FINANCE COMMITTEE

Monday, September 23, 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 August 12, 2024, regular meeting
   - B. Approve the semi-annual financial report for the first half of 2024 and direct City Administration to publish (Administration)

4. **Non-Action Items**
   - A. Review Internal Service Fund Administration Policy
   - B. On-call agreements with Urban Tree Specialists and Arbor Masters for tree maintenance services (Parks)

5. **Unfinished Business (postponed from prior meetings)**

6. **Other Business**

7. **Adjourn**

Posted Date & Time: September 20, 2024 10:32 a.m. By: KS

Finance Committee Meeting
Monday, August 12, 2024 4:30 PM
Administration Conference Room, City Hall

Minutes

1. Call to Order

Chair Wylie called the August 12, 2024, meeting to order at 4:31 p.m. A quorum was present.

Members Present: Chair Douglas Wylie, Dean Katerndahl and Michael Lee

City Staff Present: Deputy City Administrator/Finance Director Bryan Kidney, Assistant City Administrator Jeffery Rhodes, Police Chief Kevin Chrisman (via videoconference), Public Works Director Dan Harper, Parks & Recreation Director Brittanie Propes and City Clerk Melissa McChesney

Others Present: Brian Whitley and Gordon Cook

Chair Wylie changed the order of business to discuss Item 4A first.

4. Non-Action Items

A. **Review draft ordinance amending Municipal Code related to sewer utility billing**

Deputy City Administrator/Finance Director Bryan Kidney said the City and the Platte County Regional Sewer District (PCRSD) discussed the operation and maintenance of the wastewater treatment plant, which became effective January 1, and outsourcing the sewer billing. PCRSD had a more efficient billing system that provided more robust online activities, including auto-payments by credit card and ACH and a pay-by-phone option. He said staff compared the City's procedures and processes with PCRSD and determined the City did not have anything in writing and the proposed amendments would give them clear direction on processing the City sewer bills. Kidney noted that PCRSD did not process grinder pump fees.

Discussion focused on grinder pumps, continuing the agreement with PCRSD if the sale of the system was not approved by voters and the Riss Lake Community Association's hesitancy to process grinder pump fees because they did not have a mechanism to do so. The consensus was that the grinder pump fees be mailed separately and paid to the City through the end of the year.

Further discussion focused on clearly defining grinder pump-related infrastructure, carrying over text from the Municipal Code in Section 700.070, the security deposit that PCRSD collected and the City did not and how to handle existing customers.

Chair Wylie returned to the regular order of business.

2. Financial Updates

3. Action Items

A. **Approve the minutes for the July 29, 2024, meeting**

Michael Lee moved to approve the minutes for the July 29, 2024, meeting. Dean Katerndahl seconded; motion passed 3-0.

B. **Approve the 2024 property tax levy for fiscal year 2025**

Deputy City Administrator/Finance Director Bryan Kidney said a public hearing was scheduled for August 20. Staff received the final assessed valuation, which was a slight increase. He added that two major items were added to the public hearing notice that included new construction and tax increment financing.

Katerndahl moved 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. Chair Wylie seconded; motion passed 2-1 (Lee opposed).

5. Unfinished Business (postponed from prior meetings)

6. Other Business

7. Adjourn

Chair Wylie adjourned the meeting at 5:15 p.m.

Submitted by:

Melissa McChesney
City Clerk

Approval Date

CITY OF PARKVILLE
Policy Report

Date: September 19, 2024

Prepared By:
Michelle Hefley Treasurer

Reviewed By:
Alexa Barton, City Administrator

ISSUE:
Approve the semi-annual financial report for the first half of 2024 and direct City Administration to publish (Administration)

BACKGROUND:
Both state statute and City ordinance require the City Treasurer to produce a semi-annual financial report that summarizes revenues and expenses for a six-month period. The semi-annual report for the first half of 2024 is ready for review and publication in a local newspaper as required by law.

The report includes all revenues and expenditures credited and charged for the first half of 2024. To reduce publication costs, an abbreviated version of the report will be published in the newspaper, but it will direct readers to the City's website for additional information. The City Treasurer has prepared an expanded version of the report for the website that includes additional information.

