

**SMITHVILLE BOARD OF ALDERMEN
WORK SESSION**

April 29, 2025 6:00 p.m.

City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 6:00 p.m. following the executive session. A quorum of the Board was present: Melissa Wilson, Marv Atkins, Leeah Shipley, Kelly Kobylski and Ronald Russell. Dan Hartman was present via Zoom.

Staff present: Cynthia Wagner, Gina Pate, Chief Lockridge, Chuck Soules, Jack Hendrix, Rick Welch, Matt Denton and Linda Drummond.

2. Discussion of Capital Improvement Projects

Cynthia noted that staff would be presenting information that was only briefly touched on at the Board Retreat. This review is to ensure staff answers any questions the Board may have and to share it publicly.

Finance Director Rick Welch presented the capital improvement projects.

Combined Water and Wastewater Systems Fund

Utility Discussions

- Not selling utilities
- Aging infrastructure is costly to maintain
- Project costs continue to increase
- Project timing is fluid
- Project engineering, planning and coordination is time consuming
- Recent maintenance projects have reduced emergency expenditures
- Debt financing will be required
- Rate increases will be required; staff has tried to minimize that impact, while still projecting system enhancements

Cynthia emphasized that the staff wants to ensure we emphasize the projects that are part of the Water and Wastewater Master Plans. These projects are part of the Capital Improvement Plan and are reflected in the rate models, which is why we are planning for multi-million dollar investments over the upcoming years. We have reviewed this in recent months. Cynthia reminded both the board and the community that these projects were identified in the Water and Wastewater Master Plans as far back as 2018. We have also discussed proposed rate increases since 2019, following our first rate study.

Cynthia explained that not all suggestions from the rate study were put into action, which influences our current situation. She asked everyone to remember this as we move ahead with the information.

As we go through this discussion, it is important to recognize that this is somewhat different information than was shared during the retreat. Staff has since had some internal conversations based on feedback from the board and are considering a new approach to that review.

Mayor Boley noted that the Water Master Plan and the Sewer Master Plan were adopted but conversations about those projects began long before that.

CWWS Capital Projects

Capital Improvement Project	FY 2025	FY 2026
West Bypass of the 144th Street Lift Station (Construction)	\$2,500,000	\$2,000,000
144 th Street Lift Station Federal Earmark	-\$1,050,000	-\$450,000
Smith's Fork Force Main (Construction)	\$600,000	-
Owens Branch Gravity Line Phase #1, Line #1 (Engineering)	\$200,000	-
Maple Ave & River Crossing (12" Waterline) (50% of Construction)	\$490,000	\$210,000
Stonebridge Lift Station (Engineering)	\$30,000	-
Stonebridge Lift Station (Construction With SSD Cost Sharing)	\$1,300,000	-
Water Plant Improvements (Construction)	\$1,400,000	\$420,000
McDonalds/Central Bank Lift Station (Engineering)	\$100,000	-
Interconnect Mains at 144 th /169 Highway/Major Mall (S2, Engineering)	-	\$55,000
Highway 92 & Commercial Waterline (Engineering)	-	\$150,000
Smith's Fork Park Waterline (Construction)	-	\$170,000
Owens Branch Gravity Line Phase #1, Line #1 (Construction)	-	\$1,150,000
Highway 92 & Commercial Waterline (Construction)	-	\$300,000
Owens Branch Gravity Line Phase #1 and #3, Line #2 (Engineering)	-	\$1,000,000
McDonalds/Central Bank Lift Station (Construction)	-	\$500,000
Grand Total (Net Cost)	\$5,570,000	\$5,085,000

Capital Improvement Project	FY 2027	FY2028	FY2029
Owens Branch Gravity Line Phase #1, Line #3 (Construction)	\$2,000,000	-	-
Wastewater Treatment Plant Expansion (Engineering)	\$1,050,000	-	-
Owens Branch Gravity Line Phase #1, Line #2 (Construction)	\$2,500,000	-	-
Interconnect Mains at 144 th /169 Highway/Major Mall (S2, Construction)	\$150,000		
Water Plant Expansion (Engineering)	\$2,100,000	-	-
Additional Water and Wastewater Project Funding	-	\$2,000,000	-
Wastewater Treatment Plant Expansion (Construction)	-	-	\$3,000,000
Water Plant Expansion, Phase I (Construction)	-	-	\$7,500,000
Additional Water and Wastewater Project Funding	-	-	\$2,000,000
Grand Total (Net Cost)	\$7,800,000	\$2,000,000	\$12,500,000

Increased project cost to \$4.5 million

Project ahead of schedule, complete in 2025

Public Works Director Chuck Soules provided a quick update regarding 144th Street. We have our pre-construction meeting scheduled for this Friday. Following that, the notice to proceed will be issued on May 19, which means the project will commence soon. Additionally, progress continues on the water plant improvement initiative. Currently, several valves in the filter gallery have been replaced, with a few remaining to be completed. The filter media has also been delivered, and we will start working on that shortly.

Regarding the other major projects we have discussed, we have finalized the easement acquisitions for the river crossing. Plan for this project should be completed in the next couple of weeks. Chuck noted that HDR informed him that they plan to submit to the DNR this month, so we may have that ready for bidding soon. The river crossing at Smith's Fork is also on track. On Thursday, there will be discussions concerning another potential development at Stonebridge.

These are the significant projects we have been focusing on this year, and we are making efforts to advance them.

