



Board of Aldermen Request for Action

MEETING DATE: 10/7/2025

DEPARTMENT: Administration/Finance

AGENDA ITEM: Approve Bill No. 3081-25 Adopt FY2026 Annual Budget – 1st Reading.

REQUESTED BOARD ACTION

A motion to approve Bill No. 3081-25, adopting the FY2026 Annual Budget for the City Of Smithville, Missouri, and authorizing the expenditure of funds for municipal services. First reading by title only.

SUMMARY

2026 Budget Summary

City staff have worked collectively since January 2025 to determine the needs, and eventually propose recommendations, for the FY2026 Budget. In April of 2025, the Board of Aldermen, Department Directors, and other key department staff met in a retreat/financial summit to review organizational workplans and priorities identified through recent processes to outline community goals. Various goals were outlined in the retreat.

	2026 Projected Beginning Balance	2026 Revenues	2026 Expenditures	2026 Projected Ending Balance
General Fund	3,652,824	7,143,408	7,922,536	2,873,696
Capital Improvement Sales Tax Fund	536,772	1,376,869	1,892,920	20,721
Capital Projects Fund	165,755	11,000	-	176,755
Combined Water/Wastewater Fund	16,378,986	7,454,901	16,704,382	7,129,505
Debt Service Fund	285,263	367,920	367,920	285,263
Park and Stormwater Sales Tax Fund	2,243,422	988,733	1,901,000	1,331,155
Sanitation Fund	70,155	1,000,715	987,117	83,753
Marketplace TIF (Allocation) Fund	2,318,511	905,625	792,862	2,431,274
Commons CID Fund	465,689	438,655	381,502	522,842
Transportation Sales Tax Fund	714,849	1,500,322	2,204,000	11,171
Vehicle And Equipment Replacement Fund	85,390	433,000	428,497	89,893
Donation Fund	42,280	15,100	-	57,380
Judicial Education Fund	2,532	-	1,100	1,432
Technology Upgrade Fund	-	-	-	-
DWI Recovery Fund	13,762	3,425	2,975	14,212
Police Training Fund	10,986	1,450	4,280	8,156
Public Safety Sales Tax Fund (new)	-	700,000	343,890	356,110
Fairview Crossing CID Fund (new)	4,950	12,500	3,750	13,700
Shops at Smithville CID Fund (new)	-	5,000	2,000	3,000
Grand Total	\$ 26,992,126	\$ 22,358,623	\$ 33,940,731	\$ 15,410,018

The FY2026 proposed budget:

- Continues to place focus on employee recruitment and retention.
 - Salary increases reflect an organizational goal to be market competitive across all positions.
 - Departmental budgets include enhanced funding for employee training and development.
- Continues focus on investment in infrastructure.
- Assures the maintenance and acquisition of appropriate work equipment.
- Includes \$150,000 for audit by the Missouri State Auditor's Office.
- Includes more than \$15 million in capital improvements across all funds.
- Includes \$83,458 for a new GIS/IT Tech position, equally split between the general fund and combined water and wastewater funds.
- Includes \$92,455 for a new Parks & Facilities Manager position.
- Includes \$52,500 for a new Animal Control Officer position funded through the Public Safety Sales Tax Fund.
- Includes \$20,100 for an annual employee wellness stipend.
- Includes over \$108,266 for an employee retirement enhancement to LAGERS, moving from a benefit multiplier of 1.75% to 2.00%.
- Includes \$50,000 for a strategic planning process update.
- Includes \$50,000 for a rapid warning system.
- Includes \$15,000 for a walk behind saw.
- Includes \$6,000 for a toolcat bucket.

The Public Safety Sales tax was approved by the voters in April 2025. The sales tax is estimated to generate approximately \$700,000 in revenue in FY2026. The fund will be used to increase compensation and benefits for officers to support recruitment and retention, additional staffing and related equipment and implementation of a full-time animal control program.

The Total Proposed FY2026 Budget includes the aggregate use of fund balance across nineteen budgeted funds. The use of fund balance can be attributed to several high-profile capital improvement projects within the Combined Water & Wastewater (CWWS) Fund, Transportation Sales Tax Fund, and Capital Improvement Sales Tax Fund. This includes the completion of the following projects scheduled for FY2026:

- Smith's Fork Force Main – Construction
- Stonebridge Lift Station –Construction
- Highway 92 & Commercial Waterline – Engineering and Construction
- Wastewater Treatment Plant Expansion – Engineering
- Taste and Odor
- Richardson St / 169 Signal - Engineering and Construction
- Smith's Fork Complex – Engineering and Design

FY2025 Budget "Rollovers"

Each year, the Finance Department adjusts the upcoming budget based upon the remaining amounts in current engineering and construction contracts. These amounts

are rolled over as a part of the newly proposed budget. This year, Public Works and Finance staff have worked together to determine the budget rollovers needed for FY2026. This includes projects that have not yet been completed. These rollovers will be noted in the FY2026 – FY2030 Proposed Five Year Capital Improvement Plan.

