1. GENERAL AGENDA

Mayor Nanette K. Johnston opened the work session at 5:33 p.m. on October 20, 2020, at City Hall, 8880 Clark Avenue, Parkville. In attendance were aldermen Tina Welch, Philip Wassmer, Brian T. Whitley, Robert Lock, Marc Sportsman, Greg Plumb, Dave Rittman and Douglas Wylie.

A quorum of the Board of Aldermen was present via videoconferencing.

The following staff was also present via videoconference:
Joe Parente, City Administrator
Kevin Chrisman, Police Chief
Alysen Abel, Public Works Director
Stephen Lachky, Community Development Director
Matthew Chapman, Finance/Human Resources Director
Anna Mitchell, Assistant to the City Administrator
Chris Ashley, Public Works Project Manager
Chris Williams, City Attorney

A. 2021 City of Parkville Operating and Capital Budget

City Administrator Joe Parente provided an overview of the 2021 proposed budget; presentation attached as Exhibit A. He summarized the 2020 year-end budget, noting that it was anticipated to be approximately $1.5 million. He noted that the River Park Neighborhood Improvement District debt would be paid off in 2020. In regards to the 2021 budget, he provided an overview of the impacts on the City's revenues due to COVID-19 and highlights of the 2021 General Fund budget, including a three percent wage increase, the addition of two police officers, an increase in workers' compensation coverage and health benefits costs and the total to fund Capital Improvement Program projects.

Discussion focused on the Federal Emergency Management Agency reimbursements for flood expenses from the 2019 flood; Public Works Director Alysen Abel said she anticipated that all the reimbursements would be received in November. The Board recommended that staff look into asking voters to approve the use tax for online sales in 2021. Further discussion focused on the proposed salary increase and updating the salary survey in order to stay in-line with other organizations. They also discussed opportunities to improve court revenues and possible options such as consolidation with other cities' courts or transferring it to Platte County.

2. ADJOURN

The work session ended at 6:38 p.m.

The work session minutes for October 20, 2020, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the 3rd day of November 2020.

Submitted by:

Melissa McChesney
City Clerk Melissa McChesney

SEAL OF THE CITY OF PARKVILLE
PLATTE COUNTY MISSOURI

City of Parkville 2021 Budget

First Budget Work Session

October 20, 2020

First Budget Work Session Topics

- 2020 General Fund Overview
  - 2020 Year-End Projections
  - 2020 Revenue Estimates
- 2021 Budget
  - Budgeted expenditures
  - Revenue Estimates
- General Fund and Reserve Fund Balance Target
- Debt Service and Minor Funds
- Outline of Key Decisions for 1st Work Session
- Review of Future Work Session Topics

2020 General Fund Projections (Revenue Summary)

- 2020 starting balance (2019 carryover) was 1.8 million.
- Overall, 2020 Revenues are expected to be below projections by about 330,000.

2020 Projected Revenue Impacts

Sales Tax Revenue Drop	70,000 (-6%)
Court Revenue Decline	85,000 (-40%)
Other Revenue (i.e. Parks)	25,000 (-43%)
Chapter 100 Six and Park	100,000 (-50%)

2020 General Fund Projections (Expenditures Summary)

- Expenses currently projected to be 355,873 under budget.
  - Includes CIP Deferrals
  - Expected to be the Normal - < 5% Budget Variance due to staff vacancies and conservative spending practices.
- 2019 projected year-end balance of 1,514,850 is on target to be lower than beginning fund balance of 1,801,183.

