



FINANCE COMMITTEE
Monday, August 12, 2024 4:30 PM
Administration Conference Room, City Hall

- 1. Call to Order**
- 2. Financial Updates**
- 3. Action Items**
 - A. Approve the minutes for the July 29, 2024, meeting
 - B. Approve the 2024 property tax levy for fiscal year 2025 (Administration)
- 4. Non-Action Items**
 - A. Review draft ordinance amending Municipal Code related to sewer utility billing (Administration)
- 5. Unfinished Business (postponed from prior meetings)**
- 6. Other Business**
- 7. Adjourn**



Finance Committee Meeting
Monday, July 29, 2024 4:30 PM
Administration Conference Room, City Hall

Minutes

1. Call to Order

Chair Wylie called the July 29, 2024, meeting to order at 4:30 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, Deputy City Administrator/Finance Director Bryan Kidney, Assistant City Administrator Jeffery Rhodes, Police Chief Kevin Chrisman (*via videoconference*), Public Works Director Dan Harper and City Clerk Melissa McChesney

Others Present: Michael Keenan, Hood & Associates, P.C.

Chair Wylie changed the order of business to present Item 4A first because the auditor was present.

4. Non-Action Items

A. Present the audited financial statements and required communications report for fiscal year 2023

Michael Keenan, Hood & Associates CPAs P.C., provided an overview of the 2023 audit; presentation attached as Exhibit A. He said that a single audit was not required and would only be required if federal funds were expended. He added that the audit was due on June 30 and he would work with staff in the future to ensure the audit was approved prior to June 30.

Chair Wylie returned to the regular order of business.

2. Financial Updates

A. Second Quarter 2024 Budget and Investment Reports

Deputy City Administrator/Finance Director Bryan Kidney presented a summary of the second quarter financial summary, highlighting that property taxes were at or above the budget and sales taxes were around four percent higher than budgeted.

City Administrator Alexa Barton added that the remaining American Rescue Plan Act funds would be used for technology upgrades.

3. Action Items

A. Approve the minutes for the June 24, 2024, meeting

Bob Bennett moved to approve the minutes of the June 24, 2024, minutes. Philip Wassmer seconded; motion passed 4-0.

5. Unfinished Business (postponed from prior meetings)

6. Other Business

City Administrator Alexa Barton presented a handout of membership options to the Park Hill School District Friends of the Education Foundation, a Park Hill School District program, attached as Exhibit B. She said that supporter-level membership dues were in-line with the City's Parkville Area Chamber of Commerce dues.

Barton provided a handout with the proposed Diversity and Inclusion Commission calendar for recognition, attached as Exhibit C. She noted that it was approved by the Commission at the July meeting and would be presented to the Board of Aldermen on August 6.

Public Works Director Dan Harper provided a draft presentation regarding the Main Street Leaf Program, attached as Exhibit D. He noted that leaves were removed by City staff over the years to comply with the National Pollutant Discharge Elimination System permit.

7. Adjourn

Chair Wylie adjourned the meeting at 5:35 p.m.

Submitted by:

Melissa McChesney
City Clerk

Approval Date

ITEM 3.B.**For 8/12/2024****Board of Aldermen - Finance Committee Meeting****CITY OF PARKVILLE****Policy Report**Date: August 8, 2024Prepared By:

Michelle Hefley City Treasurer

Reviewed By:

Bryan Kidney, Deputy City Administrator/Finance Director

ISSUE:

Approve the 2024 property tax levy for fiscal year 2025 (Administration)

BACKGROUND:

Every year, the City receives pro forma calculations for the General Tax Levy and the General-Temp Levy for the next tax year from the State Auditor and Platte County officials. The temporary levy was authorized by the voters in 2004 for 21 years (until 2025). The pro forma calculations give the maximum levy (rate ceiling) that can be set based on the City's voter-approved levies under Missouri law. The tax rate ceilings were determined based on the requirements of State Statutes and the Missouri Constitution, commonly referred to as the Hancock Amendment, which limits taxation by state and local governments.

The State Auditor has adjusted the maximum allowed amounts for both the General Tax levy and the General-Temp levy for the coming year to a combined total of \$0.6068 per \$100 of assessed valuation. In previous years, the Board has elected to maintain the General levy at the maximum allowed tax rate. In 2023, the Board elected to retain the General-Temp levy at the current rate in order to address necessary capital improvements within city hall including upgrades to the city's Audio Visual equipment in the Boardroom. In any year the Board may reduce, but not increase, the proposed levy, while in even-numbered years the Board has the option of returning the tax levy to the maximum rate set by established levies. Such an adjustment would become effective for the following odd-numbered fiscal year.

