Work Session Agenda
BOARD OF ALDERMEN
CITY OF PARKVILLE, MISSOURI
Tuesday, July 21, 2020 6:00 PM
City Hall Board Room

In light of public health orders from the Missouri Governor and Platte County related to the COVID-19 pandemic, and given the nature of the items to be considered at this particular meeting, the members of the Board of Aldermen will meet via telephone or video conference. Members of the public interested in this meeting are encouraged to listen in on the meeting via the following telephone number and access code – (312) 626 6799, Meeting ID: 815 4239 0601, Password: 717123 – rather than appear at City Hall (note: occupancy will be limited).

In addition, rather than appearing at City Hall to provide input at the meeting on action agenda items, members of the public may submit written testimony to the City Clerk in advance by noon on the day of the meeting and the testimony will be to be provided to the Mayor and Board of Aldermen and presented at the meeting and made part of the official record.

1. GENERAL AGENDA

A. Review of 2020 Operating and Capital Budget and potential impacts of COVID-19 on revenues

B. Review of Draft Parks Sales Tax Capital Improvement Program

2. ADJOURN

Posted Date & Time: 7/17/20 2:00 p.m. By: SK

ITEM 1.A.
For 7/21/2020
Board of Aldermen Meeting

CITY OF PARKVILLE
Policy Report

Date: July 15, 2020

Prepared By:

Joe Parente, City Administrator

Reviewed By:

Anna Mitchell, Asst. to the City Administrator

ISSUE:
Review of 2020 Operating and Capital Budget and potential impacts of COVID-19 on revenues

BACKGROUND:
The City has adopted a 2020 operating budget. The major operating fund the City is the General Fund that includes most of the City's personnel and commodity expenses related to key municipal services including administration, police, municipal court, community development, public works and parks. A critical part of the budget is a spending plan that is developed based on a balance of revenues and expenditures.

The current COVID-19 pandemic has resulted in an unprecedented slowdown of economic activity that has impacted municipal revenues. On March 24, 2020, a Stay at Home Order was issued by the Platte County Health Department. Only those businesses that were considered an "Essential Business" were allowed to operate. Others were required to close during the time. Beginning on May 4, 2020, the Health Department initiated its reopening plan and proceeded with a four step phased reopening for all other businesses. As of July 1, 2020, all types of businesses may operate at full capacity, with certain public health restrictions.

One of the City's major revenue sources is the collection of sales tax. An analysis of sales tax distributions from the Department of Revenue for the March through May collection period, which coincides with the initiating of the Stay at Home order, shows a 3.7% drop in collections over the same period the previous year. The impact may be minimized some because some of the city's largest retailers, such as Price Chopper, remained opened and may have even realized increased sales during the stay at home order. Others, such as restaurants, likely saw larger drops in sales. It is noted monthly sales tax reporting and collections are uneven, and analyzing data for a period greater than the three month COVID impact is a better gauge for estimating revenue. Because of this, we are reporting on both the COVID period and the mid-year data.

The General Fund city sales tax figures are as follows:

Sales Tax Distributions May through July (March – May sales):
2020: $233,978
2019: $243,037
Difference: -$9,059 (-3.7%)

Sales Tax Distributions January through July:
2020: $584,384
2019: $623,653
Difference: -$39,269 (-6.3%)

There are other city budget financial impacts associated with sales tax collections. The city's Transportation Fund includes proceeds from a one half of one cent sales tax. A similar analysis is provided below. In addition, it is expected the city's portion of the county transportation tax will be impacted, which is not accounted for in the below figures.

The Transportation Sales Tax figures are as follows:

Sales Tax Distributions May through July (March – May sales):
2020: $110,808
2019: $116,742
Difference: -$5,935 (-5.1%)

Sales Tax Distributions January through July:
2020: $273,885
2019: $294,476
Difference: -$20,592 (-7%)

Staff is analyzing other potential drops in revenue that may be impacted by the COVID-19 related economy. Municipal Court revenue is expected to be lower, but because the court delayed its monthly docket hearings, it is uncertain what level of a reduction will exist. Some other smaller revenue sources, such as park reservation fees are also expected to be lower.

In May, staff has made a presentation to the Finance Committee and identified some measures that are available to offset any reduction in revenue. An interim plan was presented that provided for:

Defer some budgeted capital projects for now
- Review monthly sales tax data and report back in July.
- Meet or exceed historical budget performance to preserve Fund Balance
- 2021 Budget Process begins in July with December passage (better understanding of revenue impact will be known by this point)

Staff will continue to monitor the situation and will incorporate future sales tax collections in its budget forecasting both for the current fiscal year, and the development of the 2021 budget, which is underway.

A more detailed presentation will be made at a budget work session.

<u>BUDGET IMPACT</u>:
As this is the presentation of information only, there is no budget impact at this time.

ALTERNATIVES:

1. Provide direction to City Administration regarding the 2020 budget.
2. Postpone the item.

FINANCE COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATION:

Staff recommends the temporary deferral of certain capital outlay projects that are part of the 2020 Budget. Staff further recommends a follow-up in July, with updated figures, based on sales tax reporting.

POLICY::

SUGGESTED MOTION:

As this is a work session item, no motion is necessary.

ATTACHMENTS:

1. Sales Tax Collections - COVID-19 Impact Analysis

Sales Tax Collections - General Fund

Distribution Month	Sales Collections Month	2018	2019	Actual 2020	Diff. 2019
January	Nov	105,559	102,872	79,523	
February	Dec	59,590	54,201	73,143	
March	Jan	130,515	137,972	108,888	
April	Feb	81,241	85,572	88,852	
May	Mar	47,006	29,651	48,585	
June	Apr	97,501	109,062	101,595	
July	May	95,056	104,324	83,798	
Aug	Jun	61,436	56,270		
Sept	July	125,431	145,200		
Oct	Aug	65,339	86,456		
Nov	Sept	60,530	28,110		
Dec	Oct	98,757	113,385		
Total Receipts		1,027,961	1,053,074		
YTD through May Sales		423,911	623,653	584,384	-6.3%
March to May Sales		239,563	243,037	233,978	-3.7%

Sales Tax Collections - Transportation Fund

Distribution Month	Sales Collections Month	2018	2019	Actual 2020	Diff. 2019
January	Nov	50,525	48,528	36,987	
February	Dec	27,176	27,101	35,208	
March	Jan	58,776	65,002	52,024	
April	Feb	38,906	37,103	38,858	
May	Mar	21,293	14,258	23,827	
June	Apr	46,308	52,433	46,188	
July	May	45,062	50,051	40,792	
Aug	Jun	28,547	24,545		
Sept	July	54,842	66,546		
Oct	Aug	32,339	39,872		
Nov	Sept	28,925	14,054		
Dec	Oct	46,540	53,958		
Total Receipts		479,240	493,452	273,885	
YTD through May Sales		196,675	294,476	273,885	-7.0%
March to May Sales		112,663	116,742	110,808	-5.1%

Sales Tax Collections - Parks Sales Tax Fund

Distribution Month	Sales Collections Month	2018	2019	Actual 2020	Diff. 2019
January	Nov			44,411	
February	Dec			34,459	
March	Jan			58,515	
April	Feb			48,612	
May	Mar			27,061	
June	Apr			66,869	
July	May			53,460	
Aug	Jun				
Sept	July				
Oct	Aug				
Nov	Sept		3,570		
Dec	Oct		35,975		
Total Receipts			39,545	333,388	

ITEM 1.B.
For 7/21/2020
Board of Aldermen Meeting

CITY OF PARKVILLE
Policy Report

Date: July 17, 2020

Prepared By:

Joe Parente, City Administrator

Reviewed By:

Anna Mitchell, Asst. to the City Administrator

ISSUE:
Review of Draft Parks Sales Tax Capital Improvement Program

BACKGROUND:
In 2019, the voters of Parkville approved a referendum imposing a one half cent sales tax for a ten year period. The tax went into effect on October 1, 2019 and the city first received revenues in November. During the formation of the 2020 budget, a capital outlay budget of $450,000 was established for initial projects. The projects were selected based on priorities established by the CLARB Board last year.

Since the approval of the budget, the city has engaged professional services to help design projects and provide cost estimates. The development of the 2021-2025 Capital Improvement Program will be part of the 2021 Budget process. Based on information available to date, and feedback from CLARB, staff has prepared a preliminary CIP. The preliminary CIP is being presented in advance of the budget process to help facilitate discussions with CLARB and the Board of Aldermen.

BUDGET IMPACT:
As this is the presentation of information only, there is no budget impact at this time.

ALTERNATIVES:
1. Provide direction to City Administration regarding the Parks Sales Tax 2021-25 Capital Improvement Program.
2. Postpone the item.

FINANCE COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATION:
As this is a discussion item, no staff recommendation is necessary.

POLICY::

SUGGESTED MOTION:
As this is a discussion item, no motion is necessary.

ATTACHMENTS:
1. Long Range Budget
2. Projected Revenue & Expenses

Parks Sales Tax
Draft CIP Plan 2020 - 2029

Name	Project Description	Funding Source	Total Cost	Parks Sales Tax Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
PLP Sports Fields Phase One	Engineer and construct new fields in Platte Landing Park.	100% Parks Sales Tax	2,500,000	2,500,000	200,000	800,000	1,500,000							
PLP Sports Fields Phase Two	PLP BallFields Donation Projects (Concession Stand, Restrooms, other amentities)	Parks Donations/General Fund	500,000	0			500,000							
Pickleball Courts	Construct four pickleball courts in English Landing Park.	100% Parks Sales Tax	120,000	120,000	120,000									
Dog Park Shade Structure	Construct dog park shade structures.	50% Outreach Grant 50% Parks Sales Tax	16,000	4,000	4,000									
Adams/Watkins Parks Planning	Community Engagement Adams and Watkins Park	100% Parks Sales Tax	18,500	18,500	18,500									
Adams Park Improvements	Improvements based on community engagement.	100% Parks Sales Tax	25,000	25,000		25,000								
Watkins Park Improvements	Improvements based on community engagement.	100% Parks Sales Tax	25,000	25,000		25,000								
Waddell Bridge Improvements	Paint the existing bridge structure and install lighting.	100% Parks Sales Tax	50,000	50,000	50,000									
Pocket Park Master Plan	Hire consultant to perform master plan for long-term improvements to Pocket Park; Design Services	100% Parks Sales Tax	46,000	46,000	21,000	25,000								
Pocket Park Construction	Pocket Park Master Plan Improvements	50% Park Sales Tax 50% General Fund	150,000	75,000		150,000								
Entry Signs for ELP / PLP	Hire consultant to design the concepts for the entry signs for ELP/PLP	100% Parks Sales Tax	27,000	27,000	27,000									
Entry Sign Construction	Entry Sign Construction	100% Parks Sales Tax	100,000	100,000		100,000								
Roundabout Makeover	Improve the landscape island located on Busch Drive in English Landing Park.	100% Parks Sales Tax	60,000	60,000	60,000									
ELP Playground Upgrade	Upgrade the existing playground areas in English Landing Park.	50% Outreach Grant 50% Parks Sales Tax	50,000	25,000				50,000						
Trail Connection - PLP	Connection of the riverfront trail with the Brush Creek Trail to the west.	100% Parks Sales Tax	200,000	200,000				50,000	150,000					
Future Unplanned Projects	Future Unplanned Projects	100% Parks Sales Tax	1,975,000	1,975,000					200,000	325,000	325,000	325,000	400,000	400,000
		Totals	**5,862,500**	**5,250,500**	**500,500**	**1,125,000**	**2,000,000**	**100,000**	**350,000**	**325,000**	**325,000**	**325,000**	**400,000**	**400,000**

Parks Sales Tax Fund Revenues - Draft

Last Updated 7/17/2020

Projected Revenues	2019 Actual	2020 Budget	2020 YTD	2020 Projected	2021	2022	2023	2024	2025	2026	2027	2028	2029
					---------------------------- Based on Projected Growth ----------------------------								
BUDGET BEGIN FUND BALANCE	$ -	$ 39,545	$ 39,545	$ 39,545	$ (17,327)	$ 58,681	$ (7,832)	$ 83,238	$ (68,007)	$ (186,463)	$ (297,022)	$ (399,579)	$ (269,025)
Total Beginning Fund Balance	**$ -**			**$ 39,545**	**$ (17,327)**	**$ 58,681**	**$ (7,832)**	**$ 83,238**	**$ (68,007)**	**$ (186,463)**	**$ (297,022)**	**$ (399,579)**	**$ (269,025)**
Parks Sales Tax	$ 39,545	$ 587,108	$ 213,059	$ 558,628	$ 567,007	$ 575,513	$ 584,145	$ 592,907	$ 601,801	$ 610,828	$ 619,990	$ 629,290	$ 585,502
Bond/Loan Proceeds	-	-			650,000	1,000,000		-	-				
Outreach Grants	-	-		$ 12,000	75,000	25,000							
Transfers from Other Funds	-	-			-	500,000							
Subtotal	**$ 39,545**	**$ 587,108**	**$ 213,059**	**$ 570,628**	**$ 1,292,007**	**$ 2,100,513**	**$ 584,145**	**$ 592,907**	**$ 601,801**	**$ 610,828**	**$ 619,990**	**$ 629,290**	**$ 585,502**
Total Parks Sales Tax Fund Revenues	**$ 39,545**	**$ 626,653**	**$ 252,604**	**$ 610,173**	**$ 1,274,681**	**$ 2,159,193**	**$ 576,313**	**$ 676,145**	**$ 533,794**	**$ 424,365**	**$ 322,968**	**$ 229,711**	**$ 316,477**

Parks Sales Tax Fund Expenses - Preliminary Draft CIP

Last Updated 7/17/2020

	2019 Actual	2020 Budgeted	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Expenditures											
Professional Fees											
Engineer & Planning Fees		75,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees Total		**75,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Capital Outlay											
PLP BallFields Phase One		200,000	800,000	1,500,000							
PLP BallField Phase Two				500,000							
Pickleball Courts		120,000									
Dog Park Shade Structure		16,000									
Adams/Watkins Parks Planning		18,500									
Adams Park Improvements			25,000								
Watkins Park Improvements			25,000								
Waddell Bridge Improvements		50,000									
Pocket Park Master Plan		21,000	25,000								
Pocket Park Construction			150,000								
Entry Signs for ELP / PLP		27,000									
Entry Sign Construction			100,000								
Roundabout Makeover		60,000									
ELP Playground Upgrade					50,000						
Trail Connection - PLP					50,000	150,000					
Future Unplanned Projects						200,000	325,000	325,000	325,000	400,000	400,000
Capital Outlay Total		**512,500**	**1,125,000**	**2,000,000**	**100,000**	**350,000**	**325,000**	**325,000**	**325,000**	**400,000**	**400,000**
Debt Service											
Bank Financing					225,000	225,000	225,000	225,000	225,000		
Fewson/Platte Co. Capital Fund Loan				75,000	75,000	75,000	75,000	75,000	75,000		
Debt Service Total		**-**	**-**	**75,000**	**300,000**	**300,000**	**300,000**	**300,000**	**300,000**	**-**	**-**
Transfers											
To General Fund (10)		40,000	41,000	42,025	43,076	44,153	45,256	46,388	47,547	48,736	49,955
To Projects Fund (95)											
Transfers Total		**40,000**	**41,000**	**42,025**	**43,076**	**44,153**	**45,256**	**46,388**	**47,547**	**48,736**	**49,955**
Total of Parks Sales Tax Fund:		**627,500**	**1,216,000**	**2,167,025**	**493,076**	**744,153**	**720,256**	**721,388**	**722,547**	**498,736**	**499,955**