

**SMITHVILLE BOARD OF ALDERMEN
REGULAR SESSION**

April 19, 2022, 7:00 p.m. 1st Meeting
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 6:59 p.m.

A quorum of the Board was present: John Chevalier, Dan Ulledahl, Kelly Kobylski, Dan Hartman and Rand Smith. Marv Atkins was absent.

Staff present: Cynthia Wagner, Chief Jason Lockridge, Chuck Soules, Linda Drummond, Anna Mitchell, Matt Denton Jack Hendrix, Stephen Larson and City Attorney Scott Sullivan.

2. Pledge of Allegiance led by Alderman Rand Smith

3. Consent Agenda

- **Minutes**

- April 4, 2022 Board of Alderman Regular Session Minutes

- **Finance Report**

- Financial Reports for February 2022

No discussion.

Alderman Hartman moved to approve the consent agenda. Alderman Smith seconded the motion.

Ayes – 5, Noes – 0, motion carries. The Mayor declared the consent agenda approved.

ORDINANCES & RESOLUTIONS

4. Resolution 1046, Certify the April 5, 2022 Election Results

Alderman Hartman moved to approve Resolution 1046, certifying the results of the April 5, 2022 Municipal Election held in the City of Smithville, Missouri. Alderman Chevalier seconded the motion.

No discussion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared Resolution 1046 approved.

5. Adjournment Sine Die (end of legislative session)

Alderman Hartman moved to adjourn the meeting Sine Die. Alderman Kobylski seconded the motion.

Ayes – 5, No – 0, motion carries. Mayor Boley declared this portion of the meeting adjourned Sine Die at 7:01 p.m.

6. Oath of Office for Newly Elected Officials

City Clerk, Linda Drummond, administered the oath of office to the newly elected officials: Mayor Damien Boley, Alderman Daniel Ulledahl, Ward I and Alderman Ronald Russell, Ward II.



*Figure 1 Swearing in Dan Ulledahl
Alderman Ward I*



*Figure 2 Swearing in Ronald Russell
Alderman Ward II*



*Figure 1 Swearing in Damien Boley
Mayor*

7. Reception for Outgoing Elected Official and Newly Elected Officials

A brief reception was held with refreshments to thank the elected officials.

Linda Drummond, City Clerk

Damien Boley, Mayor

SMITHVILLE BOARD OF ALDERMEN REGULAR SESSION

April 19, 2022, Following the 7:00 p.m. 2nd Meeting
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 7:19 p.m.

A quorum of the Board was present: John Chevalier, Dan Ulledahl, Kelly Kobylski, Dan Hartman and Ronald Russell. Marv Atkins was absent.

Staff present: Cynthia Wagner, Chief Jason Lockridge, Chuck Soules, Linda Drummond, Anna Mitchell, Matt Denton Jack Hendrix, Stephen Larson and City Attorney Scott Sullivan.

2. Adjournment to Executive Session Pursuant to Section 610.021(1)RSMo.

Alderman Hartman moved to adjourn to Executive Session Pursuant to Section 610.021(1)RSMo. Alderman Ulledahl seconded the motion.

Upon roll call vote:

Alderman Kobylski – Aye, Alderman Russell– Aye, Alderman Ulledahl – Aye,
Alderman Chevalier – Aye, Alderman Atkins – Absent, Alderman Hartman – Aye.

Ayes – 5, Noes – 0, motion carries. The Mayor declared the session adjourned to Executive Session Pursuant to Section 610.021(1)RSMo at 7:19.

3. Reconvene the Regular Session

Mayor Boley called the Regular Session reconvened at 8:15.

REPORTS FROM OFFICERS AND STANDING COMMITTEES

4. Committee Reports

Alderman Chevalier reported on the April 12, 2022, Planning and Zoning Commission meeting. Alderman Chevalier noted that the City has 39 residential permits to date. Staff is going to slow down the review process for new development due to Missouri Department of Transportation (MoDOT) traffic studies. The cannabis facility should be opening somewhere around May or June. A new car wash facility is pending a MoDOT traffic study.

5. City Administrator's Report

Cynthia highlighted some of the topics in her report in the packet. Superior Bowen had anticipated to begin work this week on the mill and overlay project on Tillman Road and Hospital Drive. Due to the weather, that work has been pushed to the end of the week to begin.

