



Figure 1 - Downtown Smithville

**City of Smithville, Missouri
Board of Aldermen – Budget Retreat**

June 16, 2026 9:00 a.m. – 4:30 p.m.

**The TreeHouse at Liberty Hospital
2533 Glenn Hendren Drive, Liberty, MO**

1 Call to Order

2 General Fund Revenue Discussion

- Revenue Projections
- Fund Balance Review
- Schedule of Fees

3 Human Infrastructure

- Staffing Update and Priorities
- Employee and Board Compensation and Benefits

4 Decision Package Discussion and Board Feedback

5 Public Safety Sales Tax

6 Physical Infrastructure

- CIP Discussion
- VRF Update
- Facility Needs

7 Combined Water and Wastewater Systems Fund

- Rate Study
- Impact Fees
- Wholesale Rates

8 Funding Plan: Utilities and Facilities

9 Priorities, Board Direction and Timelines

10 Adjourn





Date:	June 16, 2026
Prepared By:	Cynthia Wagner, City Administrator Gina Pate, Assistant City Administrator
Subject:	Organizational Transitions – 2026

This year has been one of significant transition in major departments in the City. Both the Police and Public Works Departments are experiencing the retirement of long tenured and leadership positions. Cumulatively, the retirement of three employees in these two departments represent the loss of more than 120 years of local government experience.

Last summer Assistant City Administrator Gina Pate and I conducted “stay interviews” with all members of the Police Department with the goal of identifying ways to increase job satisfaction and reduce turnover in the department. Information gleaned from that process has guided considerable review and work in the Police Department. We have on our workplan to conduct a similar process in the Public Works Department this summer with the new Public Works Director.

Two positions were added to the organization in the FY2026 budget: IT/GIS Technician and Parks and Facilities Manager. These positions were filled within the first four months of FY2026.

This memo provides an overview of these transitions and related work organizationally over the past 12 months.

Police Department

As noted previously, Gina and I met with all members of the department last summer in an effort to understand the internal operations and perceptions of the department. Prior to the interviews, we surveyed all members of the department to gain an insight into issues to use as a starting point for the interview meetings.

Eight areas of improvement were identified:

- leadership and supervision
- communication and transparency
- accountability and standards
- morale and culture
- community policing and public engagement
- recruitment and retention
- compensation and benefits
- specialized units and professional development

Results of the process were presented to department management, frontline staff and governing body members.

A recurring theme in interviews related to staff workload, particularly at the command level. In order to better understand some of the issues affecting leadership, and considering the upcoming retirement of Captain Roetman, McGrath Human Resources Group (McGrath) was engaged to conduct a review of the current organizational structure of the department. Their recommendations are based upon a review of the department's organizational chart, current job descriptions of all Police Department staff, and information obtained from virtual meetings with the Police Chief, Police Captain, and Police Sergeants. All documents and information were then analyzed by McGrath's Lead Police Consultant. The findings reflect recurring structural, supervisory, and cultural challenges that—while not indicative of systemic failure—require deliberate organizational reform to ensure consistency, accountability, and alignment with community expectations.

The report finds that the Smithville Police Department demonstrates strong individual commitment among personnel, but faces structural and supervisory challenges that hinder consistency, accountability, and proactive leadership. The most pressing issues identified in the report is what they described as an “unsustainable span of control at the rank of Captain and weak supervisory accountability”.

The McGrath review noted that the most significant structural concern is the excessive span of control assigned to the department's sole Captain. This position currently supervises nine direct reports, including all Sergeants, detectives, school resource officers, and the newly created full-time animal control officer.

The Captain's workload includes, but is not limited to, internal investigations, hiring-related HR tasks, scheduling, and fleet management, all of which are administratively focused. The Captain is also responsible for the operational supervision of direct reports. As second in command of the department, the Captain serves in the absence of the Chief, in addition to being a strategic advisor to the Chief.

The impact of such broad focus of responsibility has resulted in reactive leadership. Inconsistent supervision was described over the Sergeants, limited oversight over specialized roles (detective, SRO), delays in administrative duties, all of which increase off-hours demands on the Captain as a result. All three Sergeants independently confirmed that the Captain's span of control is unmanageable. The Chief and Captain agree the current model is not sustainable.

McGrath recommended the creation of a second Captain position to reduce the span of control in the department, provide more robust and available supervisory oversight, strengthen department accountability, and provide the structural foundation needed for long term operational stability.

Earlier this spring, staff presented the addition of a Captain position to the Board for consideration and, following Board action, the budget has been amended to provide funding for the addition of this position (funded equally by the General Fund and Public Safety Sales Tax Fund). Recruitment for two Captains is currently underway.

Implementing the recommended two-Captain model, reinforcing policy-driven decision-making, and establishing consistent supervisory accountability will significantly strengthen the department's operational effectiveness and internal culture. Through organizational restructuring, clear expectations, and disciplined leadership practices, this should resolve some symptomatic challenges that have been identified.

In addition to the span of control concern, McGrath interviews identified a pattern of inconsistent decision-making at the Sergeant level across shifts, particularly regarding report-taking, enforcement expectations, accountability for Officer performance, and adherence to Department policy. The Sergeants acknowledge these inconsistencies exist, and that this has contributed to inconsistent service delivery with limited accountability.

McGrath's report notes that the personnel who hold the rank of Sergeant have varying levels of experience in sworn law enforcement but have only been in the role of Sergeant with the City between 0 and 5 years. Significant leadership and mentoring is needed at the Sergeant level to ensure success in the role as supervisors develop the skills necessary to manage teams, make critical decisions, and foster a positive and productive work environment for the department. This is particularly important as the average tenure of front-line police officers is also very low. The role of the Sergeant is critical for effective supervision, mentoring, and guidance to the officers as the Department rebuilds its tenure.

The McGrath report noted a need in the department for guidance and leadership, clear supervisory expectations, consistent enforcement of department policy, and accountability in upholding department and City expectations.

Creation of the second Captain position will assist in this area. Supervisory staff are currently discussing ways to address consistency and accountability concerns. Additionally, recent hiring of more experienced officers is anticipated to assist in an understanding of police work, its demands and community related policing issues. More seasoned new officers can be role models and mentors to less tenured officers.

The report noted that a perceived historical divide between the Police Department and City leadership appears to have diminished with turnover. Current staff do not identify this as an active issue. Management also believes the recent Collective Bargaining Agreement discussions assisted in this area as well.

The report also noted that officers have expressed interest in specialized assignments. The report notes that departmental call volume and resource constraints do not justify creating new units. McGrath further highlighted that department benefits from regional partnerships, including homicide squads, investigative teams, K-9 support, and tactical resources so duplication of those efforts is not responsive to the City's current needs. From a human resources lens, it is understood that employees are looking for opportunities and professional development and employers are looking for engagement and retention tools. In discussions with McGrath staff did note existing internal specialties such as firearms and Taser instructors and upcoming drone training, addressing this as it has a defined need. In the case of the K-9 program, the McGrath review does not recommend implementation due to cost, liability, and limited operational need.

We have made significant progress in compensation and benefits for the Police Department. With the new collective bargaining agreements, Police Officer starting pay was increased by 25% and Sergeant starting was increased by 17%. With implementation of the new wellness reimbursement program, LAGERS upgrade to L-6, and the sabbatical program our Police Department staff is very satisfied with their benefits. In the last year, there has been a major shift in the morale of the department and we are able to attract more tenured officers than previous years.

The Police Department is at a pivotal moment and leadership will be held accountable to continue the improvements to the department's culture and operations.

The City received 11 applications for the Police Captain openings, and interviews are expected to take place this summer. Once the new Captains are selected and onboarded, the City will move forward with advertising the Animal Control Officer position. Since the full-time animal control will be a new function within the Police Department, staff believes it is important for the new supervisory structure to review the position, program expectations, and operational needs before recruitment begins. This approach will help ensure the program is thoughtfully implemented and positioned for long-term success within the department.

Public Works Department

With the pending retirement of Chuck Soules and onboarding of new Public Works Director Matt Bond, the department will be in transition over the next 12-18 months.

The Public Works Department has undergone significant staffing changes in the past year, including new supervisors and department structure changes. The Water Division has a new team of dedicated staff that has been able to implement new treatment recommendations for taste and odor, as well as technology upgrades to improve the division's operations.

The Wastewater Division is evaluating their programs and processes to ensure reliability of our infrastructure and plan proactively for maintenance. As a reminder, this division is responsible for the water distribution system and wastewater collection and treatment. This division is currently down one operator; this position has been in recruitment for over one year.

The Streets Division has placed value on bringing in more projects and services in house rather than relying on an outside contractor to perform the work. This year, the city did not use an outside contractor for snow removal. In past years, the sidewalk repair program was performed by contractors. Now, the streets division does the program. Streets has helped with the Utilities Division and Parks Department on maintenance projects.

Recently, the Board of Aldermen approved the reclassification of the Assistant to the Public Works Director to Assistant Public Works Director. This reduces the span of control of the Public Works Director and provides career growth within the department.

As noted earlier, "stay interviews" for this department are anticipated this summer to assist Matt in meeting staff and beginning to identify departmental strengths, needs and challenges. Recruitment of front-line staff in both the Utility and Streets Divisions continues to be a challenge as we compete with private sector employers who have driven up entry-level salary costs. The labor positions will be reviewed in conjunction with the stay interviews to align with the market and job duties.

New Positions in 2026

As noted, two positions were added to the budget in 2026.

IT/GIS Technician

The IT/GIS Technician position was filled by Jamie Nix II in January 2026. Since joining the City, Jamie has completed a comprehensive review of the City's technology, IT, and GIS needs. He met with each department in January to better understand operational needs and identify areas requiring support from the City's IT vendor, ALLO Technologies. To date, Jamie has developed a laptop replacement plan and hardware replacement cycle, researched an internal ticketing system to streamline department requests, implemented an automated hardware inventory and asset management baseline, evaluated the City's internet infrastructure resulting in cost savings, and coordinated with the GIS vendor on new mapping layers. He has also shifted the City toward proactive lifecycle management rather than a reactive "break-fix" approach. In addition, Jamie manages the City's GIS and IT vendor contracts and has begun reviewing the AT&T internet setup, which has already produced additional cost savings. He has also received his GIS Certification.

In less than six months, Jamie has developed a strong understanding of the City's systems and has already improved day-to-day operations. Employees have consistently expressed appreciation for having on-site support for their IT needs. Prior to filling this position, staff frequently raised concerns about the timeliness of service provided by ALLO Technologies. Having an on-site IT/GIS professional has made support more responsive and seamless, and Jamie handles most IT issues. Based on the current scope of responsibilities and workload associated with this position, staff recommends reclassifying the IT/GIS Technician position to IT/GIS Manager.

Parks and Facilities Manager

Since joining the Parks and Recreation Department in March, Brett Teel has made a quick impact on operations, maintenance, and long-term planning. He has implemented an online inspection program for all park properties, trails, playgrounds, and city facilities, identifying 96 corrective tasks to proactively address deficiencies, with 42 already completed. He has strengthened maintenance operations by overseeing the replacement of the Council Chambers HVAC unit, repairing the Activity Center's commercial hot water heater in-house, and shifting equipment repairs from outsourced vendors to internal staff, resulting in cost savings and expanded crew capabilities. He has also improved operational efficiency by instituting pre-trip equipment inspections, creating maintenance records for all fleet assets, centralizing city service contracts, and overseeing the installation of new park gates at Smith's Fork Park. His work at Heritage Park included upgrading ballfield base anchors to improve safety and field consistency.

In addition to daily operational improvements, Brett has assessed departmental capital needs, supported the bid process, hired and onboarded seasonal staff, and assisted with projects including the OK Railroad Trail and the upcoming dog pound kennel project. He also secured a Missouri Department of Conservation grant and cost-share agreement to enhance Courtyard and Wildflower Parks while reducing mowing maintenance demands. His support during multiple campground water leak repairs further ensured minimal service disruption. In a short time, his efforts have improved accountability, reduced costs, and strengthened the department's operational foundation.



Date:	May 21, 2026
Prepared By:	Chief Jason Lockridge & Sgt. Trevor Ballard
Subject:	School Resource Officer Program Summary Report

Purpose

The purpose of this report is to provide a brief overview of the Smithville Police Department's School Resource Officer program, including its history, current role, alignment with other area programs, and considerations moving forward.

Role of the School Resource Officer

The School Resource Officer (SRO) serves as a sworn police officer assigned to the school environment. The officer's primary role is to act as a liaison between the school district and the police department, build positive relationships with students and staff, assist with safety planning, provide classroom and crime prevention education, and respond to law enforcement matters on school property.

The SRO is not intended to replace school administrators, teachers, counselors, or school discipline. Routine school discipline remains the responsibility of the school district. The SRO becomes involved when conduct violates local or state law, when a criminal investigation is required, or when a situation creates a safety concern for students, staff, or the community.

The SRO is also trained in crisis intervention and can assist school personnel with sensitive or potentially volatile situations involving students, families, or safety concerns.

Core Duties

The responsibilities of the SRO can be summarized into the following core duties:

1. Serve as a liaison between the Smithville School District and the Smithville Police Department.
2. Build positive relationships with students, staff, administrators, and parents.
3. Provide classroom presentations and support educational programs involving law enforcement, crime prevention, safety, and substance abuse awareness.
4. Investigate and document crimes that occur on school property.
5. Assist with emergency preparedness, active shooter training, and school safety planning.
6. Provide a trained law enforcement presence capable of responding to serious threats or safety concerns.
7. Make recommendations to improve school security.
8. Remain flexible and responsive to school-related needs as they arise.

Daily Activities

On a typical school day, the SRO monitors traffic during arrival and dismissal, observes hallways during passing periods, conducts perimeter and door security checks, communicates with school office and administrative staff, responds to messages and calls for service, and remains available for incidents that occur during the school day.

The SRO may also investigate incidents, write reports, attend meetings with school staff or outside agencies, provide classroom presentations, respond to other district buildings, and assist with summer programs such as Junior Police Academy, Summer Safety Academy, and active shooter training for staff and law enforcement.

Program History

The Smithville Police Department began its School Resource Officer program in 2001 through a Federal COPS grant. The City of Smithville and the Smithville School District entered into a memorandum of understanding in April 2001, and the first SRO was assigned in June 2001.

In 2018, a second SRO was added after the Board of Aldermen funded the position in the 2019 budget. From that time until 2024, two SROs were assigned to Smithville schools. By assigning the two SROs to different buildings, the duties of the SRO were split.

In 2023, the City and school district entered into an updated MOU. The agreement changed the funding structure from a 75 percent school district and 25 percent City split to billing the district for actual time spent in school buildings. The agreement also transitioned the cost of the second SRO to the school district over a two-year period, with the district responsible for 100 percent of time spent in school buildings beginning in 2024.

In 2024, both SROs were temporarily reassigned to patrol because of historically low police department staffing. One SRO returned to the schools in February 2025. The second SRO left the department in March 2025 and has not yet been replaced.

During the 2024-2025 school year, the school district also implemented a School Protection Officer program. The district currently employs four-armed security personnel assigned throughout the school district. This program provides additional security but is separate from the SRO program.

Since early 2025, the SRO program has operated with one SRO, supported by the School District's addition of School Protection Officers. This model has allowed for a dedicated person to be assigned to each building, providing an added layer of security and protection for students, staff, and visitors.

The addition of School Protection Officers has significantly changed the safety and security dynamic within the School District.

Alignment With Other Programs

As part of the review of the Smithville SRO program, information was gathered from other area programs, including Riverside Police Department, Excelsior Springs Police Department, Liberty Police Department and the North Kansas City Police Department.

The review found that Smithville's SRO program is consistent with other SRO programs in the surrounding area. While the wording of each agreement differs, the core responsibilities are similar. These include relationship-building, law enforcement response, school safety, education, emergency preparedness, and coordination between the school district and law enforcement.

This indicates that the Smithville SRO program is well aligned with common practices used by other agencies serving school districts of varying sizes.

SROs and School Protection Officers

The school district's School Protection Officer program provides an additional layer of security. However, School Protection Officers and SROs serve different functions.

School Protection Officers provide armed security for the school district. The SRO is a sworn police officer with law enforcement authority, investigative responsibilities, police department training, crisis intervention training, and direct access to police department resources.

The two programs can complement each other, but they should not be viewed as interchangeable.

Program Value

The SRO program provides value by improving communication between the police department and school district, building trust between students and law enforcement, supporting school safety, assisting with criminal investigations, and providing prevention-based education.

The program also gives the district access to a trained law enforcement officer who understands the school environment and can respond quickly to threats, mental health-related incidents, criminal matters, and other sensitive situations.

Looking Forward

The Smithville SRO program has served the community for more than 25 years and remains a valued partnership between the City, the Police Department, and the School District. However, the role and function of the SRO have changed significantly in recent years.

One issue affecting Smithville, as well as SRO programs more broadly, is the decline in classroom presentations. Teachers are required to cover more instructional content in less time, which has reduced opportunities for SROs to provide classroom instruction.

Historically, Smithville SROs regularly provided 20 to 30 classroom presentations each school year. In recent years, that number has declined to fewer than 10, and in some years fewer than 5. This trend is not unique to Smithville. For example, the SRO at a neighboring school district previously provided approximately 75 to 100 classroom presentations per school year, but that number has declined to fewer than 30.

The district's addition of School Protection Officers has also changed the security structure within the schools. Since early 2025, the SRO program has operated with one SRO, supported by School Protection Officers assigned by the School District. This has allowed a dedicated person to be assigned to each building, providing an added layer of security and protection for students, staff, and visitors.

The combination of a reduced need for building security and reduced classroom interaction has diminished two of the traditional core functions of the SRO position. While the SRO program continues to provide value through summer programs, daily student interaction, and relationship-building, the current structure should be evaluated in light of these changes.

The School District has not had two SROs assigned to the buildings since 2024. During that time, the workload of the current SRO has not increased in a way that clearly demonstrates an operational need to restore the second SRO position. While middle school administration has expressed a desire for a second SRO to assist with coverage during absences, district administration appears less certain that refilling the position is the best use of available budget resources. Under the current Memorandum of Understanding, the School District would be responsible for the hours worked by a second SRO.

The current Memorandum of Understanding is scheduled to expire in September 2026. At this time, staff is not making a formal recommendation regarding the future structure of the SRO program. Given the history of the program, the addition of School Protection Officers, the reduction in classroom presentation opportunities, and the current funding structure, direction from the Board of Aldermen is needed before moving forward.

Specifically, staff is seeking guidance regarding the City's desired role in the SRO program, including whether the City wishes to continue supporting one or more SRO positions assigned to the School District, whether changes to the current structure should be explored, and what level of Police Department staffing should be dedicated to the program in the future.

Once direction is provided, staff can work with the Smithville School District to review the current Memorandum of Understanding, clarify expectations, evaluate staffing and funding considerations, and bring back any necessary agreements or policy decisions for further consideration.



Date:	June 16, 2026
Prepared By:	Gina Pate, Assistant City Administrator
Subject:	Compensation Plan

Background

In 2021, McGrath conducted a Class and Compensation Study for the City of Smithville. Included in the recommendations was the creation of a pay range system which placed specific jobs in ranges to increase internal equity in the organization at market-competitive rates. Following implementation of our plan, several other communities conducted compensation studies, resulting in the City’s pay ranges falling behind. To stay competitive for recruitment and retention, staff conducted an analysis of our compensation plan compared to surrounding communities.

The FY2025 Compensation Plan was adjusted by 6% for non-represented frontline employees, and 8% for management employees, based on a market analysis of surrounding communities. This market analysis was conducted internally by HR, to provide cost savings to the City. For retention purposes, current employees as of November 1 received an 8% adjustment for frontline employees, and a 10% adjustment for management employees.

The FY2026 Compensation Plan was adjusted by 2.5%, and all non-represented employees received 4% increases. Employees received a higher increase for retention purposes.

In 2024, two bargaining unit agreements were ratified. With the approval of the Public Safety Sales Tax, the City was able to negotiate considerable increases for the Police Officers and Sergeants effective in April 2026. Police Officer starting salary increased by 25%, and the Sergeant starting salary increased by 17%. The salary adjustments have helped to recruit experienced Police Officers from other agencies in the metro.

Surrounding Community Compensation Approach

As mentioned last year, City Administration reached out to other communities in the Northland to learn about their compensation practices. Most have transitioned away from a merit-based system and now implement annual across-the-board salary increases. Additionally, some communities provide longevity pay as part of their compensation strategy. This approach is a reward for retention, however once implemented it would be difficult to pause or suspend in future years.

Most have a similar pay scales as Smithville, however many do not have tiered positions (ex. Maintenance Worker I, II), but have a larger pay range for positions or different titles for more experienced positions. A benefit of having the tiered position approach is that we are not limited to how many staff are at a specific position level.

Most communities are looking at a COLA adjustment to their pay scale and for employees ranging anywhere from 1.5-3%. Kearney has a step plan of 2.5% per step.

FY2027 Recommendations

Compensation

Based on HR's review of surrounding community pay scales in the Northland, the City continues to trend behind in certain areas of the compensation plan, particularly with starting pay. While some communities maintain broader pay ranges, the City's recent adjustments have helped some positions remain competitive or trend ahead of the market.

- Frontline positions are averaging 4.9% behind comparable positions in surrounding communities.
- Positions in the middle of the compensation plan are generally on par with surrounding communities, with some positions trending ahead.
- Department Director positions and the Police Captain position are averaging 15% behind comparable positions in surrounding communities.

Recent recruitment efforts have also shown that the City is generally unable to hire qualified candidates at the minimum of the current pay ranges, further indicating the need to adjust the compensation plan to remain competitive.

Based on the five-year forecast and market comparison, staff recommends the following pay adjustments for employee pay and the compensation plan:

- Frontline Staff (Pay Grades 15-35): 5%
- Mid-Level Staff (Pay Grades 40-60): 3%
- Management Staff (Pay Grades 60 and 65): 8%

Positions

As noted in the Staffing Update memo, staff is not recommending any new positions for FY2027. However, staff recommends consideration of two position changes to better align titles and pay grades with current responsibilities.

The IT/GIS Technician role has expanded beyond general coordination and vendor management to serve as the City's onsite technical resource. The position has also absorbed the customer service responsibilities associated with the City's contract with

ALLO, significantly increasing the duties and responsibilities of the role. In addition, the position manages the technology budget for all departments and provides support to staff after regular business hours when IT issues arise. Since this position is responsible for supporting the IT and GIS needs of all departments, staff recommends reclassifying the position to IT/GIS Manager at pay grade 50 (from current pay grade of 40).

The Assistant City Administrator role has also expanded significantly as the City continues to grow. This position is responsible for all human resources functions other than payroll, manages City communications, supports economic development efforts, leads special projects assigned by the City Administrator, and serves as City Administrator in the City Administrator's absence. The position now also supervises the IT/GIS Technician. To better reflect the scope and level of responsibility associated with this role, staff recommends retitling the position to Deputy City Administrator with no change to pay grade.

Next Steps

Staff is looking for feedback and direction on the compensation plan for FY2027.



Date:	June 16, 2026
Prepared By:	Gina Pate, Assistant City Administrator
Subject:	Benefits Committee Recommendations

Background

The City currently has a Benefits Committee that reviews the City’s benefits on an annual basis. Usually, this committee meets during the insurance renewal period before open enrollment, but this year the committee met to review non-traditional benefits that the City could potentially offer for recruitment and retention.

The Benefits Committee has a representative from each department:

- Gina Pate, Assistant City Administrator – Administration Department
- Jim Waddle, Building Inspector II – Development Department
- Thea Gomez, Finance Specialist II – Finance Department
- Chris Beckham, Parks Maintenance Worker II – Parks & Recreation Department
- Joe Buchheit, Police Officer – Police Department, *Non-Supervisory Unit Representative*
- James Morgan, Sergeant – Police Department, *Supervisory Unit Representative*
- Brian Gleason, Wastewater Plant Operator II – Utilities Division (PW)

2026 Benefits Survey

In February, Human Resources sent a benefits survey to employees. The goal of the survey was to evaluate employee satisfaction with the benefits package and identify major concerns and opportunities for improvement. We received 32 responses.

Overall, employees are generally satisfied with the current benefits package, reflected by an average satisfaction score of 3.53 (with a rating scale of 1 to 5). Only two low satisfaction ratings were received. A major factor in these ratings related to the ongoing negotiations with Blue Cross Blue Shield of Kansas City and North Kansas City Health. Additionally, there were some concerns regarding the costs of the plans. This information will be reviewed during open enrollment this fall.

The benefits that are most important to employees are retirement plans, insurance, and paid leave. Employees indicated that areas for improvement are LAGERS, introduce a 457b match, and improve health insurance options.

Following review of the survey results, the committee recommended the following priorities:

- Enhancements to LAGERS by moving to level L6 (non-contributory)
- 457b retirement match

- Pursue enhancements to parental leave time.

LAGERS Comparison Information

All programs use multiplier x final average salary x years of service.

Plans available: L7 – multiplier of 1.5%
 L12 – multiplier of 1.75%
 L6 – multiplier of 2%

The City’s current plan will become effective on July 1 is L6: benefit multiplier of 2.00% and employees contribute 2% of salary.

Other communities:

L7 contributory	Platte City (4% contributory)
L7 noncontributory	Excelsior Springs Kearney
L6 noncontributory	Gladstone Riverside North Kansas City Parkville Liberty

Parental Leave Comparison:

In August of 2024, the city began offering 6 weeks of paid parental leave.

- Riverside offers 12 weeks paid parental leave
- North Kansas City offers 8 weeks paid parental leave
- Liberty offers 6 weeks paid parental leave
- Parkville, Excelsior Springs, Kearney, and Gladstone do not offer any paid parental leave (allow employees to use accruals)

Deferred Compensation Comparison

The only surrounding community that offers a match is North Kansas City up to 3%. Gladstone, Riverside, Parkville, and Liberty mentioned that since they are at a non-contributory LAGERS program at L6, they do not offer a match.

The benefits committee discussed a sick leave buyback program, which could be particularly valuable for more tenured employees. In some communities, a sick leave buyback is offered at a reduced rate when employees reach their maximum accrual limit, or they may have the option to receive a payout at separation at that same reduced rate. Both of these benefits would require a revision to the employee handbook. This was discussed at the last Board Retreat, and was not recommended by the Board for further exploration.

Next Steps

Staff recommends moving the City's L-6 LAGERS benefit to a non-contributory plan. This change would increase employees' take-home pay by eliminating the current 2% employee contribution, while also giving employees the option to redirect that amount toward their 457b deferred compensation plan. Moving to a non-contributory L-6 plan would also better align the City's retirement benefit with surrounding communities and strengthen the City's position for employee recruitment and retention.

Additionally, staff recommends expanding the City's paid parental leave benefit from six weeks to eight weeks to support employee recruitment and retention efforts. This change can be accommodated within existing salary estimates already included in the budget.

Staff is seeking Board feedback on the Benefits Committee's recommendations and direction regarding which items should be brought forward for consideration during the FY2027 budget development process.



Date:	June 16, 2026
Prepared By:	Gina Pate, Assistant City Administrator
Subject:	Board Compensation and Benefits Review

At the May 19 Board Work Session, staff was directed to conduct a comparison of elected official compensation and benefits to surrounding communities for discussion at the Board Retreat.

Staff reached out to northland communities, the table below provides the results of that review.

- The average monthly compensation for mayors in other northland communities is just over \$760 while the average monthly compensation for aldermen/members of the board is roughly \$325.
- Only two communities, Gladstone and Liberty provide governing body members with the opportunity to access health insurance through the City’s plan. Gladstone limits that access to individual coverage, not families.

City	Alderman / Council Compensation	Mayor Compensation	Additional Benefits
Smithville	\$150/month	\$300/month	Travel and training reimbursement
Excelsior Springs	\$250/month	\$350/month	No additional compensation or benefits
Gladstone	\$25 per quarter (≈ \$8.33/month)	\$25 per quarter (≈ \$8.33/month)	Eligible for medical, dental, and vision benefits at the employee-only rate
Kearney	\$200/meeting (maximum \$400/month)	\$500/meeting (maximum \$1,000/month)	Travel and training reimbursement
Liberty	\$200/month	\$400/month	Medical, dental, and vision benefits; city-paid life insurance; discounted community center membership
North Kansas City	\$300/month	\$1,100/month	LAGERS eligible
Parkville	\$450/month	\$1,200/month	Travel and training reimbursement

Platte City	\$500/month	\$1,000/month	Training and travel reimbursement
Riverside	\$667/month	\$1,500/month	Travel and training reimbursement

Position	Smithville Monthly Compensation	Peer City Average Monthly Compensation
Mayor	\$300	\$761.11
Alderman/Council Member	\$150	\$325.93

Attorney Padraic Corcoran has also provided a summary of state statute relating to governing body compensation and benefits as well as best practices recommendations for implementation of any changes. That information is attached. The Board should keep in mind that any changes implemented cannot apply to Board members in their current term: Board members re-elected or newly elected in the next election would be eligible for benefit changes after the April 2027 election. Board members with terms expiring in 2028 would not be eligible for the benefits until after that election.



City of Smithville
Board of Aldermen Retreat
June 16, 2026
Elected Official Compensation

SALARY — AUTHORITY AND THE TERM-FREEZE RULE

General Authority: The Board of Aldermen may fix the compensation of all officers and employees by ordinance. There is no statutory floor or ceiling; the amount is entirely within the Board's discretion. § 79.270

Term-Freeze — Absolute Prohibition

Missouri Constitution Article VII Section 13. Limitation on increase of compensation and extension of terms of office. — The compensation of state, county and municipal officers shall not be increased during the term of office; nor shall the term of any officer be extended.

Section 79.270, RSMo - "[T]he salary of an officer shall not be changed during the time for which he was elected or appointed."

The term-freeze applies to the entire fixed statutory term regardless of who holds the office. A successor elected or appointed to fill a mid-term vacancy fills out the predecessor's term and is entitled to — and limited to — the compensation fixed for that term. The City cannot set higher compensation for a replacement official. *Thornsberry v. City of Campbell*, 274 S.W. 847 (Mo. App. 1925)

This prohibition applies to all elected officials and admits no exception — not for cost-of-living, inflation, hardship, or any other reason. § 79.270

- A salary ordinance enacted after an officer takes office is void and unenforceable as to that officer for the current term, regardless of the Board's intent.

Lawful Mechanism for Future Increases

The Board enacts a compensation ordinance before the start of the next term, expressly providing that the new salary level takes effect when officials elected at the next municipal election assume office. The increase applies only to officials serving the new term.

- Best practice: Enact several months before the election to avoid the appearance of incumbents setting their successors' pay, and to ensure adequate public process.

HEALTH INSURANCE BENEFITS — § 67.150 RSMO

Statutory Authority

- **Express Basis:** Section 67.150 authorizes the governing body of any political subdivision to contribute to the cost of a plan furnishing hospitalization, medical expenses, life insurance, or 'similar benefits' to the subdivision's elected officials and employees. Elected officials are expressly named alongside employees. § 67.150(1)
- **Permissive:** The statute uses 'may' — health insurance is discretionary. Once the City elects to provide coverage, the procedural requirements of § 67.150(2) attach.
- **Scope:** Hospitalization, medical expenses, life insurance, and similar benefits. The 'similar benefits' language likely encompasses dental, vision, and other ancillary coverages commonly bundled in group plans.
- **Board Authority to Establish Fringe Benefits:** For 4th class cities, the Board of Aldermen has express statutory authority under § 79.270 to fix employee compensation by ordinance, and fringe benefits are part of that compensation. *Vangilder v. City of Jackson*, 492 S.W.2d 15, 18 (Mo. App. 1973) (sick leave benefits are part of employee compensation under § 79.270; board of aldermen of fourth class city has express authority to include such benefits).

Compensation Characterization and the Term-Freeze

- **Statutory Language — 'Part of Compensation':** Section 67.150(1) expressly characterizes the City's health insurance contribution as 'a part of the compensation' of elected officials and employees. The Legislature's own framing controls the analysis. § 67.150(1)
- **'Compensation' — Broadest Possible Term:** The Missouri Supreme Court established in *State ex rel. Emmons v. Farmer*, 196 S.W. 1106, 1108 (Mo. banc 1917), that 'compensation' is the comprehensive generic constitutional term, encompassing 'salary, fees, pay, remuneration for official services performed, in whatever form or manner or at whatsoever periods the same may be paid.' No form of remuneration for official services falls outside this definition.
- **Health Insurance as 'Compensation':** Section 67.150(1) expressly characterizes the City's health insurance contribution as 'a part of the compensation' of elected officials and employees — the Legislature's own framing under the controlling Emmons definition. Health insurance contributions are unambiguously 'compensation' subject to Art. VII, § 13.
- **Insurer-Driven Premium Increases — Verkamp Safe Harbor:** Where the City's contribution formula (percentage of premium or monthly cap) pre-dates the official's current term, annual increases in the dollar amount paid by the City that result from insurer-driven premium changes are not a prohibited compensation increase. Under *State ex rel. George v. Verkamp*, 365 S.W.3d 598, 601-03 (Mo. banc 2012), a mid-term increase

produced by applying a pre-existing formula does not violate Art. VII, § 13. The formula — not the dollar amount — is the relevant compensation term.

- Practical drafting: structure the enabling ordinance as a 'City contribution of [X]% of premium cost' or 'not to exceed \$[X] per month,' not a fixed annual dollar amount, to preserve the Verkamp safe harbor for future premium changes.

Competitive Bidding Requirement

- **Mandatory Every Three Years:** No insurance contract may be entered unless submitted to competitive bidding at least every three years, awarded to the lowest and best bidder. § 67.150(2)
- **'Lowest and Best':** This standard permits weighing coverage quality and carrier stability alongside premium cost. The Board should document its evaluation criteria in the award resolution.
- **Compliance Risk:** Rolling a contract for more than three years without rebidding violates the statute. The City should calendar rebidding obligations and maintain a bid file.

RETIREMENT AND DEFERRED COMPENSATION BENEFITS

Constitutional Authority — Mo. Const. Art. VI, § 25

- **Express Authority:** The Missouri Constitution authorizes any city or political subdivision to 'establish, maintain, and contribute to pension, retirement, disability and death benefit plans for its officers and employees.' This provision is self-executing and provides independent constitutional authority to create or contribute to a retirement plan, whether through LAGERS, a locally maintained plan, or a deferred compensation arrangement.

IRC § 457 Deferred Compensation Plans

- **Federal Authority:** Political subdivisions are eligible employers under IRC § 457 and may sponsor deferred compensation plans for officers and employees, including elected officials. No separate Missouri statutory authorization is required.
- **Practical Value:** A § 457 plan is the primary retirement vehicle available to the Mayor and Aldermen who are excluded from LAGERS. Employee voluntary deferrals reduce taxable income but do not constitute a new City salary action.
- **City Contributions:** Any City matching or discretionary contribution to a § 457 plan is a new item of compensation and is subject to the compensation analysis discussed in Section VII.
- **Plan Requirements:** The City must adopt a written plan document, designate an administrator, and hold plan assets in a trust or custodial account. Annual deferral limits apply under IRC § 457(b).

Social Security — §§ 105.300–105.430

- **Framework:** Missouri political subdivisions may extend federal Social Security (OASDI/Medicare) coverage to elected officials and employees through a Section 218 Agreement with the Social Security Administration. §§ 105.300–105.430
- **Elected Officials Covered:** 'Employee' for purposes of these sections expressly includes 'elective or appointive officers and employees of any political subdivision.' § 105.300(2)
- **LAGERS Interplay:** Positions already covered by LAGERS are generally excluded from Social Security coverage — the two programs are mutually exclusive for the same position. Elected officials excluded from LAGERS may therefore be separately covered by Social Security. § 105.300(4)
- **LAGERS Exception Gateway:** A 4th class city wishing to include its Mayor or Aldermen in LAGERS must first confirm 10+ other employees and must establish Social Security coverage for those officials through a Section 218 Agreement or modification.

ADDITIONAL BENEFIT CONSIDERATIONS

Medicare: Even without a full Social Security Section 218 Agreement, employees and certain officials hired after March 31, 1986 may be subject to mandatory Medicare (Part A) tax under federal law.

Expense Reimbursement: Reimbursement of actual, documented expenses (mileage, training, conferences) is not 'compensation' and is not subject to the § 79.270 restriction. A written expense reimbursement policy distinguishes ordinary reimbursements from compensatory payments and protects the City.

RECOMMENDED IMPLEMENTATION STEPS

Step 1 — Salary Ordinance: Draft a compensation ordinance setting new salary levels for all elected positions, expressly providing it applies only to officials elected at the next municipal election. Enact before the election.

Step 2 — Health Insurance Ordinance: Before the next term, adopt a § 67.150 enabling ordinance authorizing City health insurance contributions. State the contribution as a percentage of premium or monthly maximum. Initiate competitive bidding immediately.

Step 3 — § 457 Plan: If a retirement benefit for the Mayor and Aldermen is desired, adopt a § 457 deferred compensation plan. Any City contribution must be implemented as part of the next-term benefit package.

Step 4 — Social Security: Confirm Section 218 Agreement status. If Social Security coverage for elected officials is desired (or needed for the LAGERS exception), coordinate with the Missouri State Administrator's office.

Step 5 — Document All Actions: Each ordinance should recite its statutory basis and state that compensation changes are prospective only. Maintain bid files for insurance contracts.

ABILITY TO INCREASE SALARY AND BENEFITS

Two provisions govern the City's ability to increase elected official compensation:

Mo. Const. Art. VII, § 13 'The compensation of state, county and municipal officers shall not be increased during the term of office”

§ 79.270 RSMo salary shall not be 'changed' during the term

Art. VII, § 13 is the supreme provision and uses the broader word 'compensation,' which *Emmons v. Farmer* establishes is 'the generic term' covering 'salary, fees, pay, remuneration for official services performed, in whatever form or manner or at whatsoever periods the same may be paid.' Section 79.270 is more restrictive in one dimension — it prohibits all changes (increases and decreases) — while Art. VII, § 13 prohibits increases only

Cash Salary

- **Conclusion — Plainly 'Salary':** Cash salary is the paradigm case. Section 79.270 was enacted precisely to protect against mid-term cash salary changes. Any ordinance purporting to raise or lower an elected official's cash salary after that official takes office is void as to that official for the current term. *§ 79.270*
- **No Exception:** Missouri courts have applied the term-freeze strictly. The prohibition applies even if the increase is modest, well-intentioned, or supported by all Board members. The only lawful vehicle is a prospective ordinance taking effect at the start of the next term.

Health Insurance — § 67.150

- **Conclusion — Constitutes Compensation Subject to the Freeze:** Section 67.150(1) is unambiguous: the City's health insurance contributions are characterized by the Legislature itself as 'a part of the compensation' of elected officials. When the Legislature uses that language in the authorizing statute, it is difficult to argue that health insurance contributions fall outside § 79.270's prohibition on changing 'salary.' *§§ 67.150(1), 79.270*
- **New Benefit Adoption:** Providing health insurance to an elected official for the first time — when that official had no such benefit when they assumed office — is a new item of compensation. It changes the total compensation package for that officer during the current term. This constitutes a change in compensation prohibited by § 79.270.
- **Increase in City's Contribution Rate:** A City-directed increase in its percentage contribution or dollar cap (as opposed to a premium increase driven by the insurer) similarly constitutes a compensation change and is prohibited mid-term.
- **Insurer-Driven Premium Increases:** Annual increases in premium cost driven by the insurance market are not a City salary action. An existing plan continuing in force with a City contribution capped as a percentage of premium does not require a new ordinance

and is not a prohibited compensation change, as the City's contribution formula is unchanged.

- **Required Timing:** Both initial adoption of health insurance and any City-directed increase in contribution rate must be implemented by ordinance enacted before the next term begins, taking effect when newly elected officials assume office.

IRC § 457 Deferred Compensation — Employer Contributions

- **Conclusion — City Contributions Are Compensation:** Any matching or discretionary City contribution to a § 457 deferred compensation plan on behalf of an elected official is a new economic benefit with present value. It constitutes a change in compensation for the officer and is subject to the § 79.270 term-freeze if added or increased during a current term.
- **Employee Deferrals — Not a City Salary Action:** An elected official's voluntary election to defer a portion of their existing salary into a § 457 plan does not require a City salary action. The deferral reduces the official's current take-home pay but does not change the salary set by ordinance, nor does it increase the official's total compensation. Voluntary deferrals are therefore not a § 79.270 issue.
- **Required Timing:** Initial City establishment of a § 457 employer contribution — matching or discretionary — must be implemented before the next term and take effect upon assumption of office. Voluntary employee deferrals may be elected at any time by the official without implicating § 79.270.

Social Security — Section 218 Agreement

- **Conclusion — Federal Obligation; Outside § 79.270 Scope:** The adoption of a Section 218 Agreement to extend Social Security coverage to elected officials creates a federal payroll tax obligation — both employer and employee shares — rather than a discretionary City salary action. Because Social Security contributions are mandated by federal law once a Section 218 Agreement is in effect, they are arguably outside the scope of the § 79.270 term-freeze, which targets City-controlled salary changes rather than federally imposed tax obligations. §§ 105.300–105.430
- **Practical Risk Mitigation:** Notwithstanding the above, the extension of Social Security coverage to an elected official who had no such coverage when they took office does increase the official's net benefits package and imposes new employer costs. Out of caution, the City should time adoption of a new Section 218 Agreement to coincide with the start of a new term whenever practicable.
- **Employee Share:** The elected official's share of Social Security taxes is withheld from existing salary; it does not increase salary. It reduces net take-home pay but does not constitute a change in the salary fixed by ordinance.

Expense Reimbursements

- **Not Compensation; Not Subject to Term-Freeze:** Reimbursement of actual, documented, and pre-approved expenses is not 'salary' or 'compensation.' It is a return of funds expended by the official on City business. A written expense reimbursement policy may be adopted or amended at any time without implicating § 79.270.

SUMMARY

- **All New or Increased Cash and In-Kind Compensation:** Must be established before the start of the next term and may not be added or increased during a sitting officer's current term. This applies to: cash salary, health insurance contributions (new benefit or City-directed rate increase), and City contributions to a § 457 plan.
- **Insurer-Driven Premium Fluctuations:** Not a § 79.270 issue where the City's contribution formula (percentage or cap) is unchanged. The plan continues in force; no new ordinance is required for ordinary annual premium movement.
- **Employee Voluntary § 457 Deferrals:** Not a City salary action; may be elected by the official at any time; not subject to § 79.270.
- **Social Security Obligations:** Federally mandated once a Section 218 Agreement is in effect; arguably outside § 79.270's scope, though timing adoption to the start of a new term is the cautious approach.



Date:	May 27, 2026
Prepared By:	Gina Pate, Assistant City Administrator
Subject:	Career Development Plans

Background

In FY2024, the city implemented the first year of Career Development Plans. In March 2026, departments completed their annual Career Development Plans. This is the second full year of the plans, and this memo will serve as an update on the program, and key highlights of the upcoming year.

Second Year Review

Overall, the second year of the program highlights the need for continued professional development of our staff. Staff continue to want to grow in the organization and eventually retire with the city. The program offers a unique opportunity for the city to capitalize on continued review of positions within the city to provide career growth within the city

Highlights from second year of new program:

- **Employee Accomplishments:**
 - Will Stubbs, Building Inspector III, obtained his electrical certification. He has continued to be involved with the Planning & Zoning Commission and presented at the Board of Aldermen Meeting.
 - Jacob Wright, Water Plant Operator I, obtained his Class D Water Operator Certification from DNR
 - Samuel Smith, Plant Operator II, was promoted from Plant Operator I to Plant Operator II within one year of employment for obtaining the Class B Drinking Water Certification from DNR.
 - Gina Pate, Assistant City Administrator, presented at the ICMA Conference in Tampa, FL.
 - Mayra Toothman, Assistant Public Works Director, is currently participating in the APWA Public Works Institute.
 - Beth Stevens, Police Administrative Asst / Prosecutor Assistant, obtained the Prosecutor Certification.
- **Internal Hirings**
 - Internal candidates applied for multiple openings at the City. Departments have worked to provide opportunities for staff to take on leadership roles when available to help develop them for future opportunities.
 - The City promoted Trevor Ballard to Police Sergeant from Police Officer

Departments have been working together to give employees more opportunities to get involved in cross-training and new city projects. This has been a big help in managing workloads and offering on-the-job training experiences.

Supervisors have started checking in more regularly on staff's career goals, and looking for opportunities for development.

Departments will also need to keep an eye on workload and carve out time for training when possible. With turnover in mind, departments have been working on developing and updating standard operating procedures to support succession planning.

2026 Plan Highlights

Most employees are content in their current positions, and many career development plans reflect a focus on job-specific training to support them in their existing roles. A key priority for many departments is to continue pursuing job-specific certifications. Human Resources will work with each department to make a list of certifications and the related compensation increase associated.

Some employees have shared that they are interested in moving into supervisory or Department Head roles in the future, and all departments have identified succession planning as a key priority.

Human Resources will be launching new training series for staff to develop their skills in leadership, communication, and technical skills. These trainings will be focused on the mid-level managers, and provide opportunities for individuals who are not yet in leadership roles.



Date:	June 16, 2026
Prepared By:	Rick Welch, Finance Director
Subject:	VERF Status and Update

The Vehicle and Equipment Replacement Fund (VERF) was established to support the timely and cost-effective replacement of fleet assets across all departments. In recent years, however, the fund has not operated as originally intended. Unanticipated market conditions, along with the expansion of the City’s fleet, have impacted the program and altered the original implementation plan.

The partnership with Enterprise Fleet Management (EFM) has produced several measurable benefits. The regular and planned replacement of outdated vehicles and equipment has reduced breakdowns and improved fleet uptime, resulting in greater vehicle reliability and operational efficiency. By establishing standardized replacement schedules and minimizing unplanned purchases, the VERF has also supported more strategic and predictable budgeting, particularly now that the City has completed all projected vehicle acquisitions.

In addition, newer fleet vehicles require substantially fewer repairs, which has reduced overall maintenance costs, especially among high-mileage and aging equipment categories. Consistent replacement cycles have also helped ensure that vehicles remain in strong physical and mechanical condition, improving usability, reliability, and safety for staff and other end users.

Additional operational benefits have also been identified. The City is now better positioned to align vehicle assets with the specific needs of each department. Planning supported through the VERF has enabled more strategic fleet allocation and right-sizing, improving overall departmental efficiency and effectiveness. Through ongoing evaluation, departments such as Parks & Recreation and Development have reassessed and refined their vehicle requirements, moving away from a one-size-fits-all approach. For example, not every position requires a truck, resulting in more practical and cost-effective vehicle utilization. The modernization of the fleet has also strengthened the City’s ability to respond quickly and safely to both routine operations and emergency situations. This has been particularly beneficial for the Police Department, where reliable access to appropriate vehicles directly supports public safety and service delivery.

A review of the past five years of VERF operations has identified several unforeseen challenges. The COVID-19 pandemic caused significant delays in vehicle and equipment manufacturing, resulting in extended lead times and limited product availability. Continued supply chain disruptions have created unpredictable delivery schedules, making it difficult to align purchases with planned replacement timelines. In addition, substantial increases in vehicle and equipment costs have exceeded the original funding projections established for the VERF. The City has also expanded the fleet beyond the originally planned white fleet by incorporating police vehicles, increasing the total fleet count by approximately 33% over initial projections. As a result, budget assumptions based on pre-pandemic pricing are no longer sustainable. Further compounding these challenges, many of the fleet discounts and purchasing incentives previously available have been reduced or eliminated entirely between 2024-2025, contributing to higher overall acquisition costs.

Now that the City has acquired the vehicles necessary to support ongoing operations, staff plans to implement a series of quarterly and biannual reviews to ensure the long-term sustainability and effectiveness of the VERF. These reviews will include reassessing future funding contributions and overall fleet composition based on departmental discussions and operational needs. Staff will evaluate whether current funding levels remain adequate and determine if adjustments to fleet size or vehicle types could improve cost efficiency and better align with service demands. In addition, the City will conduct ongoing analyses of market conditions and cost trends, including inflation, fuel costs, maintenance expenses, and vehicle resale values, while also evaluating projected savings associated with timely replacements. This information will help refine future budgeting assumptions and funding strategies. To maintain transparency and accountability, detailed VERF reviews will continue on a quarterly or biannual basis. At a minimum, these evaluations will assess vehicle condition, utilization, departmental needs, replacement timelines, and overall fund performance to ensure the program remains responsive and financially sustainable.

The following section summarizes projected financial figures compared to actual results. Under the original financial strategy, departments relied significantly on revenue generated from vehicle sales to offset lease expenses and support the transition to a more sustainable vehicle replacement program. The City is now reevaluating the original replacement schedule, which was previously projected at one- to two-year intervals, and is placing increased focus on the annual departmental transfers necessary to sustain ongoing lease obligations. The projected VERF fund balance at FYE2026 is \$158,855.

Original Projection:

	FY21	FY22	FY23	FY24	FY25	FY26
Beginning Cash Balance	-	40,000	53,251	74,074	74,077	75,845
Transfer to Seed Reserve	40,000	20,000	35,000	-	-	-
Transfer from Operational Budgets	-	-	-	90,000	100,000	110,000
Sales of City-Owned Vehicles	125,000	244,000	352,100	255,460	261,043	266,751
Cash Balance	\$ 165,000	\$ 304,000	\$ 440,351	\$ 419,534	\$ 435,120	\$ 452,596
Lease Expenditures	(125,000)	(250,749)	(366,277)	(345,457)	(359,275)	(373,646)
Projected Ending Cash Balance	\$ 40,000	\$ 53,251	\$ 74,074	\$ 74,077	\$ 75,845	\$ 78,950

Actual Results:

	FY21	FY22	FY23	FY24	FY25	FY26 Projected
Beginning Cash Balance	-	25,676	184,326	163,722	72,562	152,352
Transfer to Seed Reserve	40,000	-	-	-	-	-
Transfer from Operational Budgets	-	222,065	190,808	246,375	485,000	435,000
Sales of City-Owned Vehicles	51,972	146,713	99,635	124,852	-	-
Cash Balance	\$ 91,972	\$ 394,454	\$ 474,769	\$ 534,949	\$ 557,562	\$ 587,352
Lease Expenditures	(66,296)	(210,128)	(311,047)	(462,387)	(405,210)	(428,497)
Ending Cash Balance	\$ 25,676	\$ 184,326	\$ 163,722	\$ 72,562	\$ 152,352	\$ 158,855

FY2026 and Future Outlook

In March 2026, EFM informed the City of favorable purchasing incentives that would allow portions of the fleet to be updated at lease costs below the amounts projected in the FY2026 budget. Following a comprehensive review of the current fleet inventory and discussions with EFM, staff identified 18 vehicles for replacement. The proposed replacements are expected to reduce overall program costs through a combination of favorable manufacturer incentives and projected vehicle equity.

For the FY2027 budget and future planning periods, staff recommend applying a 10% premium to each department's projected lease expense within the VERF. This contingency factor is intended to account for unanticipated mid-year adjustments while also strengthening the fund balance over time to support long-term program stability.

Staff is currently reviewing and updating the City's equipment replacement program to improve long-term planning, cost efficiency, and asset management. As part of this effort, staff will develop a revised replacement plan organized by department, which is expected to be presented to the Board for consideration during the summer.

Under the proposed structure, each department will make annual contributions to the VERF, which will serve as the centralized fund responsible for managing and coordinating the replacement program. This approach is intended to provide greater consistency in funding, improve transparency, and ensure that equipment replacement decisions are aligned with operational needs and fiscal sustainability.

The original purpose and goals of the VERF remain sound; however, the operating environment changed significantly shortly after the program was implemented. An annual reevaluation of the fund and replacement strategy will help align the program with current market conditions, operational demands, and financial realities while ensuring the continued responsible management of the City's fleet and equipment assets.

Equipment Replacement Plan

In FY2022, the City developed an equipment replacement plan to establish a more proactive approach for identifying, prioritizing, and funding future equipment needs. However, due to the initiation of several large-scale projects and limited staff capacity, implementation of the plan was deferred.

During FY2026, staff has begun reviewing and updating the equipment replacement plan to ensure it reflects current operational needs, equipment conditions, replacement schedules, and projected funding requirements. The goal is to complete the updated plan in preparation for incorporation into the FY2028 budget process.

The updated equipment replacement plan will provide a long-term framework for budgeting and financial planning, allowing the City to better anticipate future capital needs and evaluate sustainable funding strategies. It is also anticipated that this comprehensive approach will replace the current decision package process by providing a more consistent and strategic method for addressing equipment replacement requests.



Date:	June 16, 2026
Prepared By:	Rick Welch, Finance Director
Subject:	Public Water District #8 and 9

The City of Smithville has a business relationship with both water districts No. 8 and No. 9, which operate as separate public water providers to serve specific rural or unincorporated service areas surrounding a municipality. Their relationship with the City is based on utility agreements. There are distinct differences between the City’s relationship between the two independent water supply districts. This memo is provided for informational purposes only to assist the Board in understanding the City’s relationship and provide context for retreat discussions regarding the wholesale rate.

Public Water Supply District #8 of Platte County

The City’s latest agreement with Public Water Supply District #8 of Platte County (PWSD #8) was began November 2, 2016. This replaced the previous agreement entered into in 2006 and expired on November 1, 2016. This agreement is for the sale of water only to PWSD #8. In the current agreement, the City’s responsibilities are:

- Provide treated, potable water meeting Missouri Department of Natural Resources standards in the quantities outlined in Exhibit A.
- Deliver water at designated points of connection at generally maintained pressures of 30–50 psi, with specified delivery locations and capacities.
- Maintain metering equipment at its own expense, perform calibration upon request (no more than annually), and ensure accurate monthly measurement of usage.
- Provide monthly billing statements by the first day of each month for water delivered in the prior month.
- Provide notice within thirty days of any price increase before the change in rate shall become effective.
- Rate increases shall not be greater than the same percentage of increase as City charges its own citizen retail customers.

PWSD #8 responsibilities are:

- Pay for all water delivered by the 16th of each month. Late payments are subject to a 10% penalty, with service subject to suspension or termination if delinquency persists beyond 30 days.
- Grant and convey necessary easements for the water line infrastructure as required under the agreement.

- Acknowledge that ownership of the specified transmission line infrastructure remains with the City.
- May terminate agreement upon twelve 12 months' notice if said notice is given to the City within 90 days of the effective day of any rate increase.

The mutual responsibilities outlined in the agreement are:

- The agreement term is fifteen 15 years beginning November 2, 2016, with provisions for termination after November 2, 2026 upon thirty-six (36) months' notice by either party.
- The City will make reasonable efforts to maintain continuous service and in the event of shortages or system disruptions, service reductions will be allocated proportionally among users.
- The City retains maintenance responsibility for the specified transmission line infrastructure.
- The agreement is subject to approval by the governing bodies of both Parties and becomes binding upon formal authorization.


The following chart depicts the usage and collection history of PWSD #8.

	Gallons / YR	Average Gallons	\$ Received	Wholesale Rate
2019	27,466,000	2,496,909	112,771	\$4.76 / 1,000
2020	35,593,100	2,966,092	148,827	\$4.76 / 1,000
2021	34,374,100	2,864,508	174,919	\$4.76 / 1,000
2022	42,095,500	3,507,958	212,751	\$4.98 / 1,000
2023	37,899,500	3,158,292	208,268	\$5.40 / 1,000
2024	33,140,700	2,761,725	209,776	\$6.21 / 1,000
2025	34,935,500	2,911,291	249,487	\$7.14 / 1,000
2025	365,715,000	total gallons produced by the City in FY25		
2025		9.50% total % sold to PWSD #8 of the City's FY25 production		

The proposed FY2027 Schedule of Fees includes an increase to the wholesale water rate charged to PWSD #8. This adjustment is based on findings from the rate study conducted by Raftelis, which evaluated and confirmed the appropriate wholesale rate structure.

Public Water Supply District #9 of Clay County

The City does not have a formal water service agreement with Public Water Supply District No. 9 of Clay County (PWSD #9) and operates independently of the City of Smithville water system. However, the City is responsible for billing stormwater fees to PWSD #9 customers within its service area. To ensure accurate billing, the City relies on PWSD #9 to provide monthly water usage data for the applicable accounts. PWSD #9 billing is processed concurrently with the City's regular utility billing cycle.

	STAFF REPORT
Date:	May 27, 2026
Prepared By:	Charles Soules, P.E., Director of PW
Subject:	Water Treatment

In 2018, the City completed a Water Master Plan that identified future infrastructure improvements necessary to meet projected water supply demands. Based on population projections at that time, the plan anticipated that water treatment plant capacity improvements would be needed by 2025. More recently, the City completed a review of the Master Plan and an update to the Capital Improvement Plan (CIP).

The current CIP for the Combined Water and Wastewater System (CWWS) Fund includes planned capacity improvements to the water treatment plant in fiscal years 2031/2032. The proposed project includes construction of a new chemical feed building designed to address taste and odor concerns, a new raw water line, primary and secondary basins, additional filters, and a new high-service pump building.

These improvements would increase the plant’s treatment capacity from 2.5 million gallons per day (MGD) to 5 MGD. The estimated project cost in 2031/2032 is approximately \$40 million.

As part of the 2018 Master Plan, HDR also conducted a high-level evaluation of connecting to the Kansas City Water Services system. At that time, the option was determined to be infeasible due to the significant capital costs associated with transmission mains and connection fees.

City staff recently re-engaged with Kansas City Water to further explore whether supplying potable water to Smithville could be a potential option. The purpose of these discussions was solely to determine whether Kansas City Water would consider providing wholesale water service to the City of Smithville. Kansas City Water indicated a willingness to explore the concept, with the understanding that Smithville would be responsible for all required infrastructure improvements. These improvements would likely include transmission mains, point-of-delivery infrastructure such as metering and vault facilities, booster pump stations, and additional disinfection facilities. An engineering study would be required to determine the full scope and estimated costs of these improvements. In addition, a wholesale water agreement would need to be negotiated.

Another option considered was connecting to Kansas City Water as a supplemental water source. However, Kansas City Water utilizes chloramines for disinfection, which is incompatible with Smithville's existing free chlorine disinfection system. As a result, substantial modifications to the City's water treatment infrastructure would be necessary. Additionally, Kansas City Water indicated that it prefers arrangements that provide a stable and predictable revenue source and therefore does not support supplemental-only service connections.

In 2024/2025, the City also evaluated the potential sale of the water system to American Water. After review, the City determined that selling the system would not be in the best interest of Smithville residents.

For these reasons—including the high capital costs associated with new water mains, pump stations, metering infrastructure, and disinfection improvements, as well as the loss of local control over water rates—staff does not recommend pursuing additional negotiations regarding a connection to Kansas City Water Services at this time.



Date:	June 16, 2026
Prepared By:	Rick Welch, Finance Director
Subject:	Debt Funding Options

In preparation for the retreat and ongoing discussions with the Board, numerous operational, personnel and facility needs have been identified. These will require significant financial resources to fund. This staff report outlines the potential financial solutions which can provide new streams of revenue to support Board-identified priorities.

Property Tax – General Levy Limit

Property tax authority is similarly set by statute. RSMo 94.250 limits the maximum general operating levy rate a city of the 4th class may levy at 1.000 general operating levy rate. Property tax rates are set to limit revenues to which are generated from new construction only, with an allowance for CPI. Currently, the City of Smithville levies a 0.3607 general operating levy rate, all of which provides revenue to the General Fund. This rate is projected to generate \$1,223,110 for FY2026 (not including commercial surtaxes). Statute further allows levy of an additional 0.300 levy for general municipal purposes. This additional levy is not to exceed four years and can be reapproved in four-year increments.

Debt Levy

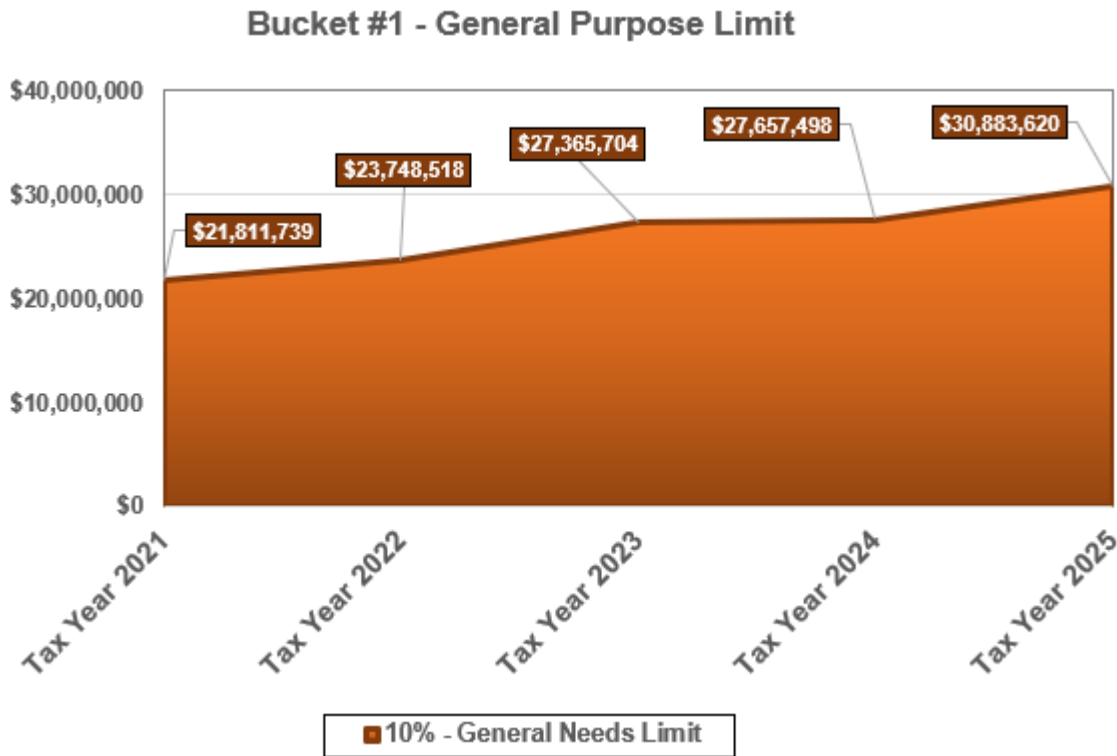
Aside from the levy for general municipal purposes, Cities are allowed a debt levy to fund costs associated with repayment of bonds issued for public purpose projects. While a debt levy does not have a specified ceiling, the debt limit determines the amount a City may borrow.

Debt Limitations and Capacity

The City’s debt limitation and capacity is a primary factor in determining how much debt may be issued for large scale capital improvement projects and the City of Smithville is limited in the amount of general obligation debt that may be issued. Missouri cities have debt issuance limits for General Obligation debt, which are set by the Missouri State Constitution. In thinking about these debt limits, it is helpful to think through this issue in terms of “two buckets.”

- *First Bucket:* In thinking about debt limits, consider a first bucket which is established for “general purpose” debt. This debt can be used for any general

municipal purpose. The City debt limit established for general purposes is limited to 10% of the City's assessed valuation. For Tax Year 2025 this limit is \$30,883,620. Proceeds issued for this debt can be used for any municipal purpose. The chart below indicates how the limit has changed for general purpose use as assessed valuation has increased over time.



- Second Bucket:* The second bucket which is established for “specific municipal uses”. Under Article VI, section 26 (d) Missouri City is allowed to increase their debt limit an additional 10% of assessed valuation for the purposes of “acquiring rights-of-way, construction, extending, and improving streets and or sanitary/stormwater sewer systems” and for “purchasing or construction waterworks, electric, or other lights plants to be owned exclusively by the City”. Given the assessed valuation of \$308,836,203 for Tax Year 2025, the total “specific municipal use” limit is equal to another 10% of the City’s assessed valuation, which would be equal to \$30,883,620.

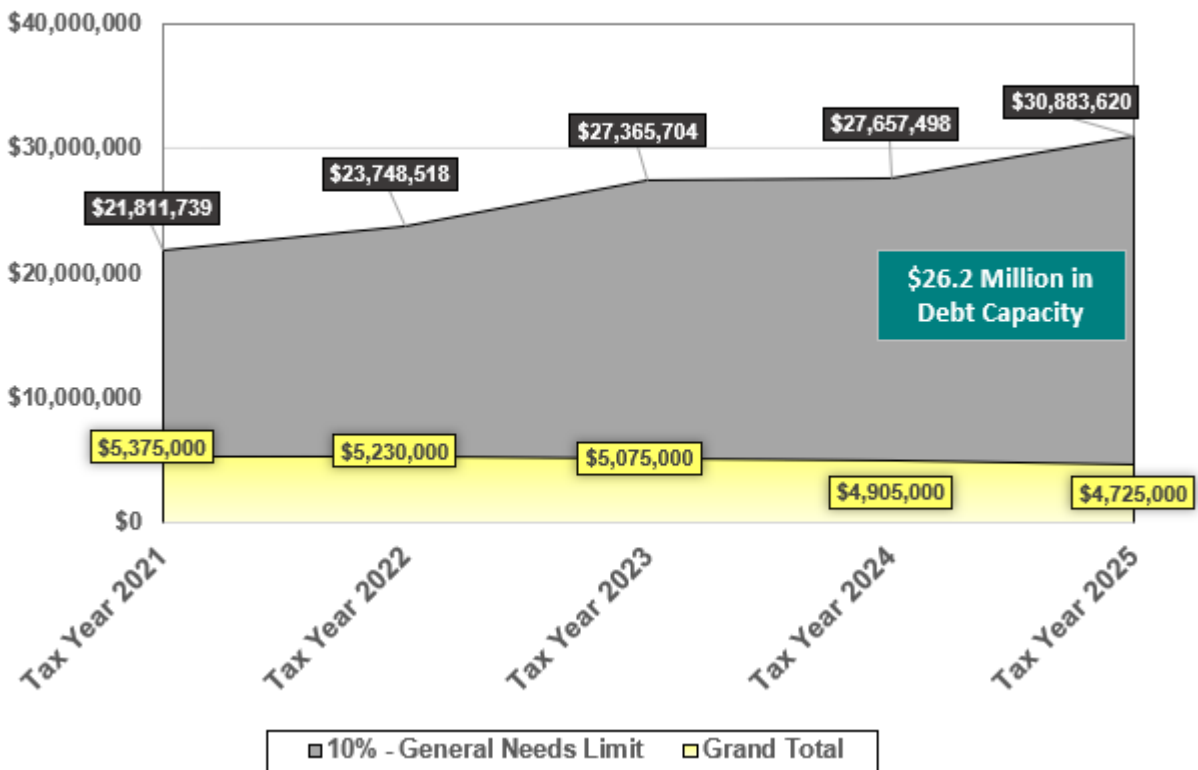
Therefore, this second bucket can include financing for the purposes of streets, stormwater, waterworks, or electric/light purposes. This provides the City with another \$30.9 million in debt limit. Together, both buckets combine to give the City a total debt limit of 20% (10% from each bucket) of assessed valuation, which is equal to approximately \$61.8 million. However, the actual capacity of the City must include an analysis of current outstanding General Obligation debt. Currently, the

City has outstanding General Obligation debt in the amount of \$4,725,000. This reflects the balance of debt related to the 2018 voter approved issuance which providing funding for the following projects:

- Amory Road Improvements
- Second Creek Road Bridge Improvements
- Main Street Walking Trail
- Downtown Streetscape Phase I and II

In the following graph, the City’s current outstanding General Obligation debt is shown in yellow. This debt was issued in 2018 and 2019 and has been decreasing as the City has made principal and interest payments. The chart shows that the city has approximately \$26.2 million in available capacity in this second bucket.

Bucket #2 - Specific Purpose Limit (For Streets, Electric, Water)



Together, the total capacity is as follows:

Bucket #1 Capacity	\$30.9 million
Bucket #2 Capacity	\$26.2 million
Total Combined Capacity in All Buckets	\$57.1 million

COP vs SRF

Certificates of Participation (COP) are a financing tool used by municipalities to fund a variety of capital projects. COPs are generally structured through a lease-purchase arrangement where investors purchase an interest in the City's lease payments or installment payments.

COP financing provides flexibility because it can be used for a broad range of municipal assets, including buildings, equipment, vehicles, and other capital improvements that may not qualify for specialized financing programs. COPs are typically issued based on the City's credit rating and market conditions.

Advantages of COP financing include:

- Flexibility in eligible project types;
- Ability to finance general government capital needs;
- Potential to avoid a general obligation bond election, depending on the structure and applicable requirements; and
- Ability to match financing terms with the useful life of the asset.

Potential considerations include:

- Interest rates are generally higher than subsidized state financing programs;
- Financing costs are influenced by market conditions and credit ratings; and
- The City is typically obligated to make annual lease payments subject to appropriation.

The State Revolving Fund program provides low-interest financing for eligible water, wastewater, and environmental infrastructure projects. In Missouri, SRF programs are administered through state agencies and are intended to support infrastructure improvements.

SRF financing is commonly used for projects such as water treatment facilities, wells, water storage, water distribution improvements, wastewater treatment facilities, sewer improvements, and certain stormwater projects.

Advantages of SRF financing include:

- Below-market interest rates;
- Longer repayment terms;
- Lower overall financing costs; and
- Potential additional subsidies or principal forgiveness for qualifying projects.

Potential considerations include:

- Projects must meet specific eligibility requirements;
- The application process includes additional review requirements, including environmental and engineering documentation; and
- Financing flexibility is limited compared to traditional municipal debt.

The following is a summary chart comparison of COP and SRF:

	COP	SRF
Primary Use	General capital improvements	Water, wastewater, and environmental infrastructure
Project Eligibility	Broad	Limited to qualifying projects
Interest Rate	Market-based (4.5%)	Typically below-market (2%)
Financing Term	Generally based on project / market conditions (Board approval)	Typically long-term financing (Voter approval)
Flexibility	High	Limited to qualifying projects
Administrative Requirements	Standard financing process (75-90 days)	More extensive application and compliance requirements (15-22 months)
Best Fit	Buildings, vehicles, equipment, general facilities	Utility infrastructure projects

The following are the election requirements required for voter approved debt:

Ballot Initiatives	November 2026	February 2027	April 2027	August 2027	November 2027
Sales Tax	Simple Majority	N/A	Simple Majority	Simple Majority	Simple Majority
Property Tax (up to 1.000)	Simple Majority	N/A	Simple Majority	Simple Majority	Simple Majority
Revenue Bonds (SRF)	Simple Majority	N/A	Simple Majority	Simple Majority	Simple Majority
GO Bond Issuance & Associated Debt Service Levy *	4/7	2/3	4/7	2/3	2/3
* August and November GO Bond elections are 4/7 in even years and 2/3 in odd years					