STRATEGIC GOAL(S):
Operational Excellence

BUDGET IMPACT:
The cost to publish in the newspaper will be funded from the Administration Division (501) of the General Fund (10).

ALTERNATIVES:

1. Approve the semi-annual financial report for the first half of 2024 and direct City Administration to publish.
2. Do not approve the report and provide further direction to staff.
3. Postpone the item.

STAFF RECOMMENDATION:
Staff recommends approving the semi-annual financial report for the first half of 2024 and authorizing staff to publish.

POLICY:
Section 130.090 of the Parkville Municipal Code requires the City Treasurer to furnish to the Board of Aldermen a semi-annual report in January and July each year of the amount of money received on account of the City during the half year, from what sources received, and the amount of money disbursed, and on what account, and the balance in his hands to the credit of the City. Section 105.130 of the Parkville Municipal Code requires the Board of Aldermen to publish the semi-annual

report in some newspaper in the City. The sections of Code that require the production and publication of a six-month report are based on corresponding sections of Missouri statutes (RSMo 79.160 and 79.165).

SUGGESTED MOTION:
I move to recommend that the Board of Aldermen approve the semi-annual financial report for the first half of 2024 and direct City Administration to publish.

ATTACHMENTS:
1. Semi-Annual Report (Publication Version)
2. Semi-Annual Report (Detailed Version)

City of Parkville, Missouri

Semi-Annual Report

January 1 through June 30, 2024

General Fund

Revenue	4,320,707
Expenditures	2,974,942
Revenue, net of Expenditures	1,345,765

Enterprise Fund-Sewer Utility

Revenue	863,772
Expenditures	716,689
Revenue, net of Expenditures	147,083

Debt Service Funds

Revenue	1,371,613
Expenditures	1,168,381
Revenue, net of Expenditures	203,232

Special Revenue Funds

Revenue	5,371,803
Expenditures	3,284,712
Revenue, net of Expenditures	2,087,091

Debt of City of Parkville, June 30, 2024

Certificates of Participation	2,836,263
Sewer Utility	30,000
Neighborhood Improvement Districts (NID's)	5,275,000
Total Debt	8,141,263

For additional information, visit www.parkvillemo.gov

City of Parkville, Missouri

Semi-Annual Report

January 1 through June 30, 2024

General Fund

Revenue		
Taxes		1,791,242
Licenses		54,937
Permits		491,881
Franchise Fees		380,582
Sales Taxes		927,151
Court Revenue		33,873
Interest Income		33,230
Grants and Miscellaneous Revenue		422,811
Transfers In		185,000
Total Revenue		4,320,707
Expenditures		
Administration		817,466
Municipal Court		78,409
Public Works		212,128
Community Development		293,483
Public Information		11,745
Transfers Out		1,493,500
Information Technology		68,211
Total Expenditures		2,974,942
Net Revenues in Excess of Expenditures		1,345,765
Funds Carried Forward for current year		2,116,322
Revenue & Carryover, net of Expenditures		3,462,087

Enterprise Fund - Sewer Utility

Revenue		863,772
Expenditures		716,689
Revenue & Carryover, net of Expenditures		147,083

Debt Service Funds

Revenue		1,371,613
Expenditures		1,168,381
Revenue, net of Expenditures		203,232

Reserved and Restricted Funds

Revenue		5,371,803
Expenditures		3,284,712
Revenue, net of Expenditures		2,087,091

Debt of the City of Parkville, June 30, 2024

Certificates of Participation		2,836,263
Sewer Utility		30,000
Neighborhood Improvement Districts (NIDs)	1	5,275,000
Total Debt		8,141,263

1 NID debt payments are a valid and legally binding indebtedness of the City payable from special assessments on properties benefited by the improvements.

ADMINISTRATIVE POLICY

City of Parkville, Missouri

Number AP-24-02

Effective Date January/2025

INTERNAL SERVICES FUNDING METHOD

1.0 Purpose

The purpose of this policy is to establish procedures to govern how the City allocates internal service expenses for annual budgeting purposes.

Internal services are those responsibilities a government provides to support its own internal operations. Common examples of internal services include information technology, payroll, fleet, accounting, and human resources. Certain management objectives are served by creating a system to assign prices for the use of these internal services, which are then assessed to the departments that use the services.

2.0 Goals of Internal Service Pricing

The goals for utilizing internal services funding method is to

1. *Provide input for full-costing model*. A full costing model provides the total cost of a given service, which enables better informed budgeting and planning. The full cost of a program is equal to the direct cost of program plus the indirect costs. Internal service pricing is essential to calculating indirect costs.
2. *Promote discussion about the value of the service provided*. Charging customer departments for use of a service will raise questions about the value received from the service and what the best service delivery model is (e.g., centralized, decentralized, outsourced, etc.). A pricing system can facilitate comparisons with alternative methods of service delivery, including outside providers.
3. *Promote competition in service delivery*. Internal services could be run much like a private business, including service level agreements with customers and competition from outside providers (e.g., private firms). Accurate internal charges are essential for a level competitive field.

3.0 Allocation Strategy for shared costs

1. The City shall price and allocate the following internal services to user departments:
    a. Administrative Services
        i. Payroll, Benefit, and training costs of City Treasurer, Deputy City Clerk/Finance Specialist, and Administrative Assistant

        ii. Costs of equipment, supplies, postage and printing for the central services copy room
        iii. City's Annual financial audit and other outsourced professional administrative and financial service costs
        iv. Software costs for the Accounting, workorder and Agenda preparation (ie. Incode, CivicClerk, See-Click-Fix)
    b. Payroll and Human Resources Services
        i. Payroll, Benefit, and training costs of Human Resources Generalist
        ii. Costs of equipment, supplies, postage and printing for payroll and human resources operation
        iii. Outsourced professional administrative services related to Human Resources and Payroll operations
        iv. Unemployment costs
        v. Recruitment and hiring expenses
        vi. Employee Appreciation expenses.
    c. Technical Services
        i. Costs and maintenance of equipment and supplies for technical services not identified as being used for a specific department (i.e.. Backups/servers)
        ii. Telephone and voice services
        iii. Outsourced information technology support
        iv. Software and licenses for citywide technical services operations
        v. Domain registrations
        vi. Cyber Security costs.
    d. City Hall Building Services
        i. Property Insurance specific to coverage of City Hall
        ii. General utility services provided to City Hall
        iii. Building, Maintenance and repair to City Hall
        iv. HVAC maintenance and repair
        v. Janitorial services/supplies
    e. Risk Management
        i. Liability Insurance
    f. Fleet Management
        i. Cost of leased vehicles less: receipts of sale of vehicles

3.0 Direct Expenditure Charge Strategy for costs direct costs

1. The City will charge back to each department for the following direct expenditures:
    g. Technical Services

i. Costs and maintenance of equipment specific to a user in a department.
ii. Software specific to the purpose of a department (ie. Permitting, licensing, Parks and Recreation)

h. Risk Management
   i. Property, vehicles and Liability deductible attributable to a specific department
   ii. Workers' compensation liability billed specially based on workers compensation code for each employee
   iii. Property Insurance specific for property specific to a department.

i. Fleet Management
   i. Direct maintenance cost for each vehicle
   ii. Vehicle gas and oil as billed for each vehicle.

3.1 Level of Costing detail

- Due to the cost of determining specific expenditures and the limited goals of the program, the City will keep the allocation and costing at a departmentwide level of detail.

3.2 Basis of Allocation

- The City will use a "Cause-and-effect relationship" for allocation. Costs will be allocated based directly upon the impact each department has to the overall costs.

- Estimated costs and usage information for the next budget year will be used to develop the next budget year allocation. This allocation may be adjusted up or down based on the actual data from the previous audit year or known variations in the current fiscal year.

- Each department will be provided a proposed cost allocation at the time of budget preparation for their consideration. Departments will consider the benefits received from the service versus cost. And the department can propose a different measure of allocation.

- Any basis of allocation shall bear a relationship to the benefit the department receives from the service.

- At no time will a direct charge exceed the true cost of the service.

CITY OF PARKVILLE
Policy Report

Date: September 18, 2024

Prepared By:
Brittanie Propes, Parks & Recreation Director

Reviewed By:
Bryan Kidney, Deputy City Administrator/Finance Director

ISSUE:
On-call agreements with Urban Tree Specialists and Arbor Masters for tree maintenance services (Parks)

BACKGROUND:
There are numerous services that Parks and Public Works staff needs on a routine and emergency basis throughout the year. For these services, it is more efficient for staff that the City to enter into a long-term contract. Tree trimming and tree removal maintenance services are utilized by different divisions of Parks and Transportation, as well as the Nature Sanctuary, for routine tree maintenance and emergency storm cleanup. Since 2015, the City has had an on-call agreement in place for on-call tree maintenance during emergency and non-emergency situations.

In 2017, 2020, and 2022, the Board of Aldermen entered into on-call agreements with two tree maintenance companies for a three-year term (two years plus a one-year extension). Those companies were Arbor Masters and Urban Tree Specialists. Since Urban Tree Specialist's pricing was lowest, staff used them as the primary contract. When Urban Tree provided an estimate that was too high, or was not able to mobilize within the desired timeframe, staff contacted Arbor Masters. In emergency situations, it will be helpful to have two contractors under contract.

The City released a bid request for the on-call tree maintenance services in August. There were responses from two contractors.

Although Urban Tree Specialists provided the low bid overall, staff recommends contracting with both Arbor Masters and Urban Tree Specialists to provide the continued service for emergency and non-emergency tree maintenance needs.

STRATEGIC GOAL(S):

- Parks and Recreation

BUDGET IMPACT:
There are tree trimming line items in various budgets including Parks, Nature Sanctuary and Transportation. Depending on the nature of the work being done, staff will use the proper budget item.

ALTERNATIVES:

- Approve on-call service agreements with Urban Tree Specialists and Arbor Masters for tree maintenance.
- Approve an on-call service agreement with Urban Tree Specialists for tree maintenance.
- Provide direction to staff regarding the tree maintenance contract.
- Do not approve the contracts.
- Postpone this item.

STAFF RECOMMENDATION:
Staff recommended the on-call service agreement with Urban Tree Specialists and Arbor Master for tree maintenance services.

POLICY:
This on-call service agreement falls under the City Administrators' purchasing authority.

SUGGESTED MOTION:
As this is a staff update, no motion is necessary.

ATTACHMENTS:
1. On-Call Tree Trimming Bid Tabulation

BID TABULATION

On-Call Tree Trimming/Removal Services
Wednesday, September 11, 2024, at 2:30 p.m.

Bidder	TOTAL
Arbor Masters	See Unit Prices
Urban Tree Specialists, LLC	See Unit Prices

*Denotes recommended contractor

TREE TRIMMING, TREE REMOVAL AND LANDSCAPE SVCS. - BID DATE 9/11/2024 – 2:30 P.M.
#1 ADDENDA ISSUED

	ARBOR MASTERS		URBAN TREE SPEC.	
	BIDDER 1		BIDDER 2	
TREE REMOVAL-NON-EMERGENCY	UNIT PRICE		UNIT PRICE	
DBH 1-12	$200.00		$200.00	
DBH 13-24	$575.00		$425.00	
DBH 25-36	$950.00		$800.00	
DBH 37-48	$1,600.00		$1,500.00	
DBH 49-60	$2,300.00		$2,300.00	
Stump Removal per inch	$95.00	PER HR	$5 $100.00	PER INCH OR PER HR
TREE REMOVAL-EMERGENCY				
DBH 1-12	$350.00		$240.00	
DBH 13-24	$650.00		$500.00	
DBH 25-36	$1,100.00		$950.00	
DBH 37-48	$1,800.00		$1,750.00	
DBH 49-60	$2,800.00		$2,600.00	
Stump Removal per inch	$95.00	PER HR	$5 $100.00	PER INCH OR PER HR
TREE PRUNING/TRIM-NON-EMERG				
Bucket Truck	$60.00		$55.00	
1-Person Crew	$70.00		$75.00	
2-Person Crew	$130.00		$140.00	
3-Person Crew	$210.00		$205.00	
4-Person Crew	$310.00		$280.00	
Chipper Unit	$35.00		$35.00	
TREE PRUNING/TRIM-EMERGENCY				
Bucket Truck	$65.00		$65.00	
1-Person Crew	95.00		$90.00	
2-Person Crew	$190.00		$170.00	
3-Person Crew	$260.00		$250.00	
4-Person Crew	$350.00		$340.00	
Chipper Unit	$45.00		$45.00	

DBH – Diameter at Breast Height