

Mayor Nanette K. Johnston opened the work session at 6:04 p.m. on December 5, 2017, at City Hall located at 8880 Clark Avenue, Parkville. In attendance were aldermen Greg Plumb, Douglas Wylie, Kevin Heaton, Tina Welch, 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
Chris Williams, City Attorney

1. GENERAL AGENDA

A. 2018 City of Parkville Operating and Capital Budget

City Administrator Joe Parente presented a brief overview of the proposed 2018 budget and proposed 2018 Capital Improvement Program (CIP) that included changes from the first four work sessions; presentation attached as Exhibit A.

Public Works Director Alysen Abel provided an overview of the City's street rating system and said that the streets listed for improvement in 2018 included those that were presented during the work session on November 7. The goal for the rating of each street was a 3.0 or better out of a total of 10.0. The Board discussed the streets that would not be updated and the possibility of using money from the Parkville Commons Transportation Development District or Tax Increment Financing District to improve Bell Road. Abel noted that it was important for the Board to remember that the roads left out would need be improved at some point in the future.

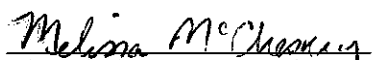
City Administrator Joe Parente discussed the proposed 10 percent sewer rate increase, noting that it would be used to increase the transfer from the Sewer Fund to the General Fund. He provided an overview of the Springsted sewer allocation study, noting that the study recommended a rational transfer but it was up to the Board to determine how much to transfer annually.

Discussion focused on fully funding the transfer and how it would impact the sewer rate increase. Abel said that every percent increase resulted in approximately \$11,000 in additional revenue. Further discussion focused on the sewer rate increase needed to help the Sewer Fund get to the recommended transfer to the General Fund, the ability to increase the rates more than 10 percent, maintaining CIP projects annually and the working capital reserves.

The work session ended at 7:01 p.m.

The work session minutes for December 5, 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 nineteenth day of December 2017.

Submitted by:


City Clerk Melissa McChesney



City of Parkville 2018 Budget

Fifth Budget Work Session

December 5, 2017

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Transportation Fund

- Follow up from the last Work Session:
 - Peer Community Street Ratings

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Street Ratings

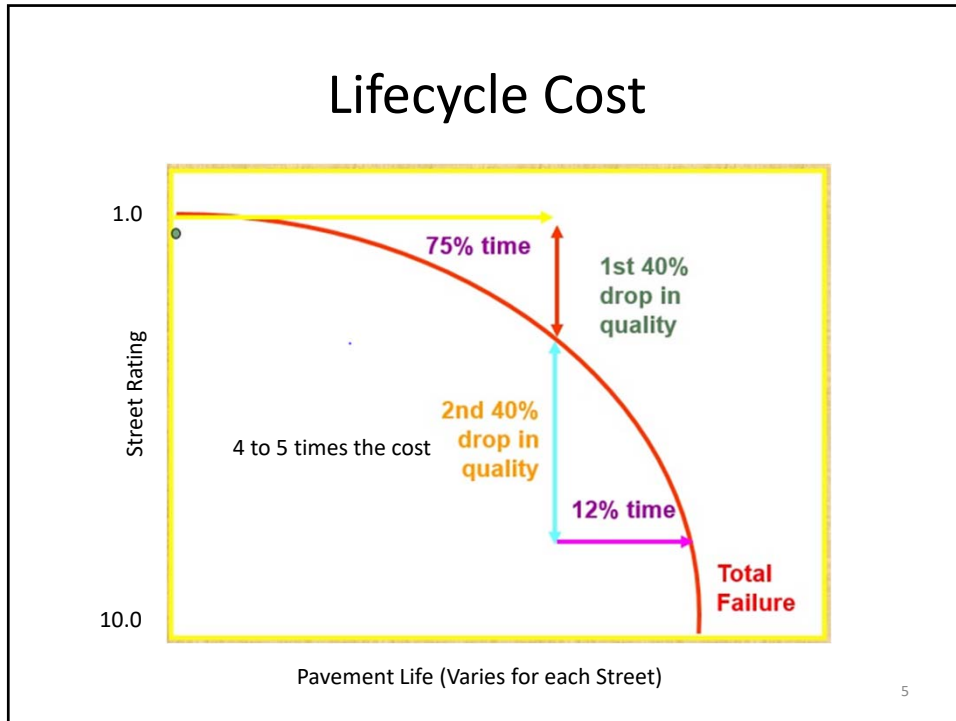
Rating	Description
1	Newly constructed
2	Slight imperfections
3	Some deterioration; minor maintenance
4	Noticeable deterioration; mill and overlay needed
5	Considerable cracking, potholes, fatigue
6	Serious deficiency; edge milling and overlay needed
7	Severe deficiency; various repairs needed
8	Major failure; some good street is left within a total replacement street
9	Nearly total replacement required; limited salvage
10	Total replacement is required

