1. GENERAL AGENDA

Mayor Nanette K. Johnston opened the work session at 5:38 p.m. on October 19, 2021, at City Hall, 8880 Clark Avenue, Parkville, Missouri. In attendance were aldermen Tina Welch, Philip Wassmer, Dave Rittman, Brian T. Whitley, Robert Lock, Douglas Wylie, Marc Sportsman and Greg Plumb.

The following staff was also present:
Joe Parente, City Administrator
Kevin Chrisman, Police Chief
Jon Jordan, Police Captain
Alysen Abel, Public Works Director
Stephen Lachky, Community Development Director
Matthew Chapman, Finance/Human Resources Director
Chris Ashley, Public Works Project Manager
Jeffery Rhodes, Assistant to the City Administrator
Chris Williams, City Attorney

A. Ward Map Revisions

Community Development Director Stephen Lachky provided an overview of the process to revise the City's ward map; presentation attached as Exhibit A. He stated that an ad hoc committee reviewed the ward map that was adopted in 2004 and looked at the data from the 2020 Census. They recommended changes to the boundaries to keep neighborhoods within the same ward. He noted that the proposed ward map presented used building permits, but the city attorney recommended using certificates of occupancy.

Discussion focused on the proposed boundaries, adding the proposed Don Julian development in Riss Lake to Ward 2, leaving the ward numbers similar to the 2004 map and the timeframe for approval. The consensus was to approve revisions prior to candidate filing in December for the April 5, 2022, general municipal election.

Lachky said the next steps were to present the first reading of an ordinance on November 2 and give the public an opportunity to provide comments at an informational open house. It was requested that the proposed revisions be posted to the website.

B. 2022 City of Parkville Operating and Capital Budget

City Administrator Joe Parente provided an overview of the 2022 proposed budget for the General Fund; presentation attached as Exhibit B.

Discussion focused on options for the sewer system,. revenue collected from medical marijuana, anticipated use tax revenue if it passed on November 2, use of the use tax revenue, the budget impact for the various police compensation proposals, options for the Municipal Court, reviewing use fees for building permits, business licenses, etc. and using the General Fund and Emergency Reserve Fund balance to cover the deficit. Parente said that the Board could decide to use the reserves, but it would eventually compound and carry over and the fund balances could begin dropping. He added that a balanced budget was important and use of reserves should be for one-time purchases.

2. ADJOURN

The work session ended at 7:00 p.m.

The work session minutes for October 19, 2021, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the second day of November 2021.

Submitted by:

