



**Finance Committee Meeting
May 21, 2018**

Administration Conference Room, City Hall

Minutes

1. CALL TO ORDER

Chair Sportsman called the meeting to order at 4:30 p.m. A quorum was present.

- **Members Present:** Chair Marc Sportsman, Vice Chair Dave Rittman, Nan Johnston, Robert Lock and Tina Welch
- **Other Aldermen Present:**
- **City Staff Present:** City Administrator Joe Parente, Police Chief Kevin Chrisman, Finance/Human Resources Director Matthew Chapman, Public Works Director Alysen Abel, Community Development Director Stephen Lachky, Assistant to the City Administrator Anna Mitchell and City Clerk Melissa McChesney
- **Others Present:** Michael Keenan, Cochran Head Vick & Co., P.C.

Dave Rittman moved to deviate from the order of business to address the action items first prior to the financial updates. Tina Welch seconded; motion passed 5-0.

2. FINANCIAL UPDATES

A. City Administrator Approvals

City Administrator Joe Parente provided an overview of purchases approved within his authority.

3. ACTION ITEMS

A. Approve the minutes from the May 7, 2018, meeting

Chair Marc Sportsman requested that the e-mail from City Engineer Jay Norco explaining the cost of steel for the Wastewater Treatment Facility headworks screen project be attached to the minutes as Exhibit A.

Rittman moved to approve the May 7, 2018, minutes, as amended. Welch seconded; motion passed 5-0.

B. Review and approve the audit for fiscal year 2017, as prepared by Cochran Head Vick & Co., P.C.

Michael Keenan, Cochran Head Vick & Co., P.C. provided an overview of the draft audit, noting that there were no illegal acts, no changes in accounting policies and no difficulties or agreements with management. An inefficiency was identified in the internal controls related to the lease purchase for street maintenance issued in 2017. Only the amounts that were drawn down from the account were recorded instead of the full amount that included funds for Route 9 improvements. City Administrator Joe Parente stated that the not reported were those held by the trustee.

Keenan said that the management letter contained suggestions for best practices and possible improvements in the internal control inefficiency found in Municipal Court that was carried over from prior audits. He noted that recommendations from the 2016 audit regarding the sewer account were implemented and staff continued to work on collecting on past due accounts.

Discussion focused on the negative change in net position shown under the statement of activities section of the audit resulting from the enhanced street maintenance which were not a capital asset; the positive change in the Sewer Fund net position due to the contributed infrastructure items from the developers for completed projects that were recognized as an asset to the City in

the year it was donated; long-term debt principal payments that began in 2017; and the increased contribution to Missouri Local Government Employees Retirement System.

Further discussion focused on the internal control issue in Municipal Court. Finance/Human Resources Director Matthew Chapman said that staff was unable to determine where the additional funds should have been categorized and had reached out to the State of Missouri for advice on the best course of action to ensure the funds were distributed appropriately. The account was closed in March 2018. Parente added that staff would provide a monthly reconciliation to the Finance Committee. The consensus of the Committee was for staff to provide an update on the Municipal Court issue at a future meeting.

Rittman moved to recommend that the Board of Aldermen approve the audited financial statements for the fiscal year ended December 31, 2017. Welch seconded; motion passed 5-0.

C. Approve a sponsorship with Main Street Parkville Association for the July 4th fireworks

City Administrator Joe Parente stated that in 2017 he and Mayor Johnston were approached by the Main Street Parkville Association (MSPA) to discuss funding needs from the City. He noted that historically the City was not involved in sponsoring or providing direct assistance to organizations. Mayor Johnston said that other cities did not charge their main street organizations event fees and thought it might be fair to reimburse MSPA in an amount comparable to what they paid in fees.

City staff researched peer communities and determined that most cities did not use General Fund money. Some cities had creative ways of generating revenue through community improvement districts and hotel/motel taxes. Mayor Johnston noted that the request was more about balancing a funding model so MSPA could do more to benefit downtown.

Discussion focused on supporting downtown in other ways, waiving event fees and concerns that the City could become an ongoing funding source in the future. In order to help the Committee make a more informed decision, the consensus was for staff to compile a list of the City's non-monetary contributions to past events for police and public works services.

