

SMITHVILLE BOARD OF ALDERMAN

WORK SESSION

August 18, 2020 5:00 p.m.
City Hall Council Chambers

Due to the COVID-19 pandemic this meeting was held via teleconference and streamed live on the City Facebook page.

1. Call to Order

Mayor Boley, present, called the meeting to order at 5:00 p.m. A quorum of the Board was present: Mayor Boley, Aldermen Bloemker and Alderman Chevalier were in attendance in the City Hall Council Chambers; Alderman Sarver, Alderman Atkins, Alderman Ulledahl and Alderwoman Wilson attended via Zoom Meeting.

Cynthia Wagner was present in the City Hall Council Chambers. Other staff present via Zoom: Nickie Lee, Chuck Soules, Chief Jason Lockridge, Jack Hendrix, Dan Toleikis, Matt Denton and Linda Drummond.

2. Discussion of Wastewater Master Plan – HDR Engineering

Presenters - Aaron Bresette and Amanda Bagwell with HDR Engineering presented the Wastewater Master Plan for Smithville.

[Wastewater Master Plan Executive Summary](#)

[Wastewater Master Plan Presentation](#)

Master Plan Purpose

HDR Engineering Inc. was retained by the City of Smithville to prepare a Wastewater Master Plan. The Master Plan summarizes HDR's assessment of the City of Smithville's Wastewater Treatment Plant (WWTP) and collection and conveyance system, including pump stations, force mains, and major gravity interceptors. The purpose of this Master Plan is to:

- Define and prioritize wastewater infrastructure improvement needs within the next ten years related to growth and capacity upgrades and regulatory requirements
- Develop a long term, "ultimate", collection system plan that prioritizes a gravity collection system that eliminates many of the City's 36 existing pump stations and minimizes the need for future pump stations.

Aaron Bresette explained the existing infrastructure capacity for the north force main. Potential growth of approximately 89 houses a year equates to around 260 people per year. If all this potential growth occurred in the north, the system would reach capacity in just under seven years. He said it is recognized that all of the

development will not be in the north, some will be in the south, but explained that it is time to start thinking about upgrading the future capacities.

Existing Infrastructure Capacity – North Force Main

*230 houses from Eagle Heights plus 90 additional houses from development to the north

NORTH SMITHVILLE SHORT TERM DEVELOPMENT CAPACITY	Single Family Houses	Estimated Additional Population
Additional Development Capacity (no improvements)	265	716
Additional Development Capacity with Wildflower Pump Station improvements (Eagle Heights development responsibility)	320*	864
Total Existing North Force Main Capacity	585	1,580

City should begin to plan for future capacity upgrades in the next two to three years

Allow time for design, easement acquisition, and construction

Alderwoman Wilson asked if she was understanding correctly, we have some capacity left in the north system as a whole, but the current lift stations probably cannot handle much more?

Aaron said she was correct and explained that the existing force main trunk line in the north portion can handle the flow for the above listed additional development.

Mayor Boley asked if there were any savings if the City would do the Smith's Fork pump station replacement the same time we do the Smith's Fork raw water pump station?

Aaron said it was something to consider, a change order could be submitted, and we could possibly use the same contractor.

Mayor Boley asked about the timing for the Smith's Fork raw water pump station?

Aaron said it would be ready to go out for bid this fall for a construction in 2021.

Mayor Boley asked if we could get an estimation of the cost to combine the two projects?

Aaron said that they could meet with Chuck Soules, Public Works Director, Bob Lemley, Utilities Superintendent and the Corp of Engineers to work on a plan together to see what it would take to combine them. He said it was a good plan that would benefit the campground. It would also be a good idea to do all the construction at one time and not come back in two to three years and tear up the ground again.

Cynthia said the Board could have discussion regarding to the Wastewater Master Plan but needs to be aware of cash flow in the FY21 recommended budget. She said that the red flag right now is understanding where our combined water and wastewater fund is.

Chuck Soules said that this is a great plan to get started with but the one thing we do not want to forget is the main parts of the collections and the treatment systems. He explained that we have hundreds of miles of smaller mains that the City is responsible for and the maintenance is not part of this review at this point. The prices that we have are for capital improvements and there is a lot of work that the City needs to do on the smaller collection system.

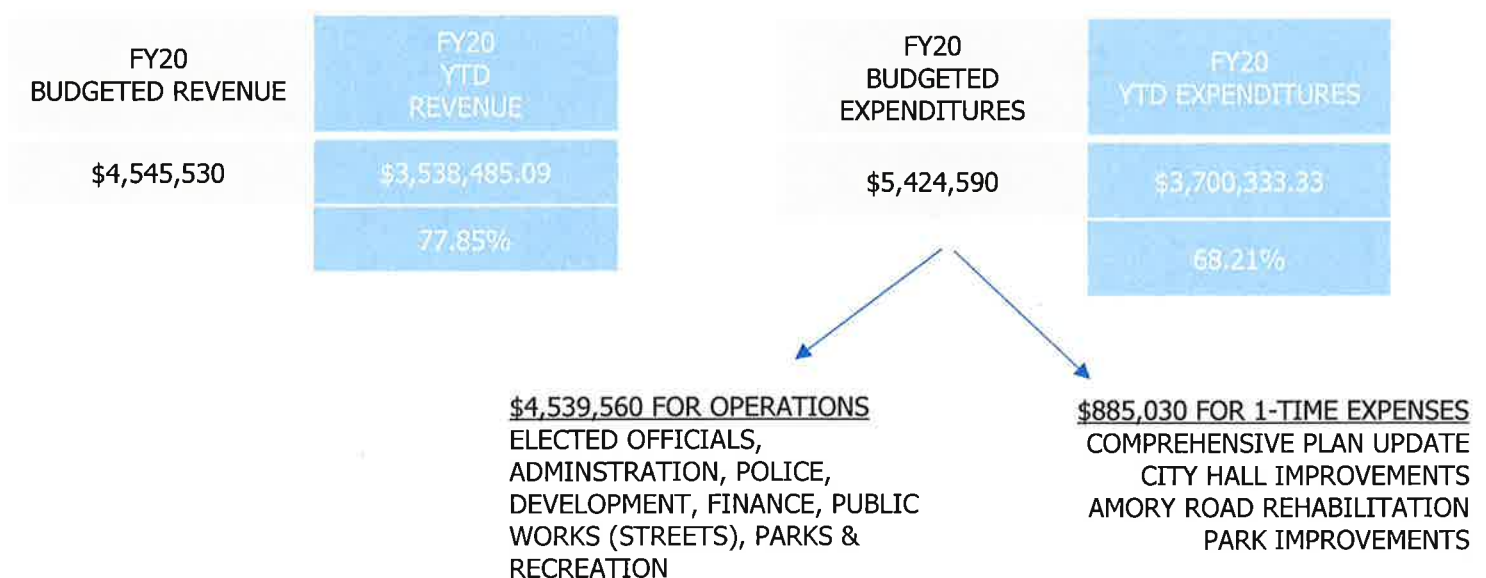
Aaron said that Chuck made a good point. He explained that was beyond the scope of this initial Wastewater Master Plan, but a condition assessment of the existing system of the miles and miles of existing pipes that are aging.

Chuck said that the slipline program will help with some of the capacity issues if we can keep some infiltration out.

3. FY20 9-Month Budget Update

Dan Toleikis, Finance Director, presented the FY20 9-Month Budget Update.