Melissa McChesney

City Clerk Melissa McChesney

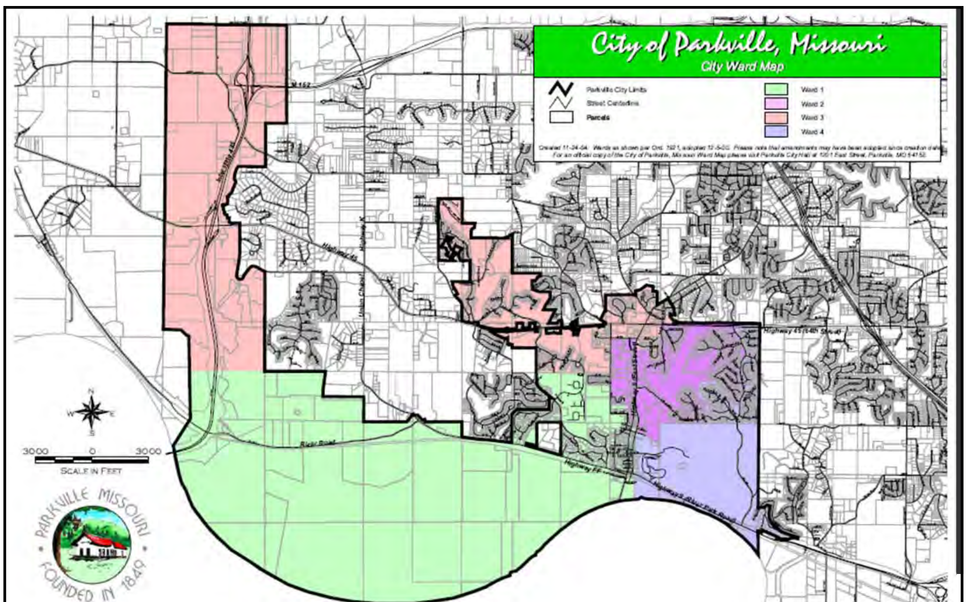
SEAL OF THE CITY OF PARKVILLE
PLATTE COUNTY MISSOURI

Ward Map Redistricting

Parkville
Board of Alderman

Work Session Presentation

10/19/2021



- Ward districting map last updated in 2004
- City population in 2004 was 5,054
- City population per 2020 U.S. Census is 7,117 (40.8% increase)

Background

- In 2010 staff evaluated population estimates and concluded it wasn't necessary to update the City Ward Map.
- Staff strives to have a population deviation between wards no greater than 10% (*guidance from Missouri Municipal League, not policy*)
- Per Missouri case law and best practices, it's best not to break up neighborhoods or demographic groups.
- 1300 block of Main St. contains three separate wards and residents have voiced their frustration over time.

Best Practices - *districting*

- "Deviation of not more than 10 percent between the largest and smallest districts"

  William Geary, Missouri Municipal Review 2011

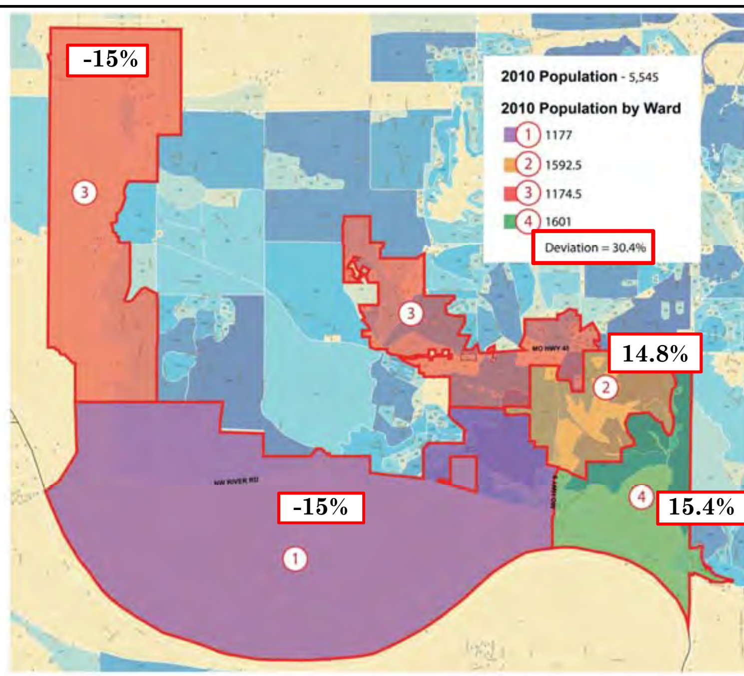
- 2010 Population: **5,545**
- Ideal population per district: 5,554/4=**1388.5**
- (Current Population/Ideal Population) – 1 = Deviation

Deviation

- 2010 Population: **5,545**

Ward	Population	Deviation
Ward 1	1177	-15%
Ward 2	1592.5	14.8%
Ward 3	1174.5	-15%
Ward 4	1601	15.4%