The rollover amounts included in the FY2026 budget are as follows:

Combined Water and Wastewater Fund

- The City has contracted with Epic Construction for the completion of 144th Street Lift Station. The total contract amount for this project was established at \$5,100,000. Of this amount, \$4,500,000 will be rolled in the FY2026 budget. Net cost is \$3,000,000.
- The City will award a contract in FY2026 for the completion of engineering for the Stonebridge Lift Station and West Bypass in the amount of \$200,000. Of this amount, \$200,000 will be rolled in the FY2026 budget.
- The City has contracted with Ross Construction for the completion of Wastewater Treatment Plant (WTP) Improvements in the amount of \$200,000. Of this amount, \$200,000 will be rolled in the FY2026 budget.
- The City will award a contract in FY2026 for the completion of Smith's Fork Force Main in the amount of \$600,000. Of this amount, \$600,000 will be rolled in the FY2026 budget.
- The City has contracted with Foster Construction for Church and Mill in the amount of \$100,000. Of this amount, \$100,000 will be rolled in the FY2026 budget.

Capital Improvement Sales Tax Fund

- The City has contracted with GBA Engineering for the completion of engineering for the 2nd Creek Bridge Sidewalks in the amount of \$20,000. Of this amount, \$20,000 will be rolled in the FY2026 budget.
- The City has contracted with GBA Engineering for the completion of engineering for the Riverwalk Park and Trail in the amount of \$50,000. Of this amount, \$50,000 will be rolled in the FY2026 budget.

Parks and Stormwater Sales Tax Fund

- The City will award a contract in FY2026 for the completion of OK Trail in the amount of \$281,000. Of this amount, \$281,000 will be rolled in the FY2026 budget. Net cost is \$97,000.
- The City will award a contract in FY2026 for the completion of Dundee Road Stormwater Improvements in the amount of \$200,000. Of this amount, \$200,000 will be rolled in the FY2026 budget.

- The City will award a contract in FY2026 for the completion of Forest Oaks Stormwater Improvements in the amount of \$300,000. Of this amount, \$300,000 will be rolled in the FY2026 budget.

Transportation Sales Tax Fund

- The City has contracted with GBA Engineering for the completion of 1st and Bridge Round a Bout in the amount of \$300,000. Of this amount, \$300,000 will be rolled in the FY2026 budget.
- The City has contracted with Asphaltic Surfaces to complete the Asphalt Overlay (Commercial) in the amount of \$300,000. Of this amount, \$300,000 will be rolled in the FY2026 budget.
- The City will award a contract in FY2026 for the completion of Commercial Street Sidewalk in the amount of \$840,000. Of this amount, \$840,000 will be rolled in the FY2026 budget. Net cost is \$128,000.

Shared / Multiple Funds

- The City will award a contract in FY2026 for the completion of Maple Ave and River Crossing. The total contract amount for this project was established at \$1,890,000. Of this amount, \$1,890,000 will be rolled in the FY2026 budget. This project is split between the Combined Water and Wastewater Systems Fund at \$1,190,000 and Water Impact Fees of \$700,000.

PREVIOUS ACTION

As a part of the budget process, the Board held a retreat/financial summit on April 17, 2025. Following the retreat, the Board reviewed Compensation Scenarios proposed by staff on July 15, 2025. On August 19, 2025, the Board formally reviewed the FY2026 Proposed Budget and Five-Year Capital Improvement plan, with an update on September 23, 2025, pertaining to additional identified expenses for FY2026.

POLICY OBJECTIVE

Approval of operating and capital budget to provide funds to support Board of Aldermen goals in FY2026.

FINANCIAL CONSIDERATIONS

Adopting expenditure and revenue budget for FY2026 which establishes spending and receipting authority for the City in FY2026.

ATTACHMENTS

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input checked="" type="checkbox"/> Other: FY2026 Budget Message | |

Budget Message

October 7, 2025

Honorable Mayor and Board of Aldermen:

I am pleased to present the Recommended Annual Operating and Capital Budget for Fiscal Year 2026. This budget was strategically developed through collaboration among staff and the Board of Aldermen over the last several months. I believe it aligns with the Board's goals, operational needs, and long-term fiscal sustainability.

Key funding priorities include the addition of three positions, enhancements to employee compensation and retirement to support recruitment and retention, and investments in critical infrastructure to maintain and grow essential services. The City recently received notification from the Missouri State Auditor's Office that a petition drive for a state audit was successful. Following Board discussion, the estimated audit cost of \$150,000 is included in the FY2026 Recommended Budget.

The Recommended FY2026 Budget also reflects the addition of the Public Safety Sales Tax Fund. Approved by the voters in April, the Public Safety Sales Tax is estimated to generate approximately \$700,000 in annual revenue to fund increased compensation and benefits for officers to support recruitment and retention, additional staffing and related equipment, and implementation of a full-time animal control program. This dedicated funding source allows the City to prioritize public safety while reducing financial impact to the General Fund.

Budget Message

FY2026 Recommended Budget

The FY2026 budget reallocates unspent funds for projects or programs approved in the FY2025 Budget. This approach ensures funding is available to complete projects initiated in FY2025 without requiring an amendment to the FY2026 budget.

Across all funds, the recommended expenditure budget totals \$33,940,731. As discussed throughout development of the budget, several major capital and operational projects have been initiated and are expected to reach key phases in FY2026. The budget includes anticipated expenditures associated with these initiatives, reflecting the organization's ongoing commitment to long-term growth, infrastructure investment, and service enhancement.

Revenues supporting the budget total \$22,358,623. Strategic use of fund balance to address operational and capital needs is coupled with issuance of debt to provide resources for completion of significant utility projects.