2020 – Big Year for Capital Projects

Route 9 Sixth Street Transfer (50/50 Grant)	400,000
Emergency Reserve Fund Transfer (Post NID Strategy)	100,000
Capital Outlay Budget	592,451
Total	1,092,451
Deferred CIP	350,000
2020 CIP Budget Impact	**642,451**

(excluding ER Transfer and Deferred CIP)

General Fund Revenues

	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Taxes	2,434,183	2,505,861	2,427,305	2,537,698
Licenses	61,510	59,000	58,538	62,500
Permits	509,382	344,600	391,027	348,100
Franchise Fees	803,146	884,000	854,434	864,000
Other Revenue	16,169	40,850	16,352	34,194
Court Revenue	130,597	150,000	64,512	130,000
Interest Income	7,121	8,000	6,742	6,500
Miscellaneous	671,716	1,125,212	966,458	506,500
Grants	430,406	9,250	9,250	7,320
Transfers	415,000	495,000	495,000	516,200
Total	**5,479,230**	**5,621,772**	**5,289,618**	**5,013,012**

General Fund Expenses

	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Administration	1,520,659	1,379,697	1,277,309	1,388,267
Police	1,286,838	1,482,563	1,351,482	1,659,310
Municipal Court	155,778	167,492	158,733	172,500
Public Works	277,370	317,942	279,944	313,298
Community Development	292,943	327,872	303,864	359,311
Streets	399,253	464,684	416,451	486,650
Parks	350,375	408,370	405,476	450,942
Nature Sanctuary	46,583	53,864	52,878	60,506
IT	48,796	58,352	52,047	60,745
Public Information	19,602	21,210	27,989	30,410
Capital Outlay (CIP)	710,300	592,451	293,957	303,975
Transfers	317,500	922,822	955,822	359,420
Total	**5,425,997**	**6,197,319**	**5,575,951**	**5,645,332**

General Fund Highlights

Description	Estimated Budget Impact
3% wage increase (based on satisfactory performance)	71,078
Two new Police Officers – Wages, Benefits, FICA/Med	124,744
Workers Compensation Insurance – (2020 Increase – 52%)	42,387
Increase employee health benefits (currently projected at 10%)	40,209
Capital Outlay (CIP)	303,975

GF 2019 to 2020 Comparison

Category	2020 Budget	2021 Budget	Difference $	Difference %
Personnel	3,042,799	3,250,910	208,111	6.8%
Insurance	599,425	687,422	84,116	13.9%
Utilities	132,970	148,696	15,726	11.8%
Capital Outlay	593,075	304,599	(288,476)	-48.6%
Maintenance	187,642	202,817	15,175	8.1%
Office Expenses	91,580	94,115	2,535	2.8%
Professional Fees	357,500	416,940	59,440	16.6%
Services	146,905	155,513	8,608	5.9%
Other	122,500	24,800	(97,700)	-79.8%
Transfers	922,822	359,420	(563,402)	-61.1%

2020 General Fund CIP *(preliminary)*

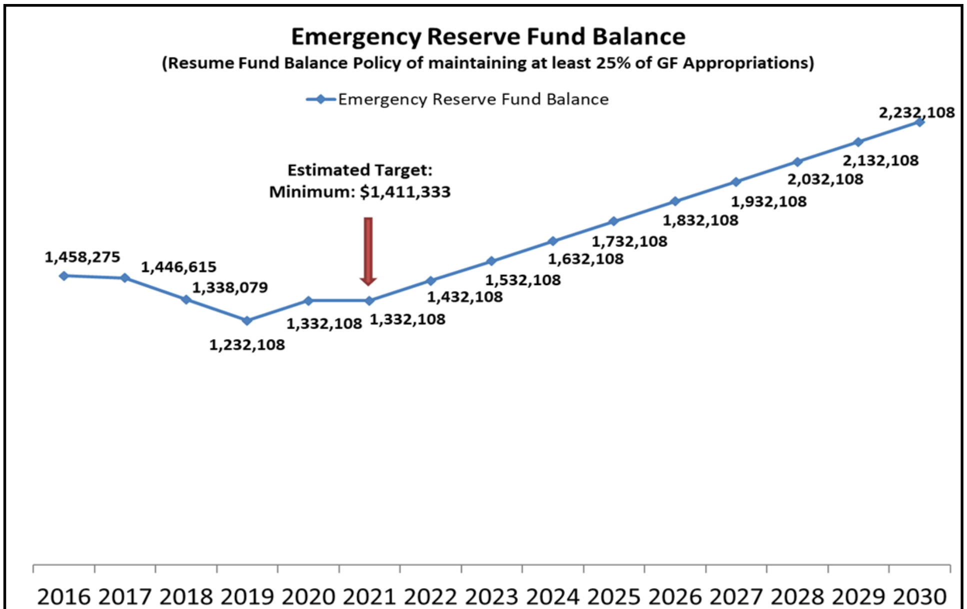
Department	Project	GF Impact
Administration	2nd Floor Reception Area Safety Upgrade	16,000
Administration	Phase 2 City Hall Painting	30,000
Police	Replace police patrol vehicle and equipment (carryover)	40,494
Police	Replace police patrol vehicle and equipment	41,304
Police	Radio Upgrades	20,000
Public Works	6th and Park Parking Lot Lease/Purchase	22,041
Public Works	Storm Sewer Evaluation and Repair	35,000
Court	Copier and Court Software	19,000
Community Dev	Master Plan Update Carryover; Bell Road Study	70,000
IT	Computer Equipment Replacement Cycle (25%)	6,000