The E-waste and Shredding event is scheduled for this Saturday from 9:00 a.m. to noon at the High School parking lot. The information for the event was included in the packet and has been posted online.

Cynthia reminded the Board of the Governing Body Retreat scheduled for May 25 beginning at 8:30 a.m. at the Northwest campus in Gladstone. She explained that at the May 17 work session will include a six-month budget update for FY22, the initial information from departments for their FY23 budget and an update on the Capital Improvement Plan (CIP). This information will be used as a starting point for significant discussion at the retreat on the FY23 budget priorities and the CIP process.

The May 3 work session will also include an update on the implementation of the recommendations of the Comprehensive Plan. It will also include an update on the public comments received through March 31 on the Transportation Master Plan. Cynthia noted that the Mayor has had conversations with an individual who would like to bring information to the Board concerning animal control also at the May 3 work session.

Mayor Boley added if anyone attending the Governing Body Retreat has any dietary restrictions to please get them to Linda Drummond, City Clerk before the meal is ordered for lunch.

ORDINANCES & RESOLUTIONS

6. Resolution 1047, Adoption of the City Administrator's Contract

Alderman Hartman moved to approve Resolution 1047, authorizing and directing the Mayor to execute an updated contract with Cynthia Wagner for the City Administrator position. Alderman Kobylski seconded the motion.

No discussion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared Resolution 1047 approved.

7. Resolution 1048, Award Bid No. 22-15, Fourth of July City/County Fireworks Display

Alderman Ulledahl moved to approve Resolution 1048, awarding Bid No. 22-15, Fourth of July City/County Fireworks Display to Premier Pyrotechnics, Inc. in an amount not to exceed \$16,000. Alderman Kobylski seconded the motion.

No discussion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared Resolution 1048 approved.

8. Resolution 1049, Leak Adjustment, Greg Wilson

Alderman Hartman moved to approve Resolution 1049, approving a leak adjustment for of \$207.71 for residential utility billing customer, Greg Wilson for his February and March 2022 utility bill. Alderman Russell seconded the motion.

No discussion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared Resolution 1049 approved.

9. Resolution 1050, Leak Adjustment, Sara Dejanas'

Alderman Ulledahl moved to approve Resolution 1050, approving a leak adjustment for of \$264.38 for residential utility billing customer, Sara Dejanas' for her February and March 2022 utility bill. Alderman Kobylski seconded the motion.

No discussion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared Resolution 1050 approved.

10. Resolution 1051, Agreement with MARC

Alderman Chevalier moved to approve Resolution 1051, authorizing and directing the Mayor to execute an agreement with Mid-America Regional Council (MARC) to accept funds to conduct mill and overlay and/or micro surfacing maintenance on roadways. Alderman Kobylski seconded the motion.

No discussion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared Resolution 1051 approved.

OTHER MATTERS BEFORE THE BOARD

11. Public Comment

Eric Craig, 1220 Banbridge Road, spoke to the Board concerning the APWA Flowable Fill regulation for development in the City. He noted that compared to other entities, Smithville's regulation cost the developers more money. He asked that a meeting to discuss this issue be scheduled with developer engineers and the City's engineers. He also asked that the City check into what other cities regulations are for flowable fill.

12. Election of Mayor Pro Tem

Alderman Chevalier nominated Alderman Kobylski for Mayor Pro Tem. Alderman Hartman seconded the nomination. No other nominees.

By roll call vote.

Alderman Chevalier – Aye, Alderman Hartman – Aye, Alderman Ulledahl - Aye
Alderman Kobylski – Abstained, Alderman Russell – Aye, Alderman Atkins – Absent.

Ayes – 4, Noes – 0, Abstained – 1, motion carries. The Mayor declared Alderman Kobylski as Mayor Pro Tem.

13. Election of Planning Commission Representative

Alderman Kobylski nominated Alderman Chevalier for Planning Commission Representative. Alderman Hartman seconded the nomination. No other nominees.

By roll call vote.

Alderman Ulledahl – Aye, Alderman Chevalier – Abstained, Alderman Kobylski – Aye
Alderman Atkins– Absent, Alderman Hartman – Aye, Alderman Russell – Aye.

Ayes – 4, Noes – 0, Abstained – 1, motion carries. The Mayor declared Alderman Chevalier as Planning Commission Representative.

