1. GENERAL AGENDA

Mayor Dean Katerndahl opened the work session at 5:34 p.m. on October 18, 2022, at City Hall, 8880 Clark Avenue, Parkville, Missouri. In attendance were aldermen Tina Welch, Philip Wassmer, Brian T. Whitley, Douglas Wylie, Stephen Melton, Greg Plumb and Michael Lee (via videoconference).

The following staff was also present:

Alexa Barton, City Administrator
Kevin Chrisman, Police Chief
Alysen Abel, Public Works Director
Stephen Lachky, Community Development Director (via videoconference)
Matthew Chapman, Human Resources Director
Bryan Kidney, Interim Finance Director (via videoconference)
Chris Ashley, Public Works Project Manager
Jeffery Rhodes, Assistant to the City Administrator
Rich Wood, City Attorney

A. 2023 City of Parkville Operating and Capital Budget

City Administrator Alexa Barton provided an overview of the proposed 2023 budget related to the General Fund; presentation attached as Exhibit A. She reviewed the 2022 revenues and expenditures, noting that the park sales tax revenues were included in the Park Sales Tax Fund and there was also a Parks Department budget within the General Fund. Furthermore, for 2023, the Parks Department revenues and expenditures would be moved to the Park Fund for better tracking and accounting. For 2022, the General Fund was expected to be at or below budgeted expenditures – what helped the budget balance were unfilled positions.

Barton provided a summary of the 2023 budget priorities, including employee compensation and benefits and how striving for organizational excellence, a City core strategy, created the need for additional revenues to the City. She said that possible options included a public safety sales tax and/or a use tax. A use tax would generate approximately $250,000 a year and would be used for infrastructure and special projects in the Capital Improvement Program for improvements.

2. ADJOURN

The work session ended at 7:03 p.m.

The work session minutes for October 18, 2022, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the first day of November 2022.

Submitted by:

Melissa McChesney
City Clerk Melissa McChesney

2022-117

SEAL OF THE CITY OF PARKVILLE
PLATTE
COUNTY
MISSOURI

City of Parkville
2023 Requested Budget
1st Budget Work Session

October 18, 2022

First Budget Work Session

- 2022 General Fund Overview
  - 2022 Year-End Projections (as of September 30, 2022)
  - 2022 Revenue Estimates
- 2023 Budget Request
  - Revenue & Expenditure Assumptions
  - Budgeted expenditures
- 2023 Department Request Overview – General Fund Only
- General Fund and Reserve Fund Balance Target
- Personnel Changes
- Outline of Key Decisions for 1st Work Session
  - Public Safety Sales Tax & Use Tax
- Future Work Session Schedule

General Fund Revenues

2022 General Fund Revenue Projections

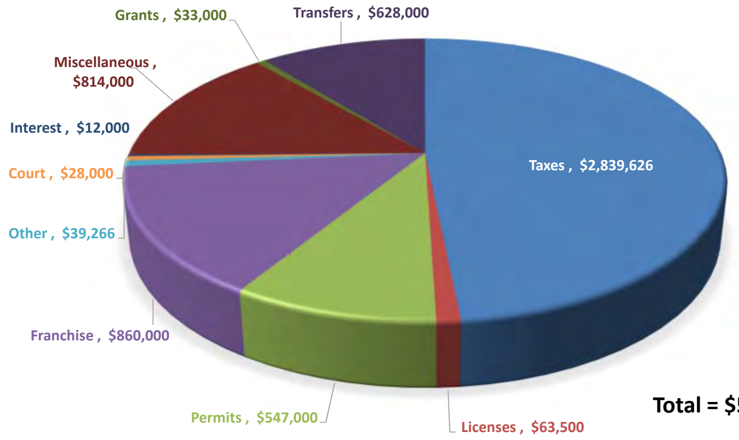
- 2022 projected beginning fund balance = $1,194,820
  - The 2021 beginning fund balance = $990,919
    - Confirmed from the 2021 auditor's report
- 2022 revenue budget = $5,812,512
- 2022 Revenue Estimate = $5,864,392
- Overall, 2022 Revenues are expected to be ABOVE budget projection by $51,880

General Fund Revenues

Revenues	2020	2021 Budget	2021 Actual	2022 Budget	2022 Estimate
Taxes	$ 2,390,745	$ 2,538,198	$ 2,662,548	$ 2,646,268	$ 2,839,626
Licenses	$ 56,621	$ 62,700	$ 70,583	$ 71,594	$ 63,500
Permits	$ 504,098	$ 389,100	$ 518,981	$ 496,139	$ 547,000
Franchise	$ 792,513	$ 859,000	$ 812,268	$ 858,000	$ 860,000
Other	$ 15,188	$ 34,194	$ 30,885	$ 30,905	$ 39,266
Court	$ 61,118	$ 130,000	$ 66,310	$ 75,000	$ 28,000
Interest	$ 6,755	$ 7,500	$ 5,531	$ 6,763	$ 12,000
Miscellaneous	$ 835,759	$ 506,500	$ 246,003	$ 539,907	$ 814,000
Grants	$ -	$ 7,320	$ 60,881	$ 10,000	$ 33,000
Transfers	$ 289,221	$ 566,200	$ 566,200	$ 1,077,936	$ 628,000
Total Revenues	**$ 4,952,017**	**$ 5,100,712**	**$ 5,040,190**	**$ 5,812,512**	**$ 5,864,392**

General Fund Revenues

2022 EOY GENERAL FUND REVENUE ESTIMATE



Total = $5,864,392

General Fund Expenditures

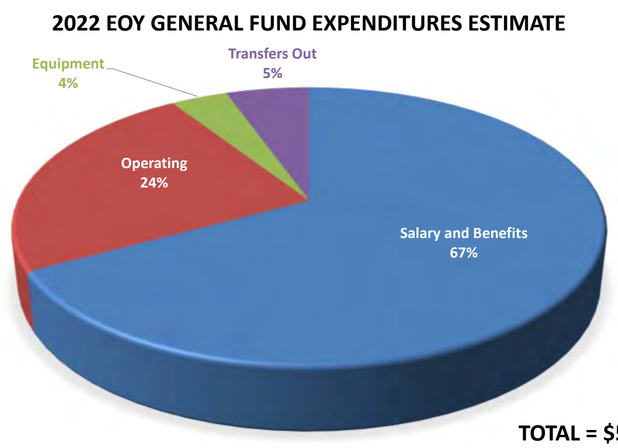
2022 General Fund Expenditures Projections

- 2022 expenses currently projected to be $296,293 under budget.
- 2022 projected year-end General Fund balance of $1,227,243 is on target to be slightly higher than the beginning fund balance of $1,194,820.

General Fund Expenditures

Expenditures	2020	2021 Budget	2021 Actual	2022 Budget	2022 Estimate
Salary and Benefits	$ 2,819,081	$ 3,250,909	$ 3,008,552	$ 3,911,418	$ 3,604,941
Operating	$ 1,606,257	$ 1,732,741	$ 1,672,159	$ 1,272,329	$ 1,282,513
Equipment	$ 367,289	$ 324,699	$ 159,676	$ 199,135	$ 199,135
Transfers Out	$ 922,822	$ 359,420	$ 359,420	$ 292,863	$ 292,863
Total Expenditures	**$ 5,715,449**	**$ 5,667,769**	**$ 5,199,807**	**$ 5,675,745**	**$ 5,379,452**

General Fund Expenditures



TOTAL = $5,379,452

2023 Budget Priorities

- Organizational Excellence
- Infrastructure & Public Facilities
- Quality Development
- Parks & Recreation
- Communications
- Public Safety

General Fund Revenues

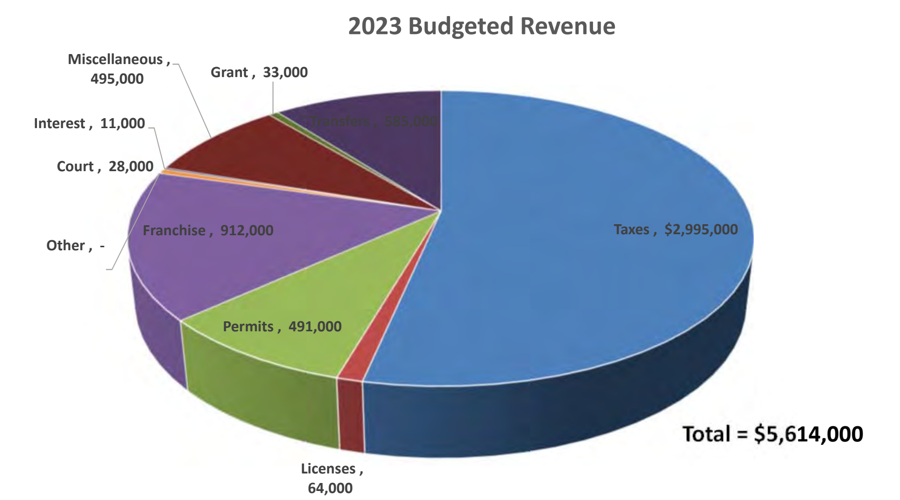
2023 General Fund Revenue Projections

- 2023 budgeted revenue = $5,614,000
- Overall, 2023 revenues are expected to be BELOW 2022 revenue by $250,392
- Sales tax collections up (5% growth assumption)
- Other sources down (Permits, Court, 1-Time misc.)
- Change in transfers – Consolidating Parks budget, will transfer Parks operations out of General Fund.

General Fund Revenues

Revenues	2022 Budget	2022 Estimate	2023 Budget
Taxes	$ 2,646,268	$ 2,839,626	$ 2,995,000
Licenses	71,594	63,500	64,000
Permits	496,139	547,000	491,000
Franchise	858,000	860,000	912,000
Other	30,905	39,266	-
Court	75,000	28,000	28,000
Interest	6,763	12,000	11,000
Miscellaneous	539,907	814,000	495,000
Grant	10,000	33,000	33,000
Transfers	1,077,936	628,000	585,000
Total Revenues	**5,812,512**	**5,864,392**	**5,614,000**

General Fund Revenues



General Fund Expenditures

2023 General Fund Requested Expenditures

- 2023 budget request = $6,437,697
- $761,952 more than 2022
  - $403,003 impact to personnel cost
    - Adjustments & full staffing
  - $364,050 more for CIP
  - Reduction in NET Park expenditures in the General Fund
  - Small changes in other areas
- $823,697 reduction in fund balance

Parkville

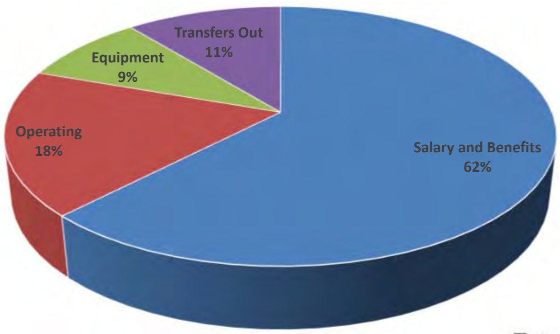
General Fund Expenditures

Expenditures	2022 Budget	2022 Estimate	2023 Budget
Salary and Benefits	$ 3,911,418	$ 3,604,941	$ 4,007,944
Operating	$ 1,272,329	$ 1,282,513	$ 1,167,034
Equipment	$ 199,135	$ 199,135	$ 563,145
Transfers Out	$ 292,863	$ 292,863	$ 699,575
Total Expenditures	**$ 5,675,745**	**$ 5,379,452**	**$ 6,437,697**

Parkville

General Fund Expenditures

2023 Budget - Requested Expenditures



Total = $6,437,697

2023 Fund Balance Target

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

Estimated ending fund balance is $403,546, or 6.2% of budget.

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

- Estimated emergency fund balance is $1,332,108, or 21% of budget.
- Combined Reserves = $1,735,654, or 27% of the budget.
  - **Warning:** We will continue to spend down our fund balance unless we continue to outperform budget, and maintain unfilled positions
  - Capital Improvement Plan (CIP) spending may be restricted.
  - We need address the structural imbalance that exists between operating revenues and operating expenses.

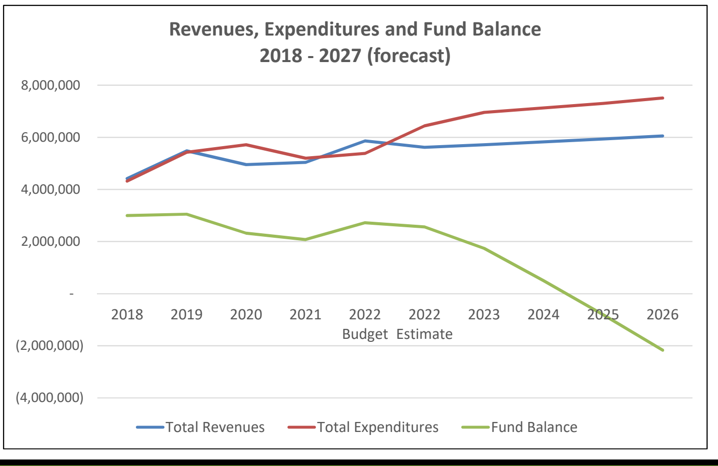
2023 Personnel Request

Personnel Changes – General Fund Impact

- Organizational Excellence
- Market Driven Data (McGrath)
- Positions adjusted (9) to meet market minimum
- COLA (1.5% @ January 1)
- Merit (2% @ Anniversary)
  - Total budget impact = 2.5% - 3%
- LAGERS Adjustment – L-12 (1.75%) to L-6 (2%)

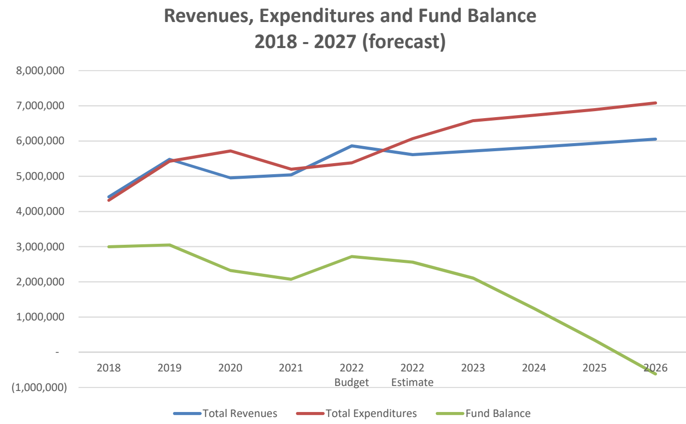
2023 Personnel Request

Fully Staffed (9 current vacancies)



2023 Personnel Request

Hiring 2 New Police Officers (7 openings)



2023 General Fund CIP REQUESTS

Department	Project	GF Impact
Administration	Concrete Flatwork, City Hall Renovations, Security System Upgrads, Records Management Software, Facilities Management Software,	$111,041
IT	Computer Replacement	$7,000
Police	2X Police Patrol Vehicles (1 rollover from 2022), In-Car Video System Upgrades, Security Cameras in Public Spaces (4X), Police Substation Design	$139,303
Community Development	Title IV – Development Code Updates (Architectural Design Standards)	$40,000
Public Works	45 HWY Entryway Signage, Backhoe, Public Parking Lot Lease, Hawver Gulch Watershed Study, River Road Ditch Work	$265,041
	Total CIP	$562,385

2023 General Fund

How do we solve this?

- Public Safety Sales Tax
- Use Tax
- Reduce Transfers
- Reduced Capital Projects

Next Steps

- ~~October 18 – General Fund Requested Budget, including CIP~~
- November 1 – General Fund Proposed Budget, CIP Update, Parks Sales Tax Fund, Transportation Fund, miscellaneous follow-up
- November 15 – Sewer Fund (2 parts for 2023 – costs and future plans), miscellaneous follow-up
- November 21 – Summary review of final budget and miscellaneous follow-up
- December 6 – Adoption – 1st Reading
- December 20 – Adoption – 2nd Reading