General Fund



Property Tax Revenue

FY20
BUDGETED
REVENUE

\$867,400

FY20
YTD
REVENUE

\$887,528.70

102.31%

THROUGH 7/31

FY TOTAL

7/31 AS % OF TOTAL

FY19
PROPERTY
TAX

\$850,403.11

\$855,454.56

99.41%

FY18
PROPERTY
TAX

\$811,826.70

\$815,998.09

99.49%

\$867,400

\$891,980

102.83%

+ \$24,580

IF THE \$887,528.70 COLLECTED THROUGH JULY 31ST REPRESENTS 99.5% OF WHAT WE WILL COLLECT FOR THE YEAR, THEN WE CAN PROJECT THAT WE WILL COLLECT ABOUT \$891,980 WHICH IS \$24,580 OVER BUDGET

PROJECTION ON 4/30 WAS \$896,000

Sales Tax Revenue

FY20
BUDGETED REVENUE

NOVEMBER - JANUARY

FEBRUARY - APRIL

MAY - JULY

\$1,083,250

FY20
SALES TAX
DISTRIBUTION

\$279,854.36

\$276,931.33

\$313,608.54

\$870,394.23

80.35%

FY19
SALES TAX
DISTRIBUTION

\$254,712.96

\$251,224.67

\$280,652.96

\$786,590.59

FY18
SALES TAX
DISTRIBUTION

\$268,482.32

\$245,532.87

\$271,657.88

\$785,673.07

CURRENT PROJECTIONS INDICATE A FISCAL YEAR COLLECTION OF \$1,164,890 WHICH IS \$81,640 OVER BUDGET

PROJECTION ON 4/30 WAS \$1,132,800

NOTE: A SALES AND USE TAX REPORT IS INCLUDED IN THE REGULAR PACKET WITH MONTH-BY-MONTH DETAIL

Use Tax Revenue

FY20 BUDGETED REVENUE	FY20 USE TAX DISTRIBUTION	FY19 USE TAX DISTRIBUTION	FY18 USE TAX DISTRIBUTION
NOVEMBER - JANUARY	\$70,402.31	\$65,006.77	\$52,038.11
FEBRUARY - APRIL	\$84,841.33	\$108,378.19	\$74,077.05
MAY - JULY	\$133,165.37	\$63,212.57	\$49,296.03
\$343,280	\$288,409.01	\$236,597.53	\$175,411.19
	84.02%		

CURRENT PROJECTIONS INDICATE A FISCAL YEAR COLLECTION OF \$367,360
WHICH IS \$24,080 OVER BUDGET
PROJECTION ON 4/30 WAS \$305,100

NOTE: A SALES AND USE TAX REPORT IS INCLUDED IN THE REGULAR PACKET WITH
MONTH-BY-MONTH DETAIL

Capital Projects Fund

FY20 BUDGETED REVENUE	FY20 YTD REVENUE
\$238,120	\$0.00
	0.00%

↓
RTP GRANT REIMBURSEMENT

FY20 BUDGETED EXPENDITURES	FY20 YTD EXPENDITURES
\$1,882,370	\$459,984.61
	24.44%

↓

SOUTH COMMERCIAL SIDEWALKS
MAIN STREET TRAIL
DOWNTOWN STREETSCAPE EAST PHASE

Transportation Sales Tax Fund

FY20 BUDGETED REVENUE	FY20 YTD REVENUE
\$475,080	\$399,480.29
	84.09%

FY20 BUDGETED EXPENDITURES	FY20 YTD EXPENDITURES
\$380,000	\$121,349.21
	31.93%

↓

\$200,000 FOR DOWNTOWN
STREETSCAPE EAST PHASE

\$60,000 FOR ENGINEERING FEES (ROUNDAABOUT)

\$120,000 FOR PUBLIC WORKS OPERATIONS (STREETS)

Capital Improvement Sales Tax Fund

FY20
BUDGETED
REVENUE

\$475,080

FY20
YTD
REVENUE

\$397,290.39

83.63%

FY20
BUDGETED
EXPENDITURES

\$798,910

FY20
YTD
EXPENDITURES

\$223,755.00

28.01%

\$242,630 FOR DOWNTOWN
STREETSCAPE EAST PHASE

\$556,280 TRANSFER TO DEBT SERVICE FUND

Debt Service Fund

FY20
BUDGETED
REVENUE

\$556,280

FY20
YTD
REVENUE

\$223,755.00

40.22%

FY20
BUDGETED
EXPENDITURES

\$325,020

FY20
YTD
EXPENDITURES

\$223,755.00

68.80%

DEBT SERVICE PAYMENTS ARE DUE 3/1 AND 9/1

Combined Water and Wastewater System Fund

FY20
BUDGETED
REVENUE

\$4,381,400

FY20
YTD
REVENUE

\$3,169,465.43

72.34%

\$3,535,250 SALES & PENALTIES
\$631,710 IMPACT FEES
\$214,440 CONNECTION, STORMWATER, AND
LEASE REVENUE

FY20
BUDGETED
EXPENDITURES

\$6,690,170

FY20
YTD
EXPENDITURES

\$3,877,081.06

57.95%

\$3,181,030 FOR 1-TIME EXPENSES
WASTEWATER MASTER PLAN
SEWER SLOPLINE PROGRAM
RAW WATER PUMP STATION
MAIN STREET WATERLINE
144TH STREET PUMP STATION
HAWTHORNE SEWER PROJECT

\$3,509,140 FOR PUBLIC WORKS OPERATIONS (UTILITIES)

Water and Wastewater Sales Revenue

FY20
BUDGETED
REVENUE

\$3,490,250

FY20 YTD REVENUE
\$2,780,016.90
79.65%

THROUGH 7/31

FY TOTAL

7/31 AS % OF TOTAL

FY19
WATER SALES

\$2,414,862.42

\$3,435,824.75

70.28%

FY18
WATER SALES

\$2,410,977.58

\$3,431,336.31

70.26%

PROJECTION

\$3,490,250

\$3,957,310
113.38%
+ \$467,060

PROJECTION ON 4/30 WAS \$3,843,400

IF THE \$2,780,016.90 COLLECTED THROUGH JULY 31ST REPRESENTS 70.25% OF WHAT WE WILL COLLECT FOR THE YEAR, THEN WE CAN PROJECT THAT WE WILL COLLECT ABOUT \$3,957,310 WHICH IS \$467,060 OVER BUDGET

Sanitation Fund

FY20
BUDGETED REVENUE

\$840,360

FY20
YTD
REVENUE

\$617,492.65

73.48%

FY20
BUDGETED
EXPENDITURES

\$835,290

FY20
YTD EXPENDITURES

\$608,400.75

72.84%

CARES Stimulus Fund

FY20
BUDGETED REVENUE

\$945,400

FY20
YTD
REVENUE

\$945,399.87

100.00%

FY20
BUDGETED
EXPENDITURES

\$945,400

FY20
YTD EXPENDITURES

\$130,470.36

13.80%

4. Discussion of FY21 Operating Budget

Cynthia explained that she believes that the information presented to the Board is reflective of the goals and priorities set by the Governing Body at retreats over the last couple of years. She said that we are very fortunate given the current global situation in the national economy with regard to COVID-19. She explained that a number of communities in the metropolitan area have looked at scaling back and as Dan updated on the FY20 update, we have not been impacted by the sales tax loss like some areas have. She said that, operationally the budget is balanced and in the proposed budget are at the same service level to those provided currently are in the budget.

