeds from the 1% special district sales tax for the Highway 9 Corridor Community Improvement District (CID).

As part of the 2017 Budget, the City decided to move forward with the project in advance of the projected 2020 grant year when funds would be available for the project. This would enable it to perform the engineering and bid the project in advance of receiving the grant funds. To accomplish this, the city entered into a Lease Purchase Agreement with the Bank of Liberty to provide \$1,345,000 in project funding. Revenues from the CID would support a loan of \$343,100. The remaining financed amount will be paid with proceeds from the grant. The City has contracted with GBA Engineering to design the project. Bidding is expected to occur in late 2018.

The project was included in the 2017 Budget. Unspent budget funds have been included in the 2018 Budget request.

The City has applied for federal funding to complete the next phase of the project, to Lakeview Drive. The local Surface Transportation Committee has made a favorable recommendation. The City expects to find out early in 2018 whether it will receive funding. If the project is funded staff will report to the Board with a timeline for the project as well as financing strategies for the local cost share.

BUDGET IMPACT:

As this is a work session, there is no budget impact at this time.

ALTERNATIVES:

1. Provide direction to City Administration regarding the 2018-2023 CIP and 2018 Operating Budget, specifically with regard the Transportation Fund.
2. Table the discussion.

STAFF RECOMMENDATION:

Provide direction to City Administration regarding the 2018-2023 CIP and 2018 Operating Budget.

SUGGESTED MOTION:

As this is a work session, no motion is necessary.

ATTACHMENTS:

1. Transportation Fund (40) Forecast
2. Transportation Fund (40) Budget Sheet
3. Transportation Fund Capital Improvement Program (CIP)
 - a. 2018 and Five-Year Projection (2019-2023)
 - b. Unfunded Future Projects
4. Updated General Fund Capital Improvement Program (CIP)
5. Updated General Fund Forecast
6. Budget Follow-Up Memo – 2nd Budget Work Session

Transportation Fund (40)

Last Updated 10/30/17

	2014	2015	2016	2017	2017	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Budget	YTD	Projected	Projected	Projected	Projected	Projected	Projected	Projected
<i>Beginning Fund Balance</i>	\$ 162,682	\$ 327,997	\$ 231,767	\$ 287,412	\$ 287,412	\$ 287,412	\$ 512,638	\$ 254,644	\$ 151,436	\$ 48,453	\$ (199,600)	\$ (447,219)
Revenues												
Parkville Special Road District	124,328	128,588	134,675	\$ 134,000	\$ 140,072	\$ 140,072	142,874	145,017	147,192	149,400	151,641	153,915
City Transportation Sales Tax	438,160	456,397	454,601	\$ 472,000	\$ 392,257	\$ 472,000	472,000	479,080	486,266	493,560	500,964	508,478
Motor Fuel Tax	143,352	146,671	149,253	145,000	125,205	145,000	145,000	147,175	149,383	151,623	153,898	156,206
County Transportation Sales Tax	178,948	194,587	239,661	240,000	211,237	240,000	240,000	147,175	149,383	151,623	153,898	156,206
Project Cost Share	18,125	2,300	11,525	5,304	2,642	5,304	5,304	145,700	145,700	5,304	5,304	5,304
Sale of Equipment	8,275	11,075	-	25,500	(982)	25,500	-	7,500	7,500	7,500	7,500	7,500
Transportation Grants			-						-			
Bond Proceeds			-	2,279,112	-	1,304,266	974,846					
MPR Safety Funds	4,300		-									
Leased Properties			5,880									
Transportation Fund Revenues:	915,488	939,617	995,595	3,300,916	870,431	2,332,143	1,980,023	1,071,647	1,085,423	959,011	973,204	987,610
Total Sources:	1,078,170	1,267,614	1,227,363	3,588,328	1,157,843	2,619,555	2,492,661	1,326,291	1,236,860	1,007,464	773,604	540,391
Expenditures												
Streets - Capital	81,966	455,696	508,302	\$ 2,536,112	\$ 1,210,026	\$ 1,449,416	1,365,552	296,000	303,000	315,000	322,000	487,000
Streets - Operating	313,207	335,150	329,928	\$ 383,000	\$ 263,557	\$ 432,500	432,000	438,480	445,057	451,733	458,509	465,387
Transfers (including debt service)	355,000	245,000	190,000	225,000	187,500	225,000	440,465	440,375	440,350	440,330	440,314	175,000
Transportation Fund Expenditures:	750,173	1,035,846	1,028,230	3,144,112	1,661,083	2,106,916	2,238,017	1,174,855	1,188,407	1,207,063	1,220,823	1,127,387
Estimated Ending Balance (deficit):	327,997	231,767	199,133	444,216	(503,240)	512,638	254,644	151,436	48,453	(199,600)	(447,219)	(586,996)

Transportation Fund (40) Revenues and Expenses

Type	Account	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Rev: Transportation	Beginning Fund Balance	Projected carryover from prior year.		327,997	231,767	287,412	287,412	512,638
	Parkville Special Road District	The City's percentage of property tax assessed by the County for the Special Road District.	41006-00	128,588	134,675	134,000	140,072	142,874
	City Transportation Sales Tax	The City levies a 0.5% sales tax to fund transportation projects.	41404-00	456,397	454,601	472,000	472,000	472,000
	Motor Fuel Tax	The State collects a tax on motor fuel and remits a portion to the City.	41405-00	146,671	149,253	145,000	145,000	145,000
	County Transportation Sales Tax	This is the City's portion of the County sales tax for transportation projects.	41406-00	194,587	239,661	240,000	240,000	240,000
	Project Cost Share	Funding from private entities or other sources for partial components of public projects.	41504-00	2,300	11,525	5,304	5,304	5,304
	Leased Properties	Revenue from City-owned properties.	41802-00		5,880			
	Sale of Transportation Fund Equipment	Revenue generated from the sale of transportation related equipment.	41805-00	11,075	-	25,500	25,500	
	Bond Proceeds	Construction funds for transportation projects generated from bond proceeds.			-	2,279,112	1,304,266	974,846
	Refunds	Miscellaneous reimbursements.	41901-00	4,300	-			
	Transfers from Other Funds	Transfers from Other Funds.	42001-00	8,125	-			
Total Transportation Fund (40) Revenues				1,280,039	1,227,363	3,588,328	2,619,555	2,492,661

Transportation Fund (40) Revenues and Expenses								
Type	Account	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Exp: Streets	Building Maintenance & Repair	Maintenance and repairs for the street barn including security system, minor roof repairs, HVAC, etc.	06-01-00	5,526	625	5,000	4,500	5,000
	Vehicle & Equipment Maintenance	Maintenance work for Streets Division vehicles and equipment such as brakes, tires, hydraulic problems, etc.	06-21-00	18,530	6,362	10,500	6,500	10,500
	Vehicle & Equipment Gas & Oil	Fuel for Streets Division vehicles and equipment.	06-22-00	15,835	12,165	20,000	16,000	25,000
	Emergency Snow Removal	Purchase of sand and salt to spread on roads during snow removal.	07-20-00	29,920	30,205	40,000	28,000	40,000
	Storm Sewers - General Repair	All general repairs on the City's storm sewer system.	07-32-00	5,928	5,781	5,000	67,000	5,000
	Street Repair Materials	For asphalt necessary to complete simple repairs on city streets. This does not include asphalt overlay projects, crack seal materials, dirt, and paint.	07-33-00	7,020	3,919	15,000	8,000	15,000
	Street Lights	Utility charges for city street lights and costs for routine repair and maintenance. The 2016 utility costs include the new street lights on Route 9.	07-41-00	239,477	256,007	260,000	280,000	300,000
	Street Signs	Purchase of new and replacement street signs needed for City streets.	07-44-00	1,490	1,946	2,500	2,000	2,500
	Street Sweeping	Street sweeping of all roads citywide; will be performed twice annually in 2017.	07-45-00	7,200	9,464	15,000	12,000	15,000
	Tree Trimming & Removal	Maintenance of trees located within rights-of-way on City streets.	07-52-00	4,075	3,455	6,000	6,000	10,000
	Rental Equipment	Rental costs for equipment not owned by the City such as air compressors, tractor with extendable arm for ROW tree trimming, and bucket trucks.	07-60-00	147		3,000	2,000	3,000
	Miscellaneous	Miscellaneous uncategorized expenses related to the maintenance of the City's street network.	09-21-00			1,000	500	1,000
Expenses: Streets (520)				335,150	329,928	383,000	432,500	432,000
Exp: Capital Outlay	Street Programs	Expenses related to capital improvements for street maintenance. Funding in 2017 is for first phase of Route 9 improvements.	04-71-00			1,279,112	253,560	1,025,552
	Equipment	Includes one truck/snowplowing equipment (\$60,000).	04-85-01	104,758	116,954	127,000	122,000	60,000
	Crack Seal Project	Annual Crack Seal project	04-81-00	16,080	10,155	15,000	10,000	15,000
	Street Striping	Annual Street Striping Project	04-83-00	13,866	13,833	15,000	13,150	15,000
	Asphalt Overlay Program	Materials and service for the Asphalt Overlay Program	04-85-00	220,243	260,432	888,824	770,000	200,000
	Curb & Sidewalk Program	Materials and service for the Curb & Sidewalk Program	04-90-00	100,750	106,928	211,176	280,706	50,000
Expenses: CIP				455,697	508,302	2,536,112	1,449,416	1,365,552
Exp: Transfers	Transfer to General Fund	Fund transfer to reimburse Streets Division for transportation related expenses.	20-10-00	245,000	190,000	225,000	225,000	225,000
	Transfer to Debt Service Fund (for 2017 LPA)	Funds are transferred to Debt Service for 2017 Lease Purchase payments.	20-X-XX					215,465
Expenses: Transfers (550)				245,000	190,000	225,000	225,000	440,465
Total Transportation Fund (40) Expenses				1,035,846	1,028,231	3,144,112	2,106,916	2,238,017
Ending Fund Balance Transportation Fund (40)				244,192	199,132	444,216	512,638	254,644

**Capital Improvement Program
Unfunded Future Projects - Transportation Fund**

Division	Type	New or Replacement?	Name	Project Description	Funding Source	Total Cost	Budget Impact
Streets	Equipment	New	Wood Chipper	Purchase wood chipper to chip the tree limbs. This equipment can be used by Parks, Streets and Nature Sanctuary	100% Transportation Fund	\$25,000	\$25,000
Streets	Equipment	New	Mini-Excavator	The mini-excavator is a multi-purpose piece of equipment that can be used frequently by all divisions, but primarily for projects in the streets department. With the smaller equipment, the crews can work in smaller areas.	100% Transportation Fund	\$100,000	\$100,000
Streets	Project	New	Lakeview Drive Dam	Reconstruct Lakeview Drive along the dam to assist with the drainage, direct the stormwater to the inlets and prevent ponding. Project will include adjusting the elevation of the roadway and new curbs	75% Transportation Fund 25% County Stormwater Grant	\$400,000	\$100,000
Streets	Project	Replacement	Roof, Metal (Incl. Gutters and Downspouts)	Roof and gutter replacement. Approx. 47 squares of corrugated sheet metal roofing with exposed fasteners	100% General Fund	\$41,075	\$41,075
Streets	Project	Replacement	Walls, Steel Siding	Steel siding repair and replacement. Approximately 3,660 square feet of the exterior walls	100% General Fund	\$20,943	\$20,943
Streets	Project	Replacement	Windows and Doors, Metal Frames	Replacement of approximately 60 square feet of metal frame windows and doors.	100% General Fund	\$2,872	\$2,872
Streets	Project	Replacement	Office, Renovations (Incl. Finishes, Furnishings and Appliances)	Wood wall coverings, Paint finishes on the shop area walls, plumbing fixtures, light fixtures, cabinetry and minor appliances, Furnishings including desks and chairs	100% General Fund	\$16,646	\$16,646
Streets	Project	Replacement	Air Handling Unit	Replacement of the two packaged terminal air conditioner (PTAC) units serve the Streets Barn.	100% General Fund	\$8,323	\$8,323
Streets	Project	Replacement	Unit Heaters	Replacement of two gas-fired unit heaters provide heat to the shop during the winter months	100% General Fund	\$3,121	\$3,121
Streets	Project	Replacement	Septic System	Septic system replacement/repair	100% General Fund	\$11,262	\$11,262
Streets	Project	New	Main Street Brick Sidewalk Improvements	Reconstruct brick sidewalks along Main Street. Project includes providing a solid base course to prevent differential settlement.	100% Transportation Fund	\$500,000	\$500,000
Streets	Project	Replacement	Overhead Doors	Garage Door Replacement	100% General Fund	\$10,924	\$10,924
Streets	Project	Replacement	Salt Storage	Replacement of salt storage canopy and frame at the Streets Barn. The structure comprises a concrete base and 2,400 square feet of canvas coverings. The canopy was replaced in approximately 2006, is in fair overall condition, and has a useful life of 10- to 15-years.	100% General Fund	\$55,137	\$55,137
Streets	Project	Replacement	Asphalt Pavement, Total Replacement	420 square yards of parking areas and access drives at the Streets Barn.	100% General Fund	\$107,615	\$107,615

**Capital Improvement Program
Unfunded Future Projects - Transportation Fund**

Division	Type	New or Replacement?	Name	Project Description	Funding Source	Total Cost	Budget Impact
Streets	Project	New	Route 9 from Clark to Parkville Athletic Complex	Construct a signal at Clark Avenue; coordinate signal with a pedestrian crossing across Route 9; allow for future connection on east side of intersection for development (Green property); traffic calming along 63rd St.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$2,242,820	\$448,564
Streets	Project	New	Route 9 from Parkville Athletic Complex to Lakeview Drive	Upgrade to a 3-lane urban section with complete street elements; define driveway access locations; provide frontage "slip" lane where possible; work with property owners for parking modifications	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$1,263,000	\$252,600
Streets	Project	New	Route 9 from Lakeview Drive to 13th St.	Upgrade to a 3-lane urban section with complete street elements; extend Main St. and connect with Lakeview Dr. (includes property acquisition costs)	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$2,815,000	\$563,000
Streets	Project	New	Route 9 from 13th St. to 12th St.	Upgrade to a complete urban section; retaining wall reconstruction; add side street sidewalks; add turn lanes.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$393,700	\$78,740
Streets	Project	New	Route 9 from 12th St. to 7th St.	Upgrade to a complete urban section; retaining wall reconstruction; add side street sidewalks; add turn lanes.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$675,000	\$135,000
Streets	Project	New	Route 9 from 7th St. to 5th St.	Upgrade to a complete urban section; retaining wall reconstruction; add side street sidewalks; interesection improvements at 6th St.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$554,600	\$110,920
Streets	Project	New	Route 9 from 5th St. to 2nd St.	Upgrade to a complete urban section; retaining wall reconstruction; side street sidewalks; extend the White Alloe Creek Trail connection from 6th St. to 1st St./Route 9.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$290,600	\$58,120

**Capital Improvement Program
Unfunded Future Projects - Transportation Fund**

Division	Type	New or Replacement?	Name	Project Description	Funding Source	Total Cost	Budget Impact
Streets	Project	New	Route 9 from 2nd St. to White Alloe Creek	Upgrade to a complete urban section; add a signalized intersection at 1st St.; must be coordinated with other project sections along Route 9.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$707,500	\$141,500
Streets	Project	New	Route 9 from White Alloe Creek to Park University Dr.	Upgrade to a complete urban section; lane widening; signal modifications; must be coordinated with other project sections.	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$258,500	\$51,700
Streets	Project	New	Route 9 from Park University Dr. to Coffey Rd.	Lane widening; extended turn lanes at Coffey Rd.; trail extension	80% Grants, 20% Other sources TBD (Transportation Fund, General Fund, development costs, CID/TDD)	\$2,300,000	\$460,000
Streets	Project	New	Bell Road Improvements (63rd St. to 59th Terrace)	This project would regrade the street, add curb and gutter, sidewalks, utilities, and lighting.	100% General Fund	\$1,500,000	\$1,500,000
Streets	Maintenance	New	Full Depth Patching and Street Replacement	Street maintenance program currently does not include funding for complete street replacement. Staff recommends annual patching (\$25,000) and bi-annual funding for major repairs (\$300,000).	100% Transportation Fund	\$325,000	\$325,000
Streets	Project	New	Kelly Industrial Park Street Replacement	Full Depth replacement of the concrete streets in the development that are in need of replacement.	100% Transportation Fund	\$300,000	\$300,000
Streets/Parks	Project	New	Main Street Bridge Widening	Current bridge width is only 1 1/2 lanes. This is a potential conflict area as activity in Platte Landing Park grows, particularly with heavy vehicle/truck traffic for the boat ramp.	100% General Fund	\$100,000	\$100,000
TOTAL						\$ 15,028,638	\$ 5,528,062

General Fund (10) Capital Outlay (560)							
Type	Description	Account	2015 Actual	2016 Actual	2017 Budget	2017 Projected	2018 Budget
Admin.	Concrete Flatwork/Hand Rail Repair (7,865), City Hall Landscaping (5,000), Carpet Phase 1 (27,500), Building Safety Upgrades Phase II (8,920), Admin Copy Machine (15,000)	10-560-50-10-00		6,699	83,745	49,859	64,285
			-	6,699	83,745	49,859	64,285
Police	2018: AWD 2017 Police Ford Taurus Sedan and equipment (\$36,534). Replacement of CrimeStar records management system (\$13,850). Purchase of cameras	10-560-50-50-00	34,423	42,031	41,150	40,506	53,884
			34,423	42,031	41,150	40,506	53,884
Court	There is no capital outlay budgeted for the Municipal Court in 2018.	10-560-51-00-00		-			
			-	-	-	-	-
Public Works	Relocate Siren #4 (\$5,500), - Relocate siren to provide better maintenance access and coverage.	10-560-51-50-00	89,752	31,855	94,000	73,475	5,500
			89,752	31,855	94,000	73,475	5,500
Community Development	Integration of Development Code into eCode360 Portal (\$10,000), Building Permit Database Enhancement Software (\$3,000)	10-560-51-80-00	24,964	98,241	9,000	14,838	13,000
			24,964	98,241	9,000	14,838	13,000
Streets	There is no capital outlay budgeted for the Streets Division in 2018.	10-560-52-00-00					
			-	-	-	-	-
Parks	2018: ELP Low Water Crossing Improvement (\$24,000), Equipment Trailer for Mowing Equipment (\$10,000).	10-560-52-50-00		116,578	221,000	195,255	34,000
			-	116,578	221,000	195,255	34,000
Nature Sanctuary	There is no capital outlay budgeted for the Nature Sanctuary Division in 2018.	10-560-53-50-00					
			-	-	-	-	-
Public Information	There is no capital outlay budgeted for the Public Information Division in 2018.	10-560-54-00-00					
			-	-	-	-	-
IT	2018: Computer Replacement Cycle (\$6,000), Replacement of two servers (\$10,000).	10-560-55-50-00		4,925	6,000	6,000	16,000
			-	4,925	6,000	6,000	16,000
General Fund (10) Capital Outlay (560)			149,140	300,328	454,895	379,932	186,669

General Fund (10)

Last Updated 10/30/17

	2015 Actual	2016 Actual	2017 Budget	2017 YTD	2017 Projected	2018 Proposed	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected
<i>Beginning Fund Balance</i>	\$ 1,296,496	\$ 1,673,162	1,662,979	1,662,979	1,662,979	1,383,536	\$ 964,228	\$ 558,357	\$ 58,219	\$ (575,246)	\$ (962,777)
Revenues											
Taxes	2,132,142	2,183,385	2,213,500	2,071,552	2,228,537	2,287,121	2,332,863	2,379,521	2,427,111	2,475,653	2,525,166
Licenses	59,563	60,507	57,800	52,196	59,000	57,800	58,378	58,962	59,551	60,147	60,748
Permits	256,201	267,732	221,670	253,629	298,266	239,470	243,912	242,911	247,296	251,768	256,549
Franchise Fees	828,215	875,432	874,000	538,051	839,881	870,000	887,270	904,884	909,455	927,644	946,197
Other Revenue	35,096	42,362	40,761	33,830	38,454	40,761	41,313	41,876	42,451	43,037	43,636
Court Revenue	225,128	191,726	220,000	145,128	172,028	180,000	182,700	185,441	188,222	191,045	193,911
Interest Income	7,623	8,149	8,000	6,094	8,000	8,160	8,323	8,490	8,659	8,833	9,009
Miscellaneous Revenue	60,460	109,703	22,080	85,492	85,492	52,080	54,074	56,162	58,348	60,637	63,034
Grant Revenue	8,827	11,711	10,750	10,000	11,500	9,250	-	1,500	1,500	1,500	1,500
Transfers	348,251	293,530	375,000	312,500	375,000	390,000	405,000	400,000	405,000	410,000	415,000
Total - General Fund Revenues:	3,961,506	4,044,237	4,043,561	3,508,471	4,116,159	4,134,642	4,213,833	4,279,745	4,347,594	4,430,265	4,514,751
Total Sources	5,258,002	5,717,399	5,706,540	5,171,450	5,779,137	5,518,178	5,178,062	4,838,102	4,405,813	3,855,019	3,551,975
Expenditures											
Administration	789,401	965,181	1,098,192	906,893	1,031,076	1,148,786	1,171,491	1,194,848	1,218,878	1,243,607	1,269,057
Police	1,036,581	1,072,499	1,242,136	944,854	1,151,214	1,285,992	1,313,410	1,341,544	1,370,415	1,400,047	1,430,462
Municipal Court	132,141	140,472	155,900	116,148	137,050	152,594	155,529	158,534	161,610	164,759	167,983
Public Works	172,372	181,720	226,756	189,758	243,290	241,219	246,092	251,087	256,206	261,454	266,834
Community Development	267,231	260,370	293,038	230,692	286,106	306,861	313,281	319,854	326,584	333,474	340,531
Streets	356,757	385,138	422,576	322,450	408,690	427,946	437,896	448,127	458,646	469,464	480,591
Parks	319,765	324,262	373,479	267,056	335,230	377,184	383,933	390,852	397,945	405,219	412,678
Nature Sanctuary	29,834	33,546	40,201	30,659	38,743	44,138	44,516	44,898	45,284	45,673	46,067
Information Technology	34,185	45,236	49,907	38,654	52,348	49,551	49,799	50,048	50,298	50,549	50,802
Public Information	15,357	12,258	13,260	11,033	14,421	15,510	15,588	15,665	15,744	15,823	15,902
Total Operating Expenses	3,153,624	3,420,682	3,915,445	3,058,198	3,698,168	4,049,781	4,131,536	4,215,456	4,301,610	4,390,069	4,480,907
Capital Outlay (CIP)	149,139	300,328	434,895	144,294	379,933	186,669	170,669	246,927	361,949	110,227	135,523
Transfers	282,077	333,410	317,500	264,583	317,500	317,500	317,500	317,500	317,500	317,500	317,500
Total - General Fund Expenditures:	\$ 3,584,841	\$ 4,054,420	\$ 4,667,840	\$ 3,467,076	\$ 4,395,601	\$ 4,553,950	\$ 4,619,705	\$ 4,779,883	\$ 4,981,059	\$ 4,817,796	\$ 4,933,930
Estimated Ending Balance (deficit):	\$ 1,673,162	\$ 1,662,979	\$ 1,038,700	\$ 1,704,374	\$ 1,383,536	\$ 964,228	\$ 558,357	\$ 58,219	\$ (575,246)	\$ (962,777)	\$ (1,381,955)



CITY OF PARKVILLE
Memorandum

Date: Friday, October 27, 2017

To: Mayor and Board of Aldermen

From: Joe Parente, City Administrator

CC: Management Staff

RE: Budget Work Session Follow up Information

Below is a summary of questions, or requests for additional information, that were raised by the Mayor or Board of Aldermen at the first budget work session on October 17, 2017. This document will be updated after subsequent work sessions as new questions are raised and additional information becomes available.

Items that are addressed in this Memorandum:

1. Friends Field. Per the direction of the Board, Friends Field has been removed from the 2018 Budget. Staff will take into account the comments of the Board and bring forward a future recommendation. The comments included: a. review the project, in conjunction of the wetland restoration project, and the amount of dirt available for athletic fields; b. potentially utilize Platte County park transfer funds for the field; c. seek private donations to complete Friends Field; d. consider the project as part of a future Parks Sales Tax referendum.
2. Platte County Park Transfer Funds. The funds will be reserved for now, with the potential use for park capital improvements. Other projects in the Parks Master Plan will reviewed for consideration.
3. Parks Maintenance Building. Year two funding for the Parks Maintenance Building has been removed from the 2018 Budget. Per the direction of the Finance Committee, a budget amendment for the 2017 Budget will be proposed to provide full funding in the fiscal year the construction contract is awarded.
4. Street Ratings. A request was made to include in the Transportation Work Session the street rating system and the cost of upgrading the roads to a certain rating. Staff is completing the annual street rating update this week, and will have information available for the Board at the Work Session

Items addressed in the 2nd Budget Work Session Memorandum:

1. How does the proposed classification plan recommend establishing annual pay raises?

There was a discussion during the work session concerning how the classification system proposes to handle annual adjustments, to assure the plan is maintained up to date, consistent with the 60th percentile market benchmark. After reviewing the report by Austin Peters, further clarification is being provided.

The Austin Peters report recommends that the beginning and top pay range, for each classification, be moved each year according to an index that follows what pay ranges move for public employers in Missouri. This assures the pay ranges do not fall behind the market benchmark. To provide an example, for a Grade 10 Laborer position, the recommended range is \$29,349 - \$41,371. With a hypothetical 2.1% change in an adopted employer cost index for 2018, this range would be updated in the classification system to \$29,965 - \$42,240. A new employee hire would be based on the revised range.

The Austin Peters report does not recommend that the amount of merit increase each year for existing employees be based on this same market index, only the adjustments to the pay grade ranges. The amount of maximum merit increases are annually set by the Board based on budgetary and other cost of living considerations.

A copy of Austin Peters Executive Summary is attached, outlining their recommendation.

2. Please provide more information on the decline in court revenue.

Staff is working on an analysis of court revenue. Court receipts over the past few years are being examined. Staff is also reviewing court statistics, including the number and types of cases heard by the Court. The analysis will be provided to the Board at an upcoming work session.

3. Follow-up to revenue enhancements discussed in the first work session?

Staff discussed at the first work session with the Board two revenue enhancements. As part of the 2018 budget deliberations, and looking forward to 2019 and beyond, pursuing these enhancements could be considered to help preserve the fiscal health of the city government, and permit it to continue to provide quality services to residents. The following additional information is provided:

Parks Sales Tax. The Parkville Parks Master Plan presents the option of asking the voters to approve a sales tax to pay for improvements to the city's parks and recreation facilities. The Missouri Department of Revenue reported 2016 taxable sales of \$117,791,509 within the City of Parkville. Based on this figure, a half cent parks sales tax would have generated \$588,958. The funds could be used for the development of improvements included in the Park's Master Plan. A portion of the funds could also be used for the maintenance of the parks.

To following is the process to place the parks sales tax question before the voters.

Chapter 90 of the Missouri Statutes state, in part:

1. When one hundred voters of any incorporated city or town having less than thirty thousand inhabitants, or any city of the third class, shall petition the mayor and common council asking that an annual tax be levied for the establishment and maintenance of free public parks in the incorporated city or town, and providing for suitable entertainment therein, and shall specify in their petition a rate of taxation as provided in this section, the mayor and common council shall submit the question to the voters.

2. The question shall be submitted in substantially the following form:
Shall a _____ cent tax per one hundred dollars assessed valuation be levied for public parks?

3. The tax specified in the notice shall be levied and collected in the same manner as other general taxes of the incorporated city or town and shall be deposited in the park fund.

The question may be submitted to the voters during any election. The existing Platte County Parks sales tax was approved by the voters in August, 2009. It is scheduled to terminate in 2020.

Use Tax

Parkville residents pay a 1.5% municipal sales tax (combined general and transportation) when purchasing goods within the city. However, when purchasing goods out of state, and delivered to a Parkville address, this tax is not assessed. This creates unfair competition for Parkville businesses, who are required to sell their goods with the 1.5% sales tax included. When a resident purchases goods in this manner, the city also misses out on the revenue that helps pay for municipal services, including public safety programs. With changing practices in retailing, and changing consumer spending habits, sales tax growth is impacted by these trends.

The city has considered a Use Tax in the past. On April 2, 2013, Parkville voters rejected a Use Tax Referendum by ten votes, 369 (50.7% to 359 (49.3%).

In 2016, Parkville voters approved a referendum on a related measure, re-affirming the 1.5% tax on the out of state purchases of motor vehicles and boats. This action was necessary because of a Missouri Supreme Court ruling that placed this revenue in jeopardy of a legal challenge. The voters approved the referendum 585 (71.3%) to 236 (28.7%).

According to the Missouri Department of Revenue Web Page, there were \$13,562,403 in gross receipts in 2015 that would have been subject to the Use Tax in Parkville. These sales would have generated \$203,436 in revenue for the city, had the use tax been imposed by voters.

Imposing a Use Tax may be an opportunity for Parkville to even the playing field for existing businesses, while preventing the leakage of municipal revenue from an increasing trend toward online sales.