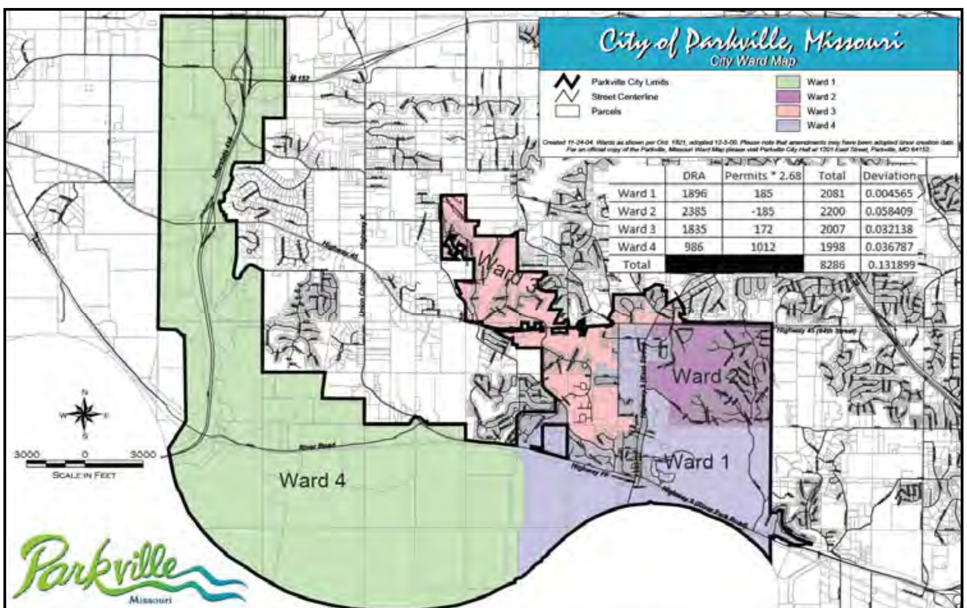
Total: 30.4%



Current Boundary

Ward Boundary Map
Ad Hoc Committee

- Consisting of Aldermen Rittman, Plumb and Wylie
- Convened three times over the summer to review 2020 U.S. Census data and develop scenarios for revised map.
  - August 25th
  - September 15th
  - October 8th



Proposed Update

City of Parkville 2022 Budget

First Budget Work Session

October 19, 2021

First Budget Work Session Topics

- 2021 General Fund Overview
  - 2021 Year-End Projections
  - 2021 Revenue Estimates
- 2022 Budget
  - Budgeted expenditures
  - Revenue Estimates
- General Fund and Reserve Fund Balance Target
- Debt Service and Minor Funds
- Outline of Key Decisions for 1st Work Session
- Review of Future Work Session Topics

2021 General Fund Projections
(Revenue Summary)

- 2021 starting balance (2020 carryover) was $990,919
  (The previous year carryover was $1,801,183)
- Overall, 2021 Revenues are expected to be above projections by $502,502 (includes prior year reimbursements from FEMA and Creekside; Building Permits)

2021 General Fund Projections
(Expenditures Summary)

- Expenses currently projected to be $416,834 under budget.
  - Expected to at year end to be the Normal - < 5% Budget Variance due to staff vacancies and conservative spending practices.
- 2021 projected year-end balance of $1,133,442 is on target to be slightly higher than the beginning fund balance of $990,919.

General Fund Revenues

	2020 Actual	2021 Budget	2021 Projected	2022 Budget
Taxes	2,369,979	2,538,198	2,541,274	2,652,257
Licenses	56,621	62,700	69,409	69,409
Permits	504,098	389,100	496,156	393,816
Franchise Fees	792,513	859,000	859,038	858,000
Other Revenue	15,188	34,194	28,585	28,785
Court Revenue	61,118	130,000	74,882	77,500
Interest Income	6,755	7,500	6,763	6,763
Miscellaneous	835,758	506,500	850,027	543,675
Grants	-	7,320	60,881	10,000
Transfers	289,221	516,200	566,200	587,936
Total	**4,931,250**	**5,050,712**	**5,553,214**	**5,228,142**

General Fund Expenses

	2020 Actual	2021 Budget	2021 Projected	2022 Budget
Administration	1,358,080	1,388,266	1,314,275	1,282,122
Police	1,334,469	1,660,412	1,479,428	1,703,141
Municipal Court	150,061	172,700	128,777	140,444
Public Works	282,824	313,199	307,666	318,399
Community Development	301,398	359,311	348,144	369,214
Streets	416,669	486,779	509,195	516,885
Parks	423,476	450,654	443,460	463,309
Nature Sanctuary	51,679	61,898	56,587	62,634
IT	63,049	60,745	58,121	61,136
Public Information	23,753	30,410	23,213	29,360
Capital Outlay (CIP)	366,550	323,975	222,650	198,335
Transfers	972,618	359,420	359,420	342,920
Total	**5,744,625**	**5,667,769**	**5,250,935**	**5,487,898**

