



City of Smithville, Missouri

Board of Aldermen - Work Session Agenda

June 16, 2020

6:15 p.m. – City Hall *Via Videoconference*****

NOTICE: *Due to the Governor's Emergency Declaration and the Health Officer's orders for safety, public meetings and public comment during public meetings will require modification. The City of Smithville is committed to transparent public meetings and will continue this commitment during the COVID-19 crisis. Anyone who wishes to view the meeting may do so in real time as it will be streamed live on the city's FaceBook page through FaceBook Live. Attendance in person by members of the public will not be permitted.

- 1. Call to Order**
- 2. Capital Improvement Plan Update**
- 3. Discussion of CARES Funding**
- 4. Discussion of COVID-19 Related Issues**
- 5. Discussion of Annexation**
- 6. Adjourn**

Agenda Item # 2 – Capital Improvement Plan Update



STAFF

REPORT

Date: June 16, 2020

Prepared By: Daniel Toleikis, Finance Director

Subject: CIP Update

Staff Report: All Departments

At the BOA Work Session, I will provide a walkthrough of the updated Capital Improvement Plan (CIP) document included in this packet. This document contains a list of improvement projects, by Fund, the projected costs to be expended in FY20 (highlighted in light blue), and projects recommended by staff to be included in the FY21 budget (highlighted in green). The bottom of each Fund contains a summary of projected cash flows.

Below is a summary of each fund:

The *General Fund* is the recipient of city-wide revenues, such as property tax, sales tax, use tax, and franchise fees. These general revenues fund the operational expenses of most departments: Elected Officials, Administration, Police, Development, Finance, Parks and Recreation, and Public Works (Street Division). The General Fund has a policy-required reserve of 40% of fiscal year operational expenditures. The BOA has an informal requirement that operational revenues meet or exceed operational expenditures. Any CIP expenditures from the General Fund reduce excess cash on hand (cash over and above the 40% reserve).

The *Capital Projects Fund* was the recipient of the proceeds from the voter-approved 2019 and 2019 General Obligation (GO) Bonds. There is no new revenue in this Fund, and all bond proceeds must be spent by March 14, 2022.

The *Capital Improvement Sales Tax Fund* is the recipient of the voter-approved ½-cent sales tax. This sales tax sunsets on September 31, 2038. Sales tax revenues are transferred to the Debt Service Fund to make repayments on the GO Bonds. Sales tax revenues over and above the debt repayment amounts may be used on CIP projects.

The *Parks and Stormwater Sales Tax Fund* will be the recipient of the voter-approved ½-cent sales tax. This sales tax sunsets on September 31, 2040. Approve in June, the tax will go into effect the first quarter following voter approval. Sales tax revenues are not expected to be received by the city until December 2020 due to the delay in processing at the state level. A new fund will need to be established in conjunction with development of the FY2021 Budget.

Sales tax revenues may be used on operational expenses or CIP projects. Staff is recommending that no operational expenses be transferred to this Fund from the General Fund. As you will see later in this document, staff is also recommending that a small portion of FY21 revenues be earmarked for completion of a Parks & Recreation Master Plan. Staff will be seeking direction on these items as well as Board direction regarding the allocation of the expenditures from the fund between parks and stormwater projects, which is to be made annually during the budget process.

The *Transportation Sales Tax Fund* is the recipient of the voter-approved ½-cent sales tax. This sales tax does not have a sunset. A portion of sales tax revenues have historically been used on operational expenditures for the Public Works Department (Street Division) – street sweeper lease, equipment maintenance and repairs, fuel and tools and supplies. Sales tax revenues over and above the operational expenditures have been used on CIP projects, typically asphalt mill and overlay or curb and stormwater projects.

The *Combined Water & Wastewater Systems (CWWS) Fund* is the recipient of water and wastewater sales revenue. It is a proprietary fund, which means it supports itself. The CWWS Fund has a policy-required reserve of 20% of fiscal year operational expenditures. CIP expenditures from the CWWS Fund reduce excess cash on hand (cash over and above the 20% reserve). Restricted water and wastewater impact fee revenue is held in a separate account and may only be spent on projects associated with development within the city.

Each improvement project with FY20 expenditures is listed below, with a brief update of where the project stands:

- *City Hall Improvements*
Construction is under contract for \$95,750 and is currently in progress. The project is 19% complete. The anticipated construction completion date is July 11, except for the Board dais, which isn't expected to be delivered until August due to production time.
- *Comprehensive Plan*
Process is under contract for \$80,000 (includes Board Retreat facilitation). Originally, anticipated to be complete and ready for Board review and approval in October, completion of this plan has been delayed by at least one month, due to the COVID-19 pandemic.
- *Heritage Park Parking Lot*
The City plans to let a RFP for this project this summer. The total estimated project cost is \$85,000.
- *Heritage Park Basketball Court*
The \$75,000 included in the FY20 budget for the basketball court provides funds for an unfenced, asphalt court with no lighting. A location for this project has also not yet been determined. As has previously been discussed with the Board and Parks and

Recreation Committee, staff is recommending that this funding be redirected to address two short-term needs:

- Upon passage of the Parks & Stormwater Sales Tax on June 2, staff recommends that a Parks & Recreation Master Plan update be conducted as soon as possible to plan for future park improvements. The Master Plan update is anticipated to cost \$100,000. Staff recommends \$50,000 of the \$75,000 FY20 budget allocation be redirected to partially fund the update. The remaining expense will be expended in FY21 from the Parks & Stormwater Sales Tax Fund.
- The Splash Pad constructed as part of the development agreement for construction of Clay Creek is anticipated to be completed and turned over to the City toward the end of the summer. Amenities for the splash pad (benches, shade structures, picnic tables, etc.) were not budgeted. Staff recommends the remaining \$25,000 of the \$75,000 FY20 budget allocation be redirected to fund these amenities.

The basketball court project is listed as unscheduled in the CIP pending direction from the Master Plan related to location and scope (construction type, lighting, fencing, etc.).

- *Second Creek Road Bridge (\$0)*
During last year's review of the CIP, the Board prioritized identification of what to do with the old Second Creek Road Bridge. No consensus as to what should be done with it was identified, and thus no money was budgeted. Staff still has the item listed in the CIP and is seeking direction from the Board.
- *Amory Road Pavement Reconstruction*
This project was completed this past winter at a total cost of \$442,790.
- *Downtown Streetscape East*
This project is currently in the design phase. The total estimated project cost is \$1,084,860. \$780,510 for this project is included in FY20 projections across several Funds: General, Capital Projects, Capital Improvement Sales Tax, and Transportation Sales Tax. The remaining portion of the project will be discussed later in this document.

The Project extends the Streetscape theme along Main Street between Commercial and Smith Streets with sidewalks on both sides and pedestrian lighting. An 8-foot-wide trail would begin at Smith Street and extend east. Between Heritage Park and Liberty Drive (Park entrance), the City's right of way is approximately 13 feet from the back of the curb. The 8-foot trail was planned to be constructed 4 foot behind the curb essentially using all the right of way. The residences from 322 to 332 East Main have considered and maintained this area as their yards. From the property owners' perspective, this trail is extending into their yards and encroaching up to their homes. In a couple instances, the trail extending up to the right of way line could cause residents parking issues if their vehicles would overhang the trail. The City has requested temporary easements from the adjacent properties but the owners are not in favor of this project.

In an effort to keep the connectivity from Downtown to the Trail, we are redesigning this section to a 5-foot sidewalk which is similar to other streetscape sidewalk sections. The redesign will provide 4 feet of distance from the new sidewalk to the property line and construction easements will not be necessary. The project should be ready for bid in late summer.

- *South Commercial Trail and Sidewalks*

This project was completed this past winter at a total cost of \$403,860.

- *Main Street Trail*

This project is currently out to bid, with a closing date of June 30. The project has an estimated cost of \$1,140,630. A recommendation for bid award will likely be made at the July 7 BOA Regular Session. This project is part of the Recreation Trails Program Grant, with an estimated reimbursement of \$228,120.

- *Greyhawke Roundabout*

The City is obligated to design this project at an estimated cost of \$60,000, but construction costs will be borne by the developer. Staff anticipates that the developer will proceed with construction in 2021. The City plans to let a RFQ for design services for this project this summer.

- *Wastewater Master Plan*

Process is under contract for \$150,000. Preliminary review and findings are tentatively scheduled to be presented and discussed at the August 18 Work Session.

- *Slipline Sewer Program*

The City plans to let a RFP for this project this summer. The total estimated project cost is \$200,000.

- *Influent Pump Station, Excess Flow Holding Tank, and Sewer Interceptor*

This project was completed this past winter at a total cost of \$7,116,110. The project was funded through the 2018 Certificates of Participation (COP).

- *Main Street Waterline*

Construction is under contract for \$698,170, and is currently in progress. The anticipated construction completion date is mid-October, pending weather or other unforeseen construction delays.

- *Forest Oaks Sewer & 144th Street Pump Station*

This project is currently in the design phase. The total estimated project cost is \$2,670,000. \$850,000 for this project is included in FY20 projections to complete the 144th Street Pump Station piece of the project. The remaining Forest Oaks Sewer piece

of the project is scheduled in the CIP in FY22 (this project may require debt issuance, likely through a COP).

- *188th Street Waterline*

This project is currently in the design phase. The total estimated project cost is \$301,520. \$31,520 for this project is included in FY20 projections for engineering. The construction portion of the project will be discussed later in this document.

- *Highland Sewer*

This project is currently in the design phase. The total estimated project cost is \$322,740. \$52,740 for this project is included in FY20 projections for engineering. The construction portion of the project will be discussed later in this document.

- *Valve Box, Raw Water Pump Station, & Copper Ion Generator*

This project is currently in the design phase. The total estimated project cost is \$2,342,660. \$472,660 for this project is included in FY20 projections for engineering. The construction portion of the project will be discussed later in this document.

The following projects are recommended by staff to be included in the FY21 budget:

- *Seeding of a Vehicle & Equipment Replacement Fund*

Staff has been in discussions with Enterprise Fleet about a fleet management solution and will present a replacement plan, including funding, at the July 7 Work Session. The funding will be included in the operational budget, but the replacement schedule will be included in the CIP.

- *City Hall Improvements (\$100,000)*

The next phase of improvements to City Hall include a reconfiguration of the Police side, which would include a new processing area, new jail cells with single toilets, a new secure evidence storage room, new locker room with single restroom and shower, and new offices for the captain, sergeants, and detectives. This project is estimated to cost \$245,391 total. It is scheduled to begin in the fall of 2021 and be complete in early 2022 (with the remaining portion of the project funded in the FY22 Budget).

- *Records Management Software (\$100,000)*

The current records management software (RMS) was purchased in 2000. Since then we've seen one major upgrade in 2007. The current system is cumbersome, and the entry of data is duplicated in areas. There have been issues with the current vendor while trying to implement the online reporting portal as well. We expect a new system to increase officer efficiency, reduce redundancies and increase our ability to review data when reviewing performance and for decision making.

- *Transportation Master Plan/Complete Streets & Trails (\$100,000)*
 This Master Plan contains policies and projects that support the future land uses in the City's Comprehensive Plan. These policies affect choices for travel modes, such as car, bus, bicycle, and on foot. Knowing how Smithville will grow in the future allows the City to plan for the right transportation system improvements. The document will guide Smithville's transportation investment and activities. The City is applying for a Sustainable Places Grant for a multi-modal connectivity plan. This connectivity plan would complement the Transportation Master Plan.
- *GIS/Asset Management Software (\$200,000)*
 A GIS system will provide the City with information on infrastructure (Streets, Water, Sewer, and Storm Sewer). This is the first step towards asset management. A GIS system will also provide information that can be used for maintenance planning, capital improvement planning, assist with development, budgeting, infrastructure condition, modeling and system analysis, traffic management, work order system, snow operations, and emergency services.
- *Joint Public Works (Streets)/Parks & Recreation Facility (\$250,000)*
 The Water Master Plan includes expansion of the Water Plant in 2023 with expected population growth and water supply demand. Plant expansion will necessitate the relocation of the current Street Division Facility. Public Works and Parks & Recreation are recommending a combined facility that would house both departments and equipment. Economies of scale and staff efficiencies could also be realized with equipment sharing and administrative staff to answer calls and questions from the public. A combined facility, located at Smiths Fork Park and expanding on the current parks administration and operations facility, could include common spaces for restrooms, lockers, showers, crew areas, and offices.
- *Downtown Streetscape East (\$304,350)*
 The total estimated project cost is \$1,084,860. \$780,510 for this project is included in FY20 projections across several Funds: General, Capital Projects, Capital Improvement Sales Tax, and Transportation Sales Tax. The remaining \$304,350 will be expended in FY21.
- *Parks & Recreation Master Plan (\$50,000)*
 The remaining \$50,000 is recommended to be expended in FY21.
- *TDB Parks & Recreation Master Plan Project (\$175,000)*
 This would budget a blanket \$175,000 to fund a potential critical Parks & Recreation project as determined by the Master Plan.
- *North Salt Shed (\$100,000)*
 The current storage facility has about 400 tons of capacity for sand and salt. Average annual usage is 600 +/- tons/year. The current storage facilities are open faced sheds

that are exposed to the weather. Additionally, the snow removal plan will include some pre-treatment applications of major streets increasing the need for salt. It is recommended to have 150% of needed materials on hand at the beginning of a winter season to ensure we have adequate supply if Smithville has a lot of snow and/or ice. This is recommended on the site of a combined Parks and Public Works facility.

- *Asphalt Overlay Program (\$400,000)*

Based on Public Works staff review of pavement management review, FY21 recommendations include:

- Rock Creek subdivision – mill and overlay Rock Creek Terrace (PCI score = 59.8), including reconstruction of the cul-de sac at the end (PCI 44), Rock Ridge North (PCI 60.4), Rock Ridge South (PCI 68), Rock Creek Drive (PCI 63), and Creek Valley Terrace (PCI 66.3) – total estimated cost \$185,000
- Coulter Addition – leveling course and 2" overlay of Hillcrest (PCI 38.2), Raintree (PCI 40), Hillside Dr (PCI 41), Hill Dr (PCI 42) – total estimated cost \$150,000
- Micro-Surfacing – Commercial Dr from Hospital Dr to 169 (PCI 73.9), Mill St from Meadow to Woods (PCI 74.9), South Bridge St from Meadow to Woods St (PCI 71.4), Brassfield from Commercial to S. Bridge (PCI 76.6), West Woods from Bridge St to Commercial (PCI 78), Woods St Commercial to Winner (PCI 74.8), Woodlawn from Woods to end (PCI 74), Kindred Dr. from Woodlawn to end (PCI 64) – total estimated cost \$75,000

- *188th Street Waterline (\$270,000)*

The total estimated project cost is \$301,520. \$31,520 for this project is included in FY20 projections for engineering. The estimated construction cost is \$270,000. MoDOT has moved the letting date for the improvements to Hwy 169 and 188th St. to August 2021. The City's plans for the waterline are due to MoDOT in April 2021. MoDOT will let our plans with their project. HDR is under contract for the design and is waiting on MoDOT CAD files to coordinate the design of the waterline.

- *Highland Sewer (\$270,000)*

This project is currently in the design phase. The total estimated project cost is \$322,740. \$52,740 for this project is included in FY20 projections for engineering. The estimated construction cost is \$270,000. Survey has been completed and it has been found that the service line from 105 Highland is one foot below the existing sewer main which has led to some of the problems. A new alignment is being reviewed that will include privately owned grinder pumps for 105 Highland Dr. and 101 Highland Dr. The new alignment will also provide access for 100 Highland Dr.

- *Valve Box, Raw Water Pump Station, & Copper Ion Generator (\$1,870,000)*

This project is currently in the design phase. The total estimated project cost is \$2,342,660. \$472,660 for this project is included in FY20 projections for engineering. The estimated construction cost is \$1,870,000.

- *Fourth Street & Fourth Terrace Water & Sewer Line Replacement (\$500,000)*
The waterline is a very old 2" cast iron main. This "main" is partially plugged due to corrosion and is estimated to have only 1" to 1 ½" capacity. Water pressure and volume in this area is not acceptable. The hydrant is effectively non-functioning. The sewer main is also failing and is consistently (monthly) in need of cleaning / rodding due to cracks in the pipe and tree roots and other debris plugging up the line.

The total estimated project cost is \$500,000.

[CIP Spreadsheet](#)

GENERAL FUND							
IDENTIFIED PROJECTS	Project Cost	FY20	FY21	FY22	FY23	FY24	FY25
none							
Elected Officials Subtotal		-	-	-	-	-	-
City Hall Improvements - Council Chambers	100,000.00	95,750.00					
City Hall Improvements - Police Reconfiguration	245,391.00		100,000.00	150,000.00			
City Hall Improvements - Administrative Reconfiguration	114,379.00				120,000.00		
Comprehensive Plan	75,000.00	80,000.00					
Police Department/City Hall Needs Study	12,500.00						
Pay & Classification Study	TBD						
Administration Subtotal	Total Cost	175,750.00	100,000.00	150,000.00	120,000.00	-	-
Records Management Software	100,000.00		100,000.00				
Police Department/City Hall Needs Study	12,500.00						
Engineering - Police Department Building	TBD						
Construction - Police Department Building	TBD						
Police Subtotal		-	100,000.00	-	-	-	-
none							
Animal Shelter Subtotal		-	-	-	-	-	-
none							
Development Subtotal		-	-	-	-	-	-
INCOIDE 10 Software Upgrade	50,000.00						
Finance Subtotal		-	-	-	-	-	-
none							
Senior Services Subtotal		-	-	-	-	-	-
Engineering - Heritage Park Parking Lot	13,500.00	-					
Heritage Park - additional parking lot by new playground equipment [board moved up two years]	71,500.00	85,000.00					
Park Improvements by the Splash Pad	25,000.00	25,000.00					
Parks & Recreation Master Plan	100,000.00	50,000.00					
Parks & Recreation Subtotal		110,000.00	-	-	-	-	-
Engineering - Downtown Streetscape: Main Street from Commercial to Liberty	98,352.77	-					
Downtown Streetscape: Main Street - to Smith [Brick Accents, Lighting, Asphalt & Partial Curb]	576,000.00	-					
Downtown Streetscape: Main Street - to Liberty [Trail, Asphalt, Brick Accents, Lighting (N), & Pave	410,500.00	24,150.00	-				
Engineering - Downtown Gateway Sign	70,000.00		-				
Downtown Gateway Sign	200,000.00			-			
Engineering - Downtown Streetscape: North on Bridge Street to the bridge	15,000.00				-		
Downtown Streetscape: North on Bridge Street to the bridge	240,000.00					-	
Downtown Streetscape: Bridge Street Waterline	10,000.00					-	
Downtown Streetscape: North on Bridge Street to the bridge [Bridge Fencing Alternate]	50,000.00					-	
Downtown Streetscape: North on Bridge Street from the bridge to First Street	260,000.00					-	
MARC Grant Reimbursement	(300,000.00)					-	
Amory Road Pavement Failure Project	421,238.50	421,240.00					
Transportation Master Plan & Complete Streets/Trails	100,000.00		100,000.00				
GIS/Asset Management	200,000.00		100,000.00				
Engineering - Streets/Parks Building	250,000.00		250,000.00				
Construction - Streets/Parks Building	2,500,000.00			2,500,000.00			
Public Works (Streets) Subtotal		445,390.00	450,000.00	2,500,000.00	-	-	-
Fund Total		731,140.00	650,000.00	2,650,000.00	120,000.00	-	-
Beginning Cash Balance		3,785,272.00	3,108,632.00	2,368,742.00	(373,368.00)	(587,738.00)	(684,508.00)
- Amount Held to Satisfy Reserve or Other Restrictions		(1,815,824.00)	(1,839,652.00)	(1,885,644.00)	(1,932,788.00)	(1,981,108.00)	(2,030,636.00)
= Beginning Un-Restricted Cash Balance		1,969,448.00	1,268,980.00	483,098.00	(2,306,156.00)	(2,568,846.00)	(2,715,144.00)
+ Projected Annual Revenues		4,478,000.00	4,509,240.00	4,622,000.00	4,737,600.00	4,856,000.00	4,977,400.00
- Projected Non-CIP Expenditures		(4,423,500.00)	(4,599,130.00)	(4,714,110.00)	(4,831,970.00)	(4,952,770.00)	(5,076,590.00)
- CIP Expenditures (from above)		(731,140.00)	(650,000.00)	(2,650,000.00)	(120,000.00)	-	-
Projected Ending Un-Restricted Cash Balance		1,292,808.00	529,090.00	(2,259,012.00)	(2,520,526.00)	(2,665,616.00)	(2,814,334.00)

CAPITAL PROJECTS FUND							
IDENTIFIED PROJECTS	Project Cost	FY20	FY21	FY22	FY23	FY24	FY25
Engineering - Trail & Sidewalks Projects	32,257.46	32,260.00					
S. Commercial Trail & Sidewalks	371,590.37	371,600.00					
Main Street Trail (revised estimate 11-14-19)	1,140,630.00	1,140,630.00					
RTP Grant Reimbursement	(228,120.00)	(228,120.00)					
Engineering - Downtown Streetscape: Main Street from Commercial to Liberty	98,352.77	98,360.00					
Downtown Streetscape: Main Street - to Smith [Brick Accents, Lighting, Asphalt & Partial Curb]	576,000.00	239,520.00					
Downtown Streetscape: Main Street - to Liberty [Trail, Asphalt, Brick Accents, Lighting (N), & Pk]	410,500.00	-	304,350.00				
Engineering - Downtown Gateway Sign	70,000.00			-			
Downtown Gateway Sign	200,000.00			-			
Engineering - Downtown Streetscape: North on Bridge Street to the bridge	15,000.00				-		
Downtown Streetscape: North on Bridge Street to the bridge	240,000.00					-	
Downtown Streetscape: Bridge Street Waterline	10,000.00					-	
Downtown Streetscape: North on Bridge Street to the bridge [Bridge Fencing Alternate]	50,000.00					-	
Downtown Streetscape: North on Bridge Street from the bridge to First Street	260,000.00					-	
MARC Grant Reimbursement	(300,000.00)					-	
Public Works (Street Division) Subtotal		1,654,250.00	304,350.00	-	-	-	-
Fund Total		1,654,250.00	304,350.00	-	-	-	-

Projected Beginning Un-restricted Cash Balance	1,960,537.00	306,287.00	1,937.00	1,937.00	1,937.00	1,937.00
+ Projected Annual Revenues	228,120.00	-	-	-	-	-
- Projected Non-CIP Expenditures	-	-	-	-	-	-
- CIP Expenditures (from above)	(1,882,370.00)	(304,350.00)	-	-	-	-
Projected Ending Un-Restricted Cash Balance	306,287.00	1,937.00	1,937.00	1,937.00	1,937.00	1,937.00

CAPITAL IMPROVEMENT SALES TAX FUND							
IDENTIFIED PROJECTS	Project Cost	FY20	FY21	FY22	FY23	FY24	FY25
Engineering - Downtown Streetscape: Main Street from Commercial to Liberty	98,352.77	-					
Downtown Streetscape: Main Street - to Smith [Brick Accents, Lighting, Asphalt & Partial Curb]	576,000.00	242,630.00					
Downtown Streetscape: Main Street - to Liberty [Trail, Asphalt, Brick Accents, Lighting (N), & Pk]	410,500.00	-	-				
Engineering - Downtown Gateway Sign	70,000.00			70,000.00			
Downtown Gateway Sign	200,000.00			200,000.00			
Engineering - Downtown Streetscape: North on Bridge Street to the bridge	75,000.00				75,000.00		
Downtown Streetscape: North on Bridge Street to the bridge	240,000.00					240,000.00	
Downtown Streetscape: Bridge Street Waterline	10,000.00					-	
Downtown Streetscape: North on Bridge Street to the bridge [Bridge Fencing Alternate]	50,000.00					50,000.00	
Downtown Streetscape: North on Bridge Street from the bridge to First Street	260,000.00					260,000.00	
MARC Grant Reimbursement	(300,000.00)					(400,000.00)	
Public Works (Street Division) Subtotal		242,630.00	-	270,000.00	75,000.00	150,000.00	-
Fund Total		242,630.00	-	270,000.00	75,000.00	150,000.00	-

Projected Beginning Un-restricted Cash Balance	323,829.00	34,679.00	210,709.00	117,864.00	216,649.00	242,729.00
+ Projected Annual Revenues	509,760.00	518,220.00	523,400.00	528,630.00	533,910.00	539,240.00
- Projected Non-CIP Expenditures (Transfer to Debt Service)	(556,280.00)	(342,190.00)	(346,245.00)	(354,845.00)	(357,830.00)	(364,875.00)
- CIP Expenditures (from above)	(242,630.00)	-	(270,000.00)	(75,000.00)	(150,000.00)	-
Projected Ending Un-Restricted Cash Balance	34,679.00	210,709.00	117,864.00	216,649.00	242,729.00	417,094.00
3/1 Debt Service Debt Payment	223,755.00	231,260.00	243,595.00	250,620.00	262,425.00	268,915.00
9/1 Debt Service Debt Payment	101,265.00	98,595.00	95,625.00	92,420.00	88,915.00	84,935.00

PARKS & STORMWATER SALES TAX FUND							
IDENTIFIED PROJECTS	Project Cost	FY20	FY21	FY22	FY23	FY24	FY25
Engineering - Heritage Park Parking Lot	13,500.00	-					
Heritage Park - additional parking lot by new playground equipment (board moved up two years)	71,500.00	-					
Park Improvements by the Splash Pad	25,000.00	-					
Parks & Recreation Master Plan	100,000.00	-	50,000.00				
TDB Parks & Recreation Master Plan Project	200,000.00		175,000.00				
Heritage Park - post-tension basketball court (board priority)	115,000.00						
Heritage Park - basketball court lighting	55,000.00						
Engineering - Second Creek Road Bridge Pedestrian Bridge	TBD						
Second Creek Road Bridge Pedestrian Bridge	TBD						
Heritage Park - parking lot (long-term fix) (board moved back a year)	500,000.00						
Wildflower - shelter house	17,500.00						
Wildflower - educational garden	3,500.00						
Heritage Park - restroom facility by new playground equipment	120,000.00						
Wildflower - playground equipment	65,000.00						
Heritage Park - railroad tie retaining wall	11,000.00						
Smith's Fork - basketball and tennis court lights	20,000.00						
Smith's Fork - access road by soccer field	65,000.00						
Wildflower - basketball court	75,000.00						
Trail System Program	TBD/YR						
Annex Smith's Fork & Golf Course	TBD						
Camera System Downtown	TBD						
Wifi-connected Parks	TBD						
Campground - electric upgrade completion	76,160.00						
Campground - water lines upgrade	75,600.00						
Courtyard - general improvements	TBD						
Heritage Park - basketball court lights	35,000.00						
Heritage Park - restroom upgrades (remove if new restroom facility by playground)	65,000.00						
Heritage Park - security system	25,000.00						
Pole Barn for equipment storage	131,000.00						
Basketball Mega Complex	TBD						
Parks & Recreation Subtotal		-	225,000.00	-	-	-	-
Quincy Boulevard Asphalt Overlay, Curbs & Stormwater (Owens to 3rd)	200,000.00						
Engineering - Maple Lane Curbs & Stormwater	15,000.00						
Maple Lane Asphalt Overlay (to Pine), Curbs & Stormwater (Spelman to Maple Ave)	175,000.00						
Engineering - N. Bridge Street Curbs & Stormwater	40,000.00						
N. Bridge Street Asphalt Overlay, Curbs & Stormwater (the bridge to First)	200,000.00						
Engineering - Dundee Road Curbs & Stormwater	18,200.00						
Dundee Road Asphalt Overlay, Curbs & Stormwater	91,000.00						
Engineering - S. Bridge Street Curbs & Stormwater	24,000.00						
S. Bridge Street Asphalt Overlay, Curbs & Stormwater (W. Woods to end of the street)	120,000.00						
Engineering - S. Mill Street Curbs & Stormwater	5,000.00						
S. Mill Street Curbs & Stormwater (W. Woods headed south)	25,000.00						
Pope Lane Connection	TBD						
Public Works (Streets) Subtotal		-	-	-	-	-	-
Total		-	225,000.00	-	-	-	-

Projected Beginning Un-restricted Cash Balance	-	-	206,850.00	730,250.00	1,258,850.00	1,792,750.00
+ Projected Annual Revenues	-	431,850.00	523,400.00	528,600.00	533,900.00	539,200.00
- Projected Non-CIP Expenditures	-	-	-	-	-	-
- CIP Expenditures (from above)	-	(225,000.00)	-	-	-	-
Projected Ending Un-Restricted Cash Balance	-	206,850.00	730,250.00	1,258,850.00	1,792,750.00	2,331,950.00

TRANSPORTATION SALES TAX FUND							
IDENTIFIED PROJECTS	Project Cost	FY20	FY21	FY22	FY23	FY24	FY25
Engineering - Roundabout at Bridgeport and Old Jefferson Hwy	60,000.00	60,000.00					
Engineering - Downtown Streetscape: Main Street from Commercial to Liberty	98,352.77	-					
Downtown Streetscape: Main Street - to Smith [Brick Accents, Lighting, Asphalt & Partial Curb]	576,000.00	93,850.00					
Downtown Streetscape: Main Street - to Liberty [Trail, Asphalt, Brick Accents, Lighting (N), & Pa	410,500.00	82,000.00	-				
Engineering - Downtown Gateway Sign	70,000.00	-					
Downtown Gateway Sign	200,000.00			-			
Engineering - Downtown Streetscape: North on Bridge Street to the bridge	15,000.00				-		
Downtown Streetscape: North on Bridge Street to the bridge	240,000.00					-	
Downtown Streetscape: Bridge Street Waterline	10,000.00					-	
Downtown Streetscape: North on Bridge Street to the bridge [Bridge Fencing Alternate]	50,000.00					-	
Downtown Streetscape: North on Bridge Street from the bridge to First Street	260,000.00					-	
MARC Grant Reimbursement	(300,000.00)					-	
Land for North Salt Shed, if necessary	TBD						
North Salt Shed	100,000.00		100,000.00				
Commercial Street Sidewalks	700,000.00				700,000.00		
MARC Grant Reimbursement	(500,000.00)				(500,000.00)		
Biennial Asphalt Overlay Program	350,000.00/YR	400,000.00			350,000.00		350,000.00
Rock Creek Asphalt Overlay	165,000.00						
Coulter Addition Asphalt Overlay (Hillcrest & Raintree)	150,000.00						
Second Street Asphalt Overlay (169 to Bridge)	25,000.00						
Tillman Road Asphalt Overlay (92 to 144th)	220,000.00						
Diamond Crest Asphalt Overlay	175,000.00						
Harborview Asphalt Overlay (Newport, Harborview Drive, Fletcher, Mesa)	222,000.00						
180th Street Asphalt Overlay (169 to Old Jefferson)	332,000.00						
Harborview Asphalt Overlay (remaining roads)	725,000.00						
Highland Avenue Asphalt Overlay (halfway up the hill)	30,000.00						
N. Main Asphalt Overlay	200,000.00						
South Commerical Micro-surfacing (Hospital Drive to 169 Highway)	55,000.00						
134th Street Asphalt Overlay (road agreement with County)	155,000.00						
176th Street Asphalt Overlay (road agreement with County)	80,000.00						
Seal-Coating/Micro-Surfacing Downtown City Parking Lots	TBD						
Biennial Curbs & Stormwater Program	350,000.00/YR			350,000.00		350,000.00	
Quincy Boulevard Asphalt Overlay, Curbs & Stormwater (Owens to 3rd)	200,000.00						
Engineering - Maple Lane Curbs & Stormwater	15,000.00						
Maple Lane Asphalt Overlay (to Pine), Curbs & Stormwater (Spelman to Maple Ave)	175,000.00						
Engineering - N. Bridge Street Curbs & Stormwater	40,000.00						
N. Bridge Street Asphalt Overlay, Curbs & Stormwater (the bridge to First)	200,000.00						
Engineering - Dundee Road Curbs & Stormwater	18,200.00						
Dundee Road Asphalt Overlay, Curbs & Stormwater	91,000.00						
Engineering - S. Bridge Street Curbs & Stormwater	24,000.00						
S. Bridge Street Asphalt Overlay, Curbs & Stormwater (W. Woods to end of the street)	120,000.00						
Engineering - S. Mill Street Curbs & Stormwater	5,000.00						
S. Mill Street Curbs & Stormwater (W. Woods headed south)	25,000.00						
Pope Lane Connection	TBD						
Public Works (Street Division) Subtotal		235,850.00	500,000.00	350,000.00	550,000.00	350,000.00	350,000.00
Fund Total		235,850.00	500,000.00	350,000.00	550,000.00	350,000.00	350,000.00

Projected Beginning Un-restricted Cash Balance	355,937.00	485,817.00	326,217.00	320,017.00	117,217.00	117,897.00
+ Projected Annual Revenues	509,760.00	518,220.00	523,400.00	528,600.00	533,900.00	539,200.00
- Projected Non-CIP Expenditures	(144,030.00)	(177,820.00)	(179,600.00)	(181,400.00)	(183,220.00)	(185,060.00)
- CIP Expenditures (from above)	(235,850.00)	(500,000.00)	(350,000.00)	(550,000.00)	(350,000.00)	(350,000.00)
Projected Ending Un-Restricted Cash Balance	485,817.00	326,217.00	320,017.00	117,217.00	117,897.00	122,037.00

COMBINED WATER & WASTEWATER SYSTEMS FUND							
IDENTIFIED PROJECTS	Project Cost	FY20	FY21	FY22	FY23	FY24	FY25
Misc Water Treatment Plant Improvements [Master Plan 2020]	101,000.00						
Wastewater Master Plan Update	150,000.00	150,000.00					
Slipline Sewer Program	100,000.00/YR	200,000.00		200,000.00		200,000.00	
Influent Pump Station, Excess Flow Holding Tank, Sewer Interceptor	739,510.55	854,880.00					
Engineering - Main Street Waterline	72,820.00	77,990.00					
Engineering - Forest Oaks Sewer and 144th Street Pump Station	170,000.00	100,000.00		70,000.00			
144th Street Pump Station Project	750,000.00	750,000.00					
Forest Oaks Sewer Project	1,750,000.00			1,750,000.00			
Engineering - 188th Street Waterline	31,520.00	31,520.00					
188th Street Waterline	270,000.00		270,000.00				
Engineering - Highland Sewer	52,740.00	52,740.00					
Highland Sewer Replacement	270,000.00	-	270,000.00				
Engineering - Valve Box, Raw Water Pump Station, & Copper Ion Generator	472,660.00	472,660.00					
GIS/Asset Management	200,000.00		100,000.00				
Valve Box at Dam Project [Master Plan undetermined]	366,000.00		366,000.00				
Raw Water Pump Station Project [Master Plan 2019]	1,329,000.00		329,000.00				
Copper Ion Generator for Zebra Mussel Control	175,000.00		175,000.00				
Fourth Street & Fourth Terrace Water and Sewer Line Replacement	500,000.00		500,000.00				
Clean Lagoon #1	250,000.00			250,000.00			
Engineering - River Crossing 12" Waterline	42,480.00			92,200.00			
River Crossing 12" Waterline [Master Plan 2020] Liberty to River	461,000.00			461,000.00			
Chemical Feed Building Improvements [Master Plan 2021]	235,000.00			235,000.00			
Engineering - Camp Ground Lift Station	100,000.00			100,000.00			
Campground Lift Station Replacement	500,000.00			500,000.00			
Maple Lane 12" Waterline [Master Plan 2021]	212,400.00			212,400.00			
Interconnect Mains @ 144th/169 Hwy [Master Plan 2022]	18,000.00			18,000.00			
Tower Interconnect @ Amory/69 Hwy [Master Plan 2022]	15,300.00			15,300.00			
Engineering - Fourth Street & Fourth Terrace Water and Sewer Line	60,000.00			60,000.00			
Highway 92 Waterline [Master Plan 2022]	147,600.00				147,600.00		
169 Highway Waterline (92 to Park Drive) [Master Plan 2023]	270,000.00				270,000.00		
Filter & High Service Building [Master Plan 2023]	4,200,000.00				4,200,000.00		
Primary & Secondary Settling Basins [Master Plan 2023]	5,450,000.00				5,450,000.00		
Engineering - F Hwy Water Line Replacement	40,000.00				40,000.00		
F Hwy Water Line Replacement (Housing Authority to Jefferson St.)	200,000.00					200,000.00	
South Booster Pump Station [Master Plan 2024]	1,500,000.00					1,500,000.00	
South Booster Generator	100,000.00					100,000.00	
Engineering - Quincy Avenue Water Line Replacement	80,000.00					80,000.00	
Painting Old Settling Basins	200,000.00					200,000.00	
Quincy Avenue Water Line Replacement	400,000.00						400,000.00
Main Street Waterline (River Crossing to Liberty) [Master Plan 2025]	delete?						
Engineering - Quincy Boulevard 8" Waterline	5,000.00						
Quincy Boulevard 8" Waterline	20,000.00						
Engineering - Highland Drive Sewer Project	60,000.00						
Highland Drive Sewer Project	221,500.00						
Lift Station/Water Meter at Intake	40,000.00						
Clean Lagoon #2	250,000.00						
Helvey Park Drive 12" Water Line [Master Plan 2026]	590,400.00						
Risidual Removal [Master Plan 2026]	594,000.00						
Main Street Waterline (Bridge to River Crossing) [Master Plan 2027]	141,600.00						
169 Highway Waterline (Commercial to 144th) [Master Plan 2028]	49,500.00						
169 Highway Waterline (144th to SW Tower) [Master Plan 2029]	466,200.00						
Highway F Waterline [Master Plan 2030]	657,000.00						
188th Street Waterline [Master Plan 2031]	84,000.00						
Additional Water Storage Contract [Master Plan 2033]	2,000,000.00						
Public Works (Utilities Division) Subtotal		1,834,910.00	2,010,000.00	3,963,900.00	#####	2,280,000.00	400,000.00
Fund Total		1,834,910.00	2,010,000.00	3,963,900.00	#####	2,280,000.00	400,000.00

Beginning Cash Balance 1,987,177.00 1,533,107.00 605,117.00 (2,166,033.00) (10,963,613.00) (11,809,413.00)

- Amount Held to Satisfy Reserve or Other Restrictions (622,708.00) (620,692.00) (636,210.00) (652,116.00) (668,420.00) (685,132.00)

= Beginning Un-Restricted Cash Balance 1,364,469.00 912,415.00 (31,093.00) (2,818,149.00) (11,632,033.00) (12,494,545.00)

+ Projected Annual Revenues 3,971,050.00 4,185,470.00 4,373,800.00 4,570,600.00 4,776,300.00 4,991,200.00

- Projected Non-CIP Expenditures (2,590,210.00) (3,103,460.00) (3,181,050.00) (3,260,580.00) (3,342,100.00) (3,425,660.00)

- CIP Expenditures (from above) (1,834,910.00) (2,010,000.00) (3,963,900.00) (10,107,600.00) (2,280,000.00) (400,000.00)

Projected Ending Un-Restricted Cash Balance 910,399.00 (15,575.00) (2,802,243.00) (11,615,729.00) (12,477,833.00) (11,329,005.00)

WATER IMPACT PROJECTS							
IDENTIFIED PROJECTS		FY20	FY21	FY22	FY23	FY24	FY25
Utilities	Total Cost	698,170.00	1,000,000.00	0.00	0.00	0.00	0.00
Main Street Waterline	698,170.00	698,170.00					
Raw Water Pump Station Project [Master Plan 2019]	1,329,000.00		1,000,000.00				
Total		698,170.00	1,000,000.00	-	-	-	-

Projected Beginning Un-restricted Cash Balance	1,532,606.00	952,168.00	128,758.00	312,858.00	503,858.00	702,058.00	
+ Projected Annual Revenues	117,732.00	176,590.00	184,100.00	191,000.00	198,200.00	200,200.00	
- Projected Non-CIP Expenditures	-	-	-	-	-	-	
- CIP Expenditures (from above)	(698,170.00)	(1,000,000.00)	-	-	-	-	
Projected Ending Un-Restricted Cash Balance		952,168.00	128,758.00	312,858.00	503,858.00	702,058.00	902,258.00

WASTEWATER IMPACT PROJECTS							
IDENTIFIED PROJECTS		FY20	FY21	FY22	FY23	FY24	FY25
Utilities	Total Cost	513,740.00	0.00	0.00	0.00	0.00	0.00
Woodland & Bristol Sewer Improvements	260,000.00	513,740.00					
144th Street Pump Station Project	750,000.00	-					
Total		513,740.00	-	-	-	-	-

Projected Beginning Un-restricted Cash Balance	1,008,433.00	629,645.00	832,065.00	1,043,065.00	1,261,965.00	1,489,065.00	
+ Projected Annual Revenues	134,952.00	202,420.00	211,000.00	218,900.00	227,100.00	229,400.00	
- Projected Non-CIP Expenditures	-	-	-	-	-	-	
- CIP Expenditures (from above)	(513,740.00)	-	-	-	-	-	
Projected Ending Un-Restricted Cash Balance		629,645.00	832,065.00	1,043,065.00	1,261,965.00	1,489,065.00	1,718,465.00

Agenda Item # 3 – Discussion of CARES Funding



STAFF REPORT

Date: June 16, 2020
Prepared By: Cynthia Wagner, City Administrator
Subject: CARES Act Funding
Staff Report: All Departments

Background

Congress passed, and the President signed, the Coronavirus Aid Relief and Economic Security (CARES) Act on March 27, 2020. The CARES Act provides for Federal Stimulus Funds to flow to the States by population and to Counties within the State also by population. Generally speaking, these funds are to be used for reimbursement of expenses related to dealing with the COVID-19 pandemic since the crisis's beginning to the end of the year. The funds cannot be used to make up for loss of revenue due to the crisis.

In Missouri, county governments are responsible for the distribution of these funds. On May 1, 2020, the Clay County Commission approved Resolution 2020-139. The resolution provides that the City of Smithville will receive \$945,399.87 to use for eligible expenses incurred between March 1, 2020 and December 30, 2020 to respond to the COVID-19 pandemic. This amount was wired to City accounts in mid-May.

The CARES Act provides that payments from the Fund may only be used to cover costs that:

- are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and
- were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Administration of Funds

CARES Act funds are to be spent in accordance with U.S. Treasury, State of Missouri and section 601(d) of the Social Security Act guidance issued, or to be issued, on what constitutes a necessary expenditure, as further discussed below. Clay County added the following stipulations in 2020-139:

- Funds disbursed to Community Partners be allocated to entities within the borders of Clay County, Missouri.

- Preference be given to vendors operating out of Clay County, Missouri.
- Transparency portal participation on the Clay County website.

Community Partners, including the City of Smithville, were required to adopt, sign and notarize the Community Partner Funding Certification Form. County Resolution 2020-139 provides terms and obligations for CARES funding recipients, including:

- Community Partners will track expenditures and provide documentation to Clay County on the 15th of each month.
- Community Partners will be asked to voluntarily return all or part of unused CARES Act funding on October 1, 2020 for reallocation to other Community Partners by October 30, 2020.
- Funds provided as a direct payment from the County that are not expended on the necessary expenditures on or before January 31, 2021 will be returned on or before February 1, 2021.

As directed by the CARES Act, Community Partners should keep records sufficient to demonstrate Fund payment use in accordance with section 601(d) of the Social Security Act, US Treasury and State of Missouri guidance. Clay County is requesting Community Partners submit records on the 15th of each month for prior month fund payments. They have developed draft spreadsheets and expectations for backup supporting documentation, and cities and County staff are working through these together.

City staff will keep these funds segregated.

To allow for full transparency, staff's intention is to bring every expenditure from this fund to the Board of Aldermen for approval. A summary of expenditures will be provided on the City website, and it is recommended that the Finance Committee work with staff in review of expenditures.

Eligible Uses

Expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Revenue replacement is not a permissible use of Fund payments.

The U.S. Treasury has provided guidance regarding expenditure of CARES funds. Attached are two documents: Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Governments and Coronavirus Relief Fund Frequently Asked Questions.

Based upon the guidance in the attachments and review by City Attorneys John Reddoch and Scott Sullivan, staff could anticipate the City of Smithville using these funds for the following expenditures (although this list may not be exhaustive):

- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment.
- Expenses for quarantining individuals.
- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses of actions to facilitate compliance with COVID-19-related public health measures.
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.

Staff does not currently believe that the City would have eligible payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. We will be responding to the emergency with employees already on the payroll and budgeted.

Recommended Allocation of Expenditures

In review of the funding criteria, identifying areas of potential need and prior expenditure and following discussion with city attorneys, staff recommends four categories of expenditure. This information was discussed with the Finance Committee on June 9.

City-wide Expenditures Related to Response to COVID-19

This category includes purchase of equipment to facilitate remote work (computer equipment and accessories); supplies (including Plexiglas for staff work stations, cleaning supplies, personal protective equipment, etc.); advertising/public education (water bill inserts); and fees for legal review associated with COVID-19 response.

To date, the City has expended approximately \$20,000 on items directly related to COVID-19. It is anticipated that a total of \$35,000 could be expended in this area by the end of the expenditure period.

Renovation of City Facilities and Purchase of Equipment to Enhance Mitigation of the Spread of COVID-19

A number of renovations to city facilities have been identified as assisting in mitigation of transmission:

- Renovation of restrooms at all city facilities (including City Hall, Senior Center, all parks and public works buildings and public restrooms) to provide touchless amenities and surfaces which are better to clean and maintain.
- Reconfiguration of the City Hall lobby to create better physical distancing and provide for a conference area where visitors could meet individually with city staff without having to traverse employee work areas, reducing the risk of contact related spread.
- Renovation of the City Hall kitchen and copy/mail area to allow better use of space and enhance the ability to physically distance in these areas.
- Enhancements to the existing HVAC system at City Hall to follow recommendations to mitigate the spread of COVID-19.
- Purchase of cleaning equipment to aid in the appropriate cleaning of City facilities, particularly park restroom facilities.
- Purchase of technology to allow for livestream of sports activities in Heritage Park. As ball play resumes on fields, providing a camera to stream the games could significantly reduce the number of spectators in the viewing areas.

Small Business Grants

Staff recommends development of a program that is aimed at assisting small businesses with the costs of business interruption caused by required closures. City staff has neither the capacity nor the qualifications to administer such a program. However, staff has been involved in discussions with the Clay County Economic Development Council (CCEDC) regarding administration of such a program. The City of North Kansas City has entered into an agreement for such a program and staff has been in discussion with CCEDC regarding possible elements of an agreement and a grant program.

Attached are draft documents relating to a proposed program, including a draft outline of the criteria for funding, a draft application for businesses and a proposed MOU with CCEDC for administration of the program. CCEDC has outlined a request for an administration fee in an amount equivalent to five percent of the amount of grant funds distributed.

Staff seeks direction from the Board regarding administration and elements of this proposed program as well as an appropriate funding level for such a program.

Set-Aside for Future Needs Relating to COVID-19

As we are all aware, no one knows where this crisis is going. Some forecasters warn of a possible second wave of infection, even more dire in its effects than the first. This could cause City expenses to increase more rapidly than they have to date. A second wave presents additional potential of exposure of first responders. Should a police officer be infected and have to miss work for an extended period, this could have dramatic impact on overtime costs. If a second were exposed, these costs would be

amplified. Likewise, if a city staff member were out for an extended period of time, the City could explore alternative methods of completing work during this recovery period (i.e, contractual provision of payroll services or building inspections, etc.).

Staff has had discussions with representatives of the Smithville Area Fire Protection District and the Northland Regional Ambulance District. Neither agency has experienced significant costs related to COVID-19 response. Neither agency received direct allocations of CARES funding. Should either or both of these agencies also experience infection of a first responder in the coming months, their costs related to overtime could also be significant.

Additionally, staff has had some initial conversations with staff at Mid America Regional Council (MARC) regarding the potential of that organization creating a work group or an initiative to coordinate region-wide responses to COVID-19. While no draft program is in discussion, setting aside an additional allocation of funding to support regional communications/education related to COVID-19, regional testing coordination, purchase of large quantities of PPE, etc. as coordinated by a regional party may be an option for expenditure of funds. Due to the number of unknown variables, staff recommends holding a portion of the total funding in the city account, earmarked for potential future costs.

In discussion with the Finance Committee, the possibility of grants to not-for-profit agencies similar to the business grants outlined earlier were also discussed. If this is an area the Board would like to explore, staff seeks direction on parameters and recommended partner agencies to assist in implementation. It is anticipated additional discussion and review by legal counsel would also be necessary.

The table below summarizes the estimated cost for those items outlined above as well as actual spent to date on city response to COVID-19.

	<i>Estimated Amount</i>	<i>Amount Spent</i>
City Response Expenses	\$ 35,277	\$ 20,770
Legal review of policies, legislation	\$ 10,000	\$ 5,840
Additional Laptops/Equipment for work from home	\$ 7,758	\$ 7,758
Public Health Information (Utility Bill Inserts; signs)	\$ 1,000	\$ 502
Citywide PPE, Materials, and Cleaning Supply Expenses	\$ 16,519	\$ 6,671
City Mitigation Expenses	\$ 508,464	\$ -
Citywide Automatic Kitchen / Bathroom Fixture replacements	\$ 125,025	
City Hall - Bathroom Renovations	\$ 121,240	
City Hall - HVAC Air Intake	\$ 120,000	
City Hall - Lobby Reconfiguration	\$ 91,620	
City Hall - Kitchen/Copy Room	\$ 25,350	
Technology in Heritage Park for Livestream	\$ 24,229	
UV Air Purifier	\$ 1,000	

Small Business Grants	\$	105,000	\$	-
\$100k Grants and 5% Administrative Fee				
Set Aside for Future Needs	\$	296,659	\$	-
Potential Local or Regional Public Health Expenses				
Combined Total	\$	945,400	\$	20,770

At this time staff seeks Board direction on the desired allocation of CARES funding.



CARES Smithville Small Business Grant Program Information Sheet

Congress passed and the President signed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27, 2020. On May 1, 2020, the Clay County Commission approved Resolution 2020-139, providing CARES funding to the City of Smithville for eligible expenses incurred between March 1, 2020 and December 30, 2020 to address the COVID-19 pandemic.

The Board of Aldermen established the CARES Small Business Grant Program on July 7, 2020 to be administered by the Clay County EDC. This program will issue up to \$100,000 in total grant funds to small businesses in Smithville. Small businesses can apply for a grant up to \$5,000 to reimburse business expenses related to COVID-19.

Eligible businesses include:

- Businesses physically located in Smithville.
- Businesses must have had a valid 2019 Business License.
- Public-facing businesses directly impacted by the "Stay at Home" order such as retail, food service, arts and entertainment, hospitality, fitness, medical, and personal services.
- Businesses or individual whose primary revenue is generated from rental properties.

Businesses do not qualify if they are a:

- National franchise.
- Non-profit organization.
- Business with current liens by the City or fees owed to the City of Smithville.

Priority will be given to:

- Businesses that have 20 or fewer full-time equivalent employees, and;
- Businesses that have \$2.5 million or less in annual revenue.
- Businesses that have not received certain Federal COVID-19 related relief (excluding Payroll Protection Program funds). Please disclose if you have received any COVID-19 related relief funding.

Eligible Use of Funds:

1. Grants can be used for expenses incurred from March 1, 2020 through June 30, 2020. Expenses can include but are not limited to payroll (provided federal funds have not already been received for this purpose), rent, mortgage interest, utilities, inventory replacement, and COVID-19 supplies.
2. The grant funds may also be used to purchase necessary protective equipment for employees and customers and for exterior/interior cleaning needed to keep facilities sanitized.

Ineligible Use of Funds:

1. Grant funds may not be used for repayment of any federal or state loan programs related to COVID-19 relief funding.
2. Grant funds may not be used for any purposes outside of the Federal guidelines as set forth in <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

Additional Information:

- Grant applicants must provide documentation for eligible COVID-19 expenses.
- Grant fund applications and information is considered public information under the Missouri Sunshine Laws.
- Grant fund expenditures may be audited at a future date. Improper usage will require reimbursements to the City within 10 days of demand by the City for return of funds.

CARES Small Business Grant Applications accepted from July 8 – August 7, 2020.

CARES Small Business Grant Program Application Form

Requirements – These records must be presented with this application

- ☐ Two forms of ID (each signer) – one with picture other with name only
- ☐ Two years of business tax returns (Schedules and 1099s, Income Statement & Balance Sheet *for LLC's, C-Corps, and S-Corps*)
- ☐ Two years of personal tax returns (Schedules and 1099s, Income Statement & Balance Sheet *for Sole Proprietors*)
- ☐ Three months of business and personal (*Sole Proprietors only*) bank statements
- ☐ Copy of 2019 Smithville Business License

Legal Name of Company: _____
Physical Address: _____ City : _____ State: _____
Zip: _____
Length of time you have been in business in Smithville: _____
Name of Grant Applicant: _____
Business Phone Number: _____ Cell Phone Number: _____
Email address: _____
Type of Business: _____

Explanation of how funds will be used: Items can include specific cash flow gaps, payroll or any fixed operating costs required to remain solvent and/or scaling down, reducing expenses, purchasing cleaning and personal protection equipment, and any additional proactive measures due to the crisis (documentation required).

How will this grant help you get through the COVID-19 crisis:

I/We certify that the above information, including any attachments or exhibits provided herewith are valid and correct to the best of my/our knowledge.

Signature: _____ Date: _____

Signature: _____ Date: _____

Please email all information to juliel@clayedc.com SUBJECT: Smithville Grant Application
Clay County Economic Development - 816-468-4989 -7001 N. Locust, Gladstone, MO 64118



CARES Small Business Grant Program Checklist and Recommendation

Name of Company : _____

Physical Address: _____ City : _____ State: _____ Zip: _____

Type of Business: _____

Program Eligibility:

- ☐ Business is physically located in Smithville.
- ☐ Business had a valid 2019 Business License.
- ☐ Business is public-facing (retail, food service, arts and entertainment, hospitality, fitness, medical and personal services) and was directly impacted by the 'Stay at Home' order.
- ☐ Business does not currently have any liens or fees owed to the City of Smithville.

Business is not a:

- ☐ National franchise.
- ☐ Non-profit organization.

Program Priority Considerations:

- ☐ Business has 20 or fewer full-time equivalent employees, and;
- ☐ Business has \$2.5 million or less in annual revenue.
- ☐ Business has not received certain Federal COVID-19 related relief (excluding Payroll Protection Program funds).

Proposed Use of Grant Funds:

- ☐ Eligible
- ☐ Not Eligible

Business Financial Review Score:

Grant Funding Recommendation:

- ☐ Recommended
- ☐ Not Recommended

Clay County Economic Development - 816-468-4989 -7001 N. Locust, Gladstone, MO 64118

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CLAY COUNTY ECONOMIC DEVELOPMENT COUNCIL
AND
THE CITY OF SMITHVILLE**

Congress passed and the President signed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27, 2020. The CARES Act provides for Federal Stimulus Funds to flow to the States by population and to the Counties within the State by population.

Certain types of grants are indicated in the guidance as potentially eligible, including expenditure related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures as further described and identified in the federal government guidelines ("guidelines") as set forth in Exhibit A. Governments have discretion to determine what payments are necessary per the guidelines. A program that is aimed at assisting small businesses with the cost of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance.

The City desires to have a program known as the CARES Smithville Small Business Grant Program Information Sheet ("program") to consider grants. The Program is attached hereto as Exhibit B. The staff of the City of Smithville (the "City") has neither the capacity or qualifications to administer such a program. The Clay County Economic Development Council (the "EDC") does, however, have the capacity and the ability to administer such a program.

Both exhibits are incorporated herein by reference as though more fully set forth herein.

This Agreement is also entered into by the parties pursuant to the authority granted to governmental entities under Chapter 70 R.S.Mo. *et seq.*;

Accordingly, the following is agreed between the City and the EDC.

1. City expects to make up to One Hundred Thousand Dollars (\$100,000) in grants to qualifying Smithville businesses, subject to other needs of the City, under the program.
2. EDC shall collect, evaluate, and verify grant applications, on an application form approved by the Smithville governing body, from Smithville small businesses commencing July 8, 2020 through August 7, 2020 at 5:00 p.m.

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3. The EDC shall present City with information on the grant application and its recommendations for awards (grantees and amounts) as soon as practical after the deadline for applications.
4. The Smithville governing body shall consider the recommendations of the EDC and indicate its acceptance of EDC recommendations with or without modifications.
5. The EDC shall send out letters to grant applications regarding acceptance/denial as soon as practical after action by the Smithville governing body.
6. The City shall be responsible for the disbursement of funds to grantees as approved by the Smithville governing body.
7. In consideration of the services of EDC, City shall pay EDC an amount equivalent to five percent (5%) of the amount of grant funds that are disbursed to Smithville small businesses.
8. The Memorandum of Understanding is effective from July 8 until all applications received by the EDC have been evaluated, presented to City for its review and consideration, and returned to the EDC for approval/denial letters which are to be sent on or before August 31, 2020.

Agreed on this 7th day of July 2020.

On behalf of City:

On behalf of EDC:

Damien Boley, Mayor

Executive Director

Date: _____

Date: _____

Agenda Item # 4 – Discussion of COVID-19 Phasing



STAFF REPORT

Date: June 16, 2020
Prepared By: Cynthia Wagner, City Administrator
Subject: COVID-19 Related Issues – Update and Discussion
Staff Report: All Departments

The City of Smithville continues to follow the Clay County Public Health Center recommendations relating to phased recovery. June 1 marked the beginning of Step 2 of the recovery plan. City Hall reopened to the public, with some restrictions/limited hours of lobby opening; Smith's Fork Campground opened for reservations and most Parks and Recreation facilities and activities resumed. (Parks restrooms are scheduled for rolling closures to allow for renovation work.)

Movement into new phasing poses a number of questions on which staff is seeking direction from the Board.

City Hall Lobby Hours

With the re-opening of City Hall (while still encouraging as much business to be conducted over the phone or on-line), lobby hours were reduced to 8:30 am to 12:30 pm and 1:30 pm to 4:00 pm to allow staff to clean surfaces and the lobby area. Foot traffic in the building has been relatively light and the time to clean has taken less than anticipated. Is it staff's recommendation that normal business hours be reinstated – with the recognition that should Health Center directives change with any changes as a result of increased number of cases or other concerns, those hours of lobby opening could be adjusted.

Rentals: Courtyard Events and Senior Center

Staff has been following the recommendations of the Health Center regarding mass gatherings in rental of the Senior Center and Courtyard Park. We have communicated gathering numbers recommended by CCPHC to those individuals who have previously rented facilities and offered refunds if they are not able to meet the requirements. Staff recommends proceeding in this manner. (Upcoming events in the immediate timeframe include the Fourth of July Parade, 4H Fair, Christian Family Days and Hot Summer Nights.)

Staff has reached out to other Northland communities to learn what they are doing in this area. Consistent with what has been occurring in Smithville, Platte City has cancelled City events through the end of August but are granting special event permits

for private/non city civic events held after July 1. A condition of the permit is that the event must comply with County Health Department plan/restrictions as they exist on the day of the event.

Parkville has cancelled the July 4 Parade and fireworks and a date for Parkville Days has been delayed with a date to be determined.

Excelsior Springs reports that most special private events have been rescheduled for later in the year. Some have been modified to multi-day events, with tickets sold for particular dates in order to reduce the number and in order to track attendees.

Gladstone has cancelled the Fourth of July event and most private events have also cancelled. They are considering organizing a small outdoor concert in early July but are seeking advice from CCPHC.

Kearney has cancelled all amphitheater events. A decision has not yet been made on Jesse James Festival in September.

North Kansas City plans to resume special events on June 26, events must meet CCPHC guidelines.

Staff recommends continuation of the current practice but seeks Board direction.

Parks and Recreation Programming

As noted in the City Administrator's Report, Parks and Recreation staff are working to develop fall recreation programs (and recognition of Parks and Recreation Month in July). These plans take into consideration CCPHC recommendations regarding recovery phasing. The following are currently planned:

Fall Youth Soccer and Soccer Clinic: Registration open on July 1 - Practices starting the week of August 17

Fall T-ball: Registration open on July 1 - Friday nights Season from 8/28-10/9

Youth Volleyball (partnership with Platte City). Registration open in July. Season from August to October 28

Adult Kickball League

Pickleball open gym (working on a partnership with Grace church for indoor pickleball during the day)

Any changes to CCPHC phasing recommendations and coordination/consultation with other area departments on what they are doing could result in changes to these programs.

Staff wishes to ensure Board concurrence with this plan.

Fireworks Display

As you are aware, the City partners with Clay County annually to provide a fireworks display at Smithville Lake. This display requires a special event permit from the Corps of Engineers for utilization of Corps land for the display. We have recently been informed that the Corps will not issue that permit based on gathering restrictions outlined in the CCPHC recovery plan. We had previously anticipated continuing with this display following conversations with Clay County staff on the understanding that people gather on the lake and other places to observe and social distancing could be maintained. We have conveyed this information to the Corps and await further word.

Agenda Item # 5 – Discussion of Annexation



STAFF

REPORT

Date: June 16, 2020
Prepared By: Jack Hendrix
Subject: Annexation Update

The purpose of this memorandum is to provide an update on the process and progress of implementing the Board of Aldermen direction following the October 15, 2019 work session discussion on annexation. At that meeting, the Board outlined priorities for initial work on annexation, with long-range annexation priorities to be identified as part of the Board Retreat in 2020. The memo provided to the Board at that time is attached.

Based on this direction, staff began working on those priorities as we understood them:

- Annexation of Smith's Fork Park, with the desire to annex additional Corp Administrative land between the City leased land and 172nd Street/Litton Way.
- Provide a draft annexation policy for Board review.
- Review the potential of annexing Corp land bounded by 172nd Street on the south to 188th Street on the north.
- Begin the process to ensure annexation of the areas in Lakeside Crossing subdivision.

The information provided below is an update on progress in each of these priority areas.

Annexation of Smith's Fork Park

In January and February, staff had preliminary discussions with the Corps of Engineers about the recommended processes they would like to see and our desire to obtain certain legal descriptions of various parcels of land for annexation considerations. The Corps is willing to assist us in that process and providing the legal descriptions. The first parcel is the Smith's Fork Park area and the area to the north. There are numerous considerations we must account for in the finalization process, and those are as follows.

1. Our annexation process involves providing public notice of the annexation, and there is a maximum period of 60 days of the notice prior to any public hearing.
2. The Corps must determine whether the annexation would impact the annual managed hunt at Smith's Fork Park (city ordinance prohibiting firing weapons) or if that activity is considered exempt under constitutional

immunity. If not considered exempt, would the Corps consider consenting to annexation if the City passed an ordinance exempting Corp sponsored hunts on Corps owned land inside the city limits.

3. The Corps must evaluate the ability for the City to annex the administrative land to the north of the park area, with consideration given to the City's ability to obtain jurisdiction over the trails between Smith's Fork and the County Park area north of Litton Way.
4. Once we determine the areas to which the Corps will consent, the exact legal description subject to their consent will be required.
5. Once the legal is obtained, we can then advertise for a public hearing to be held at the Board of Aldermen level.

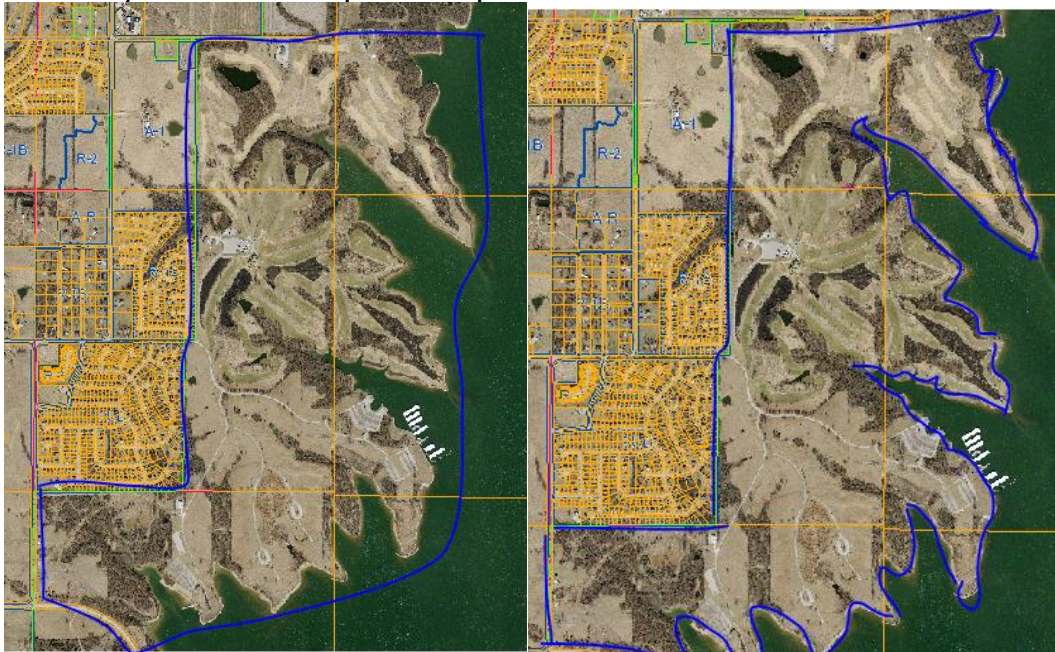
A draft letter to the Corps seeking consent to annex is attached. If the Board is comfortable, that will be forwarded to the Corps to initiate the process.

Annexation Policy

A draft policy is attached for review and Board direction.

Review Potential of Annexing Additional Corps Property

In addition to the Smith's Fork Park annexation discussion above, we also discussed cleaning up our boundaries with additional Corps land that is currently the County Parks land. The entire area is shown here in two versions, the second one using the shoreline as the boundary to illustrate a potential problem:



Any annexation that follows the shoreline may become problematic in that the line would, by its wavy nature, greatly increase the overall number of feet in the perimeter

of the area to be annexed. Since the area to be annexed must be adjacent to the existing city limits by not less than 15% of the total perimeter, annexing the shoreline is going to be difficult without having the annexation line be in the actual water of the lake. This would greatly reduce the overall perimeter and make the determination easier to make. The above map shows the entire area of Corps land, and it may be impossible to annex the entire tract at once without annexing into the water, or taking it piecemeal to increase the area in the city gained by each previous annexation.

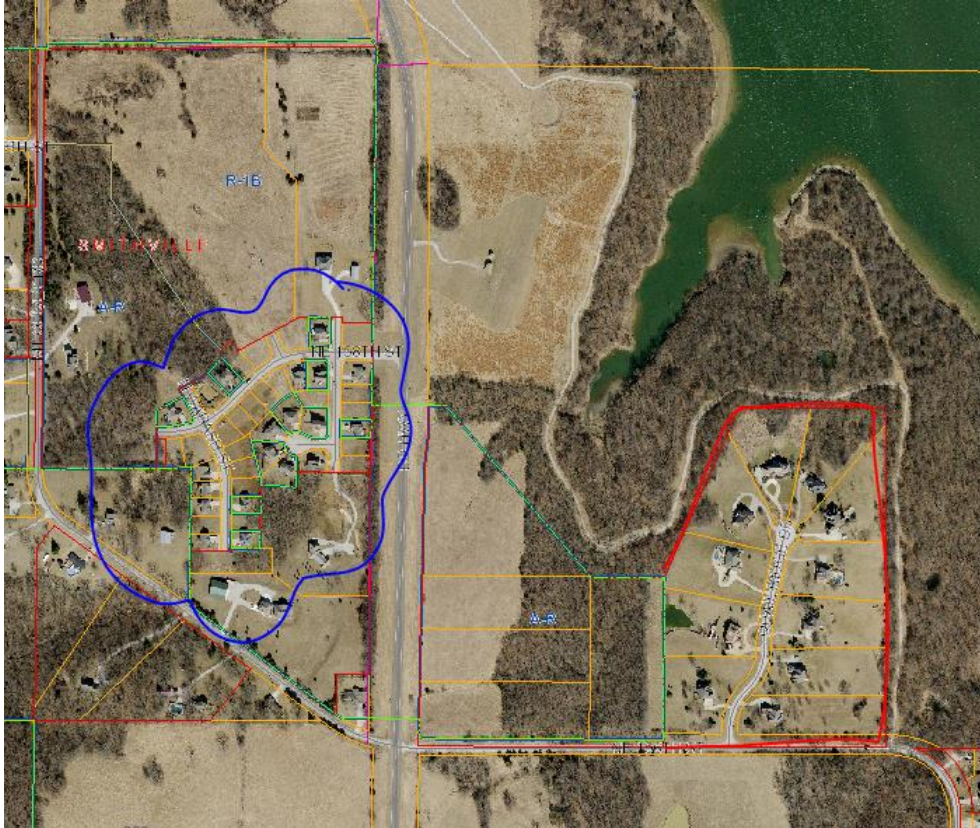
The other, and likely more problematic issue is the county's consent. We historically have not gotten much traction in our discussion with the county. In accordance with its' policy, the Corps will only consent if no other jurisdiction objects. The actual timing of our request to the Corps for County Park annexation may need to await the November elections and any changes at the county level that may occur.

During our conversations with Clay County on the matter, some of the points we need to be prepared to address are things like police services inside the County Park. Obviously, annexing the park areas into our limits puts those areas subject to city laws and city enforcement of everything except basic traffic matters. This is because the areas are not on public streets, but private streets inside a park. This private nature would be the only way the county could maintain its "ticket booth" at the entrance where fees are charged. Private streets would not implicate street maintenance and plowing obligations for the city. This "private" nature would also apply to any water lines or sewer lines inside the park area.

Infill Annexation – Sewer agreements

This item was based upon the Lakeside Crossing subdivision. This subdivision was originally connected to the city sewers when outside the city limits through a sewer subscription agreement. This agreement required voluntary annexation when it became contiguous. John Reddoch was given the legal documents associated with the voluntary annexation of the remaining lots in Lakeside Crossing. Using that information, John sent an official request and application to each owner to voluntarily annex. To date, one application has been received and will have the public hearing on June 16. Several others have notified John that they will not voluntarily annex. John has provided a legal memorandum of options for the Board, which is included.

During this review by John, it was discovered that a similar agreement is in place for Quail Ridge subdivision. This subdivision is partially contiguous with the City limits following the annexation and development of the Oaks at Paradise Point subdivision. John will be reviewing that agreement to determine if letters can be sent to those areas as well. Below is a map of the area of both Lakeside Crossing and Quail Ridge to visualize the area(s) involved. Lakeside Crossing is the area in blue, and Quail Ridge is the area in Red. The Oaks at Paradise Point is the area between the two.



Staff is requesting Board direction on how to proceed on these issues at the work session.

June 17, 2020

Lora E. Vacca
Operation Project Manager
US Army Corps of Engineers
Smithville, Longview and Blue Springs Lakes
P.O. Box 428
16311 DD Hwy N.
Smithville, MO 64089

RE: Smithville Request to Annex Corps Land

Dear Ms. Vacca:

Thank you for your assistance to the City of Smithville in our evaluation of the annexation process of the Corps of Engineers. After reviewing AR405-25, the City desires to move forward with Corps review. Please consider this an official request to obtain the consent of the Corps of Engineers to annex the area in and around Smith's Fork Park. In your evaluation, we would like for you to consider certain additional information.

Specifically, in addition to the area subject to the lease with the City of Smithville, we would like to annex the area north of the park area. Ultimately, the area would exclude the dam and the continuation of Litton Way to its northern end at the intersection of 172nd Street and Old Jefferson Highway (Formerly F Highway). The purpose of the request beyond the leased premises relates to our anticipated increased use of the trails that connect Clay County's Little Platte Park trails and the new trail connection to downtown. We believe it would benefit the County, the Corps and the City to have a clear demarcation of jurisdiction over the trail areas, including standard rules, regulations and enforcement up to the right of way of Litton Way.

The most significant jurisdictional issue that we want you to consider is the current Corps Sponsored hunts that occur in these general areas. As you may know, the City of Smithville bans firing weapons inside the city limits. Whether this hunt is exempt appears to be part of the Corp evaluation process. Please note, if required to annex the land, the City is prepared to amend the current ordinance that acknowledges Corps jurisdictional immunity while conducting these managed hunts from the scope of our Discharge of Weapons ordinance.

One additional consideration is the entrance drive that leads to the discharge area of the dam, and the parking lot adjacent to the outflow area. The city is willing to accept annexation along these areas on either side of the entrance drive in whatever manner is in the Corps best interests.

Lastly, based upon the Corps decisions on the above matters, we would ask that you consider providing the City with a copy of any legal description(s) of the area(s) to be annexed or specifically not to be considered for annexation. Please note, IF the Corps consents, the City of Smithville must provide notice to the public of its intent to annex, along with the date and time of a public hearing on the matter. Your office would receive a copy of that notice when it is published. Below is an aerial view of the area, generally, subject to this request.



Thank you for your consideration and please feel free to contact me with any questions.

Sincerely,

Cynthia M. Wagner
City Administrator

Draft Annexation Policy – June 16, 2020

The City of Smithville recognizes the benefits and burdens of adding land to the corporate limits and seeks to set forth a policy to be used to evaluate future annexations to the City. This policy is adopted only as a general concept and does not bind the City to any obligation over that provided in the Missouri Statutes regarding the subject matter.

Declaration of Intent

The City of Smithville seeks to annex properties into its limits for the following stated reasons:

1. To diversify the economic base and create job opportunities by annexing property for commercial and industrial development.
2. To protect public health, safety, and general welfare.
3. To avoid costly duplication of public facilities and services.
4. To promote orderly growth by facilitating long-range planning for the provision of municipal services and by applying appropriate land use regulations, development standards, property maintenance standards, fire codes, construction codes and environmental regulations.
5. To ensure that residents and businesses outside of the corporate limits who benefit from access to the City's facilities and services contribute property taxes and other revenues to pay for the costs associated with providing and maintaining those facilities and services.
6. To direct, protect and preserve its utility services.
7. To promote intergovernmental cooperation.

Guiding Principles for Annexation

Annexation should be of mutual benefit to the petitioner as well as the City and its residents. It should be advantageous to the property owners and/or residents in the areas being considered in terms of cost and services received. On the other hand, it should be clearly established that annexation is of value to the City in the realization of its objectives. To this extent, the City of Smithville has set forth the following guiding principles:

- Annexation is the response to growth and is intended to be pursued in a manner whose fiscal impact on the incorporated City is fundamentally positive.
- Annexation shall not generally create enclaves (islands or donut holes) within the City limits.
- Annexation of property shall be at least environmentally neutral or improving.
- Annexation shall be in the best interest of the City.
- Annexation may require mutually agreed upon development agreements where necessary.

Annexation Priorities

While any area adjacent to the current city limits is subject to potential annexation, the City of Smithville has certain priorities when evaluating potential annexation. The first consideration of annexation is compliance with the City's Comprehensive Plan. The following are the priorities for annexation:

- Areas of undeveloped land for commercial or industrial growth located adjacent to the existing City limits that meet contiguity requirements.
- Unincorporated "Islands" within the existing City limits.
- Areas currently served by City utilities not within the corporate boundary.
- Areas of strategic importance or deemed desirable that are not connected to City utilities.
- Protection of valuable natural resources to protect environmentally sensitive areas.

Annexation Policies

- The City shall pursue a systematic annexation process to promote orderly growth, the provision of municipal services and to preserve the City's fiscal position.
- The City shall consider annexation as a means of managing growth and providing zoning controls.
- The City shall consider annexation of an area in the immediate path of growth to prevent undesirable development patterns.
- All annexation should have a positive impact on the City financially. The City shall pursue an annexation program that adds to the economic stability of the City.
- The City shall consider annexation of an area to increase the quality of life, upgrade utility facilities, and provide the necessary services to meet the specific needs of the residents in the development area.
- Areas of unincorporated land that are considered a liability for any reason shall be avoided unless they are of strategic priority or that benefit the City in some fashion that mitigates the financial impact.
- Annexation should be considered based on the availability of utilities. Incremental growth is suggested near existing city limits as municipal utility and departmental capacity permits.
- Annexations that would result in the creation of islands or peninsulas of unincorporated area shall be avoided if possible. Annexation of existing unincorporated island or peninsula areas is suggested if it would reduce the size and impact of these areas.
- Annexations of larger than five acres are strongly encouraged in order to avoid smaller piecemeal annexations of single parcels. This encourages the collection of several parcels for annexation at one time.

- The City shall adopt a more proactive position in utilizing the tool of annexation, prior to development, to control the type, quality, and location of development in areas currently outside the City limits.
- That annexation generally follows existing roads and utilities in order to minimize the public expense for extension of main or service lines and streets.
- Each voluntary annexation application should require a disclosure by the developer or owner of anticipated needs of utilities and street improvements and a timetable of anticipated development.
- Extensions of main and service lines shall be chargeable to the property development rather than to the public generally.
- The City shall consider annexation of an area to protect environmentally sensitive areas and to better regulate the quality of the development in the area.

ATTORNEY CLIENT PRIVILEGED MEMO

To: Cynthia Wagner, City Administrator
From: John Reddoch
Subject: Lakeside Crossing Subdivision. (Sewer not Water)
Date: June 11, 2020

Lakeside Crossing is a subdivision which was originally platted by Clay County. The Developer entered into an agreement with Smithville to provide SEWER SERVICE to the subdivision at greater than the cost charged to City Residents. That agreement also provided that when Smithville grew to the point that it was contiguous to the subdivision, that the owners of the land would apply to be voluntarily annexed into the City. That "Agreement" was recorded in the Clay County Recorder of Deeds office prior to the lots being sold to any third parties. The lots have all now changed hands from the developer to the builder(s) to the ultimate buyers and/or their assigns.

The City is now contiguous with all lots in the subdivision. Several, if not a majority, of lot owners have applied for and been annexed into the City. Approximately 10 or 11 have not. I recently sent each one a letter outlining the history and asking that they apply to be voluntarily annexed. While we may have one, who has decided to do so, two others have expressly refused to apply. We have simply not heard from the balance of the owners.

The reason I was given by the two who expressly refused to apply was that they thought it was cheaper to pay the higher SEWER SERVICE rates than the higher sales tax. At present we have a subdivision where literally random lots in the subdivision are not in the City. Absent checking a plat map, our police officers have no way of knowing when one neighbor is in the City and the other is not. Also, those neighbors not in the City basically have the benefit of the services paid for by residents.

So that you understand the differing process of annexation, what follows are the steps needed for both voluntary and involuntary annexation. **My recommendation follows the outline of the different procedures.**

Voluntary Annexation Procedure §71.012 R.S.MO

- (Step 1) A **notarized petition**, requesting annexation and **signed by the owners of all fee interests of record in all tracts of real property located within the area proposed to be annexed**, or a request for annexation signed under the authority of the governing body of any common interest community and approved by a majority vote of unit owners located within the area proposed to be annexed is presented to the governing body of the city.
- (Step 2) The governing body **shall hold a public hearing concerning the matter** not less than fourteen nor more than sixty days after the petition is received, and the hearing shall be held not less than seven days after notice of the hearing is **published in a newspaper** of general circulation qualified to publish legal matters and located within the boundary of the petitioned city, town or village. If no such newspaper exists within the boundary of such city, town or village, then the notice shall be published in the qualified newspaper nearest the petitioned city, town or village. For the purposes of this subdivision, the term “**common-interest community**” shall mean a condominium as said term is used in chapter 448, or a common-interest community, a cooperative, or a planned community.
- (a) A “**common-interest community**” shall be defined as real property with respect to which a person, by virtue of such person’s ownership of a unit, is obliged to pay for real property taxes, insurance premiums, maintenance or improvement of other real property described in a declaration. “Ownership of a unit” does not include a leasehold interest of less than twenty years in a unit, including renewal options;
 - (b) A “**cooperative**” shall be defined as a common-interest community in which the real property is owned by an association, each of whose members is entitled by virtue of such member’s ownership interest in the association to exclusive possession of a unit;
 - (c) A “planned community” shall be defined as a common-interest community that is not a condominium or a cooperative. A condominium or cooperative may be part of a planned community.
- (Step 3) At the public hearing any interested person, corporation or political subdivision may present evidence regarding the proposed annexation.
- (Step 4) If, after holding the hearing, **the governing body** of the city, town or village **determines that the annexation is reasonable and necessary to the proper development of the city**, town or village, and the city, town or village has the ability to furnish normal municipal services to the area to be

annexed within a reasonable time, it may, subject to the receipt of a written objection, annex the territory by ordinance without further action.

(Step 5 if applicable) If a written objection to the proposed annexation is filed with the governing body of the city, town or village not later than fourteen days after the public hearing by at least five percent of the qualified voters of the city, town or village, or two qualified voters of the area sought to be annexed if the same contains two qualified voters, the provisions of [sections 71.015](#) and [71.860](#) to [71.920](#), shall be followed.

(Step 6) If no objection is filed, the city, town or village shall extend its limits by ordinance to include such territory, specifying with accuracy the new boundary lines to which the city's, town's or village's limits are extended. Upon duly enacting such annexation ordinance, the city, town or village shall cause three certified copies of the same to be filed with the county assessor and the clerk of the county wherein the city, town or village is located, and one certified copy to be filed with the election authority, if different from the clerk of the county which has jurisdiction over the area being annexed, whereupon the annexation shall be complete and final and thereafter all courts of this state shall take judicial notice of the limits of that city, town or village as so extended.

(Note) **That** a petition requesting annexation is not or was not verified or notarized shall not affect the validity of an annexation heretofore or hereafter undertaken in accordance with this section.

(Note) Any action of any kind seeking to de-annex from any city, town, or village any area annexed under this section, or seeking in any way to reverse, invalidate, set aside, or otherwise challenge such annexation or oust such city, town, or village from jurisdiction over such annexed area shall be brought within five years of the date of adoption of the annexation ordinance.

Involuntary Annexation Steps

The general steps to be taken under [§ 71.015, RSMo 2000](#), are:

(Step 1) The governing body must first make a determination that the land to be annexed is contiguous to the existing limits and that the length of the contiguous

boundary common to the existing limit and the proposed area to be annexed is at least 15% of the length of the perimeter of the area proposed for annexation.

(Step 2). The governing body adopts a resolution announcing its intention to annex and sets a date for a public hearing on an ordinance proposing annexation.

(Step 3) The proposed ordinance is prepared reciting:

- (1st) that the boundaries comply with the statutory requirements;
- (2nd) that the annexation is reasonable and necessary to the proper development of the city;
- (3rd) that a plan of intent has been developed to provide services to the area proposed for annexation;
- (4th) the date of the public hearing on the ordinance; and
- (5th) the proposed effective date for the annexation, which may be up to 36 months from the date of any election.

(Step 4) The city makes a good faith effort to notify all fee owners of record within the area proposed to be annexed by certified mail between 30 days and 60 days before the hearing. A notice must also be published in a newspaper of general circulation qualified to publish legal matters in the relevant county at least 2 weeks before the hearing.

(Step 5) The plan of intent is to be available at the hearing, and the city is to be prepared to submit evidence in support of it. It must include:

- (1st) a listing of major services provided by the city;
- (2nd) a time schedule for providing those services to the annexed area (must be within three years of the effective date of annexation);
- (3rd) the tax level;
- (4th) proposed zoning for the area to be annexed; and
- (5th) the proposed effective date.

(Step 6) Assuming passage of the ordinance after the hearing, a § 507.070, RSMo 2000, declaratory judgment action is filed pleading:

- (1st) a description of the area to be annexed and the statutory boundary requirements;
- (2nd) that such annexation is reasonable and necessary to the proper development of the city; and

(3rd) a recitation of the city's ability to furnish normal municipal services within a reasonable time, not to exceed three years after annexation is effective.

(Step 7) An election is held in which a majority of the total votes cast in the city *and* a majority of the total votes cast in the area sought to be annexed must be secured for passage.

(Step 8 If necessary)

(1st) If less than a majority in the area proposed for annexation vote in favor of the proposal but a majority of the total votes in the city are in favor, the proposal may be resubmitted in 120 days to both the city and the area proposed for annexation.

(2nd) If two-thirds of the total vote in favor the annexation, the city may proceed.

(3rd) If the two-thirds majority is not achieved, no part of the area sought to be annexed may be subject to another proposal for annexation for a period of two years from the date of the election.

(4th) If the city fails to provide services or to zone in compliance with the plan of intent within three years after the effective date of annexation, except as the result of an act of God, a petition for de-annexation may be filed in the circuit court by any resident of the area who was residing there at the time the annexation became effective.

Note: Section 71.015 allows a city to choose the order of the election on a proposed annexation and the declaratory judgment action in circuit court. The statute previously required the declaratory judgment action to be sought before the election.

My Recommendation: Is to proceed with the initial steps to go forward with Involuntary Annexation (if needed). Then when the necessary lawsuit is filed, we do so in Alternative Counts. (1st Count) - ask the Court to Order the owners of the lots still in the unincorporated area to execute an application for voluntary annexation into Smithville. If the Court enters that Order, then the City simply follows the above steps regarding voluntary

annexation upon receipt of the application(s). If the Court will not grant the order requested in the (1st Count), the (2nd Count) would be the declaratory Judgment Action (Step 5) of the Involuntary Annexation. The City would then follow the steps for involuntary annexation.