14. Election of Economic Development Committee Representative

Alderman Chevalier nominated Alderman Atkins for Economic Development Committee Representative. Alderman Hartman seconded the nomination. No other nominees.

By roll call vote.

Alderman Atkins – Absent, Alderman Russell – Aye, Alderman Hartman – Aye
Alderman Ulledahl – Aye, Alderman Chevalier – Aye, Alderman Kobylski – Aye.

Ayes – 5, Noes – 0, motion carries. The Mayor declared Alderman Atkins as Economic Development Committee Representative.

15. Election of the Parks and Recreation Committee Representative

Alderman Chevalier nominated Alderman Hartman for Parks and Recreation Committee. Alderman Kobylski seconded the nomination. No other nominees.

By roll call vote.

Alderman Hartman – Abstained, Alderman Kobylski – Aye, Alderman Atkins – Absent,
Alderman Russell – Aye, Alderman Chevalier – Aye, Alderman Ulledahl – Aye.

Ayes – 4, Noes – 0, Abstained – 1, motion carries. The Mayor declared Alderman Hartman as Parks and Recreation Representative.

16. Appointments

Mayor Boley nominated the appointments to the Finance Committee:

Alderman Russell

By roll call vote.

Alderman Kobylski – Aye, Alderman Atkins – Absent, Alderman Russell – Abstained,
Alderman Hartman – Aye, Alderman Chevalier – Aye, Alderman Ulledahl – Aye.

Ayes – 4, Noes – 0, Abstained – 1, motion carries. The Mayor declared Alderman Russell the Finance Committee representative.

Alderman Hartman

By roll call vote.

Alderman Atkins – Absent, Alderman Ulledahl – Aye, Alderman Chevalier – Aye,
Alderman Hartman – Abstained, Alderman Russell – Aye, Alderman Kobylski – Aye.

Ayes – 4, Noes – 0, Abstained – 1, motion carries. The Mayor declared Alderman Hartman the Finance Committee representative.

17. New Business from the Floor

Alderman Hartman asked that staff look into the flowable fill regulations of other entities in our area. He also asked that this issue be brought to the Board for discussion at a future meeting.

After a brief discussion it was decided that the discussion of the regulations for the flowable fill would be brought forward at the May 17 Work Session.

Alderman Hartman also requested that staff begin to research the steps needed to change the elected official's office terms from two years to four years.

After a brief discussion it was decided that the discussion for the change of the elected official's office terms would be brought forward at a July work session.

18. Adjourn

Alderman Ulledahl moved to adjourn to the regular session. Alderman Hartman seconded the motion.

Ayes – 5, Noes – 0, motion carries via teleconference. Mayor Boley declared the regular session adjourned at 8:34 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor

SMITHVILLE BOARD OF ALDERMAN

WORK SESSION

April 19, 2022, Immediately Following Regular Session
City Hall Council Chambers and Via Videoconference

1. **Call to Order**

Mayor Boley, present, called the meeting to order at 8:42 p.m. A quorum of the Board was present: Kelly Kobylski, John Chevalier, Dan Ulledahl, Dan Hartman and Ronald Russell. Marv Atkins was absent.

Staff present: Cynthia Wagner, Anna Mitchell, Chief Jason Lockridge, Chuck Soules, Linda Drummond, Stephan Larson, Matt Denton and Jack Hendrix.

2. **FY21 Audit Presentation – Year ending October 31, 2021**

Harold Ray of CliftonLarsonAllen, Wealth Advisors, LLC presented the audit for fiscal year 2021.

Harold stated that CliftonLarsonAllen have been working with the City since 2015. He noted that he is the principal on the engagement responsible for signing the audit.

The audit team consisted of Doug Host, Harold Ray, Jordan Townsend and Steve Davis.

Harold explained that the financial statements are on a modified cash basis so the revenues and expenses that you see in the audit are based on when the cash is received and when the cash is paid so it is not considered full GAAP (Generally Accepted Accounting Principles) or accrual basis statements. One modification is included for any long-term debt and capital assets that the City has.

Harold explained that the auditor's responsibility is to issue an opinion on whether the financial statements are presented fairly in all material respects. Some of the other things they look at is if a city says they have twelve million in cash and four million is sales tax, they check all of that as well. They also check expenses to make sure that they are appropriately classified.