Cash Flow Used in Projections

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beg Cash	7,725,820	10,568,796	3,815,569	4,209,313	2,676,787	568,870	(1,876,285)	(2,344,523)	(710,496)
Revenue	7,143,660	7,679,435	8,255,392	8,874,546	9,495,765	10,160,468	10,871,701	11,632,720	12,447,011
<i>Debt Issuance</i>	<i>7,500,000</i>	<i>-</i>	<i>8,000,000</i>	<i>-</i>	<i>13,000,000</i>	<i>13,000,000</i>	<i>7,000,000</i>	<i>5,000,000</i>	<i>-</i>
Expense	11,800,684	14,432,662	15,861,648	10,407,073	24,603,682	25,605,623	18,339,939	14,998,694	20,439,554
End Cash	10,568,796	3,815,569	4,209,313	2,676,787	568,870	(1,876,285)	(2,344,523)	(710,496)	(8,703,040)
Required Reserve	1,186,323	1,281,179	1,451,097	1,513,273	1,728,663	1,909,012	2,041,189	2,159,765	2,239,120
Major Project Outlay (projected)	5,210,000	7,315,000	7,800,000	2,000,000	15,000,000	15,000,000	7,000,000	3,000,000	8,000,000
Utility Rate % increase	15%	14%	13%	12%	11%	10%	10%	10%	10%

Total 9 Year Outlay

15,500,000	Additional COP
38,000,000	Revenue Bonds
53,500,000	<u>Total Planned Financing</u>

Cash Flow Used in Projections - 10 % Annual Rate Increase

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beg Cash	7,725,820	10,568,796	3,672,695	3,799,803	1,900,754	(641,882)	(3,552,186)	(4,518,134)	(3,416,657)
Revenue	7,143,660	7,536,561	7,988,755	8,508,024	9,061,046	9,695,319	10,373,991	11,100,171	11,877,182
<i>Debt Issuance</i>	<i>7,500,000</i>	<i>-</i>	<i>8,000,000</i>	<i>-</i>	<i>13,000,000</i>	<i>13,000,000</i>	<i>7,000,000</i>	<i>5,000,000</i>	<i>-</i>
Expense	11,800,684	14,432,662	15,861,648	10,407,073	24,603,682	25,605,623	18,339,939	14,998,694	20,439,554
End Cash	10,568,796	3,672,695	3,799,803	1,900,754	(641,882)	(3,552,186)	(4,518,134)	(3,416,657)	(11,979,029)
Required Reserve	1,186,323	1,281,179	1,451,097	1,513,273	1,728,663	1,909,012	2,041,189	2,159,765	2,239,120
Major Project Outlay (projected)	5,210,000	7,315,000	7,800,000	2,000,000	15,000,000	15,000,000	7,000,000	3,000,000	8,000,000

Utility Rate % increase	15%	10%	10%	10%	10%	10%	10%	10%	10%
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**Total 9 Year
Outlay**

15,500,000 **Additional COP**

38,000,000 **Revenue Bonds**

53,500,000 **Total Planned Financing**

Cash Flow Used in Projections – 5% Annual Rate Increase

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beg Cash	7,725,820	10,568,796	3,494,104	3,247,955	761,001	(2,605,758)	(6,603,795)	(8,948,808)	(9,547,804)
Revenue	7,143,660	7,357,970	7,615,499	7,920,119	8,236,923	8,607,585	8,994,926	9,399,698	9,822,684
<i>Debt Issuance</i>	7,500,000	-	8,000,000	-	13,000,000	13,000,000	7,000,000	5,000,000	-
Expense	11,800,684	14,432,662	15,861,648	10,407,073	24,603,682	25,605,623	18,339,939	14,998,694	20,439,554
End Cash	10,568,796	3,494,104	3,247,955	761,001	(2,605,758)	(6,603,795)	(8,948,808)	(9,547,804)	(20,164,673)
Required Reserve	1,186,323	1,281,179	1,451,097	1,513,273	1,728,663	1,909,012	2,041,189	2,159,765	2,239,120
Major Project Outlay (projected)	5,210,000	7,315,000	7,800,000	2,000,000	15,000,000	15,000,000	7,000,000	3,000,000	8,000,000
Utility Rate % increase	15%	5%	5%	5%	5%	5%	5%	5%	5%

**Total 9 Year
Outlay**

15,500,000 **Additional COP**

38,000,000 **Revenue Bonds**

53,500,000 **Total Planned Financing**

Projected Projects and Rate Percentage Effect

Revenue Scenerio (2026 - 2033)		
	Total Revenue	Change in Revenue
Decreasing % starting with 2026 (current scenario)	\$ 79,417,038	
2026 rate increase of 10% through 2033	\$ 76,141,049	\$ (3,275,989)
2026 rate increase of 5% through 2033	\$ 67,955,404	\$ (11,461,634)

Cash-funded projects that may have to be cut if revenues do not support expenditures.

CWWS Non-Bonding Projects	FY 2026
Interconnect Mains at 144 th /169 Highway/Major Mall (S2, Engineering)	55,000
Highway 92 & Commercial Waterline (Engineering)	150,000
Smith's Fork Park Waterline (Construction)	170,000
Highway 92 & Commercial Waterline (Construction)	300,000
Interconnect Mains at 144 th /169 Highway/Major Mall (S2, Construction)	
	\$ 675,000

Staff is seeking board direction on rate increases and expenditure priorities. Cynthia noted staff has had several conversations since the retreat, exploring the possibility of reducing the rate increases significantly. This adjustment presents challenges, particularly in funding projects. During the retreat, we discussed how difficult it is to propose the level of increases we are currently considering. It is difficult to make these tough choices. When reviewing the projects highlighted by Rick, which total around \$675,000 for 2026, it may not seem substantial, but it has significant impact on the system. This figure only represents cash-funded initiatives. We must also ensure that we have adequate cash flow for future projects, as a lack of sufficient resources to cover debt obligations would hinder our ability to undertake larger projects in the future.

Cynthia noted that one of the key discussions staff has had internally involves the need to reassess the rate study. As noted, the last rate study was completed in 2022. An Option to consider is engaging an external party to evaluate our capital plan and rates as they currently stand, analyzing our systems from a financial standpoint. This would include reviewing our Capital Improvement Plan along with our Water and Wastewater Master Plans, ultimately leading to informed recommendations about what rate adjustments should be implemented.