GF Fund Balance Target

- Policy is to maintain 5-15% General Fund Balance.
  - Estimated ending fund balance is $878,530 or 16% of budget.
- We monitor fund balance closely as it drives decisions on capital outlay spending and transfers to the Emergency Reserve Fund.
- In normal years, budget performance improves through the end of the fiscal year. May not be the case this year (revenues underperform)
  - Warning: this will be harder in future years unless we continue to outperform budget. 5 Year Capital Improvement Plan spending may be restricted.

GF Fund Balance Target

- Keep in mind 2020 Budget included large CIP projects – with an expected drop in GF Budget.
- Keep in mind current 2020 Budget shows approximately 350,000 decline in revenues.
- Deferral of CIP Projects will help out.
- "Weather the COVID Storm" until revenues bounce back?
  - 2021 Budget Targets attempts to absorb COVID Impacts until revenues return to normal.
- Issue: Transportation Fund Deficit
- Issue: new development lag in revenue one or two years
  - (New Police positions)
- Need direction on a target so staff can make adjustments to satisfy the Board's desires for 2021.



Other Funds

- Debt Service Funds
- Minor Funds
  - Economic Development Fund
  - Fewson Fund
  - Parks Donation Fund
  - Nature Sanctuary Fund
  - Veteran's Memorial Fund