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Parkville Street Ratings

- Parkville
 - The rating system ranges from 1 (newly constructed streets) to 10 (streets needing total repair).
 - Visual inspection of streets.
 - Performed by the Public Works Director and Director of Operations.
 - Review overall quality and cracking patterns
 - Past street maintenance and knowledge of the subgrade condition.
 - Rating discussed and mutually agreed upon.
 - Goal of 3.0 or better

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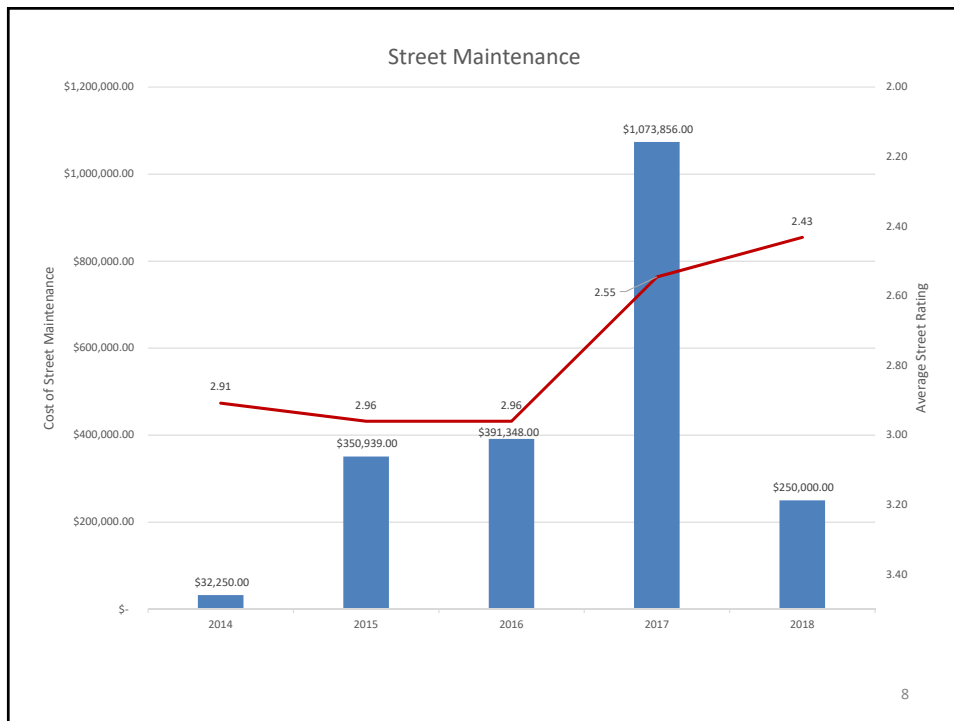
Street Maintenance Conditions

Rating	2014	2015	2016	2017	2018
	# of Streets	# of Streets	# of Streets	# of Streets	# of Streets
10	5	5	2	1	1
6	1	1	2	1	1
5	7	16	15	1	1
4.5	0	14	7	3	1
4	27	5	4	4	3
3.5	1	3	14	13	10
3	22	33	27	22	22
2.5	19	20	38	34	33
2	89	79	63	54	52
1.5	32	30	36	77	86
1	6	4	2	10	10

Street Maintenance Conditions Streets Rated 3.5 and Worse

	Linear Feet	# of Streets	Percent above 3.5
2014	61,404	41	29.20%
2015	53,404	44	25.33%
2016	69,846	44	33.13%
2017	43,842	23	20.39%
2018	34,148	17	15.88%