Cynthia noted that staff mentioned some complications in discussing a rollback to a 5% or even a 10% increase. It can come off as dismissive, which is not the intent. If we were to conduct a rate study and failed to implement sufficient increases, we might face substantially higher rate hikes in the following year. Currently, the staff recommends that we initiate a rate study sooner rather than later, and we should issue a Request for Qualification (RFQ) that allows staff to begin this process. We hope to have findings by the end of the calendar year. This would allow us to make informed recommendations as we finalize the 2026 budget year. Cynthia proposed to the Board that we proceed with the rate study and delay adopting new rates until we receive the results from that study, ensuring that an external entity reviews our expenditures, analyzes projections, and provides necessary recommendations for any increases. We can also revisit discussions about these priorities as needed.

Alderman Atkins agreed that doing the rate study was a smart decision so we would have all the facts and figures.

Mayor Boley noted that we need to ensure we understand how the rates would look if we do not provide service to outside organizations. Not providing service to other organizations could affect production, allowing us to minimize expenses on that front. He said that might not change the wastewater, but the water production side could see some changes.

Alderman Hartman agreed with Alderman Atkins viewpoint. He added for those listening, he wanted to emphasize that this issue weighs heavily on the Board. The Board is working to determine how to fund these needed projects. This decision to raise rates is not being made lightly, and it is not simply about raising rates for no reason. He noted that he believes that conducting a rate study, as Cynthia suggested, is a sensible approach.

Mayor Boley noted that it is important that whenever there are significant economic shifts, we consider conducting a rate study.

Alderman Kobylski agreed with the need for a rate study.

Alderman Russell mentioned the necessity of ensuring that the study aligns with our needs. His rationale was that if we simply present our goals and ask how much funding is required to achieve them. He thinks that is what we have been doing. He believes we should assess spending annually and consider the rates over a prolonged time period. For instance, we might plan on allocating \$3 million each year for a decade, rather than stating we will spend \$7 million this year and \$9 million the next. We should then evaluate the implications for the rates. Currently, we are merely transferring the financial burden to taxpayers. This concern is the primary issue that he has been receiving calls about.

Mayor Boley noted that the taxpayers do not fund the water and wastewater systems, it is a self-supported fund.

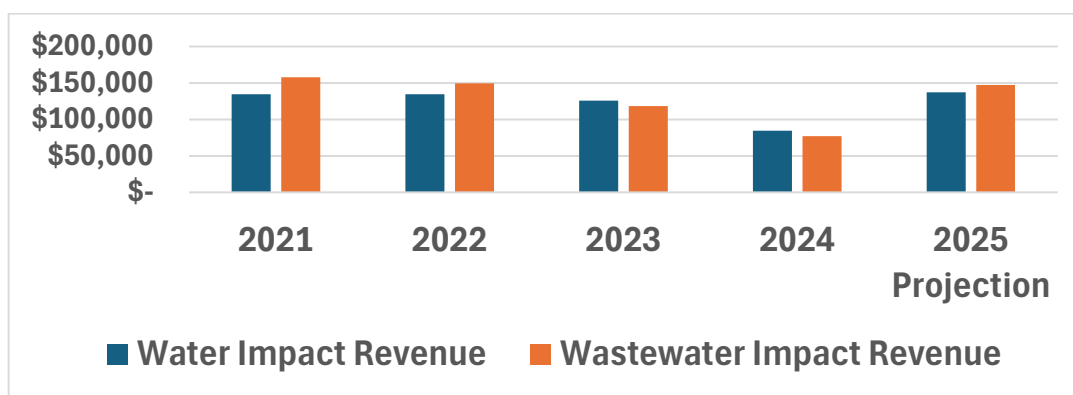
Cynthia clarified that no tax revenue go to fund the utilities. The water and wastewater fund is supported by rates.

Mayor Boley asked staff to schedule a work session on the Water and Wastewater Master Plans and have HDR Engineers present for it.

Utilities – Impact Fees

- The purpose of Impact fees are to collect revenues from developers to provide some offset to the cost of system expansion projects
- The current structure does not accurately reflect water and wastewater impacts to the system
- Staff is recommending a change in structure for impact fees based on flow
- Staff further recommends annual increase to impact fees

Impact Fee Revenue History



Current Impact Fees are not significant. Impact fees revenues range from \$88,000 to \$120,000 per year. With impact fees used to support projects related to growth and expansion, it can require years of revenue growth to assist to identified projects.

Current Impact Fee Rates

Water Impact Fees		
5/8, 3/4- or 1-Inch Meter	\$	3,100
2 Inch Meter	\$	9,900
3 Inch Meter	\$	21,660
4 Inch Meter	\$	38,980
6 Inch Meter	\$	86,610

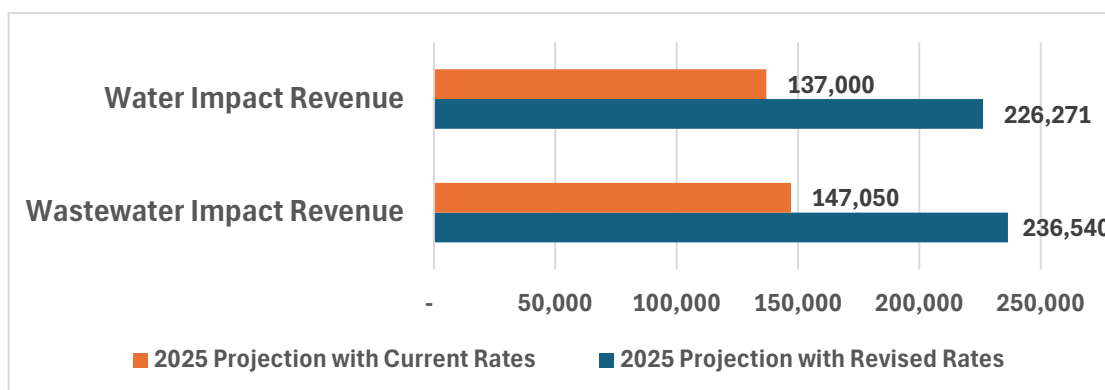
Proposed Impact Fee Rates

Water Impact Fees		
3/4 Inch Meter	\$	3,100
1 Inch Meter	\$	5,120
2 Inch Meter	\$	17,550
3 Inch Meter	\$	37,720
4 Inch Meter	\$	66,310
6 Inch Meter	\$	151,950

Wastewater Impact Fees		
5/8, 3/4- or 1-Inch Meter	\$	2,800
2 Inch Meter	\$	8,960
3 Inch Meter	\$	19,600
4 Inch Meter	\$	35,280
6 Inch Meter	\$	78,400

Wastewater Impact Fees		
3/4 Inch Meter	\$	2,800
1 Inch Meter	\$	4,504
2 Inch Meter	\$	15,461
3 Inch Meter	\$	33,235
4 Inch Meter	\$	58,435
6 Inch Meter	\$	133,913

Impact Fee Results – Current vs Proposed Fees



Chuck noted at present, whether you are using a three-quarter inch meter or a one-inch meter, the impact fee you pay is \$3,100. A three-quarter inch meter can deliver 23 gallons per minute, while a one-inch meter can provide 37 gallons per minute.