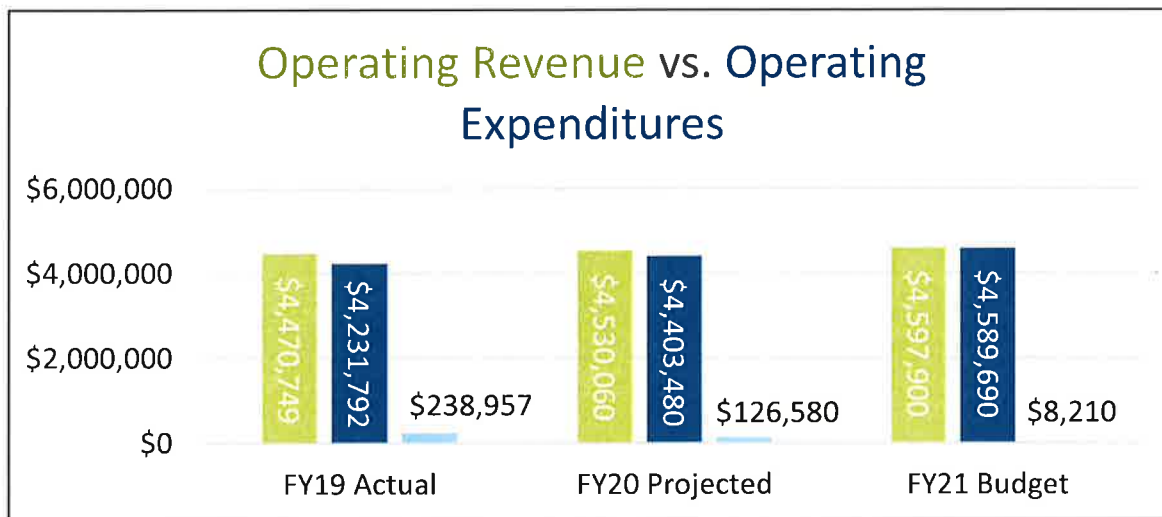
Staff requests direction from the Board on a number of items and Dan has done a good job in outlining that information. Cynthia stated that staff will be working with the City's financial advisors and with reviewing the utility rate studies and to focus on funding the improvements to address infrastructure needs for the community.

Cynthia informed the Board that this was Dan's last meeting as a City of Smithville employee and next Monday is his last day. She thanked Dan for his efforts as Finance Director for the last four years and for his efforts in providing the Board sound financial and budget information.

Dan Toleikis presented the FY21 Operating Budget

General Fund

Operating Budget History



FY21 OPERATING BUDGET HIGHLIGHTS

- Projected FY21 Operating Revenue = \$4,597,900

Staff's recommendations:

- a 2.25% increase in sales tax revenue [+ \$27,060 change from FY20]
1.25% increase on existing sales figures
1% in new sales tax revenue from the Marketplace
- a 7.5% increase in use tax revenue [+ \$27,550]
- 90% property tax collection [- \$5,030]
- a 20% decrease in telecommunications franchise tax revenue [- \$20,840]

- a 70% decrease in interest income [-\$68,260]
- a 33% decrease in building permit revenue [-\$23,550]
- a 'return to normal' for SRO reimbursement, court fine revenue, recreation program revenue, and campground revenue [+\$90,950]

Subtotal of above recommendations = +\$27,880

All other changes not highlighted above = +\$39,960

Projected FY21 Operating Expenditures = \$4,589,690

Staff's recommendations:

- no cost of living adjustment (COLA) to the compensation plan
- a 3.0% merit pool for salary increases effective May 1, 2021 [+\$42,270]
- the addition of On-Call Time compensation [+\$6,500]
- a presumptive 15.0% increase in medical insurance [+\$72,180]

Final renewal numbers are expected in early September

- the reclassification of Administrative Coordinator to Permit Technician in the Development Department [+\$4,860]

Subtotal of above recommendations = +\$125,810

All other changes not highlighted above = +\$53,470

Y21 OPERATING BUDGET HIGHLIGHTS

- Projected FY21 Operating Revenue = \$4,597,900
- Projected FY21 Operating Expenditures = \$4,589,690
- Operating Revenue Over/(Under) Operating Expenditures = \$8,210
Balanced Budget!

ITEMS NOT FUNDED IN BUDGET - \$79,190

- Economic Development = add \$12,570
KCADC \$10,000 Visit KC Participant \$1,500
ICSC \$800 KC Star/Business Journal Subscription \$270
- Clay County EDC \$4,000 Sponsorship Platinum Level = add \$1,500
Currently \$2,500 in budget for Gold Level Sponsorship
- Communities for All Ages Participation = add \$1,500
Currently \$0 in budget for participation
- Implementation of 6-YR Radio Replacement Program = add \$20,000
24 Police Department radios are all 8 years old; replacement cost is \$5,000/ea
- Community Survey = add \$14,000
Last survey performed in January 2018; factors into benchmarking
- Allowable \$7,250 in Board Expenditures = add \$4,620
Currently \$2,630 in budget for 50% of allowable training and no allowance
- Jumpstart the Parks & Recreation Master Plan = add \$25,000
Currently can begin January 2021 at the earliest

Alderwoman Wilson asked if it would be possible to do a budget amendment for the FY20 budget and jumpstart the Parks and Recreation Master Plan?

Dan said that we absolutely could with the \$65,000 we have in excess sales tax and use tax revenues. He asked if the Board would want the \$65,000 to be added to the FY21 budget and dedicate \$25,000 to the Parks and Recreation Master Plan?

Alderman Atkins asked if the same could be done for the police radios?

Dan said it could be done also.

Alderman Sarver asked if the average age of the of our police radios is eight years and how long they generally last?

Chief Lockridge said yes, most of the radios we have are around eight years old and we try to replace them no later than ten years. All of radios we have were purchased at the same time. He said he had received word from Motorola through Platte County that this is probably the last year they will be manufacturing replacement parts for the current models so we will have difficulty getting parts to make repairs. He explained that the department would like to start staggering purchase of replacements, so they are not having to replace the radios all at one time.

Mayor Boley asked if the Board would want purchase four this budget year or only two?

Alderwoman Wilson said she would like to start replacing them.

Mayor Boley asked if the Board wanted to use the whole \$20,000 or only \$10,000?

Alderman Sarver said he was good with the \$20,000. He said with only purchasing four now we were still going to be behind in replacing them.

Mayor Boley asked the Board if they wanted \$20,000 in this year's budget and then \$20,000 in next year's budget?

The Board agreed to the \$20,000 in this year's budget and \$20,000 in next year's budget to purchase police radios.

Dan said to follow up on the Board discussion we would do an amendment to the FY20 budget to include \$20,000 for the purchase of four police radios and \$25,000 to start the Parks and Recreation Master Plan. Then include \$20,000 in the FY21 budget for the purchase of four more police radios.

Mayor Boley said that was correct.

Dan asked the Board if they were then comfortable with instead of having \$8,000 to the good it will be \$12,000 with expenditures over revenues or does the Board want to direct staff to find \$12,000 somewhere in the budget to bring the FY21 back to a balanced budget?

Mayor Boley asked that staff try and cut \$20,000 and also show what the numbers look like for property tax level for this year just as a hypothetical.

Alderwoman Wilson said she would personally like to see a balanced budget but also that she had asked staff to be pretty conservative with the property tax figure at 90%.

Cynthia asked if the Board agreed with the Economic Development figure?

Mayor Boley said that we might want to look at the Visit KC partnership. He asked if we had benefited from it this last year?

Cynthia said that we had been a participant for a year but the majority of that has been some kinds of COVID restrictions.

Nickie Lee, Assistant City Administrator, explained that we joined the program in late fall last year and with COVID she has not played around with the reports. She believes there is more reporting and information available than what she has accessed. She has added quite a few events such as the Main Street group and a couple of the networking events that a few of our Economic Development committee have attended. She explained that they cut the fee in half this year because of COVID. She thinks it is a great partnership.

Mayor Boley said he would like to see the Main Street group be more engaged.

Dan said the Main Street is funded in the FY21 budget.

Mayor Boley asked when the Board would need to look for a director for the Main Street group?

Nickie said that because of COVID they have extended the timelines about a year. She said that she has a board meeting with them on Monday and could ask a lot of these questions. She believes that we can bring on a director whenever it makes sense to the City and to Main Street.

Mayor Boley said that he did not want this to become something that people lose focus on.

Cynthia said that there are a good group of people involved in the Main Street group and there is a significant linkage from it to the Strategic Plan the Comprehensive Plan update.

Mayor Boley said he thinks we should ask the Main Street group if they think we should keep the Visit KC participation.

REVIEW OF BEGINNING CASH BALANCE

- Projected FY21 Beginning Cash Balance = \$3,125,782
- 40% Policy-Required Reserve = $4,589,690 \times 40\% = \$1,835,876$
\$960,000 invested in CDs (52.3%) maturing 2/15/2021
\$875,876 in regular bank account (47.7%)
Getting current CD rates to see if we should invest this portion now
- Excess Cash on Hand = $3,125,782 - 1,835,876 = \$1,289,906$
Provides support for cash flow needs
Available to spend on CIP or other one-time expenses

CIP & ONE-TIME EXPENSES - \$682,500

- City Hall Lobby or Restroom Improvements = \$95,000
- Records Management Software = \$100,000
- Phase I Campground Electric Upgrade = \$37,500
Phase II in FY22 and Phase III in FY23
- Transportation Master Plan & Complete Streets/Trails = \$100,000
- GIS & Asset Management = \$100,000
\$200,000 project split 50%/50% with Public Works Department (Utilities)
- Engineering – Combined Streets/Parks Building = \$250,000
Engineering RFQ in FY21
Construction in FY22

TRANSFER TO OTHER FUNDS - \$40,000

- Vehicle & Equipment Replacement Fund Seeding = \$40,000
Ideal Fund reserve would be \$500,000

Current plan is to transfer \$40,000 each of the first 10 years to establish 80% of the reserve (\$400,000)

Utilizes sales revenue from selling City-owned vehicles over the first 4 years to offset the first 4 years' monthly lease amounts

Operational transfers to start in year 5 beginning with \$30,000 and increasing 5% each year
These operational transfers will cover the monthly lease amounts and add \$100,000 to the reserve between years 5 and 12

UTILIZATION OF EXCESS CASH ON HAND

- Beginning Excess Cash On Hand = \$1,289,906
- CIP & Other One-Time Expenses = \$682,500
- Transfer to Other Funds = \$40,000
- Ending Excess Cash on Hand = $1,289,906 - 682,500 - 40,000 = \$567,406$

Equivalent to 12.4% over and above required reserve

REVIEW OF ENDING CASH BALANCE

- Ending Excess Cash On Hand = \$567,406
- 40% Policy-Required Reserve = \$1,835,876
- Operating Revenue Over/(Under) Operating Expenditures = \$8,210
- Projected FY21 Ending Cash Balance = \$2,411,492

Equivalent to a 53.5% reserve

Cynthia pointed out that the ending cash on hand excess over our 40% reserve is about \$530,000.

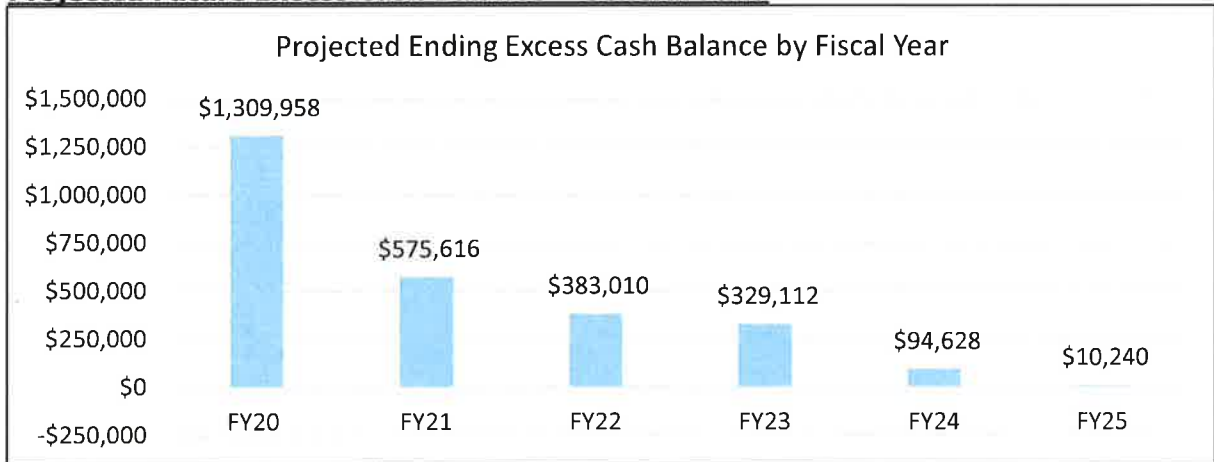
FUTURE CIP - \$530,000

- City Hall Improvements
 - Lobby or Restrooms in FY22 - \$95,000
 - Kitchen in FY22 - \$25,000
 - Police Reconfiguration in FY24 - \$240,000
 - Administrative Rehabilitation in FY25 - \$110,000
- Campground Electric Upgrades
 - Parks & Recreation Department
 - Phase II in FY22 - \$30,000
 - Phase III in FY23 - \$30,000
 - Construction – Combined Streets/Parks Building
 - Public Works and Parks & Recreation Departments
 - Construction in FY22

Likely funded through Certificate of Participation (COP) or GO Bond

+ Future \$40,000 Transfers to VERF in FY22 – FY30

Projected Future Excess Cash Balance – General Fund



Alderman Wilson said after this was presented at the Finance Committee meeting she thought about it and said she would support using some of the excess cash on hand to do the renovations to City Hall plus the \$40,000 for the vehicle lease. She does question doing the reconfiguration to the Police side of City Hall from the standpoint if we were going to look at a Public Safety Sales Tax. At this time, she would like to see City Hall lobby, the records management, the upgrades to Smith's Fork Park, the Transportation Master Plan, the GIS and the engineering.

Alderman Bloemker agreed.

Mayor Boley asked if the Board was interested in doing all of the reconfiguration to City Hall this next year?

Alderman Wilson said all but the Police side.

Mayor Boley said if we could combine all the projects, we could probably see some savings.

Dan asked if they wanted those projects for FY21?

Alderman Wilson said yes. She asked if we delayed the Police side reconfiguration could we then look at doing all of the Smith's Fork Campground electrical upgrades? She reiterated the only thing she would remove was the Police Department reconfiguration.

Cynthia clarified what Alderman Wilson said that we would hold off on the Police Department reconfiguration right now and wait for the possibility of Public Safety Sales Tax funding.

Alderman Bloemker stated that he knew that we were working on a new plan to pursue the Public Safety Sales Tax, but asked if we should possibly hold off on the electrical upgrades at the campgrounds until we see if we can make the Public Safety Sales Tax happen?

Mayor Boley said he believed we could only do one phase at a time for the electrical upgrades.

Matt Denton, Parks and Recreation Director, said that was correct and also that phase II and phase III would take more work to complete. He spoke to TNT Electric, who did the last upgrade, and they were positive that they would be able to get the first phase done in the off season with no problem.

Mayor Boley stated that what he would like to see as part of the Parks and Recreation Master Plan is planning for additional opportunities for the campground, including the possibility of cabins.