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Northland Street Ratings

- Platte City
 - Ratings range from 1 (new street) to 5 (street in need of repair).
 - Visual inspection of streets by Public Works Director, Street Superintendent and other City staff.
 - Average rating between all participants.
 - Street repairs at streets rated at 3.
- North Kansas City
 - Ratings range from 1 (newly constructed streets) to 10 (streets needing total repair) – Same as Parkville
 - Visual inspection of streets by Superintendent of Municipal Services and Engineering Technician.
 - Staff compares ratings.
 - Lowest grades are highest priorities.
- Gladstone
 - Ratings range from 0 (poor street) to 100 (excellent street) – and uses MicroPaver
 - Visual inspection of streets by Public Works Superintendent and Street Crews (semi-annually).
 - Staff weighs in on street priorities.

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Sewer Fund

- Follow up from the last Work Session:
 - Change in Sewer Budget
 - Sewer Allocation Study Detail
 - Peer Community Sewer Rates

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4th Budget Work Session Sewer Fund Recommendation

1. Adjust the Sewer Allocation
 - \$165,000 (increase \$15,000)
2. Proposed CIP
 - \$382,200
3. Increase Sewer Rates
 - Proposed 10% rate increase

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Sewer Allocation Study

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

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Methodology Used By Springsted
Total Overhead Costs within the General Fund
and Direct Sewer Activities

General Fund	2016 Budget	Overhead Activities	Direct Sewer Service Activities
Administration *	\$ 1,329,483	\$ 552,860	\$ 25,634
Police	\$ 1,223,870	\$ 6,294	\$ -
Municipal Court	\$ 153,471	\$ -	\$ -
Public Works Admin & Streets	\$ 651,343	\$ 7,140	\$ 60,469
Community Development	\$ 316,393	\$ 5,983	\$ 20,146
Operations Division Parks	\$ 356,007	\$ -	\$ -
Nature Sanctuary	\$ 39,681	\$ -	\$ -
Public Information Division	\$ 13,810	\$ 13,810	\$ -
Information Technology Division	\$ 43,974	\$ 43,974	
Capital Outlay	\$ 351,035	\$ -	\$ -
Totals	\$ 4,479,067	\$ 630,061	\$ 106,249

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Methodology Used By Springsted
Transfer of Charges to Other Funds

Total General Fund	\$ 4,479,067
Less Capital Outlay	\$ (351,035)
Net operating	\$ 4,128,032
Less Overhead	\$ (630,061)
General Fund Overhead Basis	\$ 3,497,971
Overhead percent	18.01%

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Methodology Used by Springsted
Transfer of Administrative Cost Charges against Sewer Fund

Total Sewer Expenses	\$ 1,543,641
Less Administration Fee	\$ (103,530)
Net Sewer Expenses	\$ 1,440,111
City overhead Allocation (18.01%)	\$ 259,396
City Direct Expenses	\$ 106,249
Total Sewer Administration Fee	\$ 365,644

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General Fund (10) Administration (001)						
Type	Account	2016 Budget	Time Allocation Study - Overhead Personnel Costs	Total Overhead Costs that may be charged to Non-General Fund Activities		
Personnel	Salaries	326,252	<p>A Time Allocation Study was performed on each position in each department. The Administration Department study determined that 50.24% of salaries, benefits and payroll costs were attributed to Overhead Costs.</p> <p>The 50.24% was then applied against all other non-personnel costs.</p>			
	Overtime	1,500				
	Mayor and Aldermen	57,600				
	FICA & Medicare	26,826				
	Retirement	25,820				
	Health, Life, & Dental	36,499				
		474,497		50.24%	\$ 238,387	
	City Administrator Auto Allowance	1,200		50.24%	603	
	Membership Fees & Dues - Mayor and Board of Aldermen	1,000		50.24%	502	
	Membership Fees & Dues - Administrative Staff	2,900		50.24%	1,457	
	Professional Development - Administrative Staff	11,000		50.24%	5,526	
	Professional Development - Mayor and Board of Aldermen	5,500		50.24%	2,763	
	Total Personnel	496,097			249,239	
	Insurance	Liability		68,000	50.24%	34,163
		Insurance Deductible		20,000	50.24%	10,048
Workers Compensation		1,500	50.24%	754		
Unemployment		2,500	50.24%	1,256		
Property Insurance		18,000	50.24%	9,043		
Total Insurance		110,000		55,264		
Utilities		Telephone & Voicemail	6,000	50.24%	3,014	
		Electricity	58,500	50.24%	29,390	
		Water	6,250	50.24%	3,140	
		Mobile Phones	120	50.24%	60	
	Train Depot Utilities		50.24%	-		
	Cable	2,100	50.24%	1,055		
	Trash Hauling/Recycling	300	50.24%	151		
Total Utilities	73,270		36,811			
Capital Exp.	Lease Purchase - Office Equipment	1,200	50.24%	603		
	Total Capital Expenses	1,200		603		
Office Expenses	Office Supplies, Computer Accessories & Consumable Items	5,000	50.24%	2,512		
	Postage	1,350	50.24%	678		
	Printing	700	50.24%	352		
	Publications	250	50.24%	126		
	Total Office Expenses	7,300		3,668		