Mayor Boley asked about the cost of the actual meter itself. A larger meter is certainly more costly, right? This comparison holds true especially when we look at the transition from a three-quarter inch meter to a one-inch meter. When we start discussing larger meter sizes, they are indeed much more expensive and can increase significantly.

Chuck explained that the majority of our meters are the three-quarter and one-inch types, and the flow rates show that an inch meter can deliver 1.6 times the amount of water compared to a three-quarter inch meter.

Chuck noted that multifamily buildings are choosing a one-inch meter that costs the same as a three-quarter inch, yet they can accommodate two, three, or even four living units. If we consider the three-quarter inch meter as the base for a standard residential property, if a developer wishes to provide service for two homes using a one-inch line, that works well, but they should be charged more than just the fee for a three-quarter inch meter. The suggested fees are fundamentally rooted in the actual water output, whether someone uses the faucet or not. For instance, a six-inch line can handle a significant flow and move up to 1,100 gallons in a minute.

Mayor Boley asked if there any private businesses currently using a six-inch line or if it is just public entities. He asked if one was Clay County Parks, and the other is a school district.

Chuck said that one is associated with the high school campus. He explained you would need a substantial industry to require a six-inch meter. Chuck clarified that the ones we currently have would not be affected by this change since they are already established.

Chuck noted that in the last rate study conducted, the wastewater impact fees were not increased. Chuck was not able to find any evidence of increases, and Jack believes they have never been raised since Harborview or Harbor Lakes was constructed.

The same applies to the water impact fees. We conducted the rate study in 2022, and they have not changed, yet our expenses rise each year.

The parts and other expenses related to these construction projects are increasing annually. Since the last rate study, we are behind at least 9% if you simply apply a 3% rate for three years. While this might seem minor, the impact fees do need to be raised. Whether a raise is based on the CPI or any cost of living adjustment the Board prefer to implement annually, increases need to be implemented. Once we finalize the new rate study, Chuck recommended that we proceed to separate those two as soon as we can based on the flow. Presently, we have significant development happening in the multifamily sector and if we do not make this change the impact fee will remain \$3,100, which will serve numerous properties.

The Board directed staff to bring forward sooner rather than later an adjustment to the schedule of fees for the impact fees.

Trash

- The City contracts with Green For Life (GFL) for the City's trash service.
 - Current contract ends October 2026
- A FY26 price increase of 1.7% has been agreed on.
 - GFL has also indicated the FY27
- This increases the cost the City pays to GFL from \$20.50 to \$20.85. The senior rate will increase the City's cost of trash from \$17.43 to \$17.73.
 - The Schedule of Fees the Board reviews this summer will include proposed trash rates for consumers taking into consideration GFL costs, HHW fees and administrative costs.
- GFL has asked the City to extend the contract for one additional year, with a guaranteed 1.7% increase for 2027.

Chuck explained that contract expires in 2026, but we need to let GFL know now.

Alderman Kobylski suggested moving forward with this and to let GFL know. The Board agreed.

Cynthia noted that staff would bring forward a Resolution amending the agreement with GFL.

Capital Funds

Capital Improvement Project Name	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Annual Transfer to Debt Service	\$364,875	\$367,920	\$373,420	\$376,420	\$382,420
Riverwalk & Trail (Engineering)	\$150,000	-	-	-	-
2 nd Creek Sidewalks (Engineering)	\$100,000	-	-	-	-
Downtown Streetscape Phase III	\$1,828,000	-	-	-	-
Downtown Streetscape Phase III (MARC)	-\$1,488,000	-	-	-	-
1st & Bridge Street Round-A-Bout (50% of Engineering)	\$220,042	-	-	-	-
1st & Bridge Street Round-A-Bout (Engineering)	\$0	-	-	-	-
2 nd Creek Sidewalks (70% of Construction)	\$695,000	\$695,000	-	-	-
2 nd Creek Sidewalks (MARC Reimbursement)	-\$600,000	-\$600,000	-	-	-
Riverwalk & Trail Construction (60% of Construction)	\$480,000	\$480,000	\$670,000	-	-
Riverwalk & Trail (MARC Reimbursement)	-\$480,000	-\$480,000	-\$420,000	-	-
1 st & Bridge Street - Round-A-Bout (20% of Construction)	-	\$120,000	-	-	-
Maple Lane Sidewalks (Engineering)	-	-	\$50,000	\$50,000	-
180 th & Eagle Parkway Round-A-Bout (Engineering)	-	-	-	\$250,000	-
Maple Lane Sidewalks (Construction)	-	-	-	-	\$600,000
Maple Lane Sidewalks (MARC Reimbursement)	-	-	-	-	-\$480,000
Pope Lane Round-a-Bout/Connection (80% of Engineering)	-	-	-	-	\$400,000
180 th & Eagle Parkway Round-A-Bout (75% of Construction)	-	-	-	-	\$1,000,000
180 th & Eagle Parkway Round-A-Bout (MARC Reimburse)	-	-	-	-	-\$700,000
Grand Total (Net Cost)	\$1,174,917	\$582,920	\$673,420	\$676,420	\$1,202,420