What an audit is not is a fraud examination or an opinion on the city's financial health. The auditor's goal is to present the financial statements to everyone, and people can reach their own conclusions on the city's financial condition.

Internal Control Communications

Material Weakness – deficiencies in internal control such that there is a reasonable possibility that a material misstatement would not be prevented or detected and corrected on a timely basis.

- Financial Reporting

Harold explained that they are not part of the city's internal control process. Those financial responsibilities still reside with management and government. He noted that this is something that you commonly see with municipalities of Smithville's size. He explained that processing financial statements could be outsourced but typically that is not always a cost-effective approach.

- Audit Adjusting Entries

Harold noted the audit adjustments they made, the first one was looking at repairs and maintenance testing, the City ending up identifying an additional \$222,000 worth of capital assets. They also identified an additional \$43,000 in miscellaneous payable accounts.

In the wastewater impact fees they reclassified cash between unrestricted and restricted funds. Harold explained that when someone pays an impact fee it goes into a special account and then those revenues going to be used for a certain purpose. As those funds are expended it requires a manual adjustment to move that from the impact fee cash account to the unrestricted cash account as those projects occur.

The last item was to move the new Smithville Commons CID activity into a separate fund. Along with that, the auditors are currently in process of completing an audit of that CID and hope to have it finished in the next couple of weeks.

Single Audit Results

- Audit required by Uniform Guidance over federal funding
- Total Federal Expenditures - \$832,990
- Major Program Tested:
 - COVID-19 Coronavirus Relief Fund - \$588,259
- No findings reported

Harold noted that the single audit is a new process for the City this year. He explained if you expend over \$750,000 in federal funds over the course of the fiscal year, there is a requirement to have a single audit completed over that federal funding. The City's total federal expenditures for the year were \$832,990. Harold explained that out of that total not every single program is going to get tested. They have to go through a risk assessment processing certain things like quantitative amounts such as dollar amounts of the programs and qualitative aspects such as, have you been audited before, have there ever been audit findings in the past.

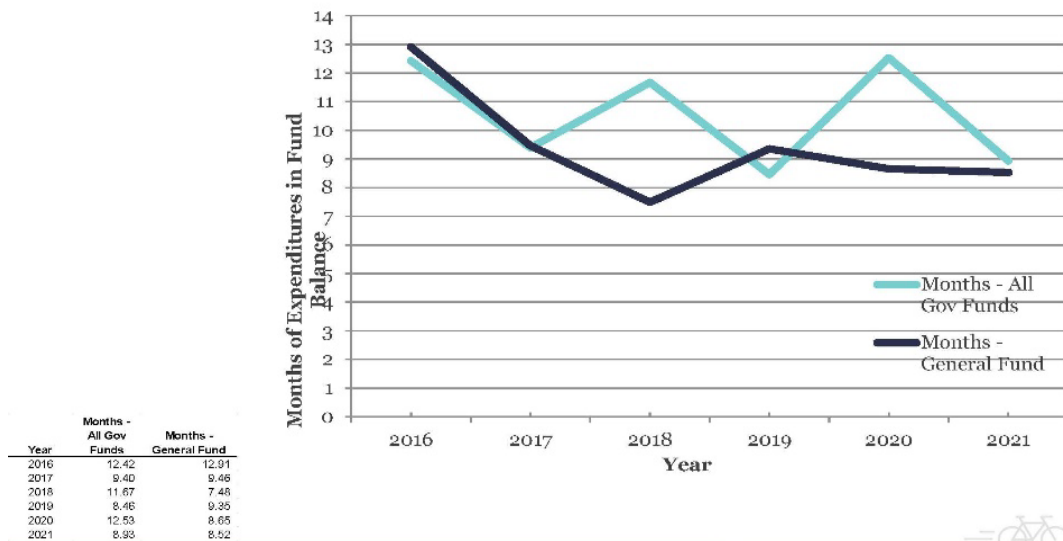
Harold noted that the program that they did test was the COVID-19 Coronavirus Relief Fund, the City's CARES Act Funding. The expenditures during the year for that were \$588,000 and they report that there were no findings involved in that single audit. One of these additional federal funding sources during this year was ARPA funding. The ARPA funds total \$1.1 million received but there were no expenditures during the year through that program, so there were not any funds subject to the single audit through this year but will be going forward.

Financial Results

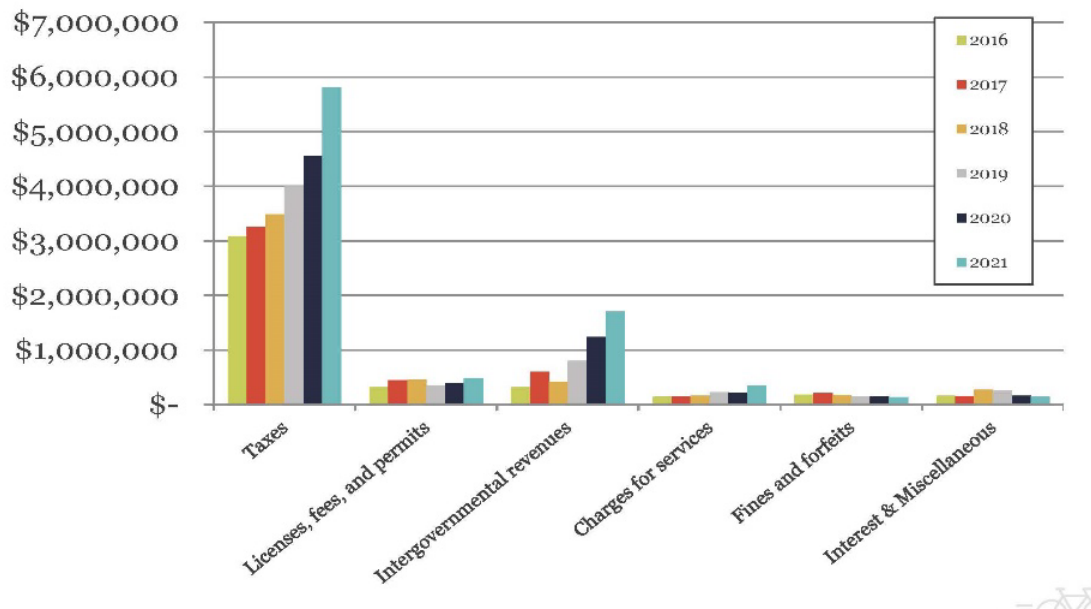
All Governmental Funds – Revenues and Expenditures



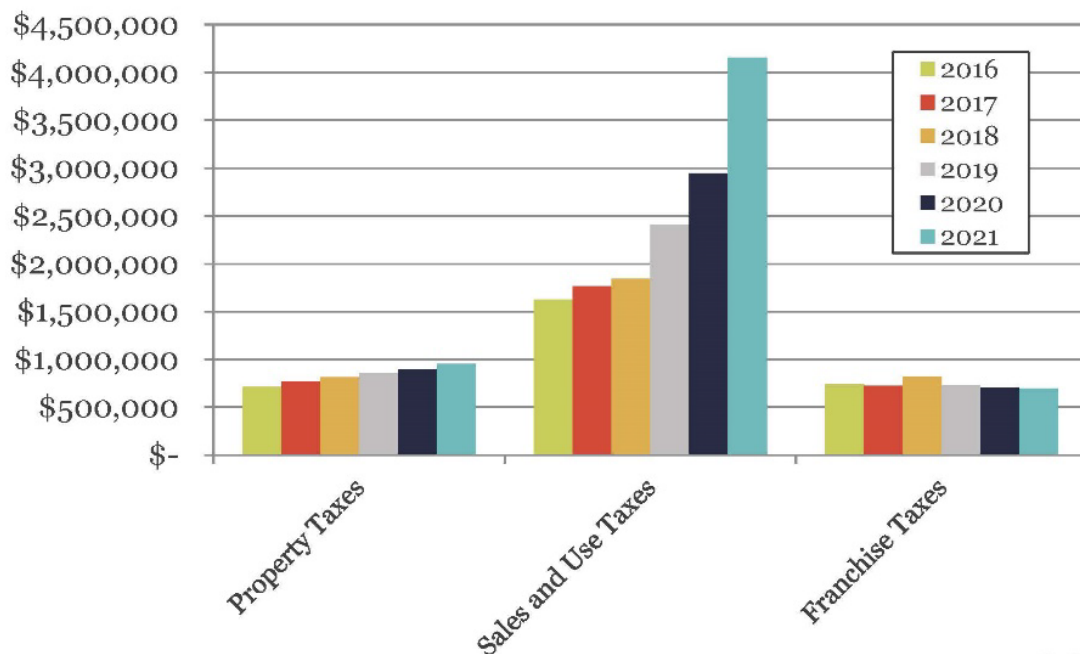
Months Expenditures in Fund Balance



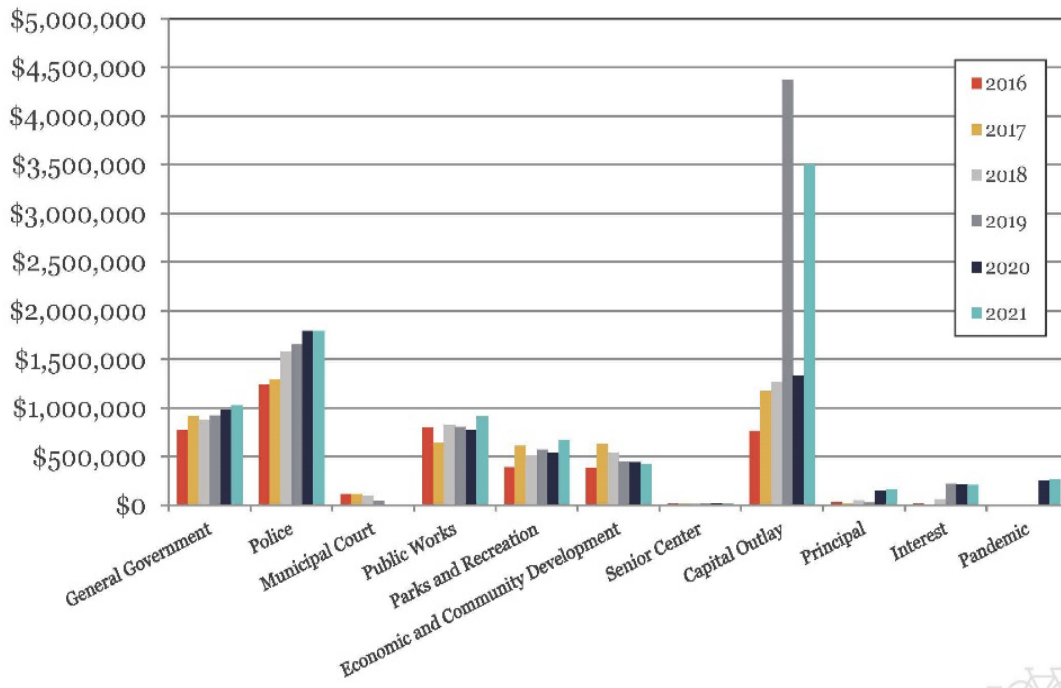
All Governmental Funds – Revenue Sources



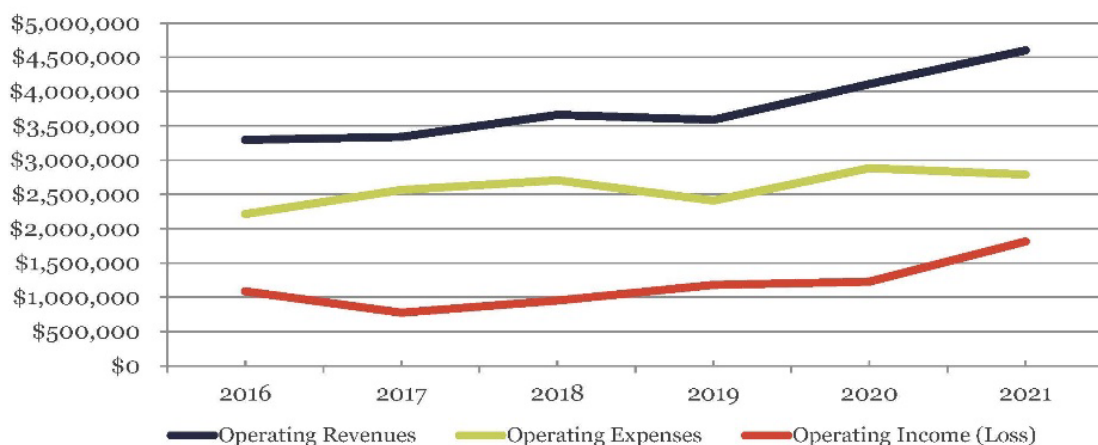
All Governmental Funds – Tax Revenues



All Governmental Funds – Expenditures

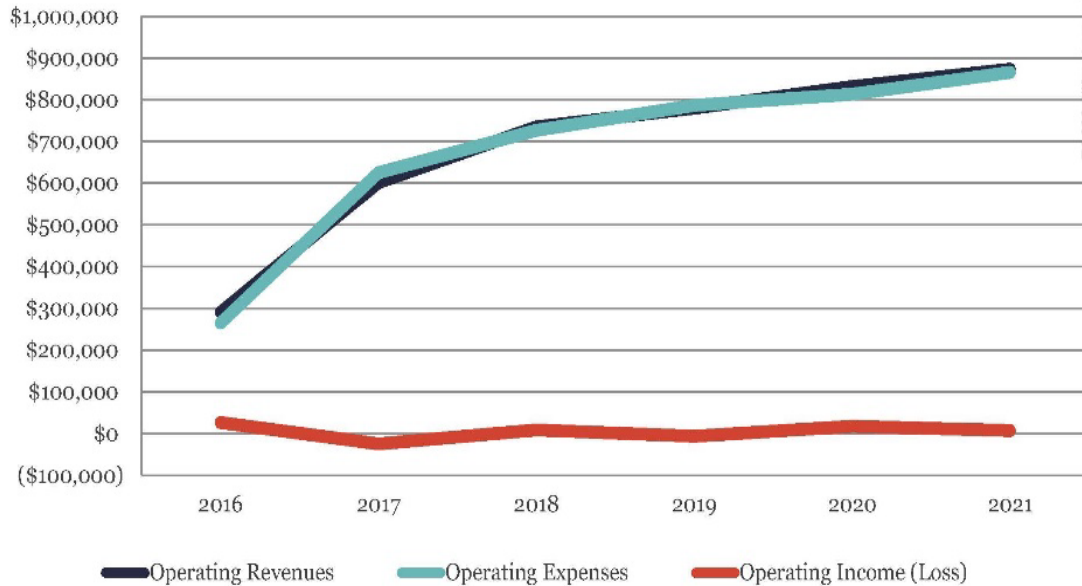


Water and Sewer Fund Historical Trends



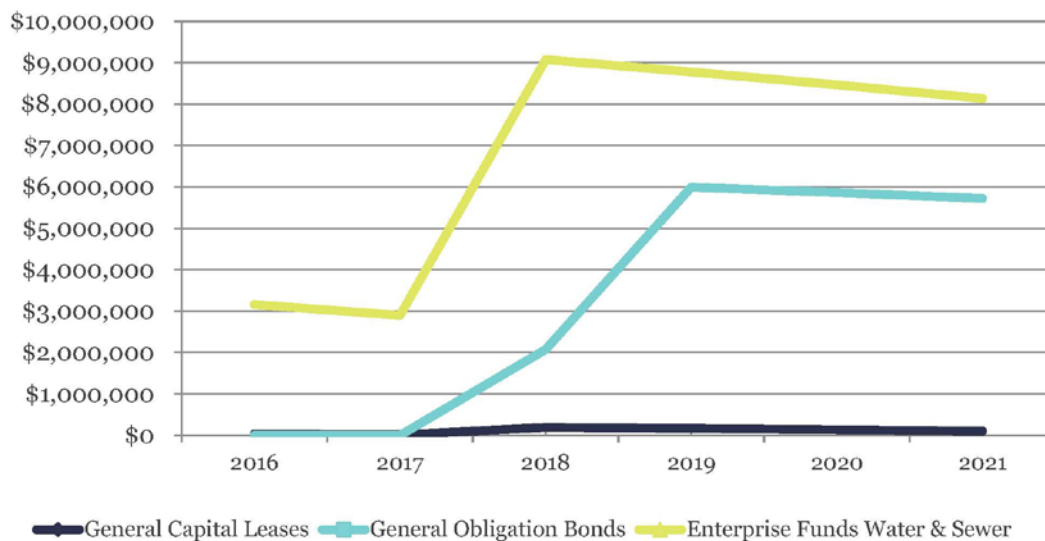
	2016	2017	2018	2019	2020	2021
Operating Revenues	\$ 3,294,734	\$ 3,338,596	\$ 3,657,681	\$ 3,587,837	\$ 4,107,090	\$ 4,597,991
Operating Expenses	2,211,413	2,563,384	2,705,483	2,407,337	2,882,862	2,785,770
Operating Income (Loss)	1,083,321	775,212	952,198	1,180,500	1,224,228	1,812,221
Nonoperating Revenues	64,362	104,885	56,827	106,455	54,640	89,971
Nonoperating Expenses	152,014	159,124	286,645	272,945	302,710	292,559

Sanitation Fund Historical Trends



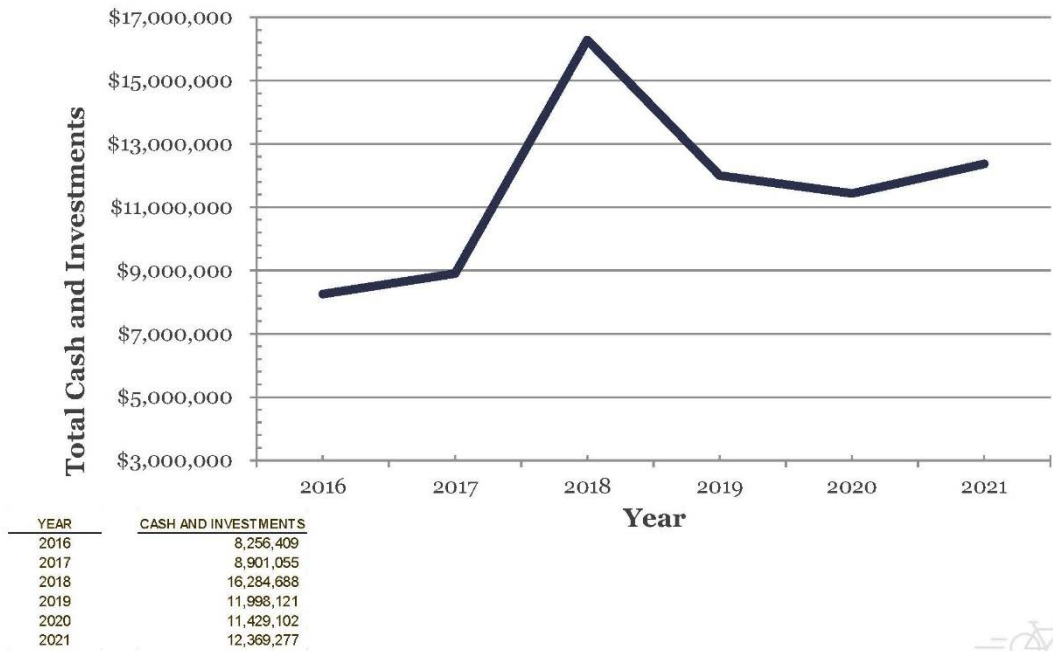
	2016	2017	2018	2019	2020	2021
Operating Revenues	\$ 291,166	\$ 601,299	\$ 735,138	\$ 780,004	\$ 831,293	\$ 872,880
Operating Expenses	264,703	625,485	728,458	788,350	813,356	865,324
Operating Income (Loss)	26,463	(24,186)	8,680	(8,348)	17,937	7,556

City Debt



	2016	2017	2018	2019	2020	2021
General Capital Leases	\$ 35,162	\$ 11,956	\$ 196,956	\$ 167,688	\$ 137,081	\$ 105,074
General Obligation Bonds	-	-	2,075,886	5,990,070	5,861,961	5,723,263
Enterprise Funds Water & Sewer	3,155,164	2,896,164	9,073,370	8,777,563	8,466,386	8,134,838

City Cash Position



Alderman Hartman asked with the ARPA funds being relatively new to each municipality, he assumes auditors are beginning to audit them throughout the different municipalities. He asked if it were just basically stating what the inflow is and what the outflow would be to make sure that is in line with the federal government's use of those funds?

Harold explained that the federal government produces a compliance supplement every year that list out all the different compliance aspects that go along with every single federal program. It lays out the different compliance aspects that the auditors need to test and that the municipalities need to be in compliance with. The auditors will go through and look at what are some of the City's internal controls to make sure that you stay in compliance with what the federal government wants you to stay in compliance with and do tests over that as well as make sure you are in compliance. Harold noted that this is only over expenditures not revenue, so it depends on what the City is going to spend the next year.

3. Adjourn

Alderman Ulledahl moved to adjourn. Alderman Hartman seconded the motion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 8:58 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor