

1. GENERAL AGENDA

Mayor Nanette K. Johnston opened the work session at 6:02 p.m. on November 3, 2020, at City Hall, 8880 Clark Avenue, Parkville. In attendance were aldermen Wassmer, Rittman, Whitley, Lock, Wylie, Sportsman and Plumb.

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

Richard Wilson, Alliance Water Resources

A. 2021 City of Parkville Operating and Capital Budget

Public Works Director Alysen Abel provided an overview of the sewer budget; presentation attached as Exhibit A. She noted that the Riverchase Forcemain relocation was not budgeted because City staff was notified mid-year that it needed to be relocated for a Missouri Department of Transportation project. She also said project budgeted in 2020 was intentionally deferred. In regards to the Capital Improvement Program, staff wanted to be sure to keep the fund balance higher to cover future expenses for sewer plant upgrades.

Discussion focused on updating the sewer allocation study, looking at the possibility of selling the sewer utility and the transfer to the General Fund.

Abel provided an overview of budget recommendations for 2021 that included a three percent rate increase for sewer customers. Discussion focused on the percentage of the increase and it was recommended that the increase be five percent with the additional two percent be added to the General Fund transfer. The Board also requested that staff consider making it a stand-alone department that was self-sufficient and did not rely on the General Fund.

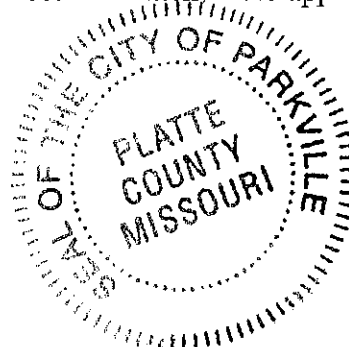
2. ADJOURN

The work session ended at 7:06 p.m.

The work session minutes for November 3, 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 17th day of November 2020.

Submitted by:


City Clerk Melissa McClesney



City of Parkville 2021 Budget

Third Budget Work Session

November 3, 2020



Third Budget Work Session Topics

- Sewer Fund
- Sewer CIP
- Sewer rates
- Follow-up from previous work sessions



Sewer Fund



2020 Sewer Budget Recap

- Unbudgeted / Emergency Projects
 - Sewer Repair – 7913 Twilight (\$2,680)
 - Sewer Repair – 6059 Southlake (\$2,600)
 - Sewer Repair – 6039 Southlake (\$2,285)
 - Sewer Repair – Trailridge / Manor (\$1,560)



2020 Sewer Budget Recap

- Emergency Forcemain Repairs
 - February 2020 – \$2,200
 - March 2020 – \$1,350
 - September 2020 – \$1,880
- Riverchase Forcemain Relocation
 - August 2020 – \$22,330



2020 Sewer CIP Recap

- Carry-Over from 2019
 - RAS Flow Meters – \$34,000
 - Clarifier Drive – \$16,000
 - RAS AFD's – \$5,400
 - Sanitary Sewer Phase 5 – \$215,800



2020 Sewer CIP Recap

- Multi-Year Projects
 - McAfee Forcemain Repairs
 - Design started in late 2018 / completed in 2019
 - Construction started in 2020 (Phase 1)
 - Additional phases planned in 2023 and 2024



2020 CIP Project Overview

- WWTF RAS Pumps (purchase 2 pumps)
 - Budget = \$11,500
 - Actual Project Cost = \$11,670.32
 - Project Complete
- Upgrade Exterior Lighting
 - Budget = \$9,000
 - Anticipated Cost = \$9,000
 - To be completed in late 2020



2020 CIP Project Overview

- WWTF RAS Flow Meter
 - Budget = \$34,000
 - Anticipated Cost = \$29,700
 - Project Complete
- Clarifier Drive
 - Budget = \$16,000
 - Deferred to 2021



2020 CIP Project Overview

- RAS Pump AFDs
 - Budget = \$5,400
 - Anticipated Cost = \$5,400
 - To be completed in late 2020
- Annual CCTV Program
 - Budget = \$30,000
 - Anticipated Cost = \$30,626
 - To be completed in late 2020



2020 CIP Project Overview

- Manhole Inspection Program
 - Budget = \$30,000
 - Anticipated Cost = \$30,646
 - To be completed in late 2020
- McAfee Forcemain Repairs
 - Budget = \$475,000
 - Anticipated Cost = \$389,759
 - Project Complete



2020 CIP Project Overview

- Sanitary Sewer Phase 5
 - Budget = \$215,800
 - Project Complete



Beginning Fund Balance

<u>Year</u>	<u>Beginning Fund Balance</u>
2014	\$516,873
2015	\$1,101,730
2016	\$795,105
2017	\$424,422
2018	\$439,493
2019	\$531,261
2020	\$979,986
2021	\$857,587



2021 CIP – Sewer Fund

	<u>Project/Equipment</u>	<u>2020 Budget</u>
Equipment & Machinery	Zero Turn Mower	\$17,000
	DO Meter Unit	\$20,500
Sewer Plant Improvements	Clarifier Drive (Deferred from 2020)	\$16,000
	Clarifier Floor Replacement	\$54,000
	Mixer for Sewer Plant	\$12,000
	Replace UV Bulbs/Sleeves/Ballasts	\$14,000
Pump Station Improvements	FF Hwy Pump Station Repairs	\$140,000
Line Maintenance	CCTV	\$60,300
	Sanitary Sewer Repairs	\$240,000
Other Maintenance	No Improvements in 2020	\$0



Proposed Sewer CIP

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Equipment & Machinery	\$36,026	\$37,500	\$60,000	\$13,000	-	
Sewer Plant Improvements	\$56,232	\$96,000	\$220,000	\$25,000	\$75,000	2,200,000
Pump Station Improvements	-	\$140,000	-	-	-	
Line Maintenance	\$528,762	\$300,300	\$281,500	\$262,700	\$364,000	900,000
Other	-	-	-	-	-	
TOTAL	\$621,020	\$573,300	\$561,500	\$300,700	\$439,000	\$3,100,000



Sewer Fund Working Capital Policy

Reserve Policy – Resolution No. 12-01-13

“The sewer utility fund balance should be able to provide 90 days of operations in addition to the current fiscal year debt service payments.”



Working Capital Estimates

<u>Year</u>	<u>Estimated Working Capital</u>	<u>90-day Target</u>	<u>Difference</u>
2019	\$ 979,986	\$381,464	\$598,522
2020	\$ 857,587	\$395,915	\$ 461,672
2021	\$ 772,065	\$ 407,513	\$ 364,552
2022	\$ 749,710	\$ 411,100	\$ 338,610
2023	\$ 1,004,136	\$ 419,583	\$ 584,553
2024	\$ 1,142,217	\$ 423,348	\$ 718,869
2025	(1,219,069)	\$288,729	(1,507,798)



Sewer Allocation Study

- Sewer Allocation Study by Springsted in 2016
- Study Recommendation
 - Reasonable Transfer of \$365,644 from Sewer Fund to General Fund
- Current Plan – increase \$20,000 per year. \$300,000 transfer in 2021.
- An updated study will support future increases.



History of Sewer Allocation

<u>Year</u>	<u>Allocation from Sewer</u>
2014	\$100,000
2015	\$101,500
2016	\$103,530
2017	\$150,000
2018	\$190,000
2019	\$230,000
2020	\$280,000
2021	\$300,000
2022	\$320,000
2023	\$340,000
2024	\$360,000



Past Sewer Rate Increases

<u>Year</u>	<u>Sewer Rate Increase</u>
2014	3%
2015	3%
2016	2.5%
2017	10%
2018	10%
2019	10%
2020	5%



Sewer Rate Proposal

<u>Year</u>	<u>Sewer Rate Increase</u>
2021	3%
2022	3%
2023	3%
2024	3%
2025	3%



Sewer Rate Breakdown

Sewer Rate	Sewer Base Fee	Consumption Rate	Average Monthly Bill*	Monthly Cost Difference
Current Rate	\$17.49	\$0.827 per 1,000 gallons	\$53.04	-
3%	\$18.06	\$0.852 per 1,000 gallons	\$54.63	\$1.59
6%	\$19.10	\$0.903 per 1,000 gallons	\$57.91	\$4.87
10%	\$19.82	\$0.937 per 1,000 gallons	\$60.10	\$7.061

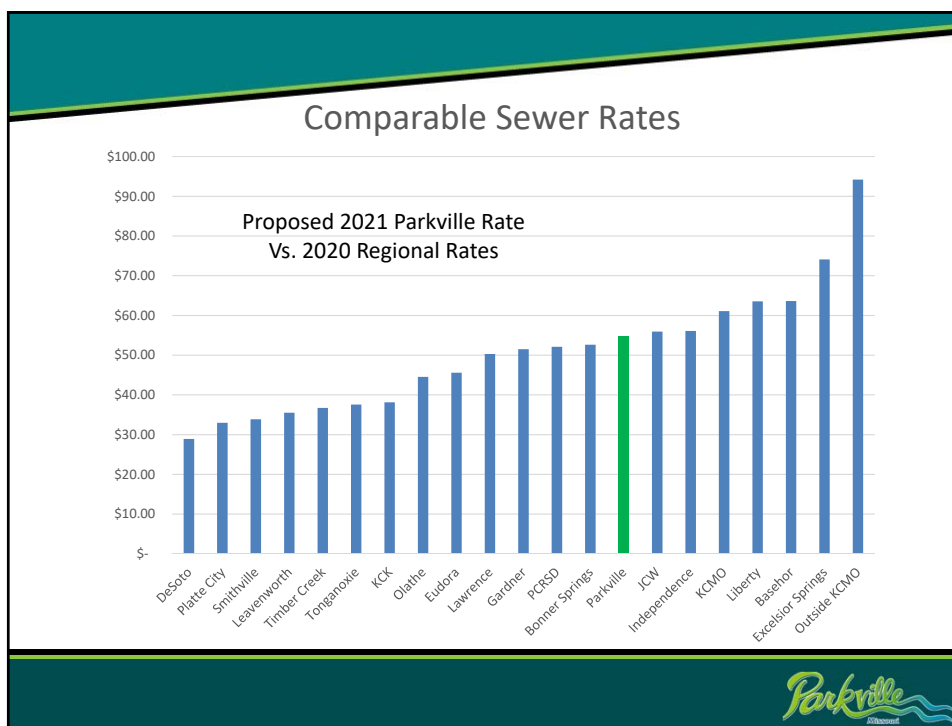
* Based on the average consumption rate of 4,300 gallons per month for a 4-person household

3% Rate Increase = \$45,502 Revenue

6% Rate Increase = \$91,004 Revenue

10% Rate Increase = \$151,674 Revenue





Sewer Fund Recommendation

1. Adjust the Sewer Allocation for Administrative Charge
 - \$300,000 (increase \$20,000)
2. Proposed CIP
 - \$573,800
3. Increase Sewer Rates
 - Proposed 3% rate increase

Parkville Missouri

Need Direction

- Sewer Fund Options
 - Allocation
 - CIP
 - Sewer Rates
- Any additional changes or information desired by the Board of Aldermen prior to final adoption on Dec 15th



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