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Grand Total	\$ 26,992,126	\$ 22,358,623	\$ 33,940,731	\$ 15,410,018

Budget Message

General Fund

The City anticipates a strategic use of fund balance in the General Fund to support planned personnel investments and critical capital improvement projects. This allocation is part of a long-term financial strategy aimed at maintaining service levels, addressing infrastructure needs, and supporting workforce stability.

For Fiscal Year 2026, an estimated \$779,128 from the General Fund's available fund balance is proposed to be used. This planned drawdown reflects a deliberate investment in initiatives that align with the City's operational goals and capital planning efforts. The City will maintain a positive reserve position through 2027. Fund balance could dip below the required reserve in 2027. This is consistent with the timeframe discussed with the Board in September. Staff will continue to monitor the reserve projections.

The City employs a conservative approach to budgeting in order to avoid overestimating revenues or undercutting expenses. This practice maintains fiscal responsibility and prevents overcommitment of resources. As a result, the annual budget often reflects a projected deficit, even when actual year-end results are more favorable.

Budget Message

General Fund Drawdown FY2026

Interest Income Allocation Methodology

Beginning in FY2026, the City is implementing a revised methodology for allocating interest income. Under this approach, earnings will be distributed proportionally between the General Fund and the Combined Water and Wastewater Funds, rather than fully credited to the General Fund as in prior years.

In FY2025, the General Fund projected approximately \$710,000 in interest income. Under the new allocation model, projected interest income for FY2026 is \$222,684, a decrease of \$487,316. While this adjustment contributes directly to the projected deficit, it ensures a more equitable distribution of investment earnings across funds.

Recommended Budget Additions

The FY2026 budget includes \$443,727 in new or expanded expenditures. These additions reflect strategic investments in City services, staffing, and operational needs.

Taken together, the reduced revenue from interest income and the recommended spending additions account for the majority of the FY2026 shortfall. Despite this planned drawdown, the City maintains a strong financial position with a healthy General Fund reserve that supports stability, enables strategic investments, and supports the City's long-term goals.

Budget Message

General Fund Revenues

As outlined in the chart below, revenues are budgeted to total \$7,143,408. The following accounts represent the more significant accounts affecting 2026 revenues.

Property taxes represent a conservative estimate with unknowns related to Clay County Senior Real Estate Property Tax Relief Program. The City is still awaiting definitive figures to substantiate the amount that has been frozen.

Interest earnings are expected to have the most significant impact on the projected revenue decline in 2026 compared to fiscal year 2025. Two key factors will place downward pressure on interest earnings. First is the anticipated reduction in interest rates by the Federal Reserve. Second, and with a greater projected impact, is the City's approach to allocating interest income across the appropriate funds. This allocation strategy directs earnings to funds with the largest cash balances, affecting the overall interest revenue recognized in the general fund.

General Fund Revenues	Actual FY2024	FY2025 Budget	FY2025 Projected	FY2026 Proposed Budget
Property Taxes	1,208,975	1,205,585	1,205,585	1,215,000
Sales and Use Taxes	2,688,789	2,550,738	2,773,611	2,878,671
Franchise Taxes	804,845	784,370	784,370	838,565
Licenses, Fees, and Permits	351,651	365,246	390,246	358,696
Intergovernmental Revenues	539,592	501,119	501,119	555,773
Charges for Services	495,811	474,025	474,025	479,271
Fines and Forfeits	88,937	116,652	116,652	112,000
Interest Earnings	730,251	315,258	710,000	222,684
Other Revenue	237,245	104,164	104,164	123,498
Transfers In	286,750	320,500	333,987	359,250
Total Revenues	\$ 7,432,846	\$ 6,737,657	\$ 7,393,759	\$ 7,143,408

General Fund Expenditures

The expenditure budget totals \$7,922,536 and incorporates Board direction at the retreat this spring as well as discussion this summer.

General Fund Expenditures	Actual FY2024	FY2025 Budget	FY2025 Projected	FY2026 Proposed Budget
Personnel Seives	4,319,582	4,661,649	4,661,649	5,156,321
Commodities	1,097,603	1,161,730	1,161,730	1,300,172
Capital Outlay	782,774	852,043	852,043	408,925
Contractual Services	452,401	489,074	489,074	724,118
Transfers Out	357,000	383,000	383,000	333,000
Total Expenditures	\$ 7,009,360	\$ 7,547,496	\$ 7,547,496	\$ 7,922,536

Budget Message

Following Board review throughout the summer, the recommended budget adds \$443,727 in expenditures to the budget as outlined below.

Employee Salary Increases - \$98,376

To support employee retention and ensure the City remains an attractive employer, staff recommends a 4% salary adjustment for all current non-represented employees.

Parks & Facilities Manager - \$92,455

Addition of a position to plan maintenance, make minor repairs, coordinate, and manage contractors and keep systems in all city facilities in working order. With no currently identified staff, the responsibility for monitoring service and condition of HVAC, plumbing, electrical, and building maintenance has fallen to whoever identifies a problem. This leads to inconsistency in maintenance and service schedules.

GIS/IT Technician - \$41,729

This position is necessary to maintain the GIS system and will assist with mapping, project development, infrastructure maintenance, asset management and work orders. Ideally, this position would also serve as information technology support to city-wide technology needs. One half of the costs of this position are recommended to be funded through the General Fund with the remaining funds coming from the Combined Water and Wastewater Systems Fund.