Decreased to 50% share and increased cost to \$220,042 from \$100,000

Zeroed out and consolidated with \$220,042 engineering

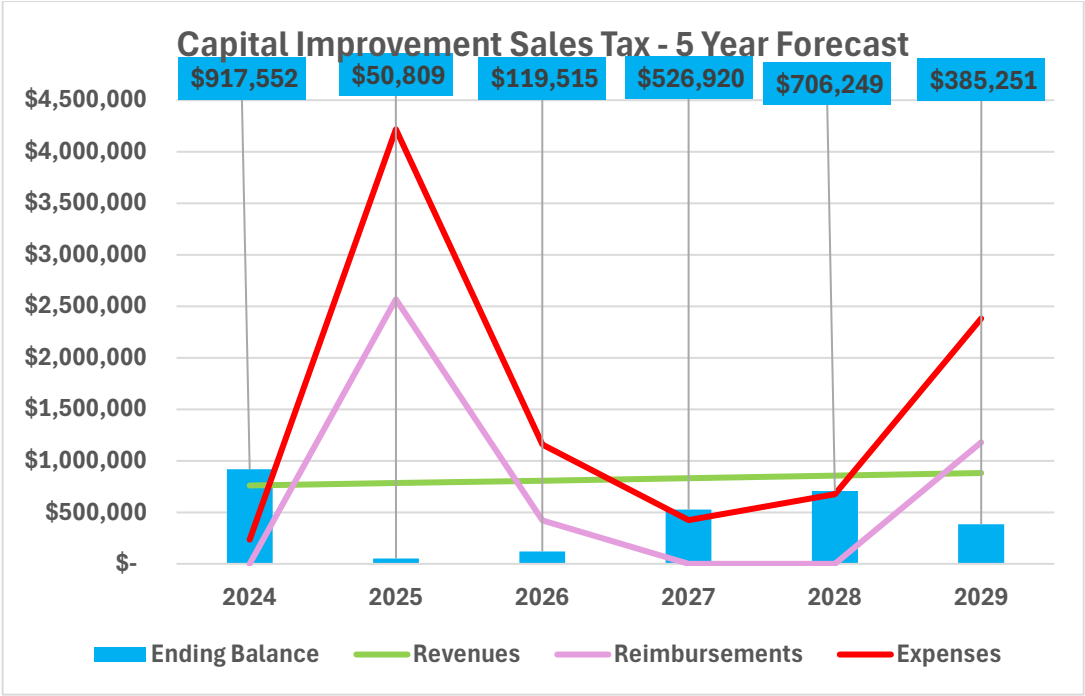
Moved to subsequent year

Mayor Boley asked if we were doing the engineering for the Second Creek Sidewalks and the Riverwalk Trail together.

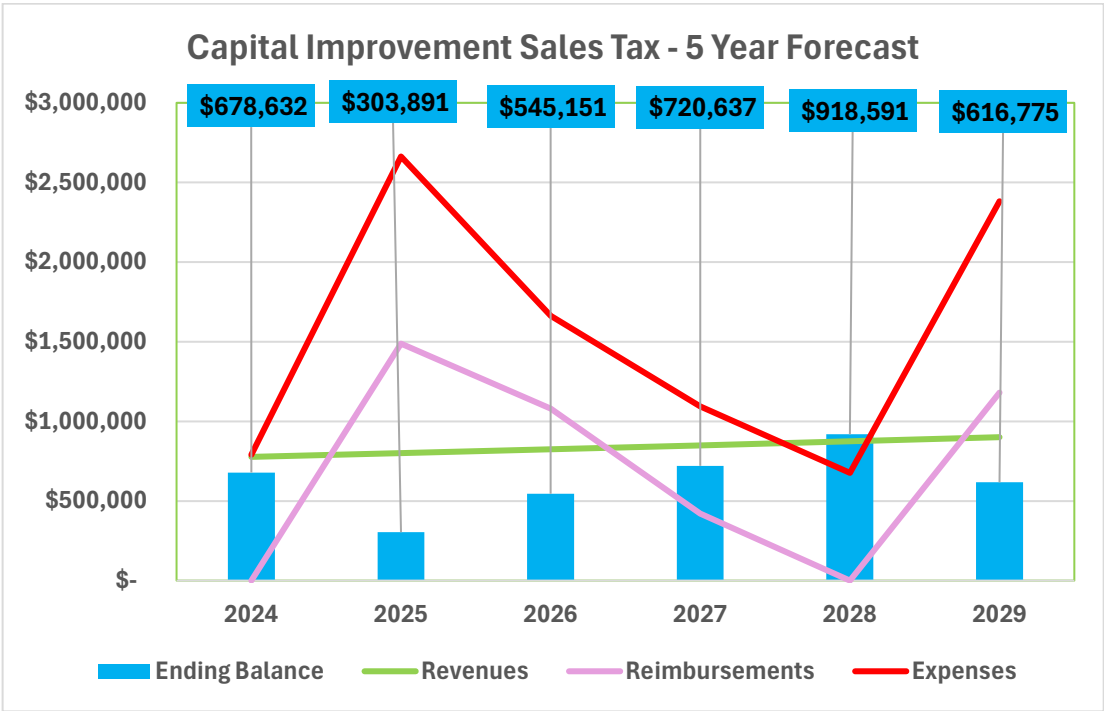
Chuck explained that GBA is doing the engineering for both projects as one project. He noted that since we have received grants for each project he did not know if MoDOT

would allow us to pick one contractor for both projects. Chuck added that we still have easements to get so we do not know if we will get these projects bid this year or not.