The table below summarizes the cost of the proposed levy for homeowners at various levels.

Value of Home	\$100,000	\$200,000	\$300,000	\$400,000
Assessed Valuation (19% of actual)	19,000	38,000	57,000	76,000
General Tax Levy	0.4403	0.4403	0.4403	0.4341
General-Temp Levy	0.1665	0.1665	0.1665	0.1665
Total City of Parkville Tax	115.29	230.58	345.88	461.17

The property tax levy must be approved following a public hearing via ordinance by September 1 annually.

STRATEGIC GOAL(S):

The General Fund tax levy provides about 22% of the General operating funds of the City. The General–Temp levy has historically been used to pay for the 2006 capital improvements certificates of participation issued by the City. Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The estimated increase in tax revenues in 2024 due to maintaining the tax levies at the adjusted current maximum level is \$22,000 (General) and \$8,000 (General-Temp) for a total of \$30,000. Note: Rate ceilings set the limit for the amount of taxes that can be levied.

BUDGET IMPACT:

- Operational Excellence

ALTERNATIVES:

1. Recommend approval by the Board of Aldermen for the property tax levy.
2. Approve the item, subject to changes.
3. Do not approve the item.
4. Postpone the item.

STAFF RECOMMENDATION:

Staff recommends maintaining the 2024 tax levy at the existing rate for the current tax year.

POLICY:

The Board of Aldermen may establish a property tax levy to support municipal services within the limitations imposed by state law. The property tax levy will determine a substantial portion of the revenue which will be available for the fiscal and budget year 2025. The amount of the revenue expected to be generated will be used during the budget process to determine available funds for fiscal year 2025. A public hearing is required per RSMo 67.110. Notice of the public hearing must be posted seven days prior to the hearing.

SUGGESTED MOTION:

I move to recommend that the Board of Aldermen adopt an ordinance levying a tax of \$0.6068 on all taxable property in the City of Parkville for fiscal year 2024.

ATTACHMENTS:

1. Draft Ordinance
2. Public Hearing Notice

BILL NO. ____

ORDINANCE NO. ____

AN ORDINANCE LEVYING A TAX OF \$0.6068 ON ALL TAXABLE PROPERTY IN THE CITY OF PARKVILLE FOR FISCAL YEAR 2025

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI AS FOLLOWS:

The levy on all real and personal taxable property in the City of Parkville for the year 2025 shall be \$0.6068 per one hundred dollars of assessed valuation, divided as follows:

\$0.4403 per one hundred dollars of assessed valuation for the general operating budget.

\$0.1665 per one hundred dollars of assessed valuation for the general operating budget (temporary).

PASSED and APPROVED this 20th day of August 2024.

Mayor Dean Katerndahl

ATTESTED:

City Clerk Melissa McChesney

Notice of Public Hearing **2024 Tax Levy Adjusted to Comply with** **Missouri State Statutes Chapter 137.073** **City of Parkville, Missouri**

A public hearing will be held before the Board of Aldermen for the City of Parkville, Missouri, on August 20, 2024, at 7:00 p.m. in the board room at Parkville City Hall, 8880 Clark Avenue, Parkville, Missouri, 64152. Citizens may provide public comments on the proposed property tax rate to be set by the City. The following information is provided pursuant to RSMo §67.110:

ASSESSED VALUATION

<u>Category</u>	Prior Tax Year	Current Tax
Real Estate	\$286,511,595	\$291,570,963
Personal Property	\$52,242,329	\$51,594,300
Railroad & Utility Local Assessed	\$398,577	\$89,640
Railroad & Utility State Assessed	\$13,544,281	\$12,723,868
Total Current Valuation	\$352,696,782	\$355,978,771
Amount of property tax revenues budgeted for 2024 (less Platte County collection fees)		\$2,027,000
	General	General Temp
Current tax rate:	\$0.4341 per \$100	\$0.1642
Proposed tax rate:	\$0.4403 per \$100	\$0.1665
	General	General Temp
Increase in tax revenue due to increase in assessed value due to new construction and improvements, if proposed tax rate is adopted:	\$36,210	\$13,693
Increase (Decrease) in tax revenue as a result of reassessment, if proposed tax rate is adopted:	\$ (196)	\$ (73)
Total Current Valuation Includes:		
New Construction	\$8,223,864	
Tax Increment Financing (TIF)	\$11,886,449	