Enhancement to Employee LAGERS Retirement System - \$70,067

Transitioning to the L-6 plan provides a more competitive retirement benefit, supporting both recruitment and retention efforts. The L-6 Benefit Program provides a 2.00% benefit multiplier to retiree benefits. The City's current multiplier is 1.75%. The City's contribution rates are calculated annually by actuaries and may vary year to year based on the annual payroll.

Budget Message

Employee Wellness Reimbursement Program \$20,100

To better accommodate the diverse wellness needs of a multi-generational workforce, staff recommends implementing a wellness reimbursement program of up to \$300 per year per employee, requiring submission of receipts or activity logs to Human Resources for reimbursement. This allows employees to choose wellness options that best suit their individual needs, whether that be a gym membership, fitness classes, or other wellness-related expenses.

Strategic Planning \$50,000

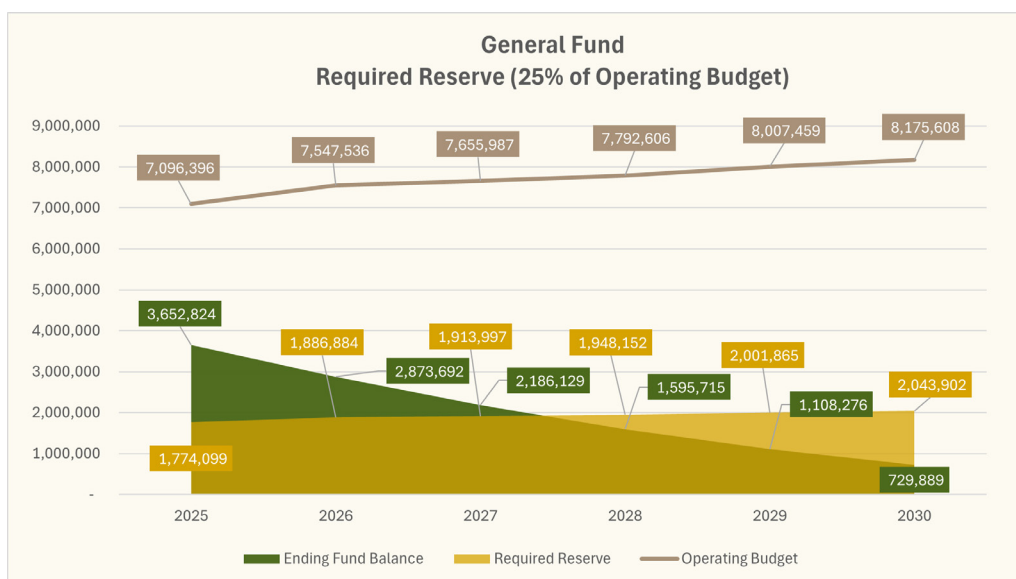
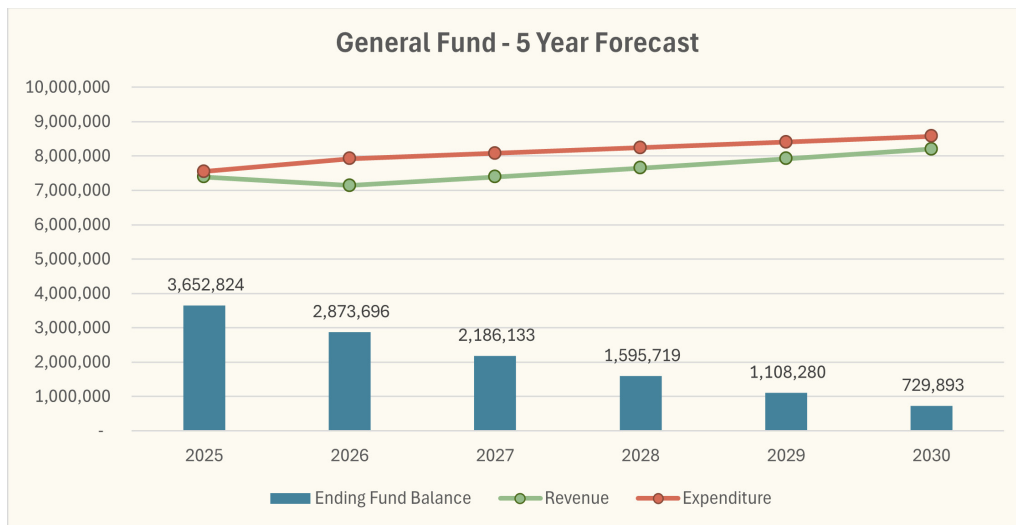
Funds have been identified to hire a consultant to facilitate a public process to update the City's strategic plan, which was developed in 2019.

Equipment Replacement \$71,000

The budget includes funding for purchase or replacement of several pieces of maintenance equipment as well as upgrades to the severe weather outdoor warning system.

Budget Message

The following two charts represent the projected 5-year cash flow versus the reserve policy. Both revenues and expenses have been conservatively budgeted. Despite strong recent performance, interest income has been significantly reduced in alignment with the new methodology allocation previously discussed. This adjustment contributes to a wider gap between revenues and expenses in the 2026 budget. Looking ahead, revenue and expenditure projections are based on historical trends and anticipated economic conditions. Staff will continuously monitor the status for and trends that may affect fund balance and reserve level.