Capital Improvement Sales Tax Cashflow
Original Cashflow



Updated Cashflow



Transportation Sales Tax Projects

Transportation Sales Tax Fund	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Annual Asphalt Overlay Program (Projects TBD)	\$300,000	\$500,000	\$300,000	\$300,000	\$300,000
Annual Sidewalk Replacement Program	\$50,000	\$100,000	\$50,000	\$50,000	\$50,000
Commercial Street Sidewalks (Construction)	\$1,000,000	-	-	-	-
Commercial Street Sidewalks (MARC Reimbursement)	-\$800,000	-	-	-	-
1st & Bridge Street Round-A-Bout (50% Engineering)	\$220,042				
1 st & Bridge St Round-A-Bout Construction (80% of Project Expense)	-	-	\$2,380,000	-	-
1 st & Bridge Street Round-A-Bout (MARC Reimbursement)	-	-	-\$1,900,000	-	-
Richardson St / 169 Signal (Engineering)	-	-	\$300,000	-	-
Richardson St / 169 Signal (Construction)	-	-	-	\$1,200,000	-
Richardson St / 169 Signal (Construction) MODOT 50% Cost Share	-	-	-	-\$600,000	-
Richardson St / 169 Signal (Construction) Developments Share	-	-	-	-\$200,000	-
180th & Eagle Round-A-Bout Construction (25% of Project Expense)	-	-	-	-	\$300,000
Grand Total (Net Cost)	\$770,042	\$600,000	\$1,130,000	\$750,000	\$650,000

Increased cost from to \$220,042 from \$137,000

Mayor Boley asked if we were still on target for starting the Commercial Street Sidewalk project as soon as school gets out.

Chuck noted that the plan is to begin the project June 2.

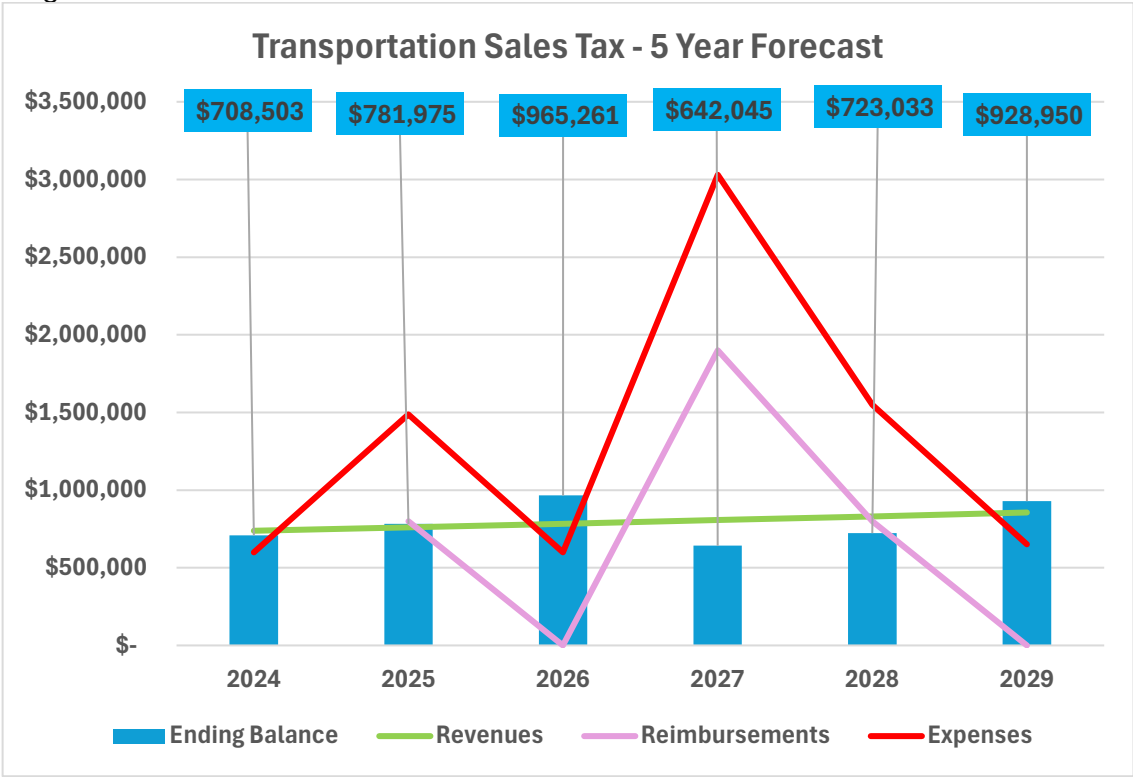
Chuck explained that for the Richardson Street traffic signal we have not received any funding yet from MoDOT. Chuck is scheduled to meet with GBA tomorrow to begin getting an estimate and working through the MoDOT process for getting the cost share.

Chuck noted that we are hoping to be able to do some of the projects inhouse at some point this year and address certain curb issues and some sidewalk concerns. However, the primary focus will be on the asphalt, storm sewers, sidewalks, and curbs, as there are several problematic spots that require significant attention.

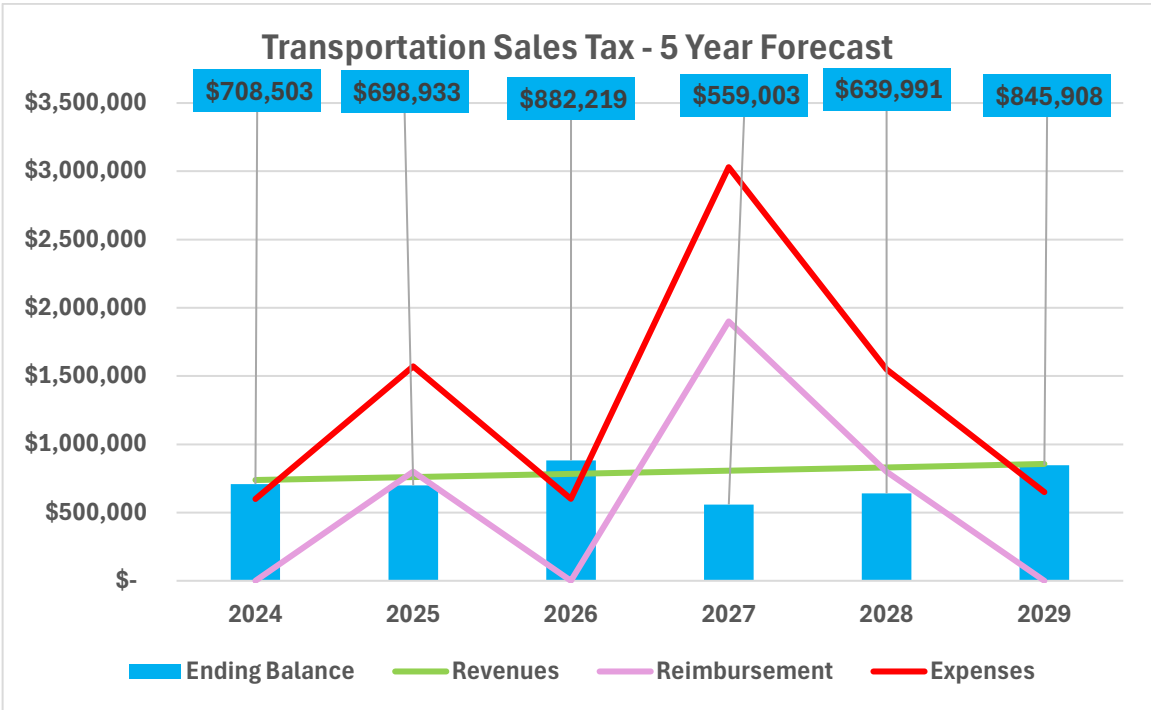
Cynthia noted that at our work session on May 20, we will be discussing the FY2026 operating budget. One of the things we will be discussing is coming up with a program for PCI the Pavement Condition Index. Cynthia explained that currently we do that manually for lack of better term which means someone goes out and makes a subjective analysis of the condition of all those roads. That helps us rate and put into the CIP the priority for the projects. PCI software would enable us to either confirm the way we have analyzed those roads or assist us to more objectively examining those roads.