DATE:

Melissa McChesney, City Clerk

CITY OF PARKVILLE

Policy Report

Date: August 9, 2024

Prepared By:

Bryan Kidney, Deputy City Administrator/Finance Director

John Mautino, City Attorney

Jeffery Rhodes, Assistant City Administrator

Reviewed By:

Alexa Barton, City Administrator

ISSUE:

Review draft ordinance amending Municipal Code related to sewer utility billing (Administration)

BACKGROUND:

The City has contracted with the Platte County Regional Sewer District (PCRSB) for sewer maintenance services. This arrangement has seen improvements in efficiency for the City's sewer customers. In preparation for the next phase of gaining utility billing efficiencies in our sewer operations, the next step is to contract with PCRSB to provide utility billing services for the City.

In preparation for this transition, staff for both the City and PCRSB have been working together to address the policies and procedures each has in place for sewer utility billing. Many of the city's current procedures have been done as a matter of internal unwritten policies. This amendment updates and codifies the city's processes and procedures. Staff recommends adding specific procedures to the City code to provide guidance to PCRSB. These proposed changes mirror PCRSB's current utility billing policies. This amendment will include the fees, billing procedures, and provides clear directions to PCRSB.

The proposed changes to the Utility Billing Code include:

Section 700.010 adds two definitions:

- "Billing agent" to make it clear in Code that Utility Billing functions can be completed by a city staff or an agent of the City.
- "Equivalent billing units" – Clearly identifies how non-residential sewer is calculated.

Section 700.070

- Removes outdated language regarding the billing, collection, coordination and servicing of the grinder pumps.

Section 703.040

- Formalizes how the "winter quarter average" is calculated and matches the method of the District.

- Adopts the method of appealing and adjusting rates due to leaks to the method used by the District.

Section 703.050

- Clarifies the official responsibility of sewer consumption to the property owner.
- Clarifies delinquency rates and matches the rates and procedures of the District
- Clarifies deposit rules and procedures that match the Districts

Note: The amendment to the service agreement between the city and PCRSD is being addressed under a separate action and Ordinance with the intent of the District beginning to provide utility billing services for the City in October 2024. It is interesting to note, that among the immediate improvements for the city's customers will be a more robust billing system that allows payments online, via phone, and ACH (ACH through PCRSD provides a \$2.50 convenience credit/month to customers).

STRATEGIC GOAL(S):

Operational Excellence

BUDGET IMPACT:

Changes to the utility billing code will have a slight impact on the Sewer Fund Budget.

ALTERNATIVES:

1. Recommend the Board of Aldermen adopt an ordinance amending the Municipal Code related to sewer billing.
2. Postpone the discussion.

STAFF RECOMMENDATION:

Review proposed sewer code changes and provide feedback to staff

POLICY:

The Board of Aldermen must approve all changes to the City's Municipal Code by ordinance.

SUGGESTED MOTION:

As this is a non-action item, no motion is necessary.

ATTACHMENTS:

1. Draft Ordinance

BILL NO.

ORDINANCE NO.

AN ORDINANCE AMENDING SECTIONS 700.010, 700.070, 703.040, AND 703.050 OF THE CODE OF ORDINANCES OF THE CITY OF PARKVILLE, MISSOURI.

WHEREAS, the City of Parkville, Missouri owns and operates a wastewater treatment works; and

WHEREAS, the City must pay all expenses associated with its wastewater treatment works and charge the users of said treatment works accordingly; and

WHEREAS, the City wishes to amend certain Sections of Chapter 700 and Chapter 703 of the City's Code of Ordinance relating to sewer facilities and wastewater treatment.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI AS FOLLOWS:

Section 1. Section 700.010 Definitions are amended to include:

- A. Billing Agent – shall mean the designated staff position of the City, or their authorized deputy, agent, or representative.
- B. Equivalent Billing Units (EBU) – are utilized for non-residential users. It is a calculated number of units determined by adding together the total square footage of each floor of the building and dividing by 3,000.

Section 2. Section 700.070 is hereby amended to read as follows:

- A. All grinder pumps and related infrastructure located or installed within the corporate boundaries of the City shall be the sole responsibility of the property owner.

Section 3. Sections 703.040(C)-(G) are hereby amended to read as follows:

C. For residential users

- 1. A base rate for basic service is established for each customer. A City water usage average, as well as a water usage average for each customer is established on a yearly basis using actual water readings for three consecutive winter months. Each customer's final rate is calculated based on their average water usage for the previous year or the City average if no water usage is reported by the water provider
- 2. Any "User" not connected to the sewage collection system available to them shall pay a monthly user fee equal to the rate as determined in section 703.040 (E)
- 3. If, due to the customer's long-term absence from the property, the average water usage for any customer is less than the amount established by the water company or Billing Agent to calculate minimum monthly water charges, then the Billing Agent shall calculate the customer's average water usage at an amount equal to the minimum water usage established by the water company or Billing Agent
- 4. For Multi-Family Dwellings, average water usage will be calculated using the average water usage for the building divided by the total number of living units within the building.

D. For non-residential users

1. For industrial and commercial contributors, user charges shall be based on water used during the current month. If a commercial or industrial contributor has a consumptive use of water or in some other manner uses water which is not returned to the wastewater collection system, the user charge for that contributor may be based on wastewater meter(s) or separate water meter(s) installed and maintained at the contributor's expense and in a manner acceptable to the City. If a commercial or industrial contributor can demonstrate through use history and the nature of the enterprise that increased summer usage is due to watering and does not contribute to sewer usage, this commercial or industrial contributor may elect the winter averaging method if so approved by the authorized personnel of the City
2. For the purpose of establishing the annual rate schedule for users in this category, Equivalent Billing Units shall be established for each address. If the total square footage of any given address is more than 3,000, the Equivalent Billing Units shall be determined by adding together the total square footage of each floor of the building and dividing by 3,000. Fractions shall be rounded down to the nearest whole number. The "Billed Units" shall equal the Equivalent Billing Units as established by this formula. Average water usage will be calculated using the average water usage for the building divided by the total number of Equivalent Billing Units within the building

$$\frac{\text{Total Square Feet}}{3,000} = \text{Equivalent Billing Units}$$

- E. The minimum charge, per month, shall be twenty dollars and twenty-six cents (\$20.26). The minimum charge shall apply to all properties connected to the sewer system regardless of water consumption. In addition, each contributor shall pay a user charge for operation and maintenance, including replacement, of ninety-five point eight cents (\$0.958) per one hundred (100) gallons of water as determined in the preceding Section
- F. For those contributors who contribute wastewater the strength of which is greater than normal domestic sewage, a surcharge in addition to the normal user charge will be collected. The surcharge for operation and maintenance, including replacement, is:
 - \$1.1861 per pound BOD
 - \$1.0201 per pound SS
- G. Any user which discharges any toxic pollutants which cause an increase in the cost of managing the effluent of the sludge from the City's treatment works or any user which discharges any substance which singly or by interaction with other substances causes identifiable increases in the cost of operation, maintenance or replacement of the treatment works shall pay for such increased costs. The charge to each such user shall be as determined by the responsible plant operating personnel and approved by the Board of Aldermen.
- H. The user charge rates established in this Chapter apply to all users of the City's treatment works regardless of the user's location.
- I. Any customer whose calculated rate for the coming year is higher than the base rate, may appeal to the Billing Agent or their designee. Rate appeals may only be granted in the following instances:
 1. Change of ownership
 - i. proof of purchase with purchase date must be provided

- ii. purchaser must be planning to occupy residence for which appeal is Being filed
 - iii. three (3) consecutive months of water usage from a previous residence occupied by the purchaser must be provided
 - iv. water usage provided must have been billed within 12 months of the date of purchase
- 2. Abnormal water usage during the months used to establish water usage averages
 - i. If caused by a leak or by a problem of a similar nature proof of repair of the problem must be provided
 - ii. Twelve (12) consecutive months of water usage for the service address for which the appeal is being filed
- 3. In the case of apartment complexes consisting of multi-family units of 5 or more units per building, the owner of any apartment complex may not file rate appeals for individual buildings. However, the owner of an apartment complex may file a rate appeal on ALL buildings within the complex providing the most recent past twelve (12) consecutive months of water usage for the service address for which each appeal is being filed. Upon completion of the review of all appeals within the complex, the following will be applied:
 - i. 12-month averages per building that are lower than originally billed by the Billing Agent shall be reduced to reflect the average actual 12-month usage and the monthly billing will be lowered to reflect that change.
 - ii. 12-month averages per building that are higher than originally billed by the Billing Agent shall be increased to reflect the average actual 12-month usage and the monthly billing will be increased to reflect that change.
- 4. In the case where a new tenant has moved into a duplex rental unit, rate appeals may be granted as follows:
 - i. Rate appeal must be filed within 45 days of the effective date of the new lease agreement
 - ii. proof showing effective date of the new lease agreement must be provided
 - iii. Three (3) consecutive months of water usage from a previous residence occupied by the lessee must be provided
 - iv. water usage provided must have been billed within twelve (12) months of the effective date of the new lease agreement
 - v. rate appeal approval or denial will be directed to the property owner along with new billing information if warranted

In no case will approved rate appeals be retroactive but, in all cases, any revised rate(s) will take effect during the next billing period following the appeal.