GF 2021 to 2022 Comparison

Category	2021 Budget	2022 Budget	Difference $	Difference %
Personnel	3,250,909	3,256,398	5,489	0.2%
Insurance	684,587	718,940	34,353	5.0%
Utilities	148,696	149,946	1,250	0.8%
Capital Outlay	324,599	198,995	(125,604)	-38.7%
Maintenance	185,717	201,311	15,594	8.4%
Office Expenses	97,215	97,135	(80)	-0.1%
Professional Fees	416,940	333,640	(83,300)	-20.0%
Services	155,513	158,554	3,041	2.0%
Other	38,800	26,305	(12,495)	-32.2%
Transfers	359,420	342,920	(16,500)	-4.6%

2022 General Fund CIP *(preliminary)*

Department	Project	GF Impact
Administration	Building Maintenance Projects – IT Room; Concrete Flatwork; Security System Upgrade	36,924
IT	Computer Replacement	7,000
Police	Replace police patrol vehicle and equipment	46,370
Police	Radio Upgrades	20,000
Police	Holding Cell Plumbing	10,000
Public Works	6^{th} and Park Parking Lot Lease/Purchase	22,041
Public Works	Thousand Oaks Tornado Siren	26,000
	Carryover Projects	30,000
	Total CIP	198,335

ARPA

Proposed Use of ARPA Funds

2021 and 2022 Allocation (Eligible Projects under Revenue Loss Criteria):

Revenue Reduction Formula Calculation for 2020:		$275,444
Current Estimate for 2021		$590,419
	Total:	**$865,863**

Proposed Use of Funds for FY 2021 and FY 2022 ($700,000):

- Pay-go Projects under the Public Sector Revenue Loss Formula:
  - FY 2021 Route 9 6th Street Project - $400,000
  - FY 2021 Transportation Fund Annual Street Program - $200,000
  - FY 2021 Next Phase Route 9 Traffic Study and Engineering (4th Street to White Aloe Creek + downtown traffic) - $100,000

Proposed Use of Remaining Funds for FY 2023 ($700,000): TBD

GF Fund Balance Target

General Fund Balance (Policy is to maintain 5-15% General Fund Appropriation)

Estimated ending fund balance is $1,033,442, or 19% of budget.

Emergency Reserve Fund Balance (Policy is to maintain at least 25% of General Fund Appropriation)

- Estimated ending fund balance is $1,332,108, or 24% of budget.

-We monitor fund balance closely as it drives decisions on capital outlay spending and transfers to the Emergency Reserve Fund.

-In normal years, budget performance improves through the end of the fiscal year.

-Warning: this will be harder in future years unless we continue to outperform budget. 5 Year Capital Improvement Plan spending may be restricted.

Budget Issues:

Description	Estimated Budget Impact
New Revenue in FY 2022:	
New Property Tax Revenue	68,104
New Sales Tax Revenue	26,625
Other	32,701
Total New Revenue	**127,430**
New Expenses in FY 2022:	
3% wage increase (based on satisfactory performance)	73,365
Increase employee health benefits (currently projected at 10%)	38,100
Not included in current Budget Estimate:	
Police Compensation Increases (proposed to be implemented in FY 21) (Not included in budget figures)	67,173 (60% Market) 82,873 (70% Market) 150,039 (Chief's Proposal) 181,134 (16% Increase)
General Government Compensation Study Increases (Proposed for FY 22) (Not included in budget figures)	64,219 (60% Market)
Additional Public Works Employee and Benefits	46,000

GF Fund Budget Issues

- Keep in mind current 2022 Budget shows a slight deficit (excluding CIP Projects)
- Current projected budget does not include Compensation Study Increases or any additional new positions
- New revenue? Use Tax success?
- Operational Cuts?

