Parkville
Missouri

Finance Committee Meeting
Monday, May 8, 2023 4:30 PM
Administration Conference Room, City Hall

Minutes

1. Call to Order

Chair Wylie called the meeting to order at 4:31 p.m. A quorum was present.

Members Present: Chair Douglas Wylie, Vice Chair Bob Bennett, Dean Katerndahl and Philip Wassmer

City Staff Present: City Administrator Alexa Barton, Assistant City Administrator Jeffery Rhodes, Police Chief Kevin Chrisman (via videoconference), Public Works Director Dan Harper (via videoconference), Interim Finance Director Bryan Kidney, Community Development Director Stephen Lachky (via videoconference), Parks & Recreation Director Brittanie Propes, Parks & Recreation Project Manager Chris Ashley (zoom?) and City Clerk Melissa McChesney

2. Financial Updates

A. First Quarter 2023 Budget Variance Report

Interim Finance Director Bryan Kidney presented the first quarter budget variance report; memorandum attached as Exhibit A.

3. Action Items

A. Approve the minutes for the April 10, 2023, meeting

Bob Bennett moved to approve the minutes for the April 10, 2023, meeting. Philip Wassmer seconded; motion passed 4-0.

B. Approve the semi-annual financial report for the second half of 2022 and direct City Administration to publish

City Administrator Alexa Barton stated that the semi-annual report was required by statute two times per year.

Bennett moved to recommend that the Board of Aldermen approve the semi-annual financial report for the second half of 2022 and direct City Administration to publish. Wassmer seconded; motion passed 4-0.

C. Approve a construction agreement with Terry Snelling Construction for the 2023 Curb Replacement Program

Public Works Director Dan Harper provided an overview of the program; presentation attached as Exhibit B. He said that Meadow Court South was in the plan and not Meadow Lake as originally presented. He added that curbs would be added to Park Street to address drainage concerns. Five bids were received and Terry Snelling Construction was the low bidder.

Bennett moved to recommend that the Board of Aldermen approve a construction agreement with Terry Snelling Construction for the 2023 Curb Replacement Program in the amount of $85,025. Wassmer seconded; motion passed 4-0.

D. **<u>Approve a construction agreement with Asphaltic Surfaces for the 2023 Mill & Overlay Program</u>**

Public Works Director Dan Harper stated that five bids were received and Asphaltic Surfaces was the low bidder. He noted that the costs were higher than anticipated, but the project was still under budget.

Bennett moved to recommend that the Board of Aldermen approve a construction agreement with Asphaltic Surfaces for the 2023 Mill & Overlay Program in the amount of $318,122.50. Wassmer seconded; motion passed 4-0.

E. **<u>Approve a purchase order with Heritage Tractor for a 2023 John Deere Gator XUV835M</u>**

City administrator Alexa Barton said that staff researched different items to address the department's needs and the cooperative bid through Sourcewell had the lowest bidder. Parks and Recreation Director Brittanie Propes said the equipment would be used for day-to-day operations and would be added to the fleet.

Bennett moved to recommend the Board of Alderman approve a purchase order with Heritage Tractor Inc. to purchase a 2023 John Deere Gator in the amount of $27,462.38. Wassmer seconded; motion passed 4-0.

F. **<u>Approve Change Order No. 1 with Remco Demolition for Phase II of the Farmers Market demolition</u>**

City Administrator Alexa Brton stated that Remco Demolition removed the farmers market structure and the second phase was to remove the concrete bases. Parks and Recreation Director Brittanie Propes said the bases were removed and did not pose a tripping or driving hazard. The barriers would be removed when the project was completed.

Bennett moved to recommend the Board of Aldermen approve Change Order No. 1 with Remco Demolition LLC for Phase II of the Farmers Market demolition in the amount of $11,500. Wassmer seconded; motion passed 4-0.

Barton added that staff was looking at grant opportunities for the new structure and was waiting to hear back from Platte County about the transfer of the parks grant from the ballfields to the farmers market.

4. Non-Action Items

A. **<u>Quarterly Projects Update</u>**

City Administrator Alexa Barton said that staff would present the project update at the next meeting.

5. Unfinished Business (postponed from prior meetings)

6. Other Business

7. Adjourn

Chair Wylie adjourned the meeting at 4:58 p.m.

Submitted by:

Melissa McChesney
Melissa McChesney
City Clerk

May 8, 2023
Approval Date

May 08, 2023

To: Alexa Barton, City Administrator
Jeffery Rhodes, Assistant City Administrator

From: Bryan Kidney, Interim Finance Director

Re: Items of note on First Quarter 2023 Variance Report

I've reviewed the first quarter 2023 variance report and offer the following comments and items of note that may help in your review. I'd be happy to go over in more depth at your convenience.

OVERALL NOTES

- The report includes a one-page summary of each budgeted fund summarizing the major revenue and expenditures.
- The transactions are not audited by your external auditor.
- The transactions are "budget based" and therefore not presented in accordance of Generally Accepted Accounting Procedures. This basically means the reports are using a modified cash basis and therefore the revenues do not include any receipts that are known but not yet received. Nor do the expenditures include, for the most part, liabilities that have not been paid by the date of this report. The audited financial reports will be a GAAP basis report.
- The Budget Balance column shows brackets if revenues received more than budget and if expenditures incurred are more than budget. Generally speaking a bracket shown in this column is good if it is in brackets and not so good if the expenditures are.
- I've included notes for any material variance from budget

Notes for General Fund (10)

For the first quarter, (25% of fiscal year) the City has received $2.76 million in revenue in and expended $1.8 million for an increase to fund balance of $960,000. The majority of revenues are within most estimates. Several major variances to note:

- **Taxes**
    - Property taxes include: Property, Corporate & Vehicle:
  - 10-41001-00 property tax
    - The City receives the majority of its collections in January of each year. The City has received 99.61% of the expected General Fund property tax as of the first quarter.
  - 10-41003-00 Corporate Merchants & Manufacturing tax
    - The source of revenue is a disbursement of county tax to replace lost revenues from the manufacturing personal property tax exemption. This revenue has been increasing one to two percent each year. However, this year the tax received was 19% higher than normal. This resulted in receiving $33,000 more than anticipated.
  - **Licenses**

- 10-41102 Occupational Licenses
    - Majority of revenues are later in the spring and therefore will be under budget in first quarter.
- 10-41201 Building permits and 10-41205 public improvement fees
    - Both down slightly from this time last year. We will be watching this item closely to see if we will need to make any adjustments mid-year.
- Sales taxes 10-414701
    - Above prior year and higher than we had expected. Our 2023 budget of $1.36 million was based on a 5% increase over 2022. So far in 2023, sales tax collections are 23% higher than the same time last year. If this increase held constant it would result in sales tax $90,000 over the initial budget.
- Land Sales 10-41809-01
    - As of 3/31/23, the City had not made the transfer from Creekside to General Fund for land sales. A transfer of $381,000 of the $400,000 due will be made in May 2023.
- Transfer from ARPA
    - The $500,000 budgeted transfer has been made in the first quarter.

General Fund Expenditures

- The March 31, 2023 report includes the Street Department, Parks Department, and Nature Sanctuary department expenditures. These need to be adjusted. The Actual budget for these departments are included within the Transportation Fund, Parks Sales Tax Fund, and Nature Sanctuary Fund respectively. A transfer of expenditures to their correct Funds will be made in May 2023. Once reducing those yet to be adjusted expenditures, the first quarter General Fund of is reduced by $252,160 for a total of $1,548,474 against a budget of $6,014,029. This is right in line with budget with 25.7% of year-to-date expenditures.

Notes for Capital Project Bonds (22)

- The Capital Project Bonds Fund accounts for the debt for City Hall. The property tax collection and debt service closely matched the budget.

Notes for Brush Creek NID (23)

- The Brush Creek NID collected 91% of estimated special assessments. The budgeted transfer from the General Fund was made and therefore the City was able to make the payment due on the bonds.
- We will need to watch the collections for the remaining assessments. If these remain unpaid, the City may need to make another transfer.

Notes for Brink Meyer NID (24)

- The Brush Creek NID collected 99% of estimated special assessments. The budgeted transfer from the General Fund was made and therefore the City was able to make the payment due on the bonds.
- There is sufficient funds available to make the next debt service payment.

Notes for Sewer Fund (30)

- The City hasn’t recorded the Sewer revenues and therefore unable to compare budget to actual. The Bank reconciliation is currently being updated and revenues will be updated for the May report.

Notes for Transportation Fund (40)

- Overall the City received $483,000 in revenue and expended $124,000 for an increase to fund balance of $358,000.
- The primary revenue is sales taxes. The Transportation Fund receives a ½ cent City sales tax, a motor fuel tax and a portion of the County transportation Sales Taxes. In total the fund received $80,000 more in sales taxes in 2022 than the original budget.
  - Sales taxes are above prior year and higher than we had expected. Our 2023 budget of $689,000 was based on a 5% increase over 2022. So far in 2023, sales tax collections are 23% higher than the same time last year.
  - Motor Fuel Tax is 34% of budget
  - The City has not received the county trans sales tax from the County yet this year. Prior year was receipted in May.
- The March 31, 2023 report includes the Street Department expenditures in the General Fund. These need to be adjusted. The Actual budget for these departments are included within the Transportation Fund. A transfer of expenditures to their correct Funds will be made in May 2023

Notes for Park Fund (41)

- Overall the City received $294,000 in revenue and expended $33,000 for an increase to fund balance of $261,000.
- The primary revenue is a ½ cent city sales tax. Sales taxes are above prior year and higher than we had expected. Our 2023 budget of $770,000 was based on a 5% increase over 2022. So far in 2023, sales tax collections are 31% higher than the same time last year.
- The March 31, 2023 report includes the Park Department expenditures in the General Fund. These need to be adjusted. The Actual budget for these departments are included within the Park Sales Tax Fund. A transfer of expenditures to their correct Funds will be made in May 2023

Notes for Nature Sanctuary Fund (60)

- Overall the City received $18,000 in revenue and did not report any expenditures .
- The March 31, 2023 report includes the Nature Sanctuary Department expenditures in the General Fund. These need to be adjusted. A transfer of expenditures to their correct Funds will be made in May 2023. So far these expenditures are $22,644 (24% of budget)

Mill & Overlay Program

May 8, 2023

Asphalt Mill & Overlay

- Project Locations (First Step Ratings)
  - Ensign Drive (Critical & Mass Distress)
    - Delayed maintenance due to Capital Electric Construction
  - 66th Street & White Tail Way (Critical & Mass Distress)
    - Includes full depth patching
  - Park Street (Lost & Mass Distress)
    - Restoration of lost street
  - Apple Blossom Lane (Critical & Mass Distress)
  - Clearwater Pointe Cul-de-Sac (Critical & Distress)
  - Meadow Court South (Fair to Critical & Mass Distress)
  - North National & Ridge Road Roundabout (Fair to Critical & Varied Distress)
    - Green Briar Cove (Critical & Distress)
    - Fieldstone Court (Fair & Distress)
    - Ballymore Court (Critical & Distress)
  - Railroad Crossing
    - Recommended improvement from Rail Assessment

Asphalt Mill & Overlay

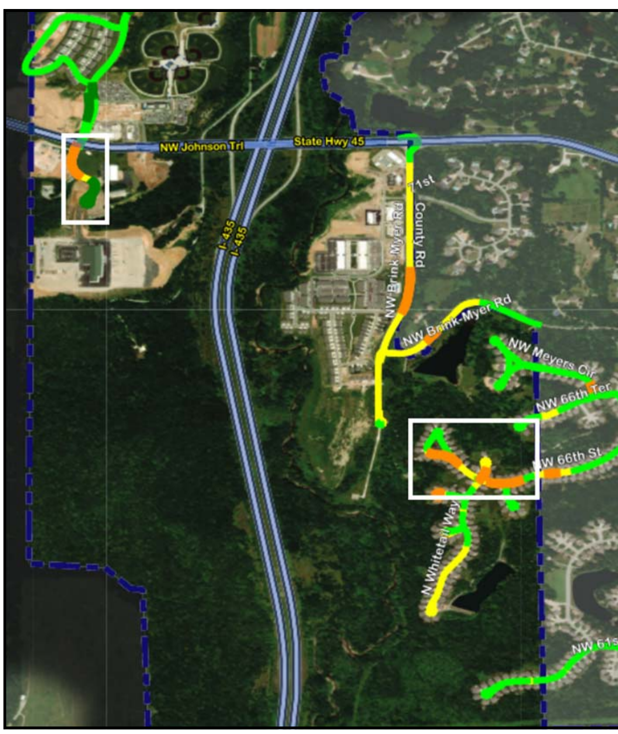
- Engineer's Estimate
  - $295,422.72
- Five Bids Received
  - Asphaltic Surfaces - $318,122.50
  - Barkley Asphalt - $338,800.00
  - Little Joe's Asphalt - $471,850.00
  - Metro Asphalt - $418,407.50
  - Phillips Paving Co. - $334,807.51

Curb Replacement

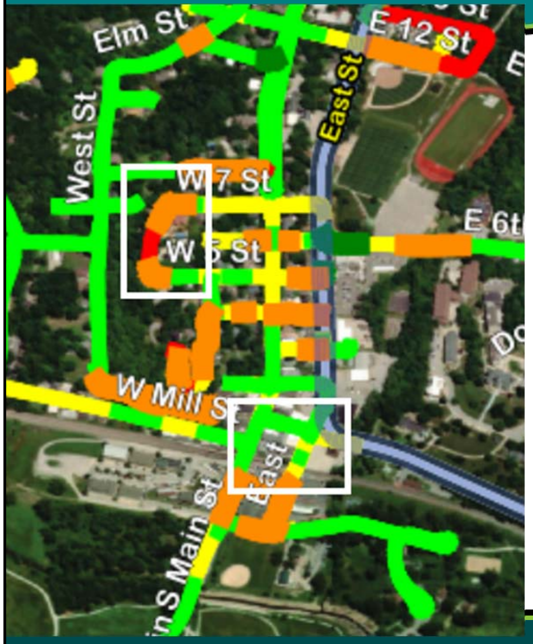
- Project Locations
  - Ensign Drive
  - Park Street
    - Part of restoration & addressing poor drainage
  - River Hills Drive
  - National – Apple Blossom
    - Various areas replaced
  - Riss Lake – Sunset Drive, Meadow Court South & Quail Ridge
    - Various areas replaced

Curb Replacement

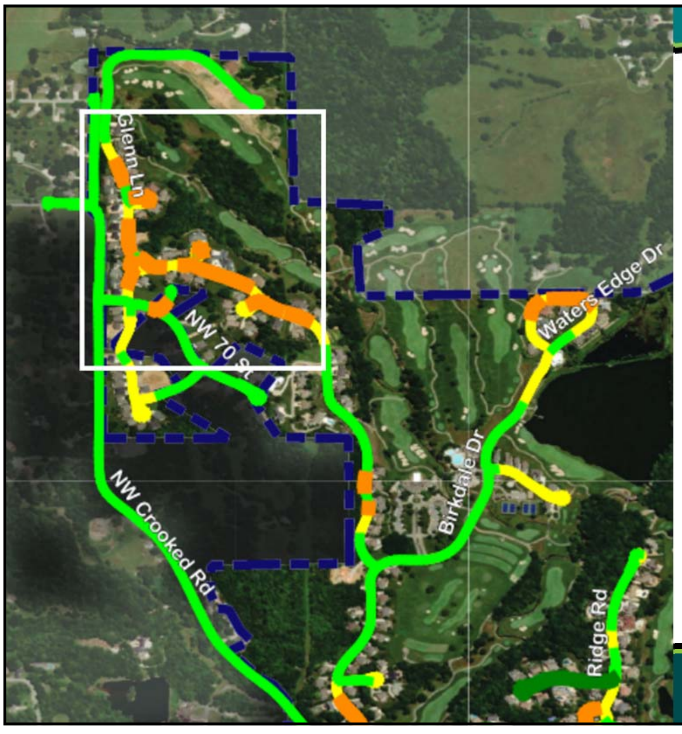
- Engineer's Estimate
  - $62,359.20
- Five Bids Received
  - Terry Snelling Construction - $85,025.00
  - JD Bishop Construction - $133,000.00
  - Precision Construction & Contracting - $106,400.00
  - McConnell & Associates - $123,100.00
  - TanTyTum Contractors - $114,600.00



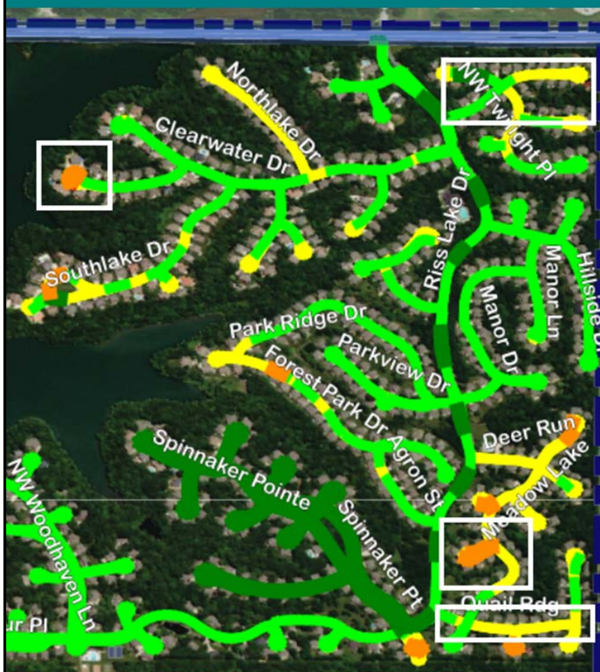
Curbs & Resurfacing:
Ensign Drive
Resurfacing:
66th Street



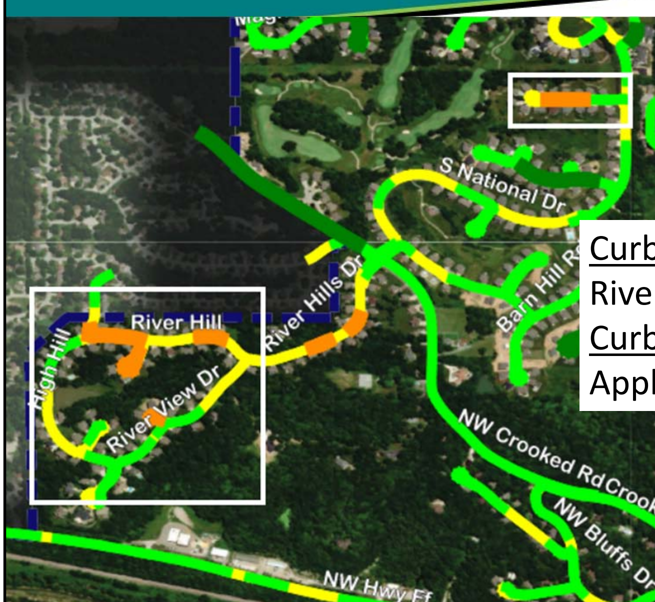
Curbs & Resurfacing:
Park Street
Resurfacing:
Railroad Crossings
Downtown Alley



Resurfacing:
North National
Greenbriar Cove
Field Stone Court
Ballymore Court



<u>Resurfacing:</u>
Clearwater Point
Meadowlake South
<u>Curbs:</u>
Sunset Drive
Meadowlake South
Quail Ridge



<u>Curbs:</u>
River Hills Drive
<u>Curbs & Resurfacing:</u>
Apple Blossom Lane