Rate appeals will be accepted up to January 1st for the year which the rate is to become effective or 45 days following the date of notification of rates, whichever is later.

If the customer is not satisfied with the decision of the Billing Agent, the customer may within 30 days ask in writing to present their appeal to the City Treasurer.

Section 4. Section 703.050 is hereby amended to read as follows:

A. Billing Responsibility

Sewer service shall be considered furnished to the property owner. The property owner shall be responsible for the sewer service charges.

1. The Billing Agent will pro-rate bills or bill for partial service based on the deed filed at the Platte County Office of the Recorder of Deeds.
2. The property owner or their designee may request the sewer bill be submitted to the tenant. This request does not absolve the property owner of responsibility of the sewer service charges if the tenant fails to pay.

B. Billing Frequency

Bills for sewer service shall be submitted to customers monthly after service has been rendered. Bills are due when prepared by staff. Bills not paid within twenty-one (21) days of the prepared date shall be subject to a ten (10%) percent late charge assessed against the current charges. Failure of the Billing Agent to submit bills shall not excuse the customer from their obligation to pay for the sewer service provided.

C. Failure to Pay

1. If any customer should fail to pay a bill by the due date, the Billing Agent may file a Notice of Delinquency pursuant to Section 204.455 RSMo. 2000, as amended, in the Office of the Recorder of Deeds of Platte County, Missouri, creating a lien on the property of the landowner in favor of the City.
2. If any customer account has a delinquent balance of at least \$150.00, the Billing Agent shall send written notice to the customer of the Billing Agent's intent to take any of the following sanctions if not paid in full in thirty (30) days:
 - i. The Billing Agent may request any private water company, public water supply, City or municipality supplying water to the premises to discontinue water service to the premises.
 - ii. The Billing Agent may institute legal proceedings against the landowner or occupant or both for collection of all amounts due. The Billing Agent may seek, in addition to the amount due under the sewer service bill, court costs and reasonable attorney's fees if the Billing Agent retains an attorney to assist in collection.
 - iii. The Billing Agent may file in the Office of the Recorder of Deeds of Platte County, Missouri, a notice of lis pendens of any lawsuit instituted by the Billing Agent.
 - iv. The Billing Agent may disconnect sewer service to the property in accordance with the procedure set forth in Section VII. All costs of disconnection of a sewer connection shall be billed to and paid by the landowner and shall be deducted from the security deposit, and any balance so remaining shall be collected by the Billing Agent in the manner provided by law for the collection of unpaid sewer charges. Any damage resulting to any tenant of the landowner or landowner's property as a result of disconnection of sewer service shall not be the responsibility of the City, its agents or employees.
3. Any costs incurred by the City will be assessed against the customer's account. The customer must pay all sewer service charges, penalties, and associated costs in full before restorative action will be taken.
4. The City may refuse to issue a connection permit requested by a delinquent customer until the customer's balances are paid in full.

D. Security Deposits

1. The Billing Agent shall collect a security deposit from the customer for each sewage generating unit located on the property. The security deposit shall be \$50 per unit. The Billing Agent shall apply the deposit to the customer's final bill and remit any credits to the customer.
2. Tenants receiving a sewer bill shall pay an additional \$50 deposit.

3. Customers restoring service after failing to pay a delinquent balance may be subject to an additional \$100 deposit.

E. Returned Payments

Any customer submitting a payment to the Billing Agent which is dishonored by the payor bank shall be subject to a fifteen-dollar (\$15.00) fee for each occurrence

1. If the dishonored payment was due to insufficient funds, the Billing Agent may attempt to collect one additional time before assessing the fee.

Section 5. If any portion or section of this ordinance is determined to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, the decision shall in no manner affect the remaining portions of this Section, which shall remain in full force and effect.

Section 6. This ordinance shall be in effect immediately upon its passage and approval.

PASSED and APPROVED this ____th day of _____ 2024.

Mayor Dean Katerndahl

ATTESTED:

City Clerk Melissa McChesney