Warning signs:

- Current budget shows a slight deficit, and does not include compensation study increases. Too much reliance on Fund Balance for operating funds, or reliance on strong budget performance (year end budget savings), are risky and do not follow conservative budgeting models.
- Overextending may create a structural deficit that would hamper future budgets.
- Need direction on a target so staff can make adjustments to satisfy the Board's desires for 2022.

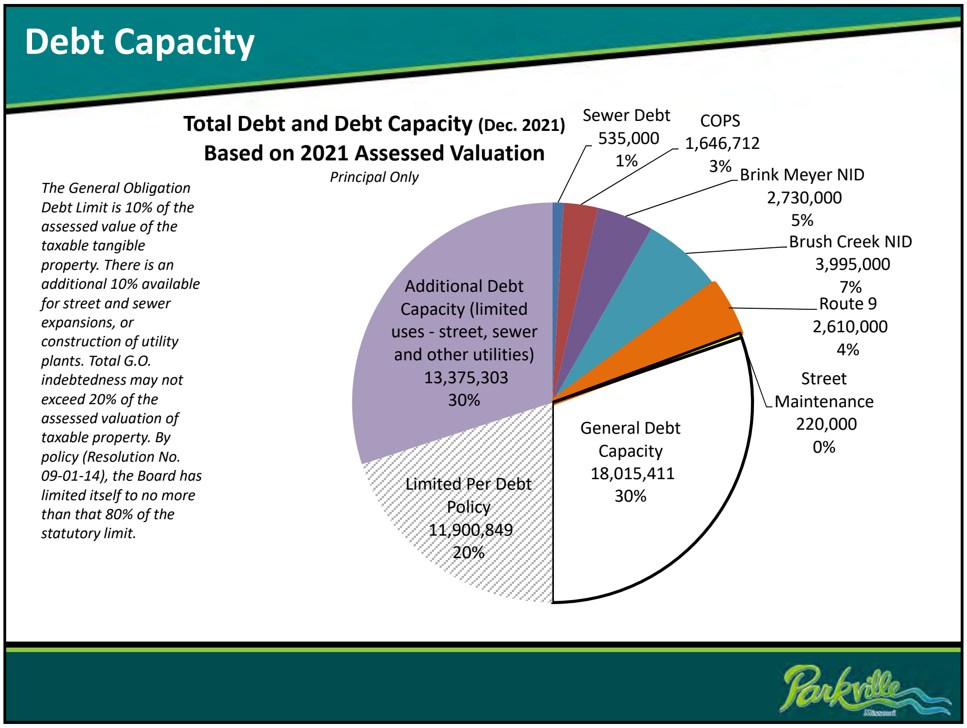
Other Funds

- Debt Service Funds
- Minor Funds
  - Economic Development Fund
  - Fewson Fund
  - Parks Donation Fund
  - Nature Sanctuary Fund
  - Veteran's Memorial Fund