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

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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

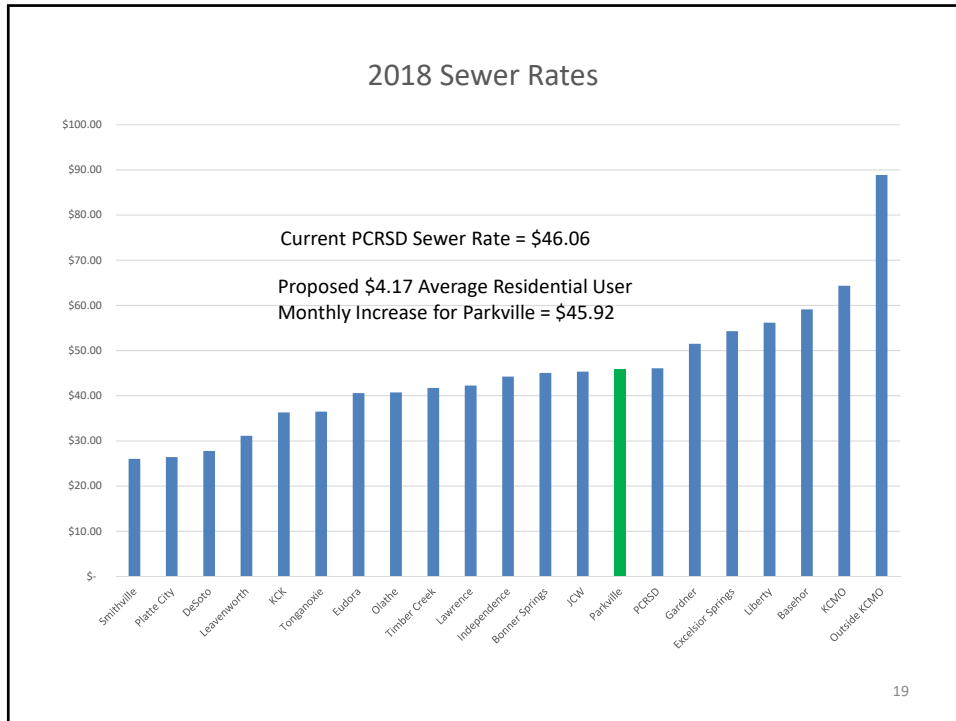
* Based on the average consumption rate of 4,300 gallons per month for a 4-person household

\$1.25 Average Residential User Monthly Increase (3% Rate Increase) = \$33,099 Revenue

\$2.50 Average Residential User Monthly Increase (6% Rate Increase) = \$66,198 Revenue

\$4.17 Average Residential User Monthly Increase (10% Rate Increase) = \$110,330 Revenue

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- ## 5th Work Session (Revised) Sewer Fund Recommendation
1. Adjust the Sewer Allocation for Administrative Charge
 - ~~\$165,000~~ \$190,000
 2. Proposed CIP
 - \$382,200 (No change)
 3. Increase Sewer Rates
 - Proposed ~~6%~~ 10% rate increase
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