

Mayor Nanette K. Johnston opened the work session at 5:34 p.m. on November 15, 2017, at City Hall located at 8880 Clark Avenue, Parkville. In attendance were aldermen Greg Plumb, Douglas Wylie, Brian Whitley, Kevin Heaton, Dave Rittman, Robert Lock and Marc Sportsman.

The following staff was also present:

Joe Parente, City Administrator

Kevin Chrisman, Police Chief

Alysen Abel, Public Works Director

Stephen Lachky, Community Development Director

Melissa McChesney, City Clerk

Matthew Chapman, Finance/Human Resources Director

Anna Mitchell, Assistant to the City Administrator

1. GENERAL AGENDA

A. 2018 City of Parkville Operating and Capital Budget

Public Works Director Alysen Abel provided follow-up information from the third budget work session held on November 17; presentation attached as Exhibit A. She provided an overview of the work funded by the \$1 million loan for the 2017 street maintenance program. She noted that the street ratings would change annually, some roads would get worse than others and the ratings would be adjusted accordingly and that the Capital Improvement Program did not include River Road, Bell Road or Jones-Myer Road because they would be expensive projects that could potentially have financial support outside of the City's budget.

Abel said that the street maintenance program included mill and overlay, sidewalks and curbs, crack sealing and pavement marking and the total proposed for 2018 was \$330,000. She provided an overview of streets that would be improved in the following six years within an estimated mill and overlay budget of \$250,000 each year. A question was asked about the ability of a vendor to submit a bid for multiple years and Abel responded that she was unsure if contractors would be willing to do so but she would contact those the City had used in the past to see if it was an option. She also shared her concern that if there was an issue with a contractor the first year the City would be required to use them under the multi-year contract.

Discussion focused on what would happen to the streets during the years with the reduced budget, the work done in-house by City staff, the condition of South National Drive, the status of improving North National Drive and the fund balance carryover. The Board recommended that staff provide an updated chart showing what was spent on road maintenance in order to help provide a historical perspective of the spending that caused the street ratings to decline that caused the need for the loan in 2017.

City Administrator Joe Parente discussed additional revenue options that would be needed to help fund the additional street maintenance and other budgetary needs.

Abel summed up the transportation fund discussion by noting that a grant anticipation loan was approved in 2017 for improvements to Route 9. She summarized the funding received to-date and said that staff was working on additional funding opportunities.

Abel provided an overview of the Sewer Fund and explained projects that would be carried over to the 2018 budget due to unexpected sewer emergencies in 2017. Alderman Lock noted for the record that the Sewer Fund was being subsidized by the General Fund but should have been self-sustaining. The Board discussed strategies of slowly adding more funds to the transfer from the General Fund in order to get closer to the recommendation from the Springsted Sewer Allocation Study.

Discussed focused on the proposed sewer rate increase and other increase options to help with the

Sewer Fund. City Administrator Joe Parente said that the sewer rate ordinance would be presented to the Board at the meeting on December 5 and staff would bring forward other rate increase options to show how the Sewer Fund would be affected. Further discussion focused on how to get a clearer picture of the General Fund transfer needed to cover actual costs for the Sewer Fund and the status of the bad debt collection.

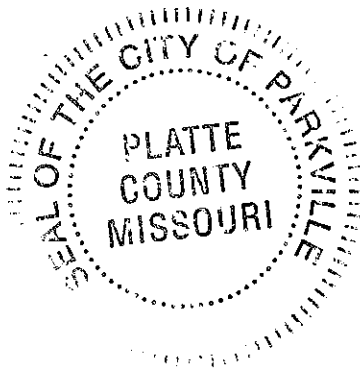
On a separate topic, Parente asked if the Board would consider increasing the budgeted amount for the Parkville Economic Development Council to \$40,000 per year. The consensus was to include the additional \$10,000 in the 2018 budget.

The work session ended at 7:19 p.m.

The work session minutes for November 15, 2017, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the twenty-first day of November 2017.

Submitted by:


City Clerk Melissa McClesney



City of Parkville 2018 Budget

Fourth Budget Work Session

November 15, 2017

1

Budgeted Funds

- General Fund
- Emergency Reserve Fund
- **Transportation Fund (Finish)**
- **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

Fourth Budget Work Session Topics

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

3

Transportation Fund

- Follow up from the last Work Session:
 - Street Maintenance Funding
 - Where do we stand with the current condition of the streets?

4

2017 Street Maintenance

- Asphalt Mill and Overlay
 - 5.6 miles of Streets
 - 21 Cul-de-sacs
 - 70,000 sq. yds. of Milling
 - 11,800 tons of Asphalt

5

2017 Street Maintenance

- Microsurfacing
 - 1 mile of street in the Bluffs subdivision
- Curb and Sidewalk
 - 9,447 lineal feet of Curb Repaired
 - 45 sq. yds. of Sidewalks Replaced

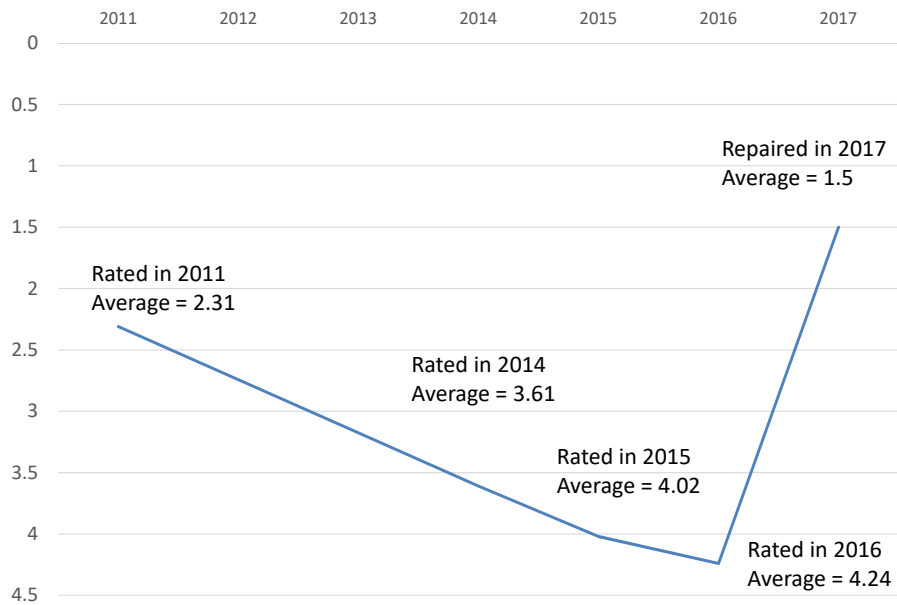
6

Street Maintenance Conditions

Rating	2014	2015	2016	2017
	# of Streets	# of Streets	# of Streets	# of Streets
10	5	5	2	1
6	1	1	2	1
5	7	16	15	1
4.5	0	14	7	3
4	27	5	4	4
3.5	1	3	14	13
3	22	33	27	22
2.5	19	20	38	34
2	89	79	63	54
1.5	32	30	36	77
1	6	4	2	10

7

2017 Improved Streets



8

Current Needs

- Staff reviewed the current needs for street improvements
- Approximately \$1.5 million needed to improve priority areas

3 years	4 years	5 years	6 years
\$500,000	\$375,000	\$300,000	\$250,000

9

6-year Program

- 2018 Street Maintenance – approximately \$250,000
 - West Street
 - 10th Street (east of West Street)
 - 8th Street (east and west of West Street)
 - 7th Street (east of West Street)
 - Elm Street to 12th Street
 - 6th Street West to Crooked Road
 - Crooked Road (FF Hwy to S. National Drive)
 - Foxhill Road
- 2019 Street Maintenance – approximately \$250,000
 - National Dr. South (45 Hwy. - Limestone)
 - Mashie Court
 - Brassie Lane
 - Magnolia
 - Limestone Road

10

6-year Program

- 2020 Street Maintenance – approximately \$250,000
 - Clark St.
 - Community Center Drive
 - 63rd.St. 9 Hwy.-Bell Rd.
 - Jefferson Avenue
 - White Alloe Way
 - Lewis St
 - Shoreline Dr.
 - Westlake Dr.
 - Edgewater Dr.

- 2021 Street Maintenance – approximately \$250,000
 - Whitetail Way - South
 - 66th Street N.W.
 - Whitetail Way - North
 - Lakeview Drive - Woodhaven to Spinnaker
 - Spruce Court
 - White Oak Court
 - Redbud Court

11

6-year Program

- 2022 Street Maintenance – approximately \$250,000
 - Park Street
 - 5th Street Main St.-Park
 - 7th Street Main St. to Park
 - 3rd Street between East/Main
 - 4th Street West of Main
 - 5th Street East St. to Main
 - 7th Street East St. - Main
 - 8th Street West of Main St.
 - 4th Street East to Main
 - Summer Street
 - 1st Street
 - 2nd Street West of Main
 - River Hills Place
 - River Hills Circle
 - River Hills Court
 - Riverview Point
 - High Hill rd.
 - River Hills Dr.