No action was taken.

D. Approve a professional services agreement with BBN Architects, Inc. for design services for downtown streetscape components

City Administrator Joe Parente said that as part of the 2017 strategic planning process, staff developed a list of action items to complete in 2018. The City's on-call architectural firm BBN Architects, Inc. would provide conceptual designs for street signs, a curb cutout for the streetscape and maintenance and design of Pocket Park that would be separated into three different costs. He noted that the sign component would be designed in 2018 and money would be allocated in 2019 to fund the project.

Rittman moved to approve a professional services agreement with BBN Architects, Inc. for design services for downtown streetscape components in the amount of \$3,879. Welch seconded; motion passed 5-0.

4. NON-ACTION ITEMS

5. UNFINISHED BUSINESS (postponed from prior meetings)

6. OTHER BUSINESS

The Committee returned to the regular order of business.

2. FINANCIAL UPDATES

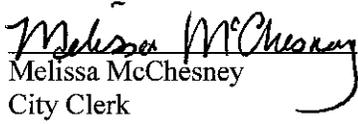
A. City Administrator Approvals

City Administrator Joe Parente provided an overview of a purchase approved within his authority.

7. ADJOURNMENT

Chair Sportsman adjourned the meeting at 6:09 p.m.

Submitted by:


Melissa McChesney
City Clerk

June 11, 2018
Approval Date

From: North Hills Engineering <northhillseng@gmail.com>

Sent: Tuesday, April 24, 2018 12:04 PM

To: Alysen Abel <AAbel@parkvillemo.gov>

Cc: Richard Willson <rwilson@alliancewater.com>

Subject: WWTF Screen Project - Cost Overrun

Alysen I am sending this to describe the reasons for the difference between the construction budget \$81,000 and the low bid of \$126,800 (tendered by David E. Ross Construction).

After talking with suppliers and contractors, and comparing the final design project to the budgeted project, here are the reasons for the difference:

1. The original budget from 2017 (about \$60,000) was for the rebuilding of an existing screen. After considering the high rebuild cost, questionable longevity of the rebuilt unit, and the long delays associated, we decided to defer the project and budget for a new screen unit. We did adjust the budget upwards for 2018, but we not anticipate the difficulty in fitting an entirely new screen to the existing channel. In retrospect I did not budget adequately for this.
2. We added some necessary features to the project for reasons of safety and accessibility. The old screen had an electric light heater in the screen cart enclosure, this involved 120 volt wiring in a wet and corrosive environment. We decided to avoid this shock hazard by using a heater that is separate from the screen enclosure. Although this is a safer and more reliable method of heating, there are more costs associated with the heater panel, extension of electric power, and metal ductwork. Also, we did not like how maintenance personnel had to climb around handrail and straddle an open channel in order to inspect and access the front of the screen inside the channel. So we added hinged covers to the channel in front of the screen.
3. During the design we realized that the conduit and wiring for the feed circuit had become badly corroded and needed to be replaced.
4. Recently the plastic screenings cart that Alliance personnel use to store, transport, and dump the screenings broke. The cart must fit in a narrow space between the screen and the channel, and the new plastic carts do not fit. Also, plastic carts become brittle with age and break, particularly in sub-freezing weather. So we added a stainless steel cart to the project.
5. The costs of all metal items (particularly stainless steel and aluminum) have increased over the past year. The recent protective tariffs have made the situation worse. This project is heavy on metal and fabricated metal items. When suppliers become nervous about price trends in raw materials, they pad their costs because they have cover their costs 8-10 weeks in the future, given the time required for submittal approvals and fabrication before the actual sale.

Before the bid opening, I prepared a revised cost estimate of \$130,000. The low bid of David E. Ross compares well with that estimate.

Jay Norco
Contract City Engineer

From: [Jay Norco - Forward](#)
To: [Alysen Abel](#)
Cc: [Richard Wilson](#)
Subject: WWTF Screen Project - Cost Overrun
Date: Tuesday, April 24, 2018 12:04:12 PM

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