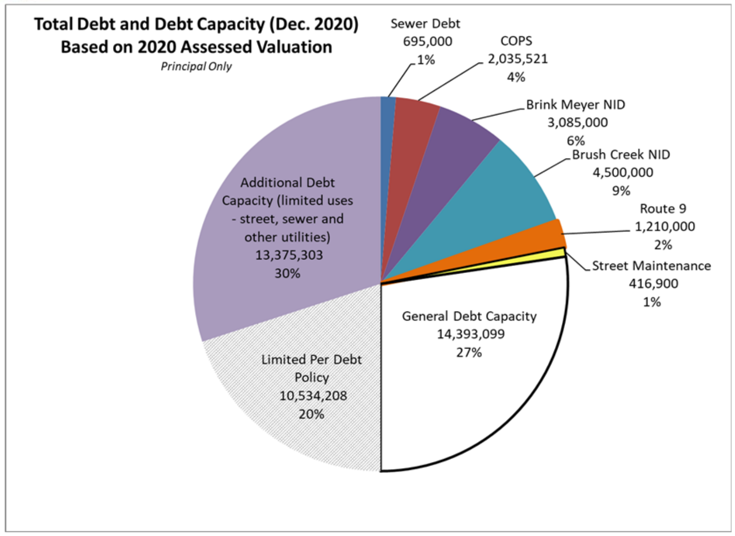
Debt Service Funds

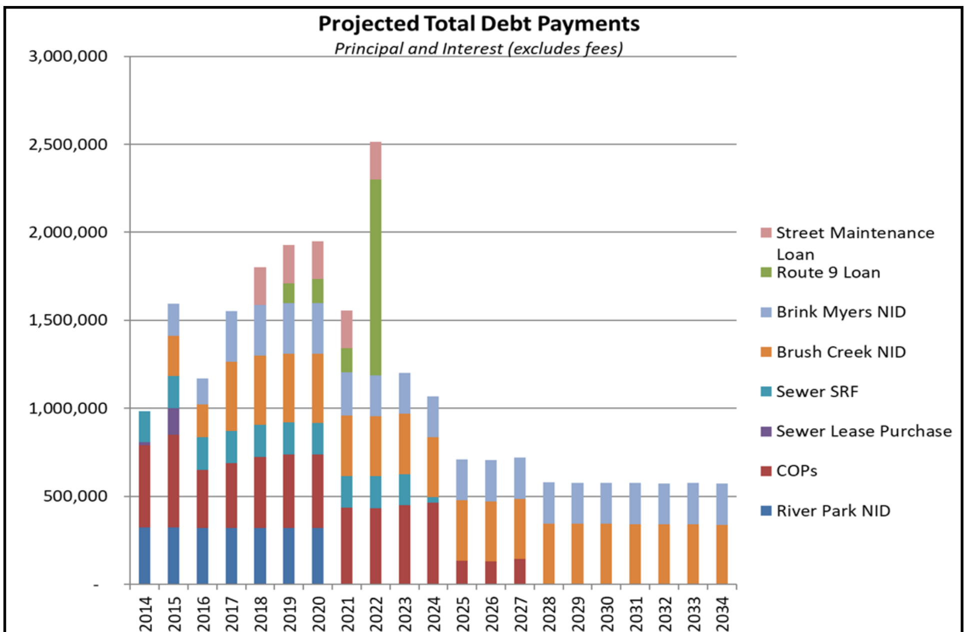
~~Six~~ Five Active Debt Funds:

1. **COPs Fund** (22) - 2015 Lease-Purchase refunded the 2006 Certificate of Participation (COPS), which includes the new City Hall and voter-approved projects from the 2004 ballot measure.
2. **Sewer Debt Service Fund** (30) - State Revolving Loan (SRF) projects that are supported by sewer fees. Retires in 2025.
3. **Neighborhood Improvement Districts** (21, 23, 24) – supported by assessments on benefitting properties
   1. ~~River Park NID financed infrastructure in The National.~~
   2. Brush Creek NID financed sewer expansion. Retires in 2034.
   3. Brink Meyer NID financed road improvements. Retires in 2034.
4. **2017 Lease Purchase Agreement -** Debt financing for 2017 Street Projects
   1. Route 9 Improvement – Grant Antic. Retires in 2022. (Grant Funded)
   2. Route 9 Improvement – City. Retires in 2021. (CID Funded)
   3. Enhanced street maintenance program. Retires in 2022.
   4. Route 9 Improvement Phase Two – Upcoming debt issuance

Debt Capacity

The General Obligation Debt Limit is 10% of the assessed value of the taxable tangible property. There is an additional 10% available for street and sewer expansions, or construction of utility plants. Total G.O. indebtedness may not exceed 20% of the assessed valuation of taxable property. By policy (Resolution No. 09-01-14), the Board has limited itself to no more than that 80% of the statutory limit.





Next Steps

- ~~October 20 – Revenue Projections, General Fund, Debt Service, Minor Funds~~
- October 26 – CIP, Parks Sales Tax Fund, Transportation Fund, miscellaneous follow-up
- November 3 – Sewer Fund, miscellaneous follow-up
- November 17 – Summary review of final budget and miscellaneous follow-up
- December 1 – Adoption – 1st Reading
- December 15 – Adoption – 2nd Reading

Need Direction

1. Changes to revenue projections.
2. Proposed Personnel adjustments; Wage Increase.
3. Guidance on the General Fund target to help staff complete recommended CIP.
4. Other issues that came up this evening.