12

6-year Program

- 2023 Street Maintenance – approximately \$250,000
 - 11th Street Main-Walnut
 - 12th Street Main- Walnut
 - 13th Street Main - Walnut
 - 13th W. of Walnut
 - Walnut St.
 - Hamilton
 - 61st Street off Bell rd.
 - Park Street
 - 5th Street Main St.-Park
 - 7th Street Main St. to Park
 - Spinnaker Pt. N. / S.
 - Hickory Place
 - Hickory Court
 - Willow Court
 - Willow Place
 - Cedar Court
 - Cedar Place
 - Walnut Way

13

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	\$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	

14

2018 Transportation Fund CIP

(Alternative – Increase Funding by allowing the Fund Balance to drop; find other ways to shore up future gap until debt is retired)

Fund	Project	GF Impact
Transportation	Crack Sealing	\$15,000
Transportation	Asphalt Mill & Overlay	\$250,000 \$200,000
Transportation	Street Striping	\$15,000
Transportation	Curb and Sidewalk Repair	\$50,000
Transportation	Route 9 Corridor – Route 45 to Clark	\$ 1,025,552

15

Transportation Fund (40)

Last Updated 11/14/17

	2015	2016	2017	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected
<i>Beginning Fund Balance</i>	\$ 327,997	\$ 231,767	\$ 287,412	\$ 287,412	\$ 491,876	\$ 193,882	\$ 26,124	\$ (135,953)	\$ (432,635)	\$ (723,414)
Revenues										
Parkville Special Road District	128,588	134,675	\$ 134,000	\$ 140,072	142,874	145,017	147,192	149,400	151,641	153,915
City Transportation Sales Tax	456,397	454,601	\$ 472,000	\$ 455,000	462,000	479,080	486,266	493,560	500,964	508,478
Motor Fuel Tax	146,671	149,253	145,000	150,000	145,000	147,175	149,383	151,623	153,898	156,206
County Transportation Sales Tax	194,587	239,661	240,000	211,237	230,000	147,175	149,383	151,623	153,898	156,206
Project Cost Share	2,300	11,525	5,304	5,304	5,304	145,700	145,700	5,304	5,304	5,304
Sale of Equipment	11,075	-	25,500	25,500	-	7,500	7,500	7,500	7,500	7,500
Transportation Grants	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	2,279,112	1,261,521	1,017,591	-	-	-	-	-
MPR Safety Funds	-	-	-	-	-	-	-	-	-	-
Leased Properties	-	5,880	-	-	-	-	-	-	-	-
Transportation Fund Revenues:	939,617	995,595	3,300,916	2,248,635	2,002,768	1,071,647	1,085,423	959,011	973,204	987,610
Total Sources:	1,267,614	1,227,363	3,588,328	2,536,047	2,494,644	1,265,528	1,111,547	823,058	540,569	264,196
Expenditures										
Streets - Capital	455,696	508,302	\$2,536,112	\$1,406,671	1,458,297	391,000	393,000	395,000	397,000	487,000
Streets - Operating	335,150	329,928	\$ 383,000	\$ 412,500	402,000	408,030	414,150	420,363	426,668	433,068
Transfers (including debt service)	245,000	190,000	225,000	225,000	440,465	440,375	440,350	440,330	440,314	225,000
Transportation Fund Expenditures:	1,035,846	1,028,230	3,144,112	2,044,171	2,300,762	1,239,405	1,247,500	1,255,693	1,263,982	1,145,068
Estimated Ending Balance (deficit):	231,767	199,133	444,216	491,876	193,882	26,124	(135,953)	(432,635)	(723,414)	(880,872)

16

Ongoing Issue –

Lack of public funding to
maintain infrastructure

17

Funding Alternatives?

- Increase in City Transportation Sales Tax from 0.5% to 1%? Would generate an additional \$472,000 annually.
- Infrastructure tax - temporary sales tax or property tax to pay for projects (typically financed over a period of time)
- Parks Sales Tax Alternative – Parks and Storm water Control, Local – A sales tax of 0.5% could be used for both Parks and Storm water – would provide some future relief to Transportation fund
- Use Tax

18

Route 9 Phase 3 to Lakeview

- Estimated Project Cost \$3,484,000
 - \$1,208,000 for Phase 1 and 2A
 - The grant award of \$965,000 will not be available until federal fiscal year 2020. Bridge loan obtained to construct project in 2018-19.
 - Local match is \$243,000 (CID Revenue projected at \$147,300 per year). Loan of \$323,100 will be paid back with CID Revenues through 2020)
 - \$2,276,000 for Phase 2B and 3
 - Staff applied for \$1,742,000 in 2018 MoDOT Cost Share Program funds
 - If awarded Cost Share funds, additional local match of \$534,000 is required
 - City would need to commit future 2021-2025 CID revenues
 - This amount would need to be financed to cover construction-related costs (e.g., certificate of participation, lease purchase agreement, Missouri Transportation Finance Corporation [MTFC] loan)

19

Segments 7 and 8 (Priorities 4 and 5)

- Next projects up:
 - 7th Street to 5th Street (Segment 7)
 - 5th Street to 2nd Street (Segment 8)
- Foutch Brothers Improvements are part of Segment 7
- Estimated Project Cost \$920,408
 - Streetscape improvements anticipated on development side. No funds allocated for roadway improvements.
 - Need to consider options.

20

Sewer Fund

21

2017 CIP Recap

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

Total Amount Deferred to 2018 = \$52,000

22

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)

23

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

24

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

25

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

26

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

27

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.”

28

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

29

Sewer Allocation Study

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

30

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

31

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

32

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 per 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

33

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

34

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

35