1. GENERAL AGENDA

Mayor Nanette K. Johnston opened the work session at 6:02 p.m. on November 17, 2020, at City Hall, 8880 Clark Avenue, Parkville. In attendance were aldermen Philip Wassmer, Tina Welch, Greg Plumb, Marc Sportsman, Douglas Wylie, Brian T. Whitley and Robert Lock.

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 a follow-up to the prior budget work sessions; presentation attached as Exhibit A. In regards to the General Fund, he said that the fund balance at the end of the year was projected to be $1.7 million; the fund balance acted as a reserve and drove how much could be spend the following year on the Capital Improvement Program (CIP). He noted that the fund balances would begin to decline in 2022 and could impact CIP spending. Staff was mindful of the budget because of the impacts of COVID.

Parente provided an overview of the Transportation Fund, noting that the ending fund balance was projected to have a deficit of approximately $141,000 and the best practice was to hold three months of operating expenses in reserves. A transfer from the Emergency Reserve Fund would be needed to cover a deficit. Parente said that the fund would remain the same until the 2017 street maintenance financing debt was paid off in 2022.

Parente provided an overview of the Parks Sales Tax Fund, noting that staff recommended developing a policy to determine what items could be purchased with sales tax funds. In regards to Pocket Park, staff planned on budgeting funds to address the safety measures recommended by the Board of Aldermen at the November 3 work session. Discussion focused on funding immediate repairs that included the bollards and railing on the steps. Parente said that the Community Land and Recreation Board planned to discuss the CIP at its meeting on November 18.

Discussion focused on implementing a use tax for online sales that included educating the public and holding special election in August to implement a use tax on online sales.

2. ADJOURN

The work session ended at 6:54 p.m.

The work session minutes for November 17, 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 1st day of December 2020.

Submitted by:

Melissa McChesney
City Clerk Melissa McChesney

SEAL OF THE CITY OF PARKVILLE
PLATTE COUNTY MISSOURI

City of Parkville 2021 Budget

Fourth Budget Work Session

November 17, 2020

Fourth Budget Work Session Topics

- Follow-up from previous work sessions
- Updated General Fund and Transportation Budgets

General Fund

General Fund Follow-up

- Follow up items
  - Review projected minimum Fund Balance
  - Are any cuts required?
  - CIP Projects – based on Board Input

General Fund (10)

Last Updated 10/31/2020

	2018 Actual	2019 Actual	2020 Budgeted	2020 YTD	2020 Projected	2021 Proposed	2022 Projected	2023 Projected	2024 Projected	2025 Projected
Beginning Fund Balance	**1,598,030**	**1,747,951**	**1,801,183**	**1,801,183**	**1,801,183**	**1,695,009**	**1,077,951**	**402,916**	**(66,037)**	**(500,090)**
Revenues										
Taxes	2,323,418	2,434,183	2,505,861	2,244,708	2,439,947	2,538,198	2,588,962	2,640,741	2,693,556	2,747,427
Licenses	57,943	61,510	59,000	52,365	62,298	62,700	60,600	61,206	61,818	62,436
Permits	425,574	509,382	344,600	418,646	479,183	389,100	338,045	344,210	350,499	357,177
Franchise Fees	890,574	803,146	884,000	507,098	811,032	859,000	876,160	892,663	910,516	928,727
Other Revenue	38,426	16,169	40,850	15,188	16,758	34,194	38,470	39,032	39,605	40,190
Court Revenue	154,101	130,597	150,000	50,990	61,188	130,000	131,950	133,929	135,938	137,977
Interest Income	7,919	7,121	8,000	5,582	6,699	7,500	6,120	6,242	6,367	6,495
Miscellanous Revenue	106,695	671,716	1,125,212	542,947	1,081,897	506,500	493,500	494,520	495,560	496,622
Grant Revenue	6,101	430,406	9,250	-	9,250	7,320	-	-	-	-
Transfers	405,000	415,000	495,000	419,167	495,000	516,200	522,436	588,709	605,020	621,371
Total - General Fund Revenues:	**4,415,750**	**5,479,230**	**5,621,772**	**4,256,692**	**5,463,252**	**5,050,712**	**5,056,243**	**5,201,253**	**5,298,880**	**5,398,422**
Total Sources	**6,013,780**	**7,227,181**	**7,422,956**	**6,057,875**	**7,264,435**	**6,745,721**	**6,134,193**	**5,604,169**	**5,232,843**	**4,898,331**
Expenditures										
Administration	1,051,339	1,520,659	1,379,697	1,142,287	1,293,184	1,388,267	1,350,831	1,379,049	1,408,105	1,438,030
Police	1,119,196	1,286,838	1,482,563	1,116,570	1,350,405	1,660,413	1,698,649	1,737,940	1,778,320	1,819,826
Municipal Court	146,193	155,778	167,492	128,148	154,849	172,699	151,240	154,372	157,586	160,886
Public Works	221,013	277,370	317,942	235,164	278,225	313,199	319,575	326,112	332,813	339,684
Community Development	282,135	292,943	327,872	247,322	296,662	359,311	366,763	374,389	382,191	390,176
Streets	385,122	399,253	464,684	346,121	417,387	486,779	498,173	509,890	521,943	534,342
Parks	327,323	350,375	408,370	350,562	404,166	450,654	459,417	468,420	477,671	487,180
Nature Sanctuary	43,870	46,583	53,864	41,429	51,437	61,898	62,650	63,418	64,201	65,002
Information Technology	49,205	48,796	58,352	37,347	51,401	60,745	61,049	61,354	61,661	61,969
Public Information	15,370	19,602	21,210	18,869	21,931	30,410	30,562	30,715	30,868	31,023
Total Operating Expenses	**3,640,766**	**4,398,198**	**4,682,046**	**3,663,820**	**4,319,648**	**4,984,375**	**4,998,910**	**5,105,657**	**5,215,361**	**5,328,118**
Capital Outlay (CIP)	358,594	710,300	592,451	171,431	293,957	323,975	347,172	177,975	135,120	110,066
Transfers	317,500	317,500	922,822	889,489	955,822	359,420	385,195	386,575	382,452	387,795
Total - General Fund Expenditures:	**4,316,860**	**5,425,997**	**6,197,319**	**4,724,740**	**5,569,426**	**5,667,770**	**5,731,277**	**5,670,207**	**5,732,933**	**5,825,978**
Estimated Ending Balance *(deficit)* :	**1,696,920**	**1,801,183**	**1,225,637**	**1,333,135**	**1,695,009**	**1,077,951**	**402,916**	**(66,037)**	**(500,090)**	**(927,647)**
GF TARGET (at least 5%)	$ 215,843	$ 271,300	$ 309,866	$ 236,237	$ 278,471	$ 283,389	$ 286,564	$ 283,510	$ 286,647	$ 291,299
GF TARGET (15%)	$ 647,529	$ 813,900	$ 929,598	$ 708,711	$ 835,414	$ 850,166	$ 859,692	$ 850,531	$ 859,940	$ 873,897
Excess GF Balance	**$ 1,049,391**	**$ 987,284**	**$ 296,039**	**$ 624,424**	**$ 859,595**	**$ 227,785**	**$ (456,775)**	**$ (916,569)**	**$ (1,360,030)**	**$ (1,801,544)**

General Fund Operations

Operating Budget Updates	Estimated Budget Impact
Two new Police Officers – Wages, Benefits, FICA/Med (2nd Officer Hire – possible to defer to second half of FY?)	124,744
Employee health benefits (17% increase - City budget impact projected at 10%)	36,008
3% wage increase (based on satisfactory performance) Survey Update	71,078
Add a seasonal worker to the Parks Department (under review)	

MARC COVID-19 Impact Survey - November 2, 2020 - Cities Represented

Kansas	Missouri	
Edwardsville	Blue Springs	Parkville
Fairway	Excelsior Springs	Pleasant Hill
Lansing	Grandview	Raymore
Leavenworth	Harrisonville	Smithville
Lenexa (2)	Independence	Warrensburg
Merriam	Kansas City	North Kansas City
Mission Hills	Lawson	Westwood
Overland Park	Lee's Summit (2)	
Prairie Village	Liberty	

Q12: What do you anticipate for employee pay raises in the next fiscal year (beginning after Sept. 30, 2020)?

ANSWER CHOICES	RESPONSES	
No increase	7.14%	2
Greater than 0% but less than 2%	14.29%	4
Greater than 2% but less than 4%	67.86%	19
4% or more	10.71%	3
TOTAL		28

General Fund CIP

CIP Updates - (Modified to incorporate Board Comments)	Estimated Budget Impact
Capital Outlay (CIP) - Added budget for Preliminary Concept Plan – Police Substation	10,000
Capital Outlay (CIP) - Added budget for Preliminary Concept Plan – Entryway Signage	10,000
Noise Reduction Zone – No budget amendment for 2021; 2021 Planning will include property owner support for a 1% TDD Sales Tax.	0
Capital Outlay (CIP) Revised Budget	323,975

Need Direction

- Any additional changes or information desired by the Board of Aldermen prior to final 1st Reading of the Budget Ordinance on December 1, 2020?

Transportation Fund

Transportation Fund (40)

Last Updated 10/31/2020

	2018 Actual	2019 Actual	2020 Budget	2020 YTD	2020 Projected	2021 Budget	2022 Projected	2023 Projected	2024 Projected	2025 Projected
Beginning Fund Balance	**1,637,554**	**$1,135,326**	**$ 115,528**	**$ 115,528**	**$ 115,528**	**$ (141,572)**	**$ (139,339)**	**$ (275,124)**	**$ (236,013)**	**$ (187,892)**
Revenues										
Parkville Special Road District	141,814	$ 159,097	$ 162,279	$ 157,727	$ 160,000	163,200	165,648	168,133	$ 170,655	$ 173,215
City Transportation Sales Tax	479,240	$ 490,501	$ 503,321	$ 388,651	$ 462,830	490,501	497,859	505,327	$ 512,907	$ 520,600
Motor Fuel Tax	149,072	$ 150,365	$ 150,000	$ 116,339	$ 139,606	150,365	152,621	154,910	$ 157,233	$ 159,592
County Transportation Sales Tax	231,017	$ 229,619	$ 234,212	$ 193,260	$ 193,260	225,000	228,375	231,801	$ 235,278	$ 238,807
Project Cost Share	30,000	$ 7,550	$ -	$ -	$ 5,325	5,325	5,304	5,304	$ 5,304	$ 5,304
Sale of Equipment	-	$ -	$ -	$ -	$ -	-	7,500	7,500	$ 7,500	$ 7,500
City Capital Cost Payment			$ 7,500	$ -	$ 5,464	26,914	46,914	47,617	47,617	47,617
Transportation Grants	-		$ -	$ -	$ -					
Bond Proceeds	-	$ -	$ -	$ -	$ -	-	-	-	$ -	$ -
MPR Safety Funds	-		$ -		$ -					
Leased Properties	5,880		$ -		$ -					
Grants	-		13,000	7,881	7,881					
Transfers from Other Funds	12,500		-	4,100	4,100	100,000				
Transportation Fund Revenues:	**1,049,523**	**1,037,133**	**1,070,312**	**867,957**	**978,466**	**1,161,305**	**1,104,220**	**1,120,591**	**1,136,494**	**1,152,635**
Total Sources:	**2,687,077**	**2,172,459**	**1,185,839**	**983,484**	**1,093,994**	**1,019,733**	**964,880**	**845,467**	**900,480**	**964,743**
Expenditures										
Streets - Capital	742,396	335,684	$ 425,000	$ 419,919	$ 453,976	325,000	397,000	397,000	397,000	397,000
Streets - Operating	393,890	434,463	$ 419,000	$ 312,650	$ 393,450	446,000	452,690	459,480	466,373	473,368
Transfers (including debt service)	415,465	1,286,784	$ 388,140	$ 323,450	$ 388,140	388,072	390,314	225,000	225,000	225,000
Transportation Fund Expenditures:	**1,551,751**	**2,056,931**	**1,232,140**	**1,056,018**	**1,235,566**	**1,159,072**	**1,240,004**	**1,081,480**	**1,088,373**	**1,095,368**
Estimated Ending Balance ***(deficit)*** **:**	**1,135,326**	**115,528**	**(46,301)**	**(72,534)**	**(141,572)**	**(139,339)**	**(275,124)**	**(236,013)**	**(187,892)**	**(130,626)**

Transportation Fund Follow-up

- Continued Stress on Fund
- Revenue Impact from COVID-19
- Unbudgeted projects
  - Melody Lane Stormwater Grant Local Share
  - Street Overlay Project Overrun
  - Pinecrest Curb Repairs
- Fund Balance Deficit – 2020 Year end transfer from Reserve Funds; Keep an eye on 2021 spending

Parks Sales Tax

Parks Sales Tax Fund Follow-up

- Park Sales Tax – clarify what is GF Maintenance vs. what is a park improvement. Develop a policy and take to CLARB and the Board (i.e. 15% Benchmark for Administrative and Equipment purchases, minimum $500,000 each year for park improvements)
  - Include tractor in budget for now, subject to policy development.
- Pocket Park – Include budget for safety measures (bollards, sidewalk reconstruction, decking, Grigsby statue move).

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