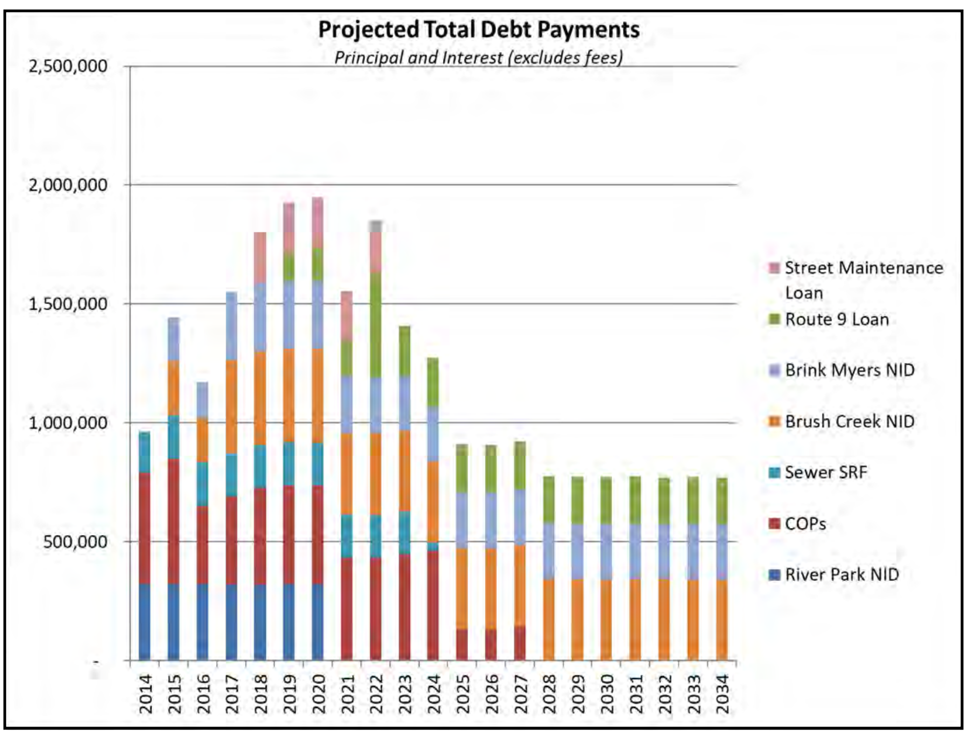
Debt Service Funds

Five Active Debt Funds:

1. **COPs Fund** (22) - 2015 Lease-Purchase refunded the 2006 Certificate of Participation (COPS), which includes the new City Hall and voter-approved projects from the 2004 ballot measure.
2. **Sewer Debt Service Fund** (30) - State Revolving Loan (SRF) projects that are supported by sewer fees. Retires in 2025.
3. **Neighborhood Improvement Districts** (23 and 24) – supported by assessments on benefitting properties
   1. Brush Creek NID financed sewer expansion. Retires in 2034.
   2. Brink Meyer NID financed road improvements. Retires in 2034.
3. **2021A COPs Road Capital Maintenance** (96) **-** Debt financing for Street Projects
   1. Route 9 Improvement – Highway 45 to Lakeview
   2. Enhanced street maintenance program. Retires in 2022.



Debt Capacity
Total Debt and Debt Capacity (Dec. 2021)
Based on 2021 Assessed Valuation
Principal Only
The General Obligation Debt Limit is 10% of the assessed value of the taxable tangible property. There is an additional 10% available for street and sewer expansions, or construction of utility plants. Total G.O. indebtedness may not exceed 20% of the assessed valuation of taxable property. By policy (Resolution No. 09-01-14), the Board has limited itself to no more than that 80% of the statutory limit.
Sewer Debt 535,000 1%
COPS 1,646,712 3%
Brink Meyer NID 2,730,000 5%
Brush Creek NID 3,995,000 7%
Route 9 2,610,000 4%
Street Maintenance 220,000 0%
General Debt Capacity 18,015,411 30%
Limited Per Debt Policy 11,900,849 20%
Additional Debt Capacity (limited uses - street, sewer and other utilities) 13,375,303 30%



Projected Total Debt Payments
Principal and Interest (excludes fees)
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
Street Maintenance Loan
Route 9 Loan
Brink Myers NID
Brush Creek NID
Sewer SRF
COPs
River Park NID

Next Steps

- ~~October 19 – Revenue Projections, General Fund, Debt Service, Minor Funds~~
- October 25 – CIP, Parks Sales Tax Fund, Transportation Fund, ARPA Fund, miscellaneous follow-up
- November 2 – Sewer Fund, miscellaneous follow-up
- November 16 – Summary review of final budget and miscellaneous follow-up
- December 7 – Adoption – 1st Reading
- December 21 – Adoption – 2nd Reading

Need Direction

1. Changes to revenue projections.
2. Proposed Personnel adjustments; Wage Increase.
3. Guidance on the General Fund target to help staff complete recommended CIP.
4. Other issues that came up this evening.