Budget Message

Public Safety Sales Tax Fund

As previously noted, the Public Safety Sales tax was approved by the voters in April. The sales tax is estimated to generate approximately \$700,000 in annual revenue to fund increased compensation and benefits for officers to support recruitment and retention, additional staffing and related equipment and implementation of a full-time animal control program. At the board retreat, the Governing Body provided direction to prioritize recruitment and retention of public safety personnel and development of an animal control program.

The FY2026 Recommended Budget reflects these priorities, funding a total of \$343,890 in expenditures. This includes \$230,700 for direct police expenses and \$113,190 for animal control expenses. The \$91,000 represents the January 2026 step increase included in current contracts for both officers and sergeants. Additionally, the impact of moving to the new LAGERS pension program (L-6) is estimated at \$33,500.

FY2026 Recommended Public Safety Sales Tax Expenses

Smithville Police Expenses

Personnel and Benefits	\$	91,000
LAGERS upgrade to L-6	\$	33,500
Equipment and Training	\$	106,200
Total	\$	230,700

Animal Control Expenses

Personnel and Benefits	\$	52,500
Commodities	\$	15,515
Contracted Services	\$	11,725
Capital Improvements	\$	33,450
Total	\$	113,190

Total Public Safety Sales Tax Expenses \$343,890

Collection of the Public Safety Sales Tax begins October 1, 2025. The City expects minimal revenue for the first three months with a total received in FY2026 of \$700,000. A Public Safety Sales Tax Review Committee is recommended to review implementation of budget priorities.

Budget Message

Combined Water and Wastewater Systems Fund

To ensure long-term alignment between utility rates and the City's strategic goals, a comprehensive rate study is scheduled for the fall of 2026. This study will evaluate the City's financial needs in the context of the Water and Wastewater Master Plans, helping to inform future rate structures that support sustainable service delivery and capital investment. In the interim, there will be no utility rate increase implemented on November 1, 2025, reflecting the City's commitment to maintaining affordability for residents while continuing to provide high-quality utility services.

Additionally, in September 2025, the City issued \$8.5 million in Certificates of Participation (COP) bonds. This infusion of capital funding will directly support a range of vital capital improvement projects beginning in FY2026, as outlined below. These projects are designed to enhance City infrastructure, promote economic development, and ensure long-term operational efficiency. The strategic use of debt financing, paired with stable utility rates and a forward-looking rate study, underscores the City's prudent financial management and dedication to balancing affordability with investment in community infrastructure.

The following represents the FY2026 capital outlay for CWWS projects.

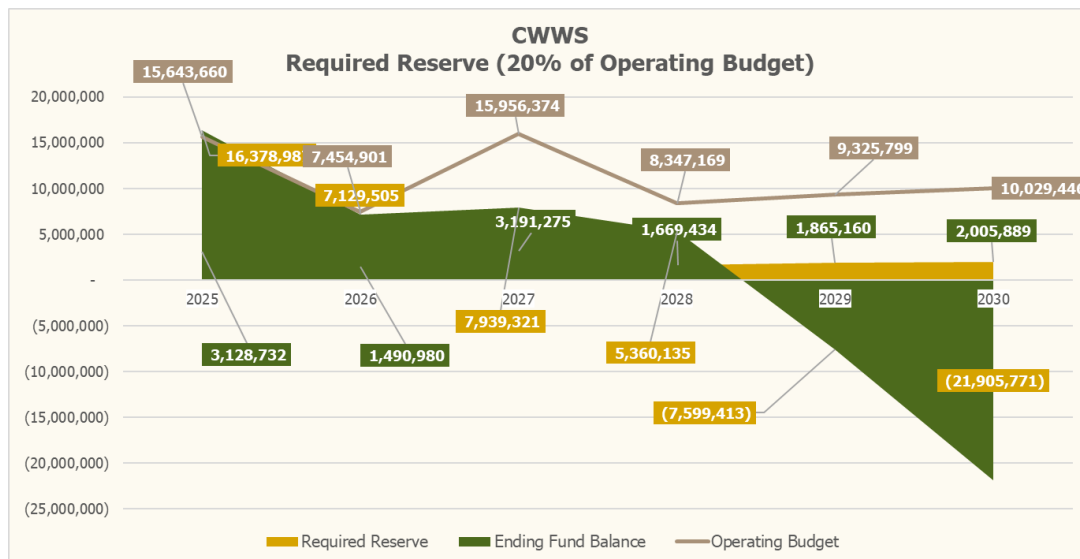
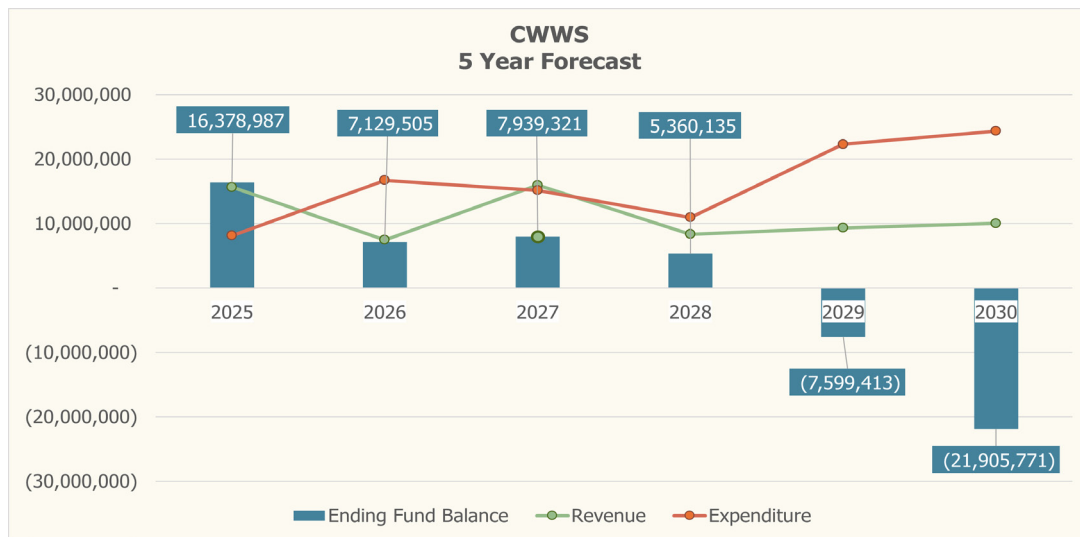
144th Street Lift station and West Bypass (Construction)	\$ 4,500,000
144th Street Lift station and West Bypass (Federal Earmark)	\$ (1,500,000)
Smith's Fork Force Main (Construction)	\$ 600,000
Maple Ave & River Crossing (12" Waterline) (50% of Construction)	\$ 1,190,000
Stonebridge Lift Station (Engineering)	\$ 200,000
Stonebridge Lift Station (Construction With SSD Cost Sharing)	\$ 1,300,000
McDonalds/Central Bank Lift Station (Engineering)	\$ 100,000
Interconnect Mains at 144th/169 Highway/Major Mall (S2, Engineering)	\$ 55,000
Highway 92 & Commercial Waterline (Engineering)	\$ 150,000
Highway 92 & Commercial Waterline (Construction)	\$ 300,000
Smith's Fork Park Waterline (Construction)	\$ 170,000
Wastewater Treatment Plant Expansion (Engineering)	\$ 1,050,000
Water and Wasterwater Master Plans Update	\$ 200,000
Taste and Odor	\$ 1,000,000
Water Plant Improvements (Construction)	\$ 200,000
Water Plant Improvements - Under Drain Replacement	\$ 400,000
Church and Mill Watermain	\$ 100,000
Total	\$ 10,015,000

Budget Message

It is anticipated that second COP issuance will occur in FY2027. The following capital outlay represents the additional projects.

	2027	2028	2029	2030
Owens Branch Gravity Line Phase #1, Line #1 (Construction)	1,150,000			
Owens Branch Gravity Line Phase #1 and #3, Line #1 (Construction)	500,000			
Interconnect Mains at 144th/169 Highway/Major Mall (S2, Construction)	150,000			
Water Plant Expansion (Engineering)	2,100,000			
McDonald's/Central Bank Lift Station (Construction)	500,000			
Wastewater Treatment Plant Expansion (Construction)	3,000,000			
Owens Branch Gravity Line Phase #1 and #3, Line #2 (Engineering)		500,000		
Additional Water and Wastewater Project Funding		2,000,000		
Owens Branch Gravity Line Phase #1, Line #2 (Construction)			2,500,000	
Owens Branch Gravity Line Phase #1, Line #3 (Construction)			2,000,000	
Additional Water and Wastewater Project Funding			2,000,000	
Water Plant Expansion, Phase I (Construction)			7,500,000	15,000,000
Total	\$ 7,402,027	\$ 2,502,028	\$ 14,002,029	\$ 15,002,030

The following two charts represent the projected 5-year cash flow versus the reserve policy.



Budget Message

Capital Improvement Sales Tax Fund

The Capital Improvement Sales Tax Fund serves as a critical financial mechanism that supports the City's strategic objective of investing in long-term infrastructure and facility improvements. This dedicated revenue stream is essential for funding, financing, operating, and maintaining a wide range of capital projects that enhance public services.

Proceeds from the Capital Improvement Sales Tax Fund are used not only to support new construction and upgrades to City buildings, public facilities and infrastructure, but also to ensure the ongoing maintenance and operational efficiency of existing infrastructure. In addition, this fund plays a key role in covering debt service obligations.

The following projected projects are planned for the Capital Improvement Sales Tax Fund.

Capital Improvement Project Name	FY2026	FY2027	FY2028	FY2029	FY2030
Annual Transfer to Debt Service	\$ 367,920	\$ 373,420	\$ 376,420	\$ 382,420	\$ 390,540
2 nd Creek Sidewalks (Engineering)	\$ 50,000	\$ -	\$ -	\$ -	\$ -
2 nd Creek Sidewalks (Construction)	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -
2 nd Creek Sidewalks (MARC Reimbursement)	\$ (600,000)	\$ -	\$ -	\$ -	\$ -
1 st & Bridge Street - Round-A-Bout (40% of Engineering)	\$ 125,000	\$ -	\$ -	\$ -	\$ -
Maple Lane Sidewalks (Engineering)	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Maple Lane Sidewalks (Construction)	\$ -	\$ 600,000	\$ -	\$ -	\$ -
Maple Lane Sidewalks (MARC Reimbursement)	\$ -	\$ (480,000)	\$ -	\$ -	\$ -
1 st & Bridge Street - Round-A-Bout (20% of Construction)	\$ -	\$ 600,000	\$ -	\$ -	\$ -
180 th & Eagle Parkway Round-A-Bout (Engineering)	\$ -	\$ -	\$ 350,000	\$ -	\$ -
Pope Lane Round-a-Bout/Connection (80% of Engineering)	\$ -	\$ -	\$ -	\$ 400,000	\$ -
180 th & Eagle Parkway Round-A-Bout (75% of Construction)	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
180 th & Eagle Parkway Round-A-Bout (MARC Reimburse)	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)
Grand Total (Net Cost)	\$ 1,292,920	\$ 1,093,420	\$ 726,420	\$ 782,420	\$ 2,390,540

Budget Message

Transportation Sales Tax Fund

The Transportation Sales Tax Fund plays a vital role in supporting the City's ongoing efforts to maintain and improve its transportation infrastructure. Revenues generated from this dedicated sales tax are specifically allocated to fund essential maintenance projects, roadway enhancements, and long-term capital improvements.

By providing a stable and locally controlled funding source, the Transportation Sales Tax Fund enables the City to invest proactively in critical infrastructure - such as street resurfacing, sidewalk repairs, traffic signal upgrades, and other mobility-related improvements - thereby enhancing safety, reducing long-term maintenance costs, and improving overall connectivity for residents, businesses, and visitors.

This fund reflects the City's commitment to responsible fiscal planning and infrastructure sustainability, ensuring that transportation systems remain reliable, efficient, and capable of supporting future growth.

The following projected projects are planned for the Transportation Sales Tax Fund.

Capital Improvement Project Name	FY2026	FY2027	FY2028	FY2029	FY2030
Annual Asphalt Overlay Program (Projects TBD)	\$ 500,000	\$ 350,000	\$ 350,000	\$ 400,000	\$ 450,000
Annual Residential Sidewalk Replacement Program	\$ 100,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000
Dundee Overlay Project	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Commercial Street Sidewalks (Construction)	\$ 840,000	\$ -	\$ -	\$ -	\$ -
Commercial Street Sidewalks (MARC)	\$ (712,000)	\$ -	\$ -	\$ -	\$ -
Commercial Overlay	\$ 300,000	\$ -	\$ -	\$ -	\$ -
1st & Bridge Street - Round-A-Bout (60% of Engineering)	\$ 25,000	\$ 150,000	\$ -	\$ -	\$ -
Richardson St / 169 Signal (Engineering)	\$ 100,000	\$ 65,000	\$ -	\$ -	\$ -
Richardson St / 169 Signal (MODOT 50% Cost Share)	\$ (50,000)	\$ -	\$ -	\$ -	\$ -
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)	\$ -	\$ -	\$ -
1 st & Bridge St Round-A-Bout Construction (80% of Project Expense)	\$ -	\$ 2,400,000	\$ -	\$ -	\$ -
1 st & Bridge Street Round-A-Bout (MARC Reimbursement)	\$ -	\$ (900,000)	\$ -	\$ -	\$ -
180th & Eagle Round-A-Bout Construction (25% of Project Expense)	\$ -	\$ -	\$ -	\$ 300,000	\$ -
Grand Total (Net Cost)	\$ 1,203,000	\$ 2,525,000	\$ 410,000	\$ 770,000	\$ 520,000

Budget Message

Park and Stormwater Sales Tax Fund

The Park and Stormwater Sales Tax Fund serves as a dedicated revenue source to support the enhancement, expansion, and long-term sustainability of the City's parks, recreational facilities, and stormwater management systems. This fund plays a crucial role in advancing the City's mission to provide high-quality recreational opportunities and the maintenance and expansion of the City's stormwater infrastructure.

Revenues generated through this sales tax are strategically allocated to improve and expand parks, trails, playgrounds, sports facilities, ensuring access to safe, modern, and inclusive recreational amenities. Additionally, the fund supports stormwater infrastructure and related priorities.

The following projected projects are planned for the Park and Stormwater Sales Tax Fund.

Capital Improvement Project Name	FY2026	FY2027	FY2028	FY2029	FY2030
Dundee Road Stormwater Improvements (Construction)	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Riverwalk & Trail Construction (40% of Construction)	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Riverwalk Park & Trail (10% of Construction)	\$ 200,000	\$ -	\$ -	\$ -	\$ -
OK Railroad Trail - Phase 1 (Construction)	\$ 281,000	\$ -	\$ -	\$ -	\$ -
OK Railroad Trail - Phase 1 (Grant)	\$ (184,000)	\$ -	\$ -	\$ -	\$ -
Forest Oaks Stormwater Improvements (Engineering)	\$ -	\$ -	\$ -	\$ -	\$ -
Forest Oaks Stormwater Improvements (Construction)	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Smith's Fork Park Complex (Engineering & Design)	\$ 320,000	\$ 320,000	\$ -	\$ -	\$ -
Cedar Lakes Stormwater Improvements (Engineering)	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Cedar Lakes Stormwater Improvements (Construction)	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Maple Lane Stormwater Improvements (Engineering)	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Maple Lane Stormwater Improvements (Construction)	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Smith's Fork Park Complex (Construction)	\$ -	\$ -	\$ 2,240,000	\$ -	\$ -
Grand Total (Net Cost)	\$ 1,717,000	\$ 445,000	\$ 2,540,000	\$ -	\$ -

Budget Message

Vehicle and Replacement Fund (VERF)

The City currently leases a total of 38 vehicles through its partnership with Enterprise Fleet Management, supporting the operational needs of key departments including Public Works, Police, Parks and Recreation, and Utilities. This fleet leasing program strategically managed solution that ensures City departments have access to reliable, well-maintained vehicles essential for daily operations and public service.

Leasing through Enterprise allows the City to modernize its fleet on a regular cycle, reducing downtime, improving fuel efficiency, and minimizing the long-term costs associated with aging vehicles. In addition to providing access to a newer and more dependable fleet, the program includes basic maintenance services, which further enhance vehicle performance, safety, and longevity.

Sanitation Fund

City staff are proposing an increase to the monthly residential trash and recycling fee, increasing the rate from \$20.16 to \$21.43 per month, an overall increase of 1.7%. This proposed rate adjustment is necessary to ensure the continued delivery of waste collection and recycling services while keeping pace with rising service costs and inflation.

The City has successfully secured a long-term service agreement with Green For Life (GFL), locking in highly competitive rates through 2030. Under the terms of this agreement, the annual rate increase will remain at a stable 1.7% through 2028, followed by a modest increase of 2.5% in both 2029 and 2030. This negotiated contract provides cost predictability for the City and its residents while maintaining reliable waste services.

To help support affordability for residents on fixed incomes, senior citizens will continue to receive a 15% discount on the monthly trash and recycling rate.

Budget Message

The Fiscal Year 2026 budget serves as a financial roadmap that outlines the City's planned revenues and expenditures, aligning available resources with strategic priorities and community needs. The FY2026 budget provides both a financial framework and a policy tool to guide decision-making throughout the year. It supports core municipal services, advances capital improvement projects, addresses infrastructure and public safety needs, and ensures the continued delivery of services to residents, businesses, and visitors.

The budget reflects the combined work of city staff and the Board of Aldermen. Thanks to Finance Director Rick Welch and Finance Analyst Madalynne Call for their work in preparing this document.

I look forward to working with staff, citizens of Smithville and the Board of Aldermen to accomplish the goals funded through the recommended budget.



Cynthia M. Wagner
City Administrator

BILL NO. 3081-25

ORDINANCE NO. 327X-25

AN ORDINANCE ADOPTING THE FY2026 ANNUAL BUDGET FOR THE CITY OF SMITHVILLE, MISSOURI, AND AUTHORIZING THE EXPENDITURES OF FUNDS FOR MUNICIPAL SERVICES

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI, AS FOLLOWS:

THAT, for the purpose of financing the conduct of affairs of the City of Smithville, Missouri during the fiscal year from November 1, 2025, and ending October 31, 2026 inclusive, the budget of the City's revenue and expenses for such period prepared and submitted to the Smithville Board of Aldermen by the City Administrator is hereby approved and adopted as the Official Budget of the City of Smithville, Missouri; and

THAT, the amounts set forth in the various funds are hereby appropriated to such uses, and authority is hereby given to the City Administrator of the City of Smithville to expend the amounts shown for the purposes indicated; and

FY2026 RECOMMENDED BUDGET

	2026 Projected Beginning Balance	2026 Revenues	2026 Expenditures	2026 Projected Ending Balance
General Fund	3,652,824	7,143,408	7,922,536	2,873,696
Capital Improvement Sales Tax Fund	536,772	1,376,869	1,892,920	20,721
Capital Projects Fund	165,755	11,000	-	176,755
Combined Water/Wastewater Fund	16,378,986	7,454,901	16,704,382	7,129,505
Debt Service Fund	285,263	367,920	367,920	285,263
Park and Stormwater Sales Tax Fund	2,243,422	988,733	1,901,000	1,331,155
Sanitation Fund	70,155	1,000,715	987,117	83,753
Marketplace TIF (Allocation) Fund	2,318,511	905,625	792,862	2,431,274
Commons CID Fund	465,689	438,655	381,502	522,842
Transportation Sales Tax Fund	714,849	1,500,322	2,204,000	11,171
Vehicle And Equipment Replacement Fund	85,390	433,000	428,497	89,893
Donation Fund	42,280	15,100	-	57,380
Judicial Education Fund	2,532	-	1,100	1,432
Technology Upgrade Fund	-	-	-	-
DWI Recovery Fund	13,762	3,425	2,975	14,212
Police Training Fund	10,986	1,450	4,280	8,156
Public Safety Sales Tax Fund (new)	-	700,000	343,890	356,110
Fairview Crossing CID Fund (new)	4,950	12,500	3,750	13,700
Shops at Smithville CID Fund (new)	-	5,000	2,000	3,000
Grand Total	\$26,992,126	\$22,358,623	\$33,940,731	\$15,410,018

THAT, the amounts for each fund, as shown above, shall not be increased or decreased except by the Board of Aldermen approval, but the various objects of expenses comprising the total appropriation for any fund may be increased or decreased at the discretion of the City Administrator, providing the adjustments shall not increase the total amount appropriated for that fund.

PASSED by the Board of Aldermen, and **APPROVED** by the Mayor, of the City of Smithville, Missouri, this 21st day of October, 2025.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

First Reading: 10/07/2025

Second Reading: 10/21/2025