

## SMITHVILLE BOARD OF ALDERMAN

### WORK SESSION

August 17, 2021, 5:30 p.m.  
City Hall Council Chambers

**Due to the COVID-19 pandemic this meeting was held via teleconference.**

**The meeting was streamed live on the city's FaceBook page.**

#### 1. Call to Order

Mayor Boley, present at City Hall via Zoom, called the meeting to order at 5:30 p.m. A quorum of the Board was present via Zoom meeting: Steve Sarver, Marv Atkins, Kelly Kobylski, Dan Ulledahl, John Chevalier and Dan Hartman.

Staff present via Zoom: Cynthia Wagner, Anna Mitchell, Chuck Soules, Chief Lockridge, Matt Denton, Stephen Larson, Jack Hendrix, Linda Drummond.

#### 2. Discussion of FY21 9-Month Budget Update

Stephen Larson, Finance Director, presented the FY21 9-month budget update.

- *FY21 projections are updated for Q3.*
- *FY21 budget figures include budget amendments approved by the Board:*
  - *Budget Amendment #1*
  - *Budget Amendment #2*
  - *Budget Amendment #3*
  - *Budget Amendment #4*
  - *Budget Amendment #5*
  - *Budget Amendment #6*
  - *Budget Amendment #7*
- *Expenditures include 19 of the 26 fiscal year payrolls. 73% of wage related expenses have been paid through 19 payrolls.*

#### General Fund

General Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
Revenues	\$4,634,040	\$5,182,612	\$4,142,658	89.40%

- *Higher FY21 projection primarily driven by use tax collections, building permit revenue, and CARES Transfer In of remaining funds (\$239,288)*

General Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
Expenditures	\$5,965,540	\$5,727,496	\$3,846,235	64.47%

### One Time Capital Improvement and Professional Services Expenses

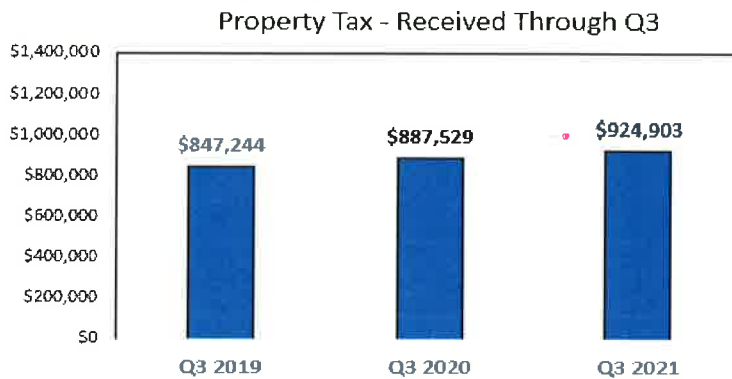
- City Hall Renovation (\$315,000) – Project Complete With 1 Pay App Remaining
- Downtown Streetscape East (\$105,000) – In Progress
- Transportation Master Plan (\$99,000) – In Progress
- Streets & Parks Facility Design/Engineering (\$250,000) - To Begin Shortly

### Property Tax Revenue

General Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Property Tax Revenues</b>	\$886,950	\$925,841	<b>\$924,903</b>	<b>104.28%</b>

*TIF property tax (PILOTS) owed for jurisdictions for the Marketplace has been paid to taxing entities. TIF property tax that is owed to the TIF from these jurisdictions has been transferred into the Special Allocation Fund.*

### Property Tax Revenue 3 Year Trend History of Quarter 3

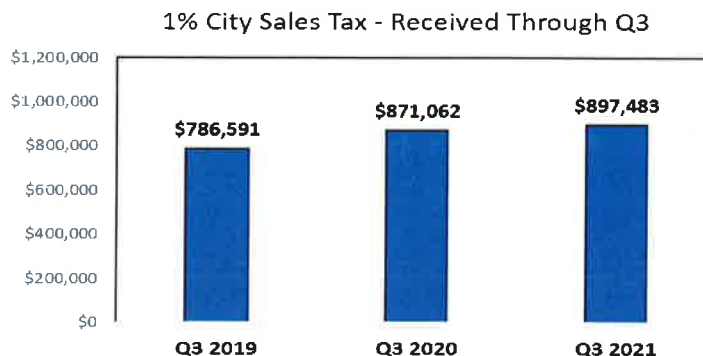


### Sales Tax Revenue

General Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Sales Tax Revenues</b>	\$1,205,020	\$1,209,198	<b>\$897,483</b>	<b>74.48%</b>

- The City, on average in the past 3 years, receives 71% of sales tax annual revenue by the 3rd quarter of the fiscal year.

### Sales Tax Revenue 3 Year Trend History of Quarter 3



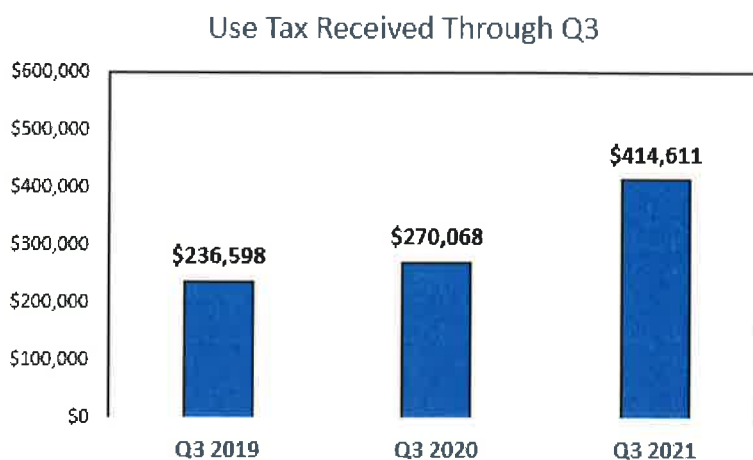
## Use Tax Revenue

General Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Use Tax Revenues</b>	\$414,260	\$550,250	<b>\$414,611</b>	<b>100.08%</b>

- The City, on average in the past 3 years, receives **69.5%** of use tax annual revenue by the 3rd quarter of the fiscal year.

## Use Tax Revenue

### 3 Year Trend History of Quarter 3



## Capital Projects Fund

Capital Projects Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Revenues</b>	\$273,000	\$547,250	<b>\$214,478</b>	<b>78.56%</b>

- Received portion of DNR Grant for Main Street Trail - \$208,000. \$291,000 is expected and staff is working on reimbursement process.
- Payments in Lieu of Dedication -> \$7,000

Capital Projects Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
<b>Expenditures</b>	\$1,737,440	\$1,737,440	<b>\$1,257,909</b>	<b>72.40%</b>

- Main Street Trail – Project Completed and Final Pay App Processed
- Downtown Streetscape East: **\$523,440** Budgeted in Fund

## Capital Improvement Sales Tax Fund

Capital Improvement Sales Tax	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Revenues</b>	\$530,750	\$615,250	<b>\$469,398</b>	<b>88.44%</b>

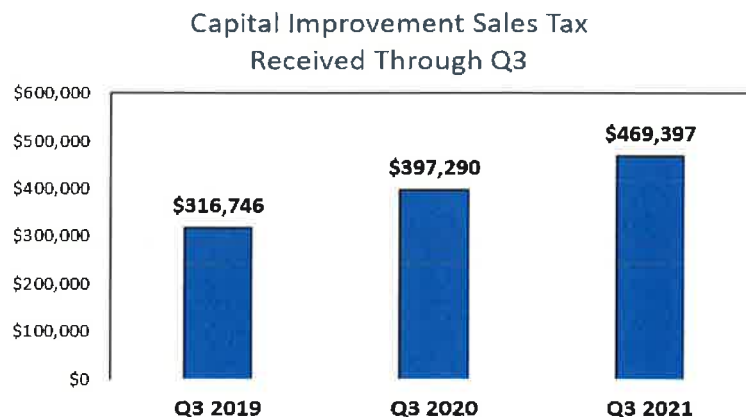
- The City, in the past year, received **69%** of capital improvement sales tax annual revenue by the 3rd quarter of the fiscal year.
- Capital Improvement Sales Tax **is not subject** to TIF EATS collections.

Capital Improvement Sales Tax	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
<b>Expenditures</b>	\$952,250	\$952,250	<b>\$542,373</b>	<b>56.96%</b>

Budget and projections figure include Budget Amendment #8 Transfer In

- Downtown Streetscape East: **\$410,000** Budgeted in Fund
- Transfer to Debt Service Fund for Payments: **\$342,190**
- Budget Amendment #8: Transfer **\$200,000** to assist with Capital Projects Fund

## Capital Improvement Sales Tax Revenue 3 Three Trend History of Quarter 3



## Debt Service Fund

Debt Service	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Revenues</b>	\$342,190	\$342,190	<b>\$342,190</b>	<b>100.00%</b>

- Transfer in of **\$342,190** from the Capital Improvement Sales Tax Fund to support Debt Service payments.

Debt Service	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
<b>Expenditures</b>	\$329,860	\$329,860	<b>\$231,263</b>	<b>70.11%</b>

- *GO Debt Payments (for Series 2018 and Series 2019) were made on **March 1, 2021**, and are scheduled for payment on **September 1, 2021***

#### Transportation Sales Tax Fund

Transportation Sales Tax	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Revenues</b>	\$530,750	\$558,000	<b>\$418,689</b>	<b>78.89%</b>

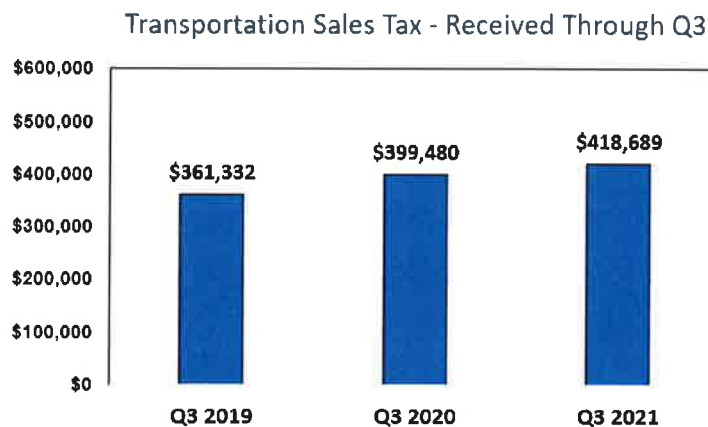
- *The City, on average in the past 3 years, receives **70.3%** of transportation sales tax annual revenue by the 3rd quarter of the fiscal year.*
- *Transportation Sales Tax **is subject** to TIF EATS collections.*

Transportation Sales Tax	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
<b>Expenditures</b>	\$1,105,820	\$1,092,041	<b>\$215,964</b>	<b>19.53%</b>

Budget and projections figure include Budget Amendment #8 Transfer In

- *Bridgeport Roundabout Design (**\$99,000**) – In Progress*
- *2021 Street Maintenance Program (Rock Creek) (**\$605,000**) – In Progress*
- *Downtown Streetscape East (**\$169,000**) – In Progress*

#### Transportation Sales Tax Revenue 3 Year Trend History of Quarter 3





#### Special Allocation Fund (TIF/CID)

Special Allocation Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Revenues</b>	\$520,000	\$529,045	<b>\$358,316</b>	<b>68.91%</b>

- *TIF EATs (Economic Activity Taxes), PILOTs, and CID (Community Improvement District) Sales Tax (1%) have all been collected and deposited into the fund*

Special Allocation Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
<b>Expenditures</b>	\$520,000	\$520,000	<b>\$0</b>	<b>0.00%</b>

- *Economic development legal counsel has not received updated certified costs from Developer yet (therefore, no disbursement of funds).*

#### Combined Water and Wastewater System Fund

CWWS Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Received
<b>Revenues</b>	\$4,808,890	\$4,919,703	<b>\$3,581,274</b>	<b>74.47%</b>

- *Water and Wastewater Sales: **87% of Revenue Budget***
- *Penalties and Disconnects: **1% of Revenue Budget***
- *Water and Sewer Impact Fees: **8% of Revenue Budget***
- *Connection, Stormwater, and Interest: **4% of Revenue Budget***

CWWS Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% of Budget Expended
<b>Expenditures</b>	\$7,525,260	\$5,925,614	<b>\$2,514,879</b>	<b>33.42%</b>

- *One Time Capital Improvement and Professional Services Expenses*
  - *Wastewater Master Plan - Completed*
  - *Main Street Waterline - Completed*
  - *Raw Water Pump Station, Valve Box, Zebra Mussel - To Begin Shortly*
  - *Slipline Sewer Program - Completed*

#### Water and Wastewater Sales Revenue

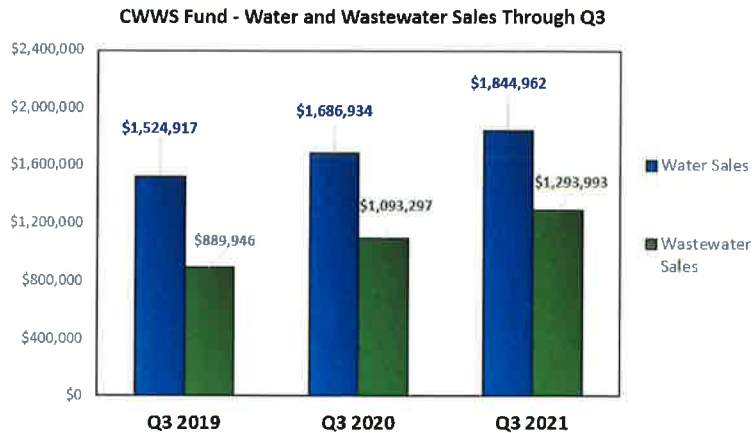
CWWS Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% Received of Budget
<b>Water Sales</b>	\$2,493,650	\$2,586,756	<b>\$1,844,962</b>	<b>73.99%</b>

- *The City, on average in the past 3 years, receives **69.3%** of water sales annual revenue by the 3rd quarter of the fiscal year.*

CWWS Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% Received of Budget
<b>Wastewater Sales</b>	<b>\$1,689,910</b>	<b>\$1,705,397</b>	<b>\$1,293,993</b>	<b>76.57%</b>

- The City, on average in the past 3 years, receives **72.6%** of wastewater sales annual revenue by 3rd quarter of the fiscal year.

### Water and Wastewater Sales Revenue 3 Year Trend History of Quarter 3



### Sanitation Fund

Sanitation Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% Received of Budget
<b>Revenues</b>	<b>\$890,550</b>	<b>\$867,351</b>	<b>\$652,137</b>	<b>73.23%</b>

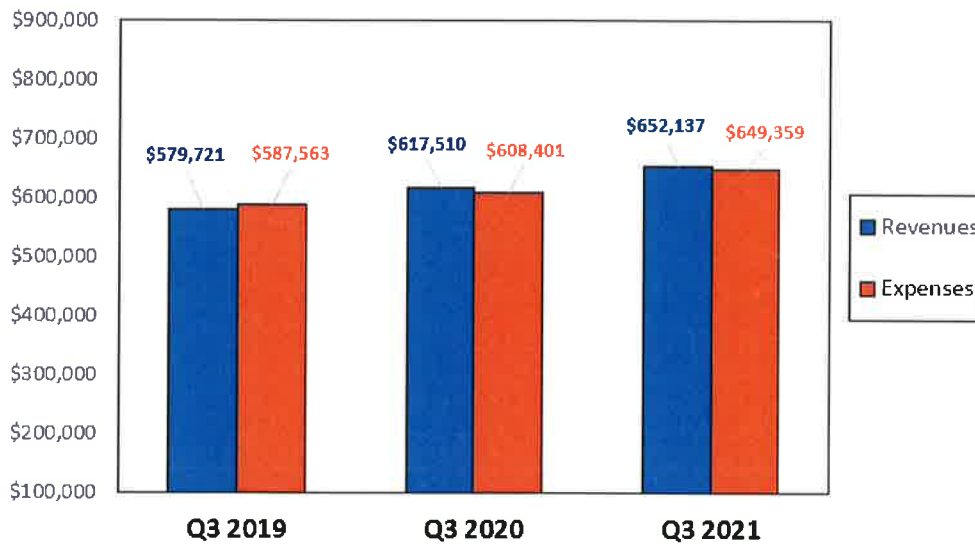
- The City, on average in the past 3 years, receives **74.5%** of solid waste annual revenue by the 3rd quarter of the fiscal year.

Sanitation Fund	FY21 Budgeted	FY21 Projections	FY21 YTD	% Expended of Budget
<b>Expenditures</b>	<b>\$885,710</b>	<b>\$864,412</b>	<b>\$649,359</b>	<b>73.32%</b>

- The City pays GFL (Green For Life) on a monthly basis for waste collection services.
- The City also pays to participate in the Household Hazardous Waste collection program administered by MARC which is funded by the Sanitation Fund.

## Sanitation Fund – 3 Year Trend History of Quarter 3

Sanitation Fund - Revenues and Expenses Through Q3



## Park and Stormwater Sales Tax Fund

Park & Stormwater Sales Tax	FY21 Budgeted	FY21 Projections	FY21 YTD	% Received of Budget
<b>Revenues</b>	\$442,290	\$565,960	\$424,470	95.97%

- Initial collections of Park & Stormwater Sales Tax occurred **November 2020**.
- Park & Stormwater Sales Tax **is not subject** to TIF EATS collections.

Park & Stormwater Sales Tax	FY21 Budgeted	FY21 Projections	FY21 YTD	% Expended of Budget
<b>Expenditures</b>	\$225,000	\$225,000	\$46,953	20.87%

- Park Improvements (near Splash Pad) (**\$25,000**)
- P&R Master Plan and Trails & Connectivity Plan (**\$100,000**)
- Stormwater Project(s) (**\$100,000**)



## VERF (Vehicle and Equipment Replacement Fund)

VERF	FY21 Budgeted	FY21 Projections	FY21 YTD	% Received of Budget
<b>Revenues</b>	<b>\$165,000</b>	<b>\$91,971</b>	<b>\$91,971</b>	<b>55.74%</b>

- **\$40,000** in seed funds transferred from the General Fund to the VERF.
- Additional **\$125,000** budgeted for sale of turn-in vehicles.
- **11** turn-in vehicles have sold through July 2021

VERF	FY21 Budgeted	FY21 Projections	FY21 YTD	% Expended of Budget
<b>Expenditures</b>	<b>\$125,000</b>	<b>\$65,838</b>	<b>\$42,092</b>	<b>33.67%</b>

- Enterprise leasing expenses were first incurred in **February 2021**.

The Board did not have any questions on the FY21 9-month budget update.

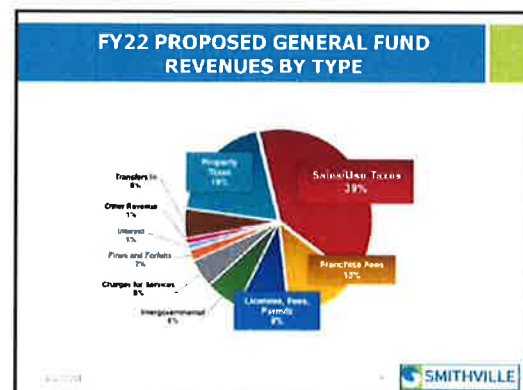
### 3. Discussion of FY22 Proposed Operating Budget

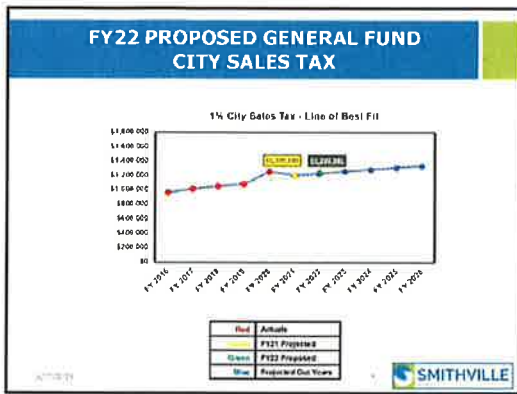
Stephen presented the proposed operating budget. He began by thanking the Department Directors for working with him on his first budget and helping him to understand the City and how all the expenses work. He also thanked Cynthia and appreciated getting to work with her in preparing this budget. Stephen told the Board that he was really looking forward to getting their input and feedback on the CIP projects and department budgets.

#### General Fund

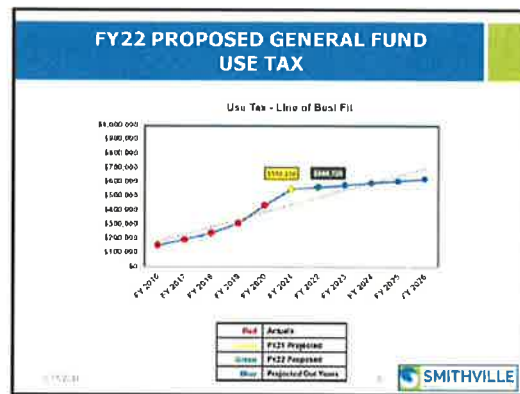
FY22 PROPOSED GENERAL FUND REVENUE SUMMARY				
General Fund Revenues	Actual FY20	FY21 Budget	Projected FY21	FY22 Proposed Budget
Property Taxes	895,643	885,960	928,841	993,999
Sales and Use Taxes	1,772,287	1,636,150	1,861,313	1,682,351
Franchise Taxes	710,418	681,430	668,000	648,080
Licenses, Fees and Permits	300,250	382,940	447,125	447,068
Intergovernmental Revenues	208,710	314,640	329,754	333,882
Charges for Services	214,339	230,960	262,894	236,270
Fines and Forfeits	144,386	168,980	141,365	111,500
Interest	116,770	45,000	45,000	46,800
Other Revenue	40,400	17,960	56,782	29,210
Transfers In	174,820	229,170	448,458	248,340
<b>Total Revenues</b>	<b>5,761,606</b>	<b>4,634,680</b>	<b>5,162,813</b>	<b>4,818,626</b>

\*Sales and Use Taxes: City pays 10% on Sales Tax, 10% on Use Tax.

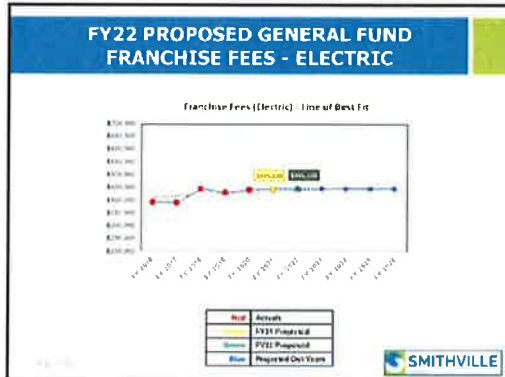




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### FY22 PROPOSED GENERAL FUND KEY OPERATING ASSUMPTIONS

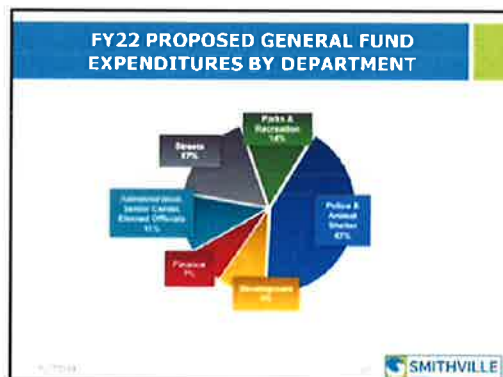
Assumption	Operating Expenditure
3% Increase	Average Salary Merit Pool (May 2022)
10% Increase	Healthcare Insurance Employer Expense
3% Increase	Electric Utility (Energy) Expense
3% Increase	Gas Utility (Spiral) Expense
\$2.75 / Gallon	Automotive Fuel Per Gallon (Up from \$2.50 / Gallon)
\$1.59 / Gallon	Propane Costs Per Gallon (Up from \$1.25 / Gallon)
3% Increase	Dispatching Costs

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### FY22 PROPOSED GENERAL FUND EXPENDITURE SUMMARY

General Fund Expenditures	Actual FY21	FY21 Budget	Proposed FY21	FY22 Proposed
Personnel Services	2,318,251	3,554,250	3,347,446	3,589,432
Contractual Services	289,535	810,830	816,854	132,542
Commodities	478,254	644,252	647,117	130,113
Capital Outlay	549,153	646,502	674,542	184,630
Transfers Out		40,000	80,000	25,000
<b>Total Expenditures</b>	<b>3,635,193</b>	<b>5,055,834</b>	<b>5,566,959</b>	<b>5,026,717</b>

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### FY22 PROPOSED GENERAL FUND EXPENDITURE HIGHLIGHTS

Amount	Highlighted Expenditure
\$135,000	Replacement of 3 Police Vehicles (One-Time) (Vehicle leased through Enterprise or purchased via cooperative bid)
\$20,000	Annual VERF Support (with \$20,000 coming from the General Fund and \$20,000 from the CWWVS Fund for a total of \$40,000 in support)
\$14,000	Directional-Citizen Survey (One-Time)
\$10,000	Web Form Plotter/Printer to print maps/scan large planning documents (\$10,000 budgeted in General Fund and \$10,000 budgeted in CWWVS Fund) (One-Time)
\$60,000	GIS Asset Management (\$100,000 Total: \$50,000 coming from General Fund and \$50,000 from CWWVS Fund) (One-Time)

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### FY22 PROPOSED GENERAL FUND EXPENDITURE HIGHLIGHTS (Continued)

Amount	Highlighted Expenditure
\$78,000	Campground Electrical Upgrades (Phase II and Phase III) Capital Improvement Project. This is supported through the CWWVS Funding Transfer into General Fund (One-Time)
\$20,000	Purchase of 10 Parcel Kits (One-Time)
\$8,000	Contracted Snow Removal for Servicing an Additional Neighborhood
\$2,000	Additional Newsletter Postings and Improved Formatting
\$3,300	Ongoing/Annual Expense for iNCODE Development Module (to bring efficiency in software operations and coordination to department)
\$640	Janitorial Services Renegotiate with City Wide Maintenance

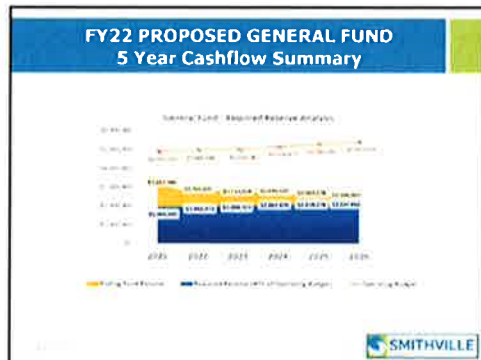
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FY22 PROPOSED GENERAL FUND UNFUNDED REQUESTS	
<b>Unfunded Requests</b>	
Single member of Classification and Compensation Study Recommendations	
Neighborhood Grant for Neighborhood Beautification and Improvements	
1 Parks Maintenance Worker Position	
1 Communications/Marketing/Event Coordinator Position	
1 Street Maintenance Worker Position	

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FY22 PROPOSED GENERAL FUND NET CHANGE IN FUND BALANCE			
	Actual FY20	Projected FY21	Proposed FY22
Beginning Fund Balance	\$3,726,481	\$3,558,870	\$3,013,118
Total Proposed Revenues	\$4,782,808	\$5,182,612	\$4,918,820
Total Proposed Expenses	\$4,834,029	\$5,727,498	\$5,176,168
Net Change in Fund Balance	(\$176,421)	(\$544,884)	(\$255,590)
Ending Fund Balance	\$3,558,070	\$3,013,118	\$2,757,528

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Alderman Hartman asked Chief Lockridge to expand on the purchase of patrol rifles? He had a resident with questions. Will they go in all the patrol vehicles? Where will they be stored? Are the training and ammunition cost factored in?

Chief Lockridge noted this includes the purchase of the rifles and any peripheral on the rifles which would include lights, slings, optic systems, mounts for the cars and the training to get the officers qualified.

Mayor Boley added that at this time, the officers carry rifles in their patrol cars use their own personal rifles.

Mayor Boley asked if staff had a ballpark figure for the FY22 proposed general fund unfunded requests?

Cynthia noted that for the implementation of Classification and Compensation Study we do not. With regard to the Neighborhood Grant, Anna Mitchell, Assistant City Administrator has been doing some research to see what other communities are doing and it could be anywhere from \$20,000 to \$200,000. The Parks Maintenance Workers and the Communications/Marketing/Event Coordinator were included in the Parks Master Plan. Staff would like to be able to fund all three positions in the near future. She explained that we are waiting to see the results of the Pay and Classification Study so we will have a better idea of the comparability of the salaries

between parks maintenance and street maintenance employees. Staff would like to be able to bring this discussion to the Board once we have a better understanding of the Pay and Classification Study for what the cost might be related to those new positions.

Mayor Boley asked if the position were open would we be able to fill them?

Matt Denton, Parks Director stated that for the last parks maintenance position they had three competitive applicants.

Chuck Soules, Public Works Director stated that they have two utility worker positions open now and have had difficulty with having people show up for the interview. For street maintenance worker they had a position open about a year ago and had a couple of applicants at that time.

Cynthia noted that she did not know if there would be a priority in which position was filled but as a City Administrator, she believes it is more important for the implementation of Classification and Compensation study to ensure that current employees are where they need to be for classifications. So, if there are salary adjustments that need to be made, looking at benefits and making sure that we are taking care of our current employees competitively against the market so that we are not only an employer that people want to stay with but an employer that people would want to work for. Cynthia said she believes that is the first step to recruiting as well.

Mayor Boley said he does not disagree and understands it is the top priority, he just wondered where we sat currently with being able to recruit. He noted that with the new newsletter the marketing/event coordinator position is also important especially with the Senior Center and the Courtyard getting more activity and with the growth of our rec programs. Mayor Boley said that even if the market/event coordinator position was a part-time position we would have plenty of work for them.

Alderman Atkins asked if the Neighborhood Grant would come from the City's budget or are we seeking federal grants?

Alderman Chevalier explained that he saw this in other neighboring communities where they offered a grant to HOA's to partner with the city to help put signage, help with park land structure to help make the city look better.

Mayor Boley noted that there are a few HOA's that would like to make improvements if there were matching funds to help them with the cost.

Cynthia noted that the City would be granting money to those neighborhoods.

Alderman Chevalier asked Cynthia what she would recommend starting a program like this?

Cynthia explained that Liberty's program has been implemented for a while and then she believes they have \$200,000 in their grant program and they give grants of anywhere from \$5,000 to \$25,000. She suggested starting the program with an amount of \$25,000 to \$50,000 and do \$5,000 to \$10,000 match grants could be something the Board could look at. She noted that if this was something the Board would like to look at, staff could put a placeholder number in and obviously bring a program forward for the Board to discuss. She thinks that starting small and seeing what kind of success we would have would certainly be a place to start.

Alderman Chevalier said that he would be in agreement with that recommendation if other members of the Board were.

Cynthia reminded the Board that any funds used from the unfunded requests would continue to reduce the fund balance access that we have.

Mayor Boley suggested leasing the plotter versus buying would save funds. He said something would have to give or the budget would be that much more out of balance.

Alderman Chevalier stated that he is not against reducing the excess reserve cash. He noted that the City has healthy reserves, and he is not a supporter of having taxpayer's money just sitting. He said if there are ways to use those funds to improve the community that would be a better use of the funds.

Mayor Boley said that this could be something that we try and see what kind of a response we get and if we do not get a very good response from the HOA's maybe next year we decrease the funds or if it is popular, we look at increasing the funds.

Alderman Kobylski said she would like to move forward with it.

Mayor Boley asked if the Board all agreed to start off with the amount of \$25,000.

Alderman Atkins said he agreed we should start off with a smaller amount. He noted that we have a lot of things to do for the City first.

Alderman Sarver agreed with the \$25,000.

Alderman Chevalier noted that the distribution of the grant money should be a case-by-case basis. He suggested that if some neighborhoods would supply labor that could possibly go toward their match.

Mayor Boley clarified that Alderman Chevalier wished to include in-kind as part of the match.

Cynthia stated that she had direction from the Board to include \$25,000 in the FY22 budget and staff will begin working on a program to bring forward for



recommendation for Board review and approval so it could be implemented November 1 with the fiscal year.

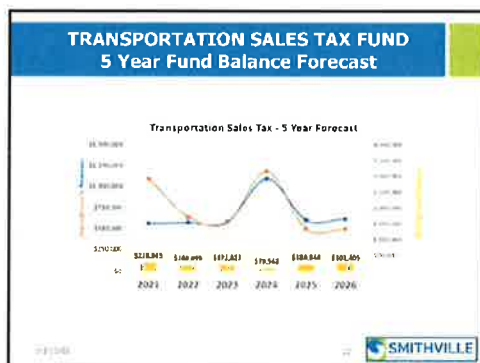
Stephen continued with the Transportation Sales Tax Fund.

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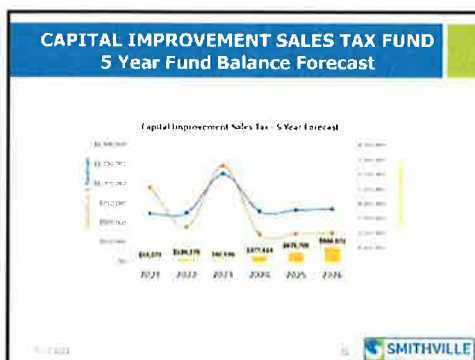
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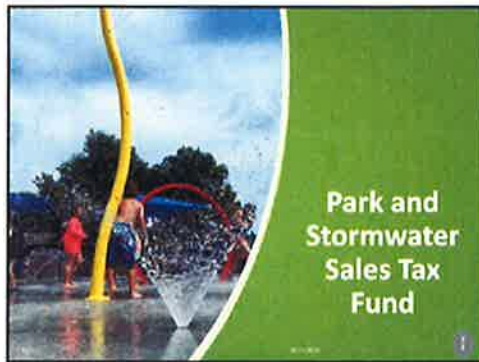
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Mayor Boley asked if we should be doing the Quincy/Owens stormwater before we have Stormwater Master Plan?

Chuck explained that the Quincy/Owens stormwater issue has been a problem area since before he came to work for the City. He said that it could be put off until we have the Stormwater Master Plan. He noted that we could still use the \$60,000 for the engineering for whatever the first priority is.

Mayor Boley asked if the City was doing work over around the Quincy/Owens area around Fourth Terrace and would we be adding multiple detours if we were working on both areas?

Chuck said that we are doing waterline work and curbs over around Fourth Terrace so we would have to coordinate it.

Mayor Boley noted that we were also doing sewer work over on Highland and Quincy.



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Mayor Boley asked why Forest Oaks was still on the list?

Stephen said that it is still on there to see if it were something the Board still would like to do. He noted that in the Work Session we talked about how the cost benefit analysis is not there, but we can certainly take it off the CIP.

Chuck noted that if a development comes in, we would hope that the development would help pay for it or at least participate at some level as we work our way south.

Mayor Boley noted that it is slated for 2025 for construction but we do not have the engineering figured for it. He also stated that the right of way acquisition for it was going to be difficult. Mayor Boley said with all the difficulties and the \$3,000,000 cost it is not a priority, especially not in the next five years.

Alderman Hartman agreed with the Mayor that Forest Oaks sewers should be moved off the list and reallocate those funds elsewhere.

Mayor Boley asked Alderman Hartman if he knew of anyone interested in selling any commercial property in the area south of 144<sup>th</sup> Street?

Alderman Hartman stated that he has not seen any at this point. He also noted that it does not mean that something would not come up.

Alderman Atkins said to take it off the five-year plan but do not take it off the radar.

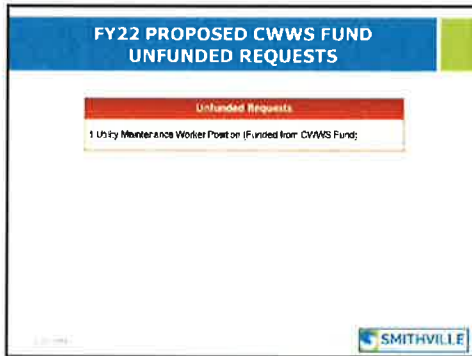
Alderman Kobylski agreed.

Stephen noted that he would move the Forest Oaks sewer project to the pending list.

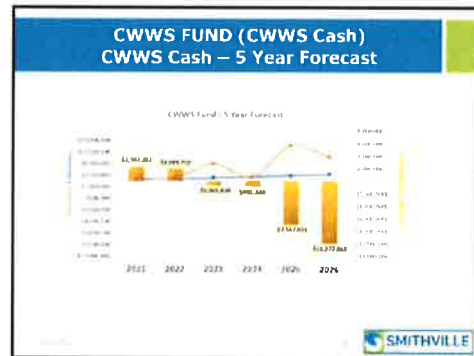
Mayor Boley asked that staff move a different project up on the list such as the Owens Branch Gravity project or something north where there is a bigger need.

Cynthia noted that staff would take a look at the Master Plan and plug something of higher importance in. Staff will also look at capacity and growth on the north end.

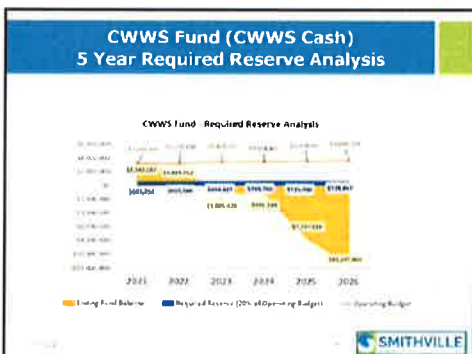
Mayor Boley noted that once we receive the Transportation Master Plan, he would like these projects to overlay with it and not put in new waterlines where we just put in new streets.



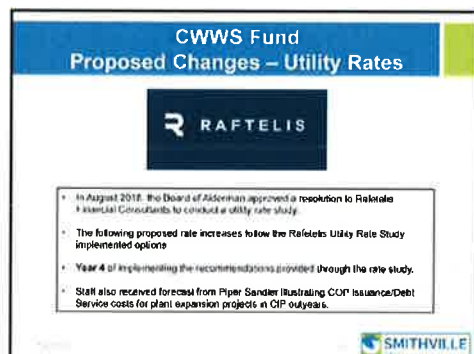
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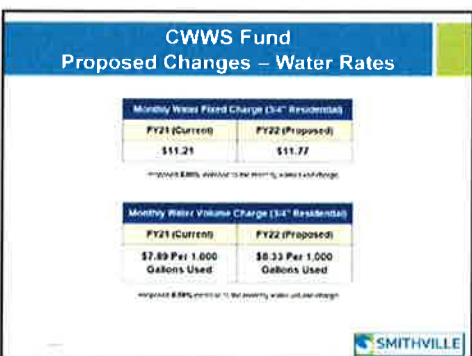
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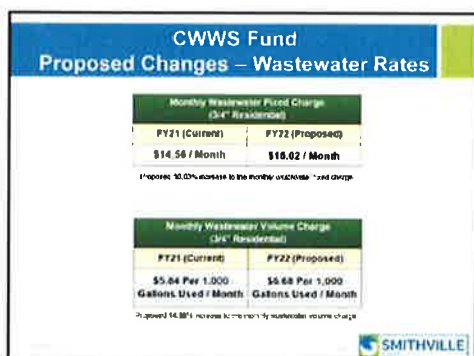
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Mayor Boley asked if there is an option to look at the COP done a couple of years ago to refinance it and roll this all in to one?

Cynthia noted that would be one of the things that staff would review. She said that she and Stephen would be in contact with Piper Sandler tomorrow to start setting up the process and timeline for the issuance of COP. She explained that there would be a number of Ordinances and processes that we will need to go through. We will also need to work with Piper Sandler to go through the process of bond rating, and we will want to work through that this fall. One of the things staff will work through with Piper Sandler is how we reduce the interest rate on the existing debt.

CWWS Fund Average Utility Bill Impact - Water	
Monthly Water Bill for 5,000 Gallon User	
FY21 (Current)	FY22 (Proposed)
Fixed Charge: \$11.21	Fixed Charge: \$11.77
Volume Charge: \$39.45	Volume Charge: \$41.65
<b>Total Charge: \$50.66</b>	<b>Total Charge: \$53.42</b>
<small>Proposed increase of \$2.76 monthly water bill for 5,000 gallon user</small>	

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CWWS Fund Average Utility Bill Impact - Sewer	
Monthly Wastewater Bill for 5,000 Gallon User	
FY21 (Current)	FY22 (Proposed)
Fixed Charge: \$14.56	Fixed Charge: \$16.02
Volume Charge: \$29.20	Volume Charge: \$33.40
<b>Total Charge: \$43.76</b>	<b>Total Charge: \$49.42</b>
<small>Proposed increase of \$5.66 monthly wastewater bill for 5,000 gallon user</small>	

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CWWS Fund Average Utility Bill Impact - Combined With Trash	
Total Monthly Utilities Bill for 5,000 Gallon User With Monthly Trash Service	
FY21 (Current)	FY22 (Proposed)
Total Water: \$50.66	Total Charge: \$53.42
Total Sewer: \$43.76	Total Sewer: \$49.42
Total Trash: \$19.90	Total Trash: \$18.37
<b>Grand Total: \$114.32</b>	<b>Grand Total: \$121.21</b>
<small>Proposed increase of \$6.89 monthly utility bill</small>	

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AMERICAN RECOVERY PLAN ACT 5 Year CIP																							
																							
<table><tr><th>USDA Reclamation</th><th>FY 2021</th><th>FY 2022</th><th>FY 2023</th><th>FY 2024</th><th>FY 2025</th></tr><tr><td>Water Projects</td><td>\$2,115,000</td><td></td><td></td><td></td><td></td></tr><tr><td>Grand Total</td><td>\$2,115,000</td><td></td><td></td><td></td><td></td></tr></table>						USDA Reclamation	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Water Projects	\$2,115,000					Grand Total	\$2,115,000				
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<table><tr><th>Capital Improvements Projects</th><th>FY 2021</th><th>FY 2022</th><th>FY 2023</th><th>FY 2024</th><th>FY 2025</th></tr><tr><td>Water Infrastructure Projects</td><td>\$1,944,300</td><td></td><td></td><td></td><td></td></tr><tr><td>Grand Total</td><td>\$1,944,300</td><td></td><td></td><td></td><td></td></tr></table>						Capital Improvements Projects	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Water Infrastructure Projects	\$1,944,300					Grand Total	\$1,944,300				
Capital Improvements Projects	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025																		
Water Infrastructure Projects	\$1,944,300																						
Grand Total	\$1,944,300																						
<p>The American Recovery Plan Act of 2021 provides for a \$1.2 trillion federal program to pay for a wide range of infrastructure projects, including water infrastructure. The program is authorized through FY 2025. The program is subject to appropriations by Congress.</p>																							

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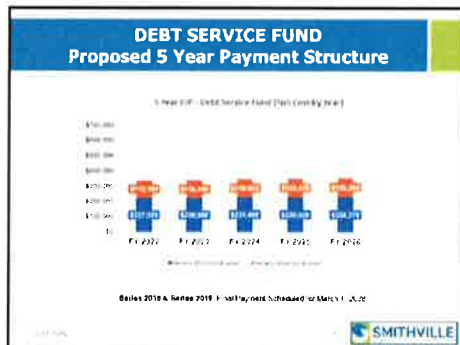


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Alderman Atkins noted that with the total monthly utility bill with trash service the increase does not seem that much and does not think it will make a big impact to anyone.

Mayor Boley said that with people's salaries going up with the increase of minimum wage the increase is not that significant. He noted that seniors should not notice the increase with the discount of their trash service. The increase would impact the high-volume users more so than the lower volume users.



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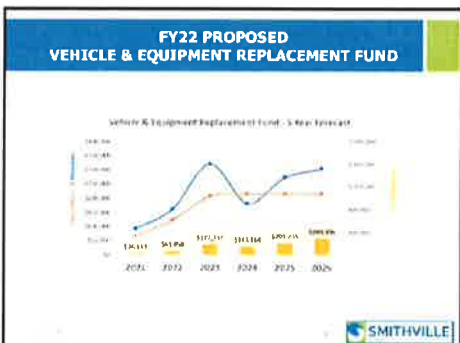
### FY22 PROPOSED VEHICLE & EQUIPMENT REPLACEMENT FUND

Revenue		Revenue Detail	
\$110,000		Sale of City Owned Fleet	
\$12,000		Equity in Enterprise Vehicles (Trade Back to Enterprise)	
\$40,000		Transfer in from General Fund CWWS	
<b>\$162,000</b>		<b>Grand Total Revenue</b>	

\$162,000 is based on the projected sale of vehicles to be sold back to the City. \$40,000 is based on the projected sale of vehicles to be sold back to the City.

Expenditure		Expenditure Detail	
\$125,075		Vehicle Lease Expense	
<b>\$125,075</b>		<b>Grand Total Expenditure</b>	

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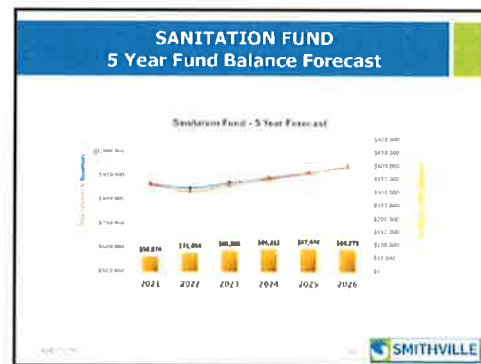


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FY22 PROPOSED SANITATION FUND CHARGES	
Customer Charge	Monthly Charge Timeline
\$18.80 / Month	Customer charge from January 1, 2021 – October 31, 2021 billing cycle
\$18.37 / Month	Proposed customer charge applicable for November 1, 2021 billing cycle
Senior Discount (15% OR)	Proposed discount available starting November 1, 2021 billing cycle
Monthly City Expense (GFL)	Monthly Expense Timeline
\$19.51 / Month	City expense, per customer account, paid to OH-L
\$17.88 / Month	City expense, per customer account, paid to GFL

Other expenses include customer charge etc., expense pays for the water, sewer, and water zone.

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### FY22 PROPOSED BUDGET SUMMARY

	2022 Beginning Balance	2022 Adopted Revenues	2022 Adopted Expenditures	2022 Ending Balance
General Fund	3,013,186	4,918,620	5,170,180	2,761,626
Capital Improvement Sales Tax Fund	10,270	627,555	448,550	189,275
Capital Projects Fund	6,250	10,000	-	16,250
Combined Water/Wastewater Fund	3,522,236	5,119,400	5,186,930	3,454,706
Debt Service Fund	241,592	351,550	339,213	253,929
Park and Stormwater Sales Tax Fund	340,960	627,555	485,000	483,515
Sanitation Fund	58,374	849,530	836,450	71,454
Special Allocation Fund	20,305	520,000	517,000	23,305
Transportation Sales Tax Fund	228,966	569,160	637,630	160,496
Vehicle And Equipment Replacement Fund	26,133	162,000	125,075	63,058
American Rescue Plan Act Fund	-	2,178,000	2,178,000	-
Police Training Fund	12,229	2,000	0,000	9,229
DWI Recovery Fund	11,056	5,000	5,000	11,056
Technology Upgrade Fund	2,707	-	-	2,707
Judicial Education Fund	3,446	-	-	3,446
Appointed Council Fund	2,795	-	-	2,795
<b>Grand Total</b>	<b>7,592,104</b>	<b>15,940,369</b>	<b>15,938,028</b>	<b>7,596,447</b>

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Stephen ended the presentation and asked for questions from the Board.

Alderman Hartman asked how much more work would go into the FY22 budget to tighten it up before it is ready for approval in October?

Stephen said that the next piece of the FY22 budget will be inputting the Board's recommendations from tonight, for example the neighborhood beautification grant, getting some arrangements done to the water and sewer CIP. He also noted that there is another date slated for FY22 budget discussion if needed.

Cynthia said that would be a question for the Board if they felt additional discussion is needed. She said that the feedback received this evening with the \$25,000 for neighborhood grants and pushing the Forest Oaks sewer project out of the current CIP and providing another project. She asked if the Board would like to have another discussion on the FY22 budget to review, or staff bring the FY22 budget for Board approval in October reflecting this information? Cynthia noted that as we move through FY21 staff will be updating the fund balance information to be able to move forward. She explained that there were two ways of moving forward, one we could bring the FY22 forward for another discussion with the changes requested by the Board or staff could bring the budget forward for adoption in October?

Alderman Atkins liked what was presented tonight and said that the changes made were very minimal. He said that if the final FY22 budget is sent to the Board for review he did not see the need for another meeting for discussion.

The Mayor, Alderman Hartman, Alderman Sarver, Alderman Kobylski, Alderman Ulledahl and Alderman Chevalier agreed as well.

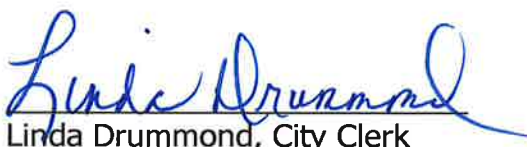
Cynthia thanked the Board and thanked Stephen for his hard work in putting this information together and the Department Directors for the work in the process of putting the FY22 budget together.

Alderman Atkins thanked Stephen for a great job.

#### **4. Adjourn**

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

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 7:01 p.m.



Linda Drummond, City Clerk



Damien Boley, Mayor