Cynthia noted that one of the things that is difficult to understand is that sometimes the roads in the worst condition are not going to be funded since they are beyond repair.

Transportation Sales Tax Cashflow
Original Cashflow



Updated Cashflow



Parks and Stormwater Sales Tax Projects

Park and Stormwater Sales Tax Project Name	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OK Railroad Trail - Phase I (Construction)	\$281,000	-	-	-	-
OK Railroad Trail - Phase I (Grant)	-\$184,000	-	-	-	-
Dundee Road Stormwater Improvements (Engineering)	\$50,000	-	-	-	-
Dundee Road Stormwater Improvements (Construction)	\$150,000	-	-	-	-
Riverwalk & Trail Construction (30% of Construction)	\$600,000	\$600,000	-	-	-
Forest Oaks Stormwater Improvements (Engineering)	-	\$50,000	-	-	-
Forest Oaks Stormwater Improvements (Construction)	-	\$300,000	-	-	-
Cedar Lakes Stormwater Improvements (Engineering)	-	-	\$25,000	-	-
Cedar Lakes Stormwater Improvements (Construction)	-	-	\$100,000	-	-
Smith's Fork Park Complex (Engineering & Design)	-	\$320,000	\$320,000	-	-
Maple Lane Stormwater Improvements (Engineering)	-	-	-	\$50,000	-
Maple Lane Stormwater Improvements (Construction)	-	-	-	\$250,000	-
Smith's Fork Park Complex (Construction, Phase I)	-	-	-	\$2,240,000	-
Grand Total (Net Cost)	\$297,000	\$1,270,000	\$445,000	\$2,540,000	\$0

Project cost moved to subsequent year

50% of FY27 cost moved to FY26

Parks and Recreation Director Matt Denton noted that upon the completion of the Parks and Recreation Master Plan, the Board directed that \$300,000 in savings over the next few years be allocated to help achieve the 2028 target of approaching the estimated \$2.2 million needed for the project. As noted by Rick and Chuck, costs for projects have been rising significantly. Matt said that his concern is that if we do not review and adjust this project, the expenses might exceed our budget, leaving us without the funds necessary to complete the project. We have observed similar projects in the vicinity, and it appears that the costs may surpass the \$2.2 million we aimed to save. Matt explained that the objective during the engineering phase and review is to explore alternative plans, potentially considering phased development or a design-build approach, as Chuck has suggested, which could also lead to savings. Matt noted that this warrants further discussion but suggested we should start the engineering so that the Board could make as many decisions as possible in advance.

Chuck noted that when hiring an engineer, they dedicate significant time to assessing the situation, leading to a proposed plan. Following that, we issue a bid and choose a contractor. There has been substantial movement and numerous advantages and disadvantages associated with larger projects like this. A strong case can be made for opting for a design-build model or a construction manager at risk approach, which fosters collaboration between the city, the contractor, and the construction manager. Essentially, we outline our requirements, and the contractor and construction manager collaborate to develop the project through negotiation. Engineers and architects are consistently part of the team, working alongside us. In some instances, instead of having the engineers lead, we find ourselves in a scenario where the engineer, in line with a major road project, creates plans that, for example, consist of 50 pages covering traffic control. The contractor then presents their own solutions, which diverge from the design we have already invested in, ultimately leading to alterations. With a design-build method, the contractor outlines the optimal way to execute the project, eliminating the need for significant expenditure on engineering plans that we may not ultimately utilize. In our Quincy project, there were numerous modifications to the water line design, since engineers and surveyors strive to gather the most accurate information, but actual field conditions often differ from expectations. The contractor worked collaboratively with us during this process, allowing us to convey our preferences directly. Thus, the design-build approach presents an appealing option, though there may be other alternatives worth investigating upfront. If we aim to initiate this in 2026, we can absolutely proceed with that. It will involve an RFQ process, allowing you to choose a team that aligns with your vision. They will provide their input and develop project costs, introducing various materials we may not have considered. This perspective can greatly benefit larger projects, so we must conduct a thorough assessment.

Matt noted that the ultimate goal is to modernize these facilities without delaying the project. The facilities require updating because they are deteriorating. Additionally, the programs have expanded considerably in the last five years, reflecting increased participation with the population growth.

Alderman Russell asked if there was an opportunity to do the projects in phases such as a ballfield and possibly be able to start one of them now.