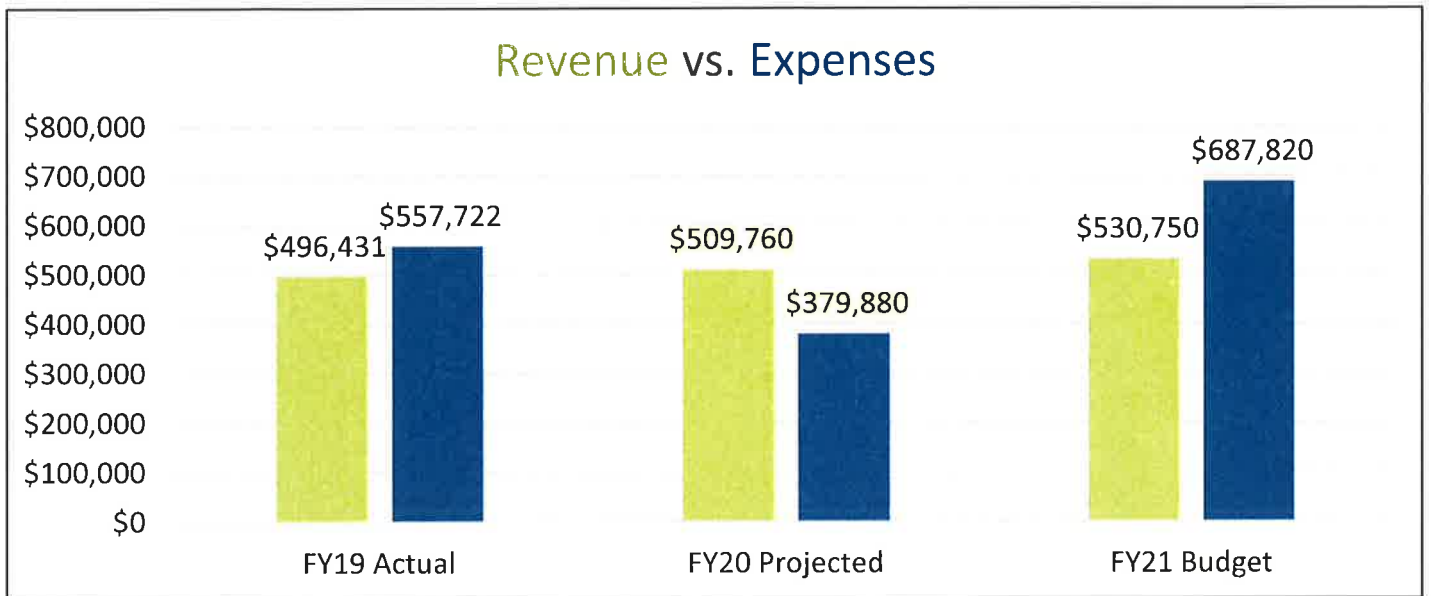
VEHICLE & EQUIPMENT REPLACEMENT FUND FY21 BUDGET HIGHLIGHTS

- Projected FY21 Beginning Cash Balance = \$0
- Projected FY21 Transfer from General Fund = \$40,000
- Projected FY21 Sales from City-owned Vehicles = \$125,000
Represents the sales proceeds from 18 vehicles
- Projected FY21 Lease Expenses = \$125,000
Represents the annual lease payments for 15 new vehicles
- Projected FY21 Ending Cash Balance = \$40,000

CAPITAL PROJECT FUND FY21 BUDGET HIGHLIGHTS

- Projected FY21 Beginning Cash Balance = \$243,437
Remaining proceeds from 2018 and 2019 GO Bond issuances
- To date, completed Downtown Streetscape Main Phase, Second Creek Road Bridge Replacement, 180th Street Trail & Sidewalks, South Commercial Sidewalks, and Main Street Trail projects
- No FY21 Revenue Source
 - Projected FY21 CIP Expenses = \$243,437
Downtown Streetscape East
 - Projected FY21 Ending Cash Balance = \$0
Must be spent by February 2022

TRANSPORTATION SLES TAX FUND
Budget History



FY21 BUDGET HIGHLIGHTS

- Projected FY21 Beginning Cash Balance = \$485,817
- Projected FY21 Sales Tax Revenue = \$530,750
- Projected FY21 Operating Expenditures = \$177,820
- Projected FY21 CIP Expenses = \$510,000

Rock Creek asphalt overlay = \$185,000

Coulter Addition asphalt overlay = \$150,000 ***

Microsurfacing = \$75,000

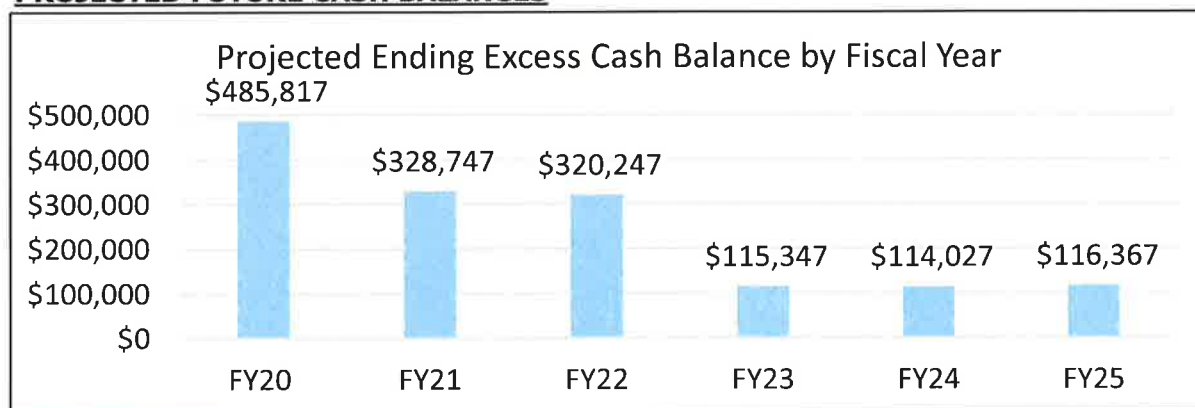
North salt shed = \$100,000

- Projected FY21 Ending Cash Balance = \$328,747

Dan explained that the Coulter Addition streets are private streets, but staff believes doing the asphalt overlay to those streets would be good leverage to have them turn the streets over to the City.

Mayor Boley said it would not be just repairing the streets, it would also be for snow removal and maintenance. He also said gaining the easements would also help for adding trails.

PROJECTED FUTURE CASH BALANCES



PARKS & STORMWARE SALES TAX FUND
FY21 BUDGET HIGHLIGHTS

- Projected FY21 Beginning Cash Balance = \$0
New Fund will be created in October alongside budget approval
- Projected FY21 Sales Tax Revenue = \$442,290
10 months of revenue beginning in January 2021
- Projected FY21 Operating Expenditures = \$0
Staff recommends no operating expenditures be paid from this Fund
- Projected FY21 CIP Expenses = \$225,000 ?
Board to review Parks and Stormwater expenses annually through budget
Let's look at the Capital Improvement Plan
- Projected FY21 Ending Cash Balance = \$217,290 ?

Dan explained that this will be a new fund that will be developed in October with the approval of the FY21 budget.

Dan explained that staff is recommending to include \$25,000 improvements for the splash pad, for fencing, benches and shade structures, to include \$100,000 for the Parks and Recreation Master Plan, that should be a lower number if we start in the FY20, and budget another \$100,000 for a to-be-determined project, possibly a stormwater project. Dan asked the Board for direction on these recommendations.

Alderwoman Wilson and Alderman Sarver agreed with staff's recommendations.

Mayor Boley asked if an amount needed to be put in for stormwater next year?

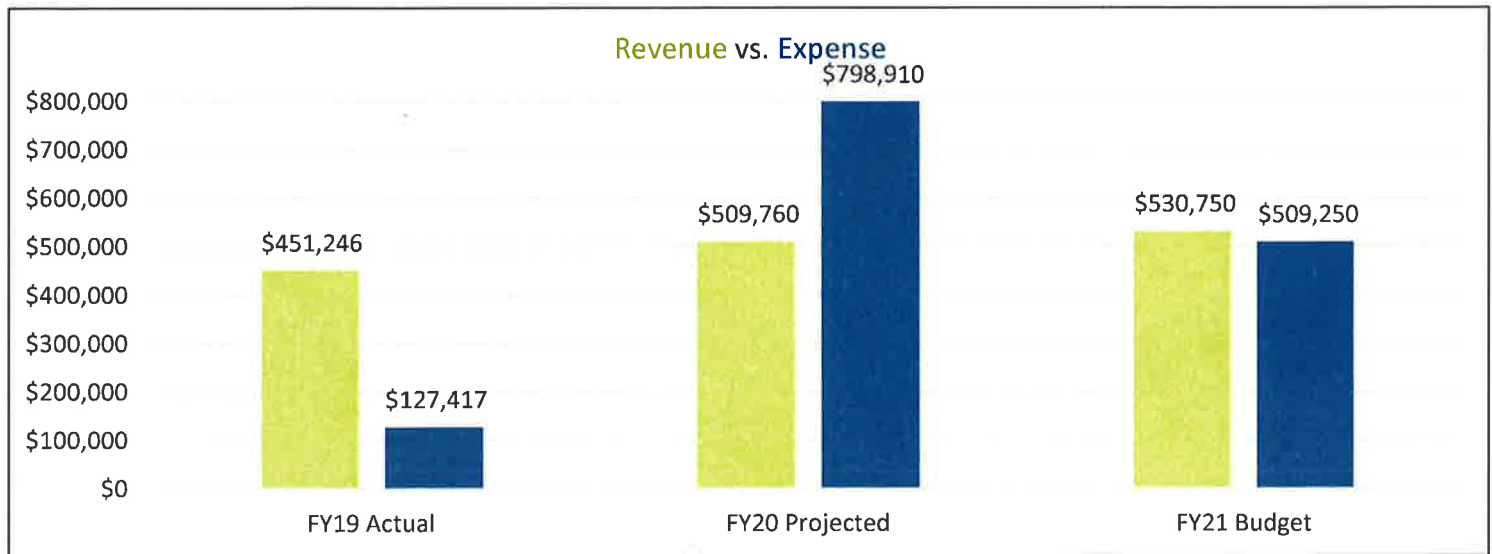
Cynthia asked for clarification.

Mayor Boley said for example to put 15% designated to stormwater projects.

Cynthia recommended as we progress through the budget, with Chuck looking at stormwater projects and implementing the Parks and Recreation Master Plan, both will help identify future projects.

Cynthia said that with Chuck looking at the stormwater priorities like he did with the pavement management index, we will be able to develop a plan. She said we may even need to look into a Stormwater Master Plan. Also, once we begin using the GIS to map and identify our stormwater system there will be a number of projects that will need to be done. She said in her conversations with Chuck the Main Street Trail has a number of culvert replacements in it. As we look at trail expansion of the Parks and Recreation system through the Parks and Recreation Master Plan, she believes we will see some joint expenditures.

CAPITAL IMPROVEMENT SALES TAX FUND BUDGET HISTORY



FY21 BUDGET HIGHLIGHTS

- Projected FY21 Beginning Cash Balance = \$34,679
- Projected FY21 Sales Tax Revenue = \$530,750
- Projected FY21 Expenditures = \$509,250

Transfer to Debt Service Fund

FY21 debt repayments = \$329,855

Additional Debt Service Fund Reserve = \$12,335

Downtown Streetscape East = \$167,060

- Projected FY21 ending Cash Balance = \$56,179

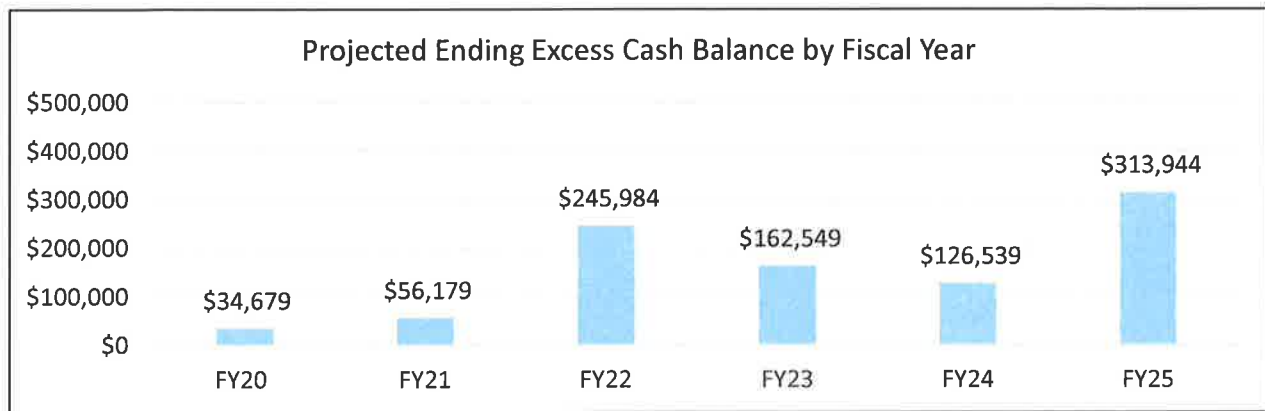
Provides funding for Debt Service Fund

Available to spend on CIP or other one-time expenses

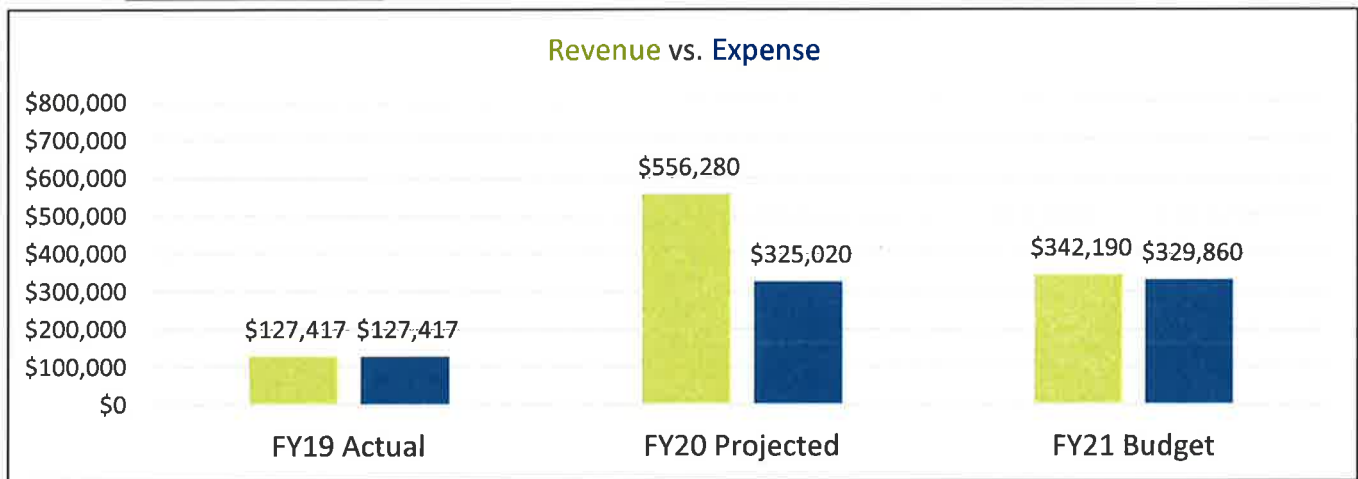
FUTURE CIP - \$495,000

- Downtown Streetscape Gateway Sign
- FY23 - \$270,000
- Downtown Streetscape North
- FY24 - \$625,000
- MARC Grant Reimbursement - \$400,000

PROJECTED FUTURE CASH BALANCES



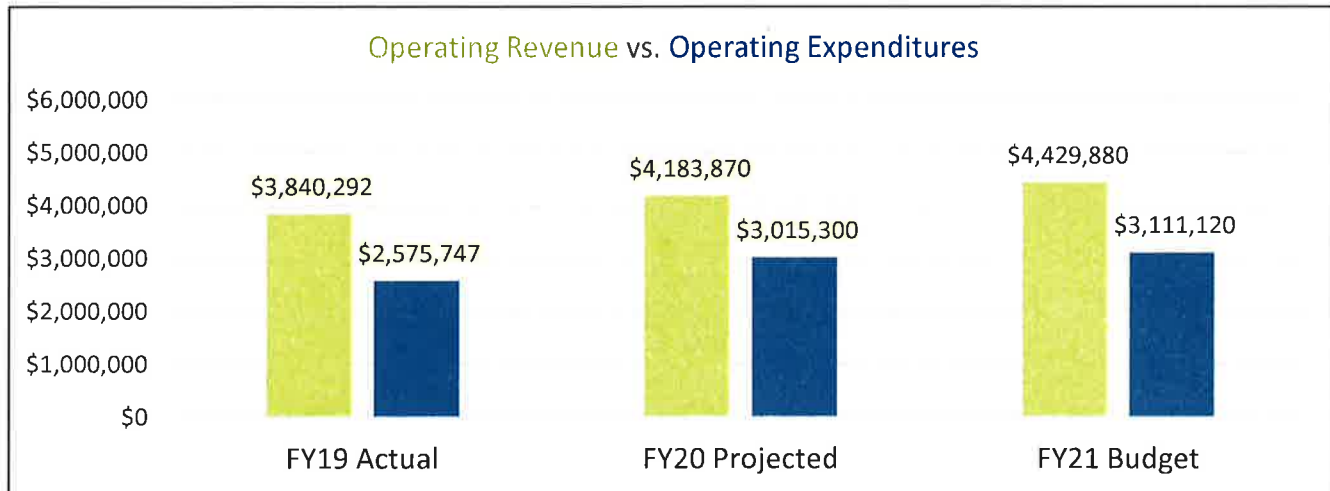
DEBT SERVICE FUND BUDGET HISTORY



FY21 BUDGET HIGHLIGHTS

- Projected FY20 Beginning Cash Balance = \$231,260
3/1/21 debt payment = \$231,260
- Projected FY21 Revenue = \$342,190
Transfer from Capital Improvement Sales Tax Fund
- Projected FY21 Expenditures = \$329,850
3/1/21 debt payment = \$231,260
9/1/21 debt payment = \$98,590
- Projected FY21 ending Cash Balance = \$243,600
3/1/22 debt payment = \$243,595

COMBINED WATER & WASTEWATER SYSTEM FUND FY21 OPERATING BUDGET HISTORY



FY21 OPERATING BUDGET HIGHLIGHTS

- Projected FY21 Operating Revenue = \$4,429,880

Staff's recommendations:

- a 3% increase in water sales revenue [+\$72,630 change from FY20]
- a 10% increase in wastewater sales revenue [+\$153,620]

Rate Study recommends year 3 rate increase in April 2021

Subtotal of above recommendations = +\$226,650

All other changes not highlighted above = +\$19,360

Projected FY21 Operating Expenditures = \$3,111,120

Staff's recommendations:

- no cost of living adjustment (COLA) to the compensation plan
- a 3.0% merit pool for salary increases effective May 1, 2021 [+\$12,900]
- the addition of On-Call Time compensation [+\$23,290]
- a presumptive 15.0% increase in medical insurance [+\$9,270]

Final renewal numbers are expected in early September

- an increase in KCMO Sewer Services for Forest Oaks subdivision [+\$26,200]

Subtotal of above recommendations = +\$71,660

All other changes not highlighted above = +\$24,160

- Projected FY21 Operating Revenue = \$4,429,880
- Projected FY21 Operating Expenditures = \$3,111,120
- Operating Revenue Over/(Under) Operating Expenditures = \$1,318,760
Balanced Budget!

REVIEW OF BEGINNING CASH BALANCE

- Projected FY21 Beginning Cash Balance = \$1,320,837

- 20% Policy-Required Reserve = \$3,111,120 x 20% = \$622,224

\$330,000 invested in CDs (53.0%) maturing 2/15/2021

\$292,224 in regular bank account (47.0%)

- Excess Cash on Hand = \$1,320,837 - \$622,224 = \$698,613

Provides support for cash flow needs

Available to spend on CIP or other one-time expenses

CIP & ONE-TIME EXPENSES - \$2,010,000

- Highland Drive Sewer Replacement = \$270,000
Fixes sewer flow issues
 - 188th Street Waterline = \$270,000
Relates to MODOT work
 - Fourth Street and Fourth Terrace Water and Sewer Lines = \$500,000
 - Raw Water Pump Station, Valve Box, and Zebra Mussel Control = \$870,000
Water Master Plan 2019 Project
- \$1,870,000 total project cost with \$1M coming from Water Impact Fees
- GIS & Asset Management = \$100,000
- \$200,000 project split 50%/50% with Public Works Department (Streets)

WATER AND WASTEWATER IMPACT FEES

REVIEW OF BEGINNING CASH BALANCE

- Projected FY21 Beginning Cash Balance = \$952,166 in Water Impact
- Projected FY21 Beginning Cash Balance = \$629,643 in Sewer Impact

- Projected FY21 Revenue = \$176,590 Water Impact Fees
- Projected FY21 Revenue = \$202,420 Sewer Impact Fees

- Projected FY21 Expenditures = \$1,000,000 from Water Impact
Raw Water Pump Station, Valve Box, and Zebra Mussel Control project
- Projected FY21 ending Cash Balance = \$128,756 in Water Impact
- Projected FY21 ending Cash Balance = \$832,063 in Sewer Impact

COMBINED WATER AND WASTEWATER SYSTEM FUND

UTILIZATION OF EXCESS CASH ON HAND

- Beginning Excess Cash On Hand = \$698,613
- Operating Revenue Over/(Under) Operating Expenditures = \$1,318,760
- CIP & Other One-Time Expenses = \$2,010,000
- Ending Excess Cash on Hand = 2,017,373 - 2,010,000 = \$7,373
Equivalent to 0.2% over and above required reserve

REVIEW OF ENDING CASH BALANCE

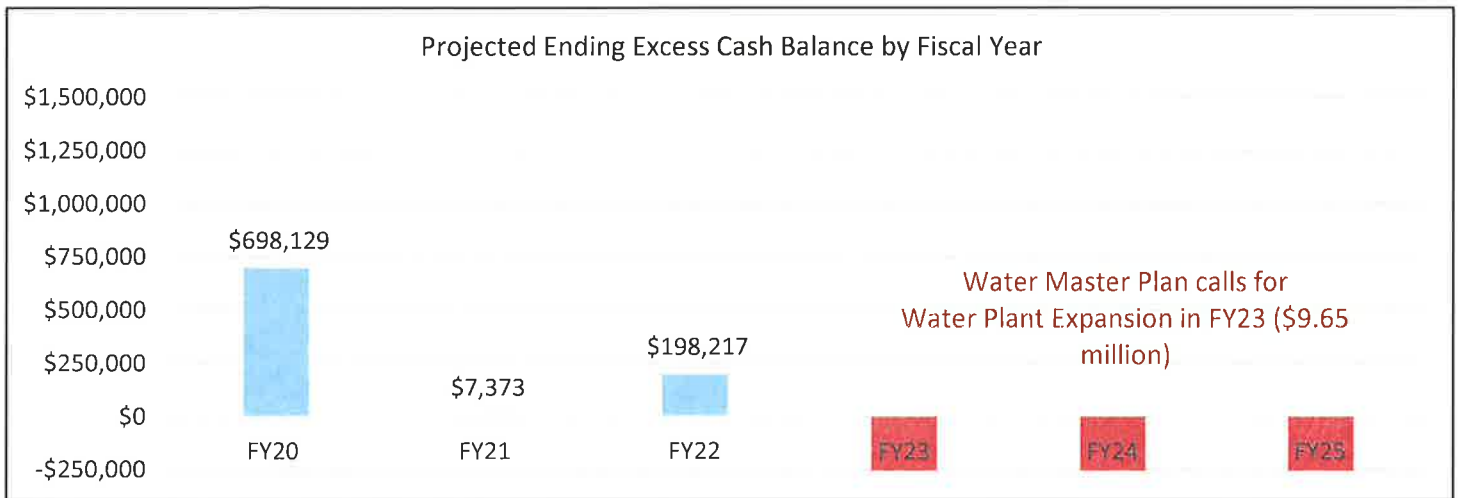
- Ending Excess Cash On Hand = \$7,373
- 20% Policy-Required Reserve = \$622,224

- Projected FY21 Ending Cash Balance = \$629,597
Equivalent to a 20.2% reserve

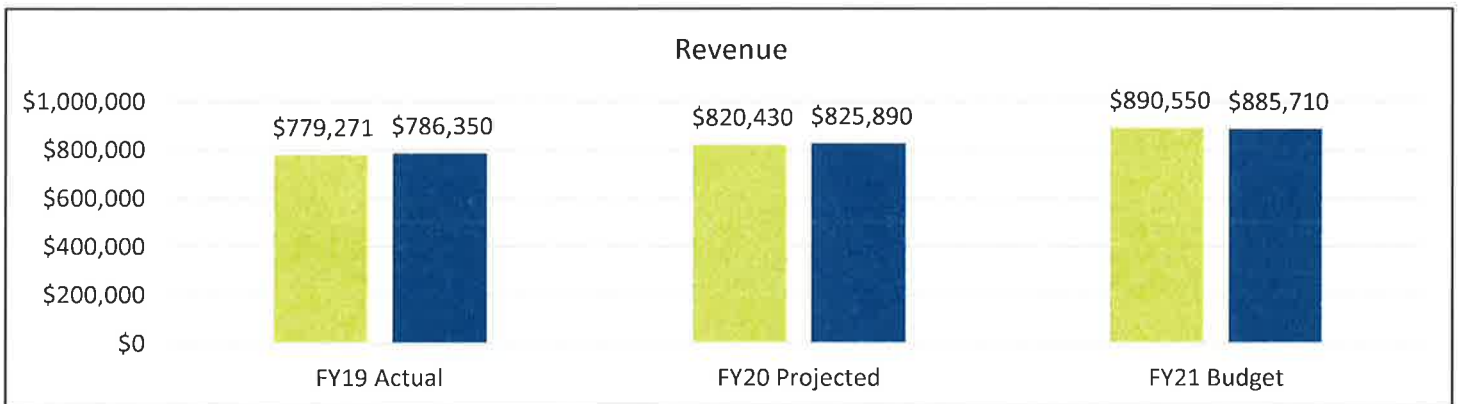
FUTURE CIP - \$1,033,900

- River Crossing 12" Waterline
Water Master Plan 2020 Project in FY22 – \$553,200
 - Maple Lane 12" Waterline
Water Master Plan 2021 Project in FY22 – \$212,400
 - Chemical Feed Building Improvements
Water Master Plan 2021 Project in FY22 – \$235,000
 - Interconnect Mains @ 144th /169 Hwy
Water Master Plan 2022 Project in FY22 – \$18,000
 - Interconnect Tower @ Amory/169 Hwy
Water Master Plan 2022 Project in FY22 – \$15,300
- + Other Water Master Plan & Wastewater Master Plan Projects!

PROJECTED FUTURE EXCESS CASH BALANCES



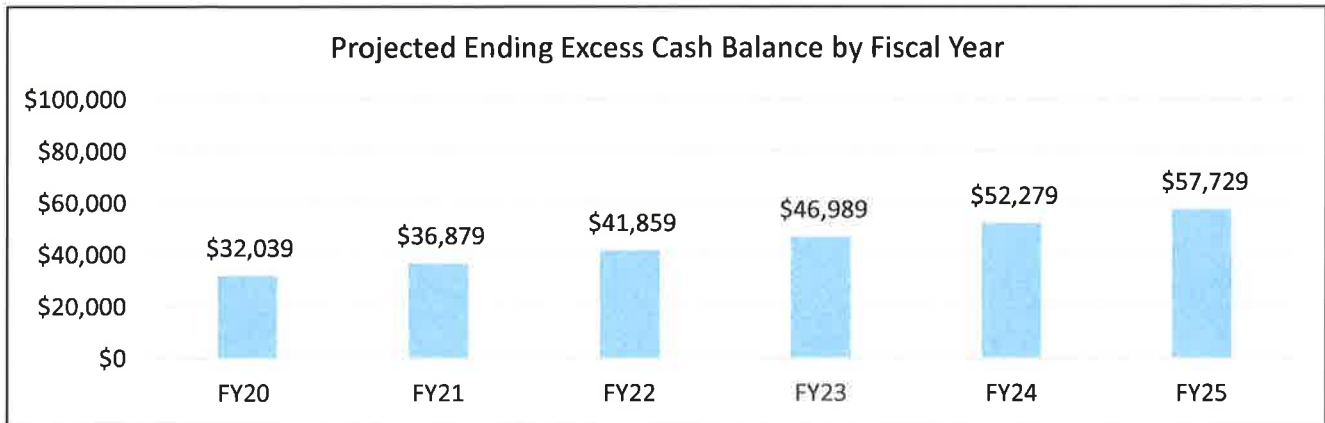
SANITATION FUND BUDGET HISTORY



FY21 BUDGET HIGHLIGHTS

- Projected FY20 Beginning Cash Balance = \$32,039
- Projected FY21 Revenue = \$890,550
 - \$19.30/customer x 3,650 customers for Nov – Jan
 - \$19.90/customer x 3,650 customers for Feb – Oct
 - \$6,670 in late fee revenue
 - Plus \$25,500 contingency
- Projected FY21 Expenditures = \$885,710
 - \$18.92/customer x 3,650 customers for Nov – Jan
 - \$19.51/customer x 3,650 customers for Feb – Oct
 - \$12,130 for annual household hazardous waste weekend
 - Plus \$25,500 contingency
- Projected FY21 ending Cash Balance = \$37,379

PROJECTED FUTURE CASH BALANCES



Dan said that he would make all the changes from the discussion and bring the updated FY21 budget back to the Board for final discussion at another Work Session.

5. Adjourn

Alderman Bloemker moved to adjourn the Work Session. Alderwoman Wilson seconded the motion.

Ayes –6, Noes – 0, motion carried.

Mayor Boley declared the Work Session adjourned at 7:16 p.m. and called for a five-minute recess before starting the Regular Session meeting.


Linda Drummond, City Clerk


Damien Boley, Mayor