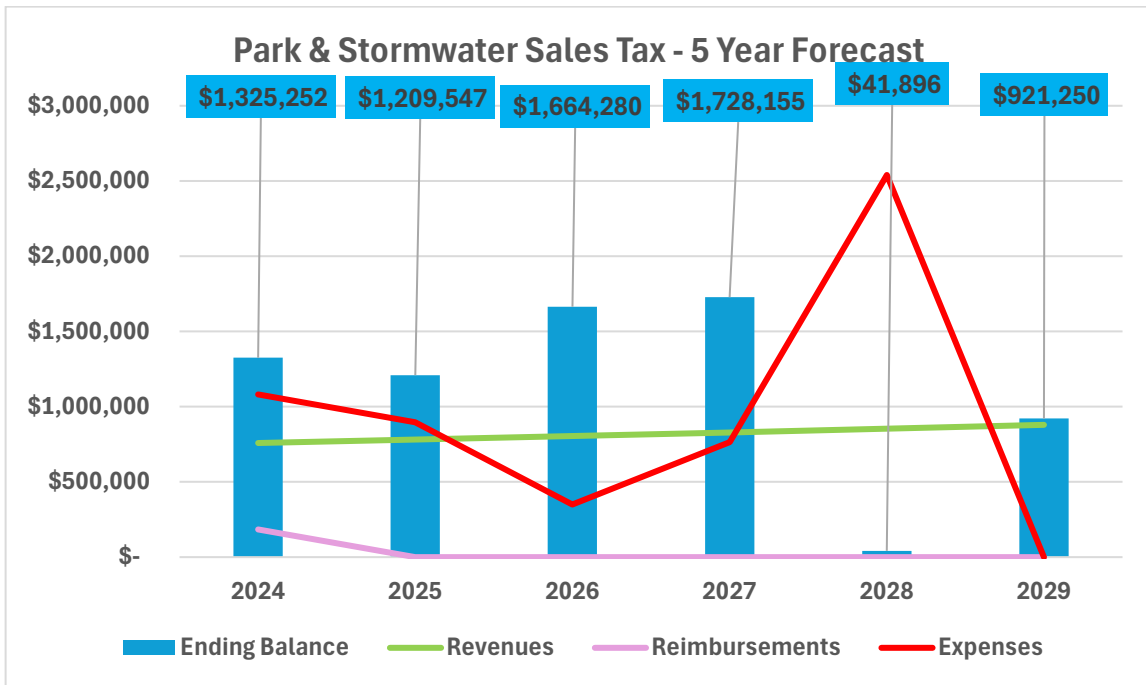
Matt explained that what we are hoping to get out of the engineering design is the costs and then be able to figure out the phasing based on the revenue we have.

Mayor Boley noted that we would not be able to do only one ballfield at Smith's Fork due to the design. It would eliminate another ballfield.

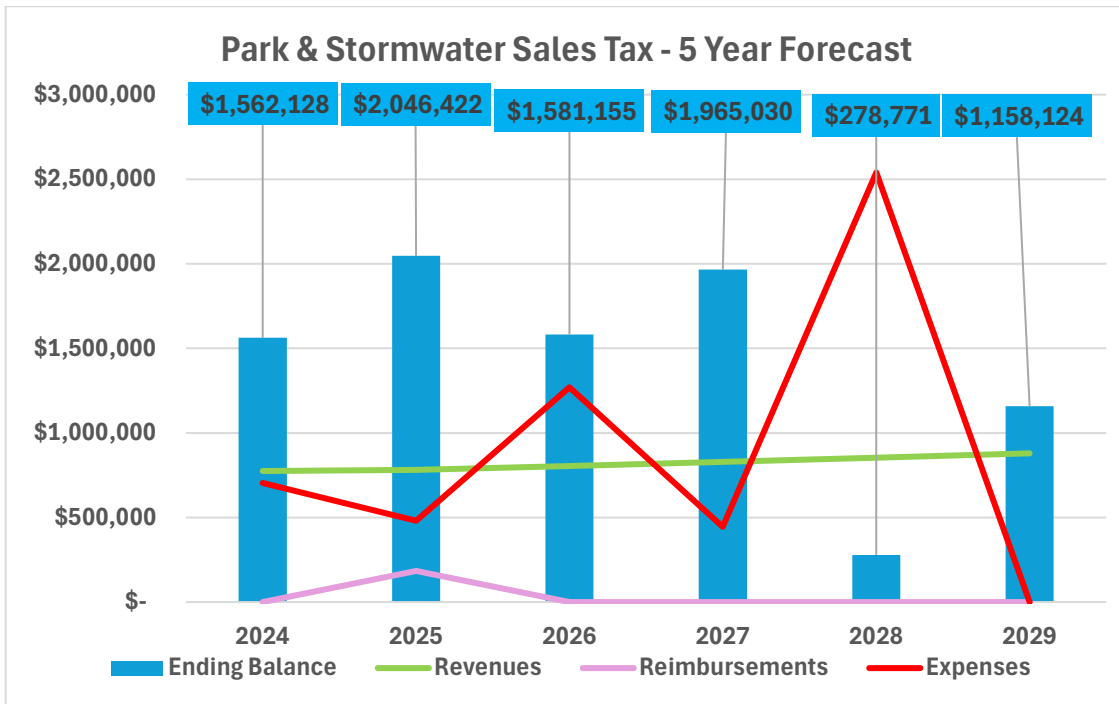
Matt explained that Smith's Fork would need to be completed before Heritage Park. At this time, we use all five fields for practices and almost all for T-ball games.

Mayor Boley noted that getting the design done now would be helpful as well as the design build.

Parks and Stormwater Cashflow
Original Cashflow



Updated Cashflow



Mayor Boley requested that we add into the capital improvement plan getting the remaining sump pumps off our sewer system.

Matt noted that Development Director Jack Hendrix had collaborated with the developer of Clay Creek, and he was able to secure the Diamond Creek parking lot without using any funds from the parks and stormwater funds.

Cynthia clarified that on the agenda for May 6 will be in agreement with the developer that the funds that had been allocated for their contribution parks will be dedicated to the parking lot.

Matt added that he was able to order shade for the three picnic table at the Diamond Crest park.

3. Adjourn

Alderman Wilson moved to adjourn. Alderman Kobylski seconded the motion.

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 7:23 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor