

## **SMITHVILLE BOARD OF ALDERMEN**

### **WORK SESSION**

August 28, 2023, 5:30 p.m.

City Hall Council Chambers and Via Videoconference

#### **1. Call to Order**

Mayor Boley, present, called the meeting to order at 5:50 p.m. following the executive session. A quorum of the Board was present: Melissa Wilson, Ronald Russell, Marv Atkins, Dan Ulledahl, Leeah Shipley and Dan Hartman.

Staff present: Cynthia Wagner, Gina Pate, Chief Lockridge, Chuck Soules, Matt Denton, Stephen Larson, Jack Hendrix and Linda Drummond.

#### **2. Discussion City Administrator's Spending Authority**

Cynthia noted that Alderman Wilson requested information on the expenditure authority of other communities in light of raising costs. Staff researched the information to present tonight. Staff is looking for direction from the Board. Staff has no recommendation at this point.

Stephen Larson, Finance Director, noted that during the July 18 2023 Board of Aldermen work session we had a directive from the Board to research city administrators spending authority and whether changes are warranted. Staff researched the number of Resolutions that the Board has approved over a two-year period that have been below \$25,000. In conjunction with that research staff looked at comparable communities in our region and what those spending authorities look like. In the staff report there are a number of charts and graphs that indicate where other communities are with spending authority. Statewide staff gathered responses from a Missouri GFOA listserv along with the City Manager listserv. The midpoint in those charts is around \$10,000, \$15,000 and \$20,000. The City of Smithville is at \$7,500 and is one of the lowest in the responses that we gather for the state as well in our local comparison. Over the course of this two-year period, 46 Resolutions were approved which had costs totaling between \$7,500 and \$25,000. Of those 46, 7 of the Resolutions were categorized as emergency purchases.

Stephen noted that raising the spending authority is going to allow quicker action on those emergency purchases. It also counteracts issues we have had with inflation and allows us to make routine purchases for departments on a daily basis.

Alderman Wilson noted she would like to see us really considering increasing it to \$10,000. She explained that in looking at the report we had four emergency purchases that was between \$7,500 and \$10,000.

Alderman Atkins said he felt it should be doubled with the way costs were going up.

Mayor Boley noted that most of the items are budgeted items the Board has already acted on.

Alderman Russell agreed we need to raise it but wondered if it would still be done by emergency and Cynthia would still let the Board know what it was and that it was being fixed.

Cynthia explained that was correct she lets the Board know at the time that she has authorized an emergency repair or emergency purchase in order to be able to make that repair or make that purchase and then staff brings it forward for approval at either the next Board meeting or the board meeting at which time we have all the final cost and final information.

Mayor Boley noted that many of these municipalities that have sewer treatment plants have a higher spending authority.

Alderman Ulledahl, Alderman Hartman and Alderman Shipley all agreed with raising it to \$15,000.

Stephen noted that the City Administrator's spending authority is outlined in the Code of Ordinances so staff will bring this forward for Board approval.

### **3. Discussion RFP for City Tow Services**

Alderman Hartman noted for those who are in the audience or watching online in work session the Board has the ability to have a casual conversation among peers and appreciates the opportunity to discuss this.

Cynthia pointed out that this was on the prior agenda and there was a request to postpone allowing for review. What staff is looking for from the Board is a layered decision. A decision to exercise the contract extension which is what the action was on the prior agenda or to issue a new RFP. If the decision is to issue a new RFP, staff would like to have some discussion and feedback from the Board with regard to the parameters outlined in the RFP. The information in the packet included a brief history of this service. Prior to 2015, the police used a tow rotation that they tracked internally in the squad room. There were issues with trying to manage it in that way. They reviewed and issued an RFP for the services in 2015. Two bids were received and reviewed at that time. In December the Board approved a three-year contract with GT Tow with the option to renew for two additional years. That contract was in effect until 2020, at which time it was put out to bid again and we only received one bid. Staff reviewed that proposal and brought forward the recommendation to the Board that the contract be approved for a three-year period with two additional extensions. This is the recommendation that came to the Board earlier this summer and was the first extension outlined in that contract. The 2015 contract had a cost of \$200 per tow, and that was reduced to \$100 with the 2020 contract.

Kristine Bunch, 18600 Primrose Street, read from the Smithville website *applying for occupational license the city of Smithville requires occupational licenses for all businesses located in the city limits or businesses performing work in city limits all new businesses must submit a completed application prior to commencing operations*. She noted that there are a lot of businesses in Smithville that are operating without business licenses, not just tow services. She sent an email to Beth Stevens, Finance Specialist asking if there were any other tow businesses, specifically asking if Brad's

Towing had a business license and was told they did not have a business license with the City of Smithville.

Kenny Perdue, 7215 Little Platte Road, and Brad's Tow Service, located at 19201 Switchgrass Drive. He noted that they submitted the business license application on Friday, August 25. He said the Kansas City Missouri tow rotation of almost a decade ago has completely changed and gone are the days of multiple tow companies jumping wrecks, gone are the days of tow companies monitoring police scanners in order to make an extra buck and gone are the days of inconsistent tow prices. Auto Return now manages the tow services for the area and all tow companies on the rotation must charge the exact same hook fee, tow fee, administrative fee and impound fee. He noted that Brad's Tow is local to Smithville, and they all reside in the Smithville area. They asked that the City move from a sole provider and to use Auto Return to allow the City and Auto Return to vet and audit local tow providers.

Alderman Russell asked if the 2015 contract renewal for the two additional extensions was brought before the Board for approved in 2018 and 2019 if not how were they approved. He noted that with the current tow company, there has been nothing but praise for their service. He sees no problem with moving forward with the extension. He asked that staff look into all City contracts going to a two-year term to be fair.

Alderman Hartman noted that the Board has three opportunities vote, postpone or deny. He did say that he would like it to go out for bid, but only the Board has that authority. He just wanted to look at the option for this to go out for bid but if the Board feels that we need to extend the contract then that it what should happen.

Alderman Wilson noted that the term of agreement reads, *the initial term of this agreement shall be for a period of 3 years, which ends October 31, 2023, with the city having an option to renew this contract for two additional one-year terms upon notice to the contractor within 90 days of the end of this current contract.* She noted that we are beyond the 90 days.

Cynthia explained that was why staff brought this to the Board earlier this summer and it was staff's recommendation to continue that contract because of the good experience we had with GT Tow.

Mayor Boley noted that it would be too late to put this out for bid this year, but could be bid next year following a work session on this topic if needed.

Alderman Atkins asked that the RFP be included next time to keep it fair. He also asked that staff reach out to other Police Departments to see what they are doing and see what the newest technology is and keep the tow companies fair and accurate.

Mayor Boley said we would need to do an RFQ like we do for the engineering services.

Alderman Wilson said that since it has gone beyond the 90 days it needs to go back on the agenda and the contract be approved for at least another year.

Alderman Atkins agreed for the one-year extension.

Mayor Boley noted that it will be on the agenda next Tuesday.

Cynthia asked if the Board wished this to be on a future work session to discuss the recommendations for an RFQ.

Alderman Wilson agreed that it should be on a future work session. She noted that she understood Alderman Hartman questioning this since we only received the one bid in 2020 whether it would have been the best and lowest bid.

Cynthia noted that sometimes with services we receive less bids. As Alderman Russell asked about limiting the contracts to two years, sometimes we need to be able to negotiate a longer-term contract and that flexibility is important.

#### 4. Discussion 9-Month FY2023 Budget Update

Stephen Larson, Finance Director, presented the FY2023 budget update.

##### FY2023 Budget – 9-Month Comments

- The FY2023 budget figures include the following budget amendments approved by the Board of Aldermen:
  - ✓ **Budget Amendment #1** – Additional Budget Authority for Utilities Department Skid Steer Outright Purchase
  - ✓ **Budget Amendment #2** – Additional Budget Authority for 4<sup>th</sup> Street & 4<sup>th</sup> Terrace Improvements Bid Award.
  - ✓ **Budget Amendment #3** – Additional Budget Authority for 2023 Street Maintenance Program Bid Award.
  - ✓ **Budget Amendment #4** – Additional Budget Authority for Waterline, Road, and Stormwater Improvements on Quincy Boulevard Bid Award.
  - ✓ **Budget Amendment #5** – Additional Budget Authority for Marketplace TIF Debt Service Payments & Heritage Park & Smith's Fork Park Playground Resurfacing.

##### General Fund Review

| General Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % of Budget Received |
|--------------|-----------------|--------------------|-------------|----------------------|
| Revenues     | \$5,466,340     | \$6,210,118        | \$4,978,029 | 91%                  |

- 3<sup>rd</sup> Quarter FY2023 General Fund revenue projections are bolstered by the performance of property tax, sales tax, and interest earnings from available cash on hand.

| General Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % of Budget Expended |
|--------------|-----------------|--------------------|-------------|----------------------|
| Expenditures | \$6,460,310     | \$6,372,649        | \$4,395,532 | 68%                  |

| Capital Projects With GF Funding        | Phase        | Resolution | Contractor/Engineer             | Status      |
|---|--------------|------------|---------------------------------|-------------|
| 2023 Street Maintenance Program         | Construction | 1212       | Pavement Management             | In Progress |
| Quincy Boulevard – Sidewalk Replacement | Construction | 1221       | Amino Brothers Co.              | In Progress |
| 2023 Sidewalk Replacement Program       | Construction | 1231       | Legacy Underground Construction | In Progress |
| Litton Visitor Center Renovation        | Construction | Upcoming   | Bid Not Awarded Yet             | Not Started |

##### Ad Valorem Property Tax Revenue

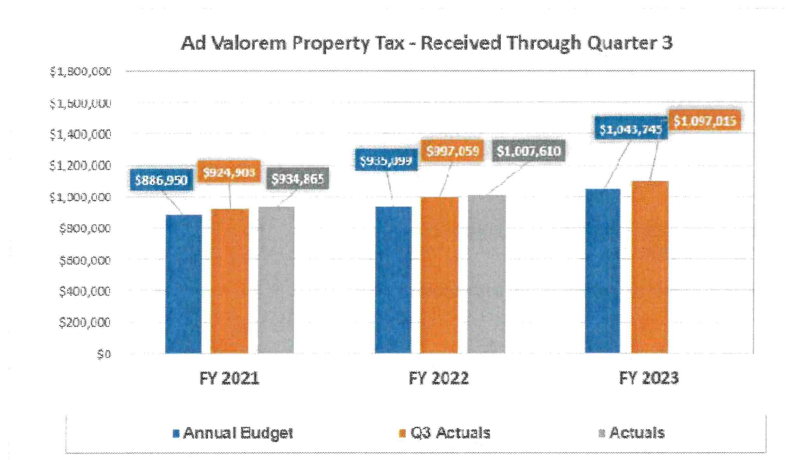


| General Fund          | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % of Budget Received |
|-----------------------|-----------------|--------------------|-------------|----------------------|
| Property Tax Revenues | \$1,043,745     | \$1,103,250        | \$1,097,015 | 105%                 |

- The City received a large Property Tax disbursement from Clay County in January 2023.
- The City, on average in the past 3 years, receives **99.5%** of annual property tax revenue by the 3<sup>rd</sup> quarter of the fiscal year.
- For the last five years, the City has seen an average annual increase in property tax revenues of about **6.2%**.

Property Tax revenue comprises 20% of General Fund revenue and plays a significant role in funding core City services and amenities.

### Ad Valorem Property Tax Revenue Quarter 3 History



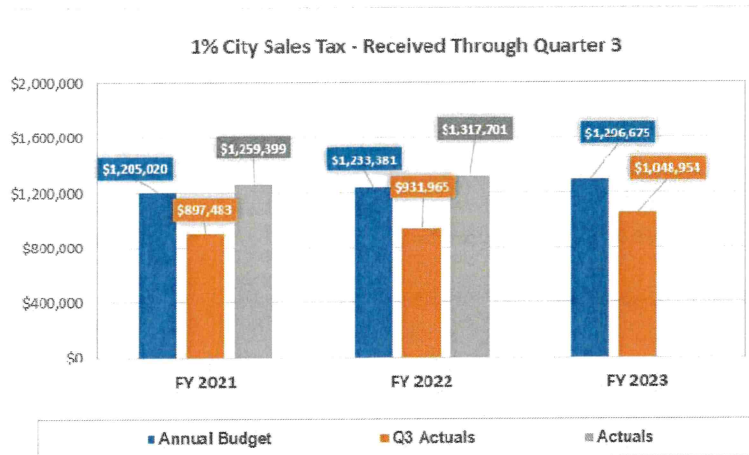
### 1% City Sales Tax Revenue

| General Fund       | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % of Budget Received |
|--------------------|-----------------|--------------------|-------------|----------------------|
| Sales Tax Revenues | \$1,296,675     | \$1,415,750        | \$1,048,954 | 81%                  |

- The City, on average in the past 3 years, receives **71%** of sales tax annual revenue by the 3<sup>rd</sup> quarter of the fiscal year.
- This data reflects the monthly transfer of TIF EATs from the General Fund to the Special Allocation Fund (Marketplace TIF).

The total sales tax rate for the City of Smithville is 8.475% (outside of the Smithville Commons CID). 1% of this rate is the General Fund Sales Tax.

## 1% City Sales Tax Revenue Quarter 3 History

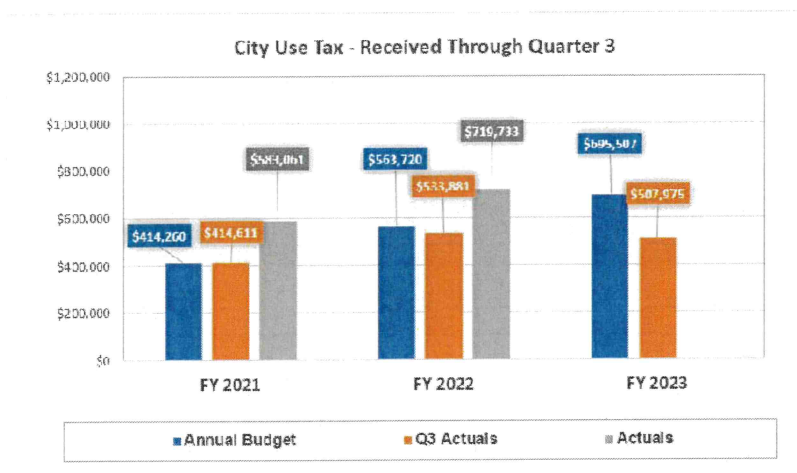


## City Use Tax Revenue

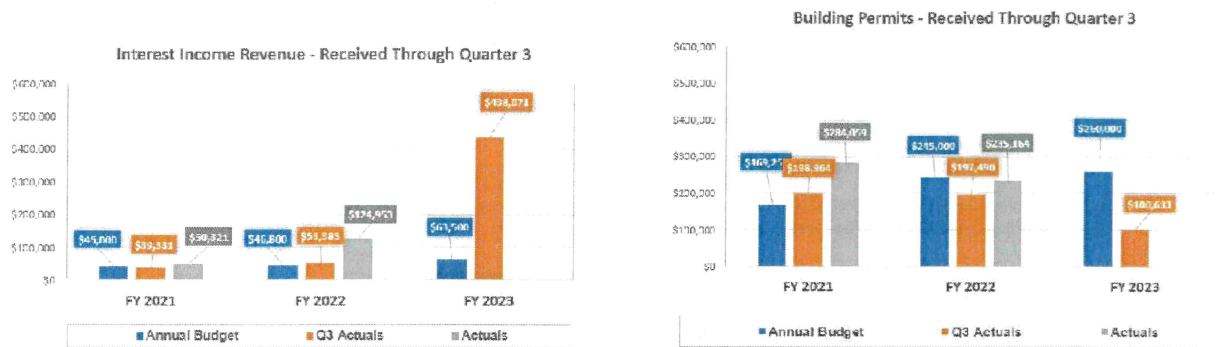
| General Fund     | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % of Budget Received |
|------------------|-----------------|--------------------|------------|----------------------|
| Use Tax Revenues | \$695,507       | \$715,250          | \$507,975  | 73%                  |

- The City, on average in the past 3 years, receives **73%** of use tax annual revenue by the 3<sup>rd</sup> quarter of the fiscal year.
- City Use Tax receipts have *surged back in the months of July and August due to remittance catchup.*

## City Use Tax Revenue Quarter 3 History



## General Fund Revenues – Areas of Impact

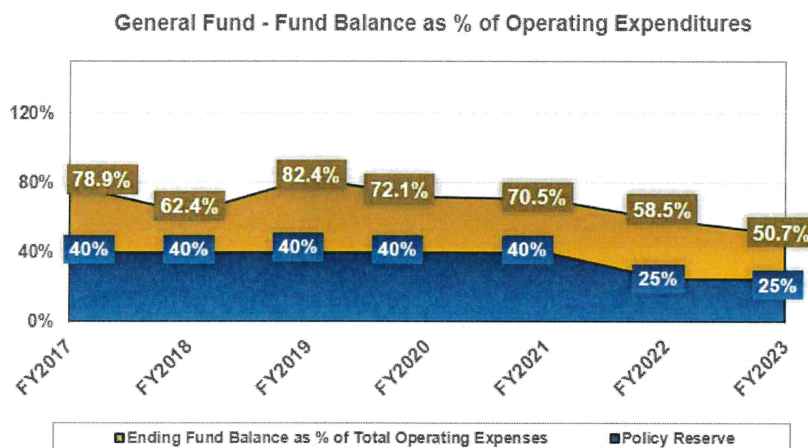


## General Fund - Bottom Line

|                            | Actual<br>FY2022 | Budgeted<br>FY2023 | Projected<br>FY2023 |
|----------------------------|------------------|--------------------|---------------------|
| Beginning Fund Balance     | \$ 3,736,229     | \$ 3,456,205       | \$ 3,425,221        |
| Total Revenues             | \$ 5,542,691     | \$ 5,466,340       | \$ 6,210,118        |
| Total Expenses             | \$ 5,853,699     | \$ 6,310,310       | \$ 6,372,849        |
| Net Change in Fund Balance | \$ (311,008)     | \$ (843,970)       | \$ (162,731)        |
| Ending Fund Balance        | \$ 3,425,221     | \$ 2,612,235       | \$ 3,262,490        |

\*Budgeted FY2023 Figure indicates original budget prior to Budget Amendments.

## General Fund – Fund Balance Analysis



## Capital Improvement Sales Tax Fund

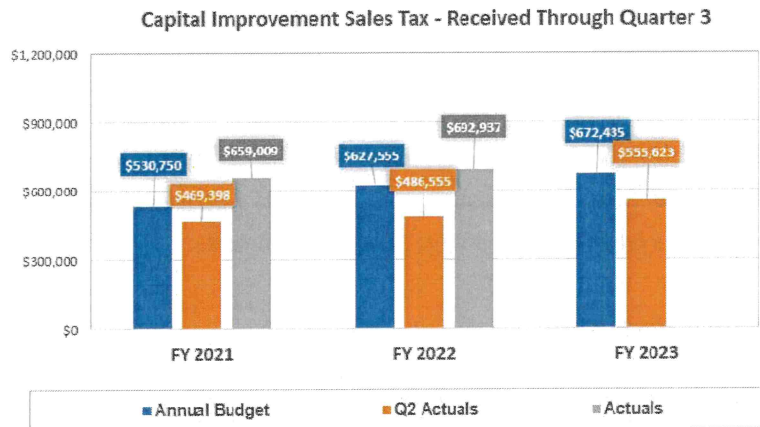
| Capital Improvement Sales Tax | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % of Budget Received |
|-------------------------------|-----------------|--------------------|------------|----------------------|
| All Revenues                  | \$1,160,435     | \$728,750          | \$555,623  | 48%                  |

- The City, on average in the past year 3 years, receives **70%** of capital improvement sales tax annual revenue by the 3<sup>rd</sup> quarter of the fiscal year.
- The budget includes a **\$488,000** MoDOT reimbursement for Streetscape Phase III Construction, which will now be rolled over to the revenue budget for FY2024.

| Capital Improvement Sales Tax | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % of Budget Expended |
|-------------------------------|-----------------|--------------------|------------|----------------------|
| All Expenditures              | \$1,355,370     | \$584,845          | \$462,682  | 34%                  |

| Capital Projects with CIST Funding     | Phase        | Resolution | Contractor/Engineer | Status      |
|--|--------------|------------|---------------------|-------------|
| Downtown Streetscape Phase III         | Engineering  | 1026       | HDR Engineering     | In Progress |
| Quincy Boulevard - Road Reconstruction | Construction | 1221       | Amino Brothers Co.  | In Progress |
| Downtown Streetscape Phase III         | Construction | Upcoming   | Bid Not Awarded Yet | Not Started |

## Capital Improvement Sales Tax Fund 3 Year History



## Transportation Sales Tax Fund

| Transportation Sales Tax | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % of Budget Received |
|--------------------------|-----------------|--------------------|------------|----------------------|
| Revenues                 | \$589,713       | \$644,480          | \$484,929  | 82%                  |

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

| Transportation Sales Tax | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % of Budget Expended |
|--------------------------|-----------------|--------------------|------------|----------------------|
| Expenditures             | \$992,246       | \$970,057          | \$182,672  | 18%                  |

| Capital Projects With TST Funding                | Phase        | Resolution | Contractor/Engineer | Status      |
|--|--------------|------------|---------------------|-------------|
| 4th Street and 4th Terrace - Road Reconstruction | Construction | 1199       | Menke Excavating    | In Progress |
| 2023 Street Maintenance Program                  | Construction | 1212       | Pavement Management | In Progress |
| Quincy Boulevard - Road Reconstruction           | Construction | 1221       | Amino Brothers Co.  | In Progress |



## Transportation Sales Tax Fund 3 Year History



| CWWS Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % of Budget Received |
|-----------|-----------------|--------------------|-------------|----------------------|
| Revenues  | \$9,340,817     | \$5,731,843        | \$4,375,674 | 47%                  |

- Budgeted revenues include COP proceeds of **\$3,900,000** for 144<sup>th</sup> Street Lift Station and West Bypass of the 144<sup>th</sup> Street Lift Station.
- These COP proceeds, along with the debt issuance procedure will be rolled over into FY2024 due to the condemnation process.

| CWWS Fund    | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % of Budget Expended |
|--------------|-----------------|--------------------|-------------|----------------------|
| Expenditures | \$13,070,115    | \$6,667,792        | \$4,190,128 | 32%                  |

- Budgeted expenditures include COP proceeds of **\$3,900,000** for 144<sup>th</sup> Street Lift Station and West Bypass of the 144<sup>th</sup> Street Lift Station.
- This project expenditures will be rolled over into FY2024 due to the condemnation process.

## Capital and Maintenance Program – CWWS

| CWWS Capital Project                                 | Phase        | Resolution | Contractor/Engineer   | Status      |
|--|--------------|------------|-----------------------|-------------|
| Winner and Woods Waterline Replacement               | Construction | 1158       | Blue Moon Hauling     | Completed   |
| Aerobic Digester                                     | Construction | 1084       | David E. Ross         | Completed   |
| 4th Street & 4th Terrace - Waterline Replacement     | Engineering  | 1054       | Veenstra & Kimm       | Completed   |
| Quincy Boulevard - Waterline Replacement             | Engineering  | 1043       | Snyder & Associates   | Completed   |
| 2023 Slipline Sewer Program                          | Maintenance  | 1193       | SAK Construction, LLC | Completed   |
| West Bypass of 144 <sup>th</sup> Street Lift Station | Engineering  | 987        | HDR Engineering       | In Progress |
| Little Platte River Crossing - Waterline Replacement | Engineering  | 1138       | HDR Engineering       | In Progress |
| Owens Branch Interceptor                             | Engineering  | 1176       | HDR Engineering       | In Progress |
| Water Plant Improvements                             | Engineering  | 1208       | HDR Engineering       | In Progress |
| 4th Street & 4th Terrace - Waterline Replacement     | Construction | 1199       | Menke Excavating      | In Progress |
| Quincy Boulevard - Waterline Replacement             | Construction | 1221       | Amino Brothers Co.    | In Progress |
| West Bypass of 144 <sup>th</sup> Street Lift Station | Construction | Upcoming   | Bid Not Awarded Yet   | Not Started |
| 144 <sup>th</sup> Street Lift Station                | Construction | Upcoming   | Bid Not Awarded Yet   | Not Started |
| Water Plant Improvements                             | Construction | Upcoming   | Bid Not Awarded Yet   | Not Started |

## Water and Wastewater Sales Revenue

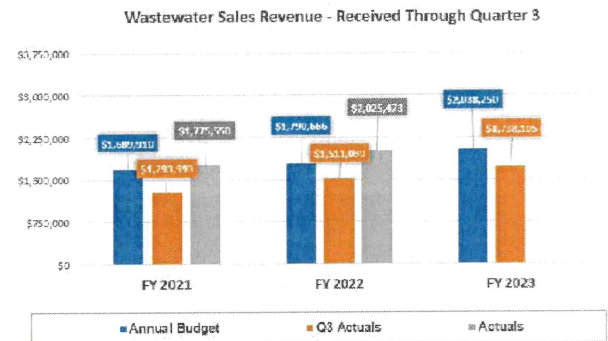
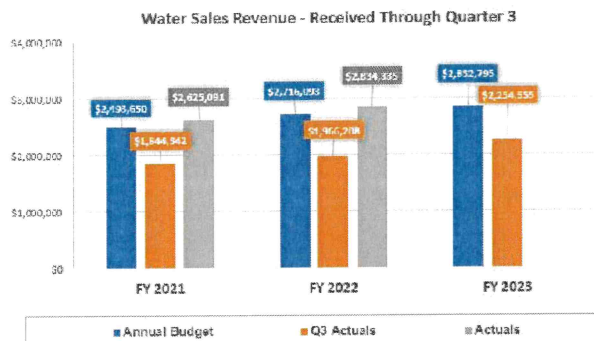
| CWWS Fund   | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % Received of Budget |
|-------------|-----------------|--------------------|-------------|----------------------|
| Water Sales | \$2,832,795     | \$3,015,141        | \$2,254,555 | 80%                  |

- The City, on average in the past 3 years, receives **70%** of water sales annual revenue by the 3<sup>rd</sup> quarter of the fiscal year.

| CWWS Fund        | FY2023 Budgeted | FY2023 Projections | FY2023 YTD  | % Received of Budget |
|------------------|-----------------|--------------------|-------------|----------------------|
| Wastewater Sales | \$2,038,250     | \$2,263,575        | \$1,738,105 | 85%                  |

- The City, on average in the past 3 years, receives **73%** of wastewater sales annual revenue by 3<sup>rd</sup> quarter of the fiscal year.

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## CWWS Fund – Bottom Line

|                            | Actual FY2022 | Budgeted FY2023 | Projected FY2023 |
|----------------------------|---------------|-----------------|------------------|
| Beginning Fund Balance     | \$ 5,602,501  | \$ 7,123,744    | \$ 6,851,727     |
| Total Revenues             | \$ 6,221,873  | \$ 9,340,817    | \$ 5,732,930     |
| Total Expenses             | \$ 4,972,647  | \$ 13,070,115   | \$ 6,691,251     |
| Net Change in Fund Balance | \$ 1,249,226  | \$ (3,729,298)  | \$ (958,321)     |
| Ending Fund Balance        | \$ 6,851,727  | \$ 3,394,446    | \$ 5,893,406     |

## Sanitation Fund

| Sanitation Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Received of Budget |
|-----------------|-----------------|--------------------|------------|----------------------|
| Revenues        | \$915,860       | \$844,436          | \$647,837  | 71%                  |

- YTD revenues are about \$3,400 over YTD expenditures through 9 months, which indicates the fund is stable and financially healthy.

| Sanitation Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Expended of Budget |
|-----------------|-----------------|--------------------|------------|----------------------|
| Expenditures    | \$900,600       | \$844,050          | \$644,460  | 72%                  |

- Expenditure contingency is built into the FY2023 Budget for additional residents moving into Smithville.



## Parks and Stormwater Sales Tax Fund

| Park & Stormwater Sales Tax | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Received of Budget |
|-----------------------------|-----------------|--------------------|------------|----------------------|
| Revenues                    | \$672,435       | \$728,750          | \$555,059  | 83%                  |

- The City, on average in the past year 2 years, receives **70%** of park and stormwater sales tax annual revenue by the 2<sup>nd</sup> quarter of the fiscal year.

| Park & Stormwater Sales Tax | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Expended of Budget |
|-----------------------------|-----------------|--------------------|------------|----------------------|
| Expenditures                | \$647,750       | \$539,330          | \$70,526   | 11%                  |

| PST Funded Capital Project                         | Phase        | Resolution | Contractor/Engineer      | Status      |
|--|--------------|------------|--------------------------|-------------|
| Stormwater Discovery & Master Plan                 | Design       | 1106       | George Butler Associates | Completed   |
| 4th Street & 4th Terrace – Stormwater Improvements | Engineering  | 1043       | Snyder & Associates      | Completed   |
| 4th Street & 4th Terrace – Stormwater Improvements | Construction | 1199       | Menke Excavating         | In Progress |
| Quincy Boulevard – Stormwater Improvements         | Construction | 1221       | Amino Brothers Co.       | In Progress |

## Vehicle and Equipment Replacement Fund

| VERF     | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Received of Budget |
|----------|-----------------|--------------------|------------|----------------------|
| Revenues | \$422,100       | \$371,770          | \$184,611  | 44%                  |

- ☐ The VERF received the budgeted \$70,000 transfer for annual operational support in Q1 of 2023.
- ☐ Three more Public Works trucks will sell in August 2023, providing further revenue to the VERF.

| VERF         | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Expended of Budget |
|--------------|-----------------|--------------------|------------|----------------------|
| Expenditures | \$381,750       | \$345,318          | \$244,789  | 64%                  |

- ☐ Through July 31, 2023, the City is leasing **31 vehicles** with Enterprise Fleet Management.

## ARPA (American Rescue Plan Act) Fund

| American Rescue Plan Act Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Received of Budget |
|-------------------------------|-----------------|--------------------|------------|----------------------|
| Revenues                      | -               | -                  | -          | -                    |

- ☐ Finance staff will record an *interest earnings journal entry* at the end of FY2023 for the ARPA Fund.

| American Rescue Plan Act Fund | FY2023 Budgeted | FY2023 Projections | FY2023 YTD | % Expended of Budget |
|-------------------------------|-----------------|--------------------|------------|----------------------|
| Expenditures                  | \$953,270       | \$880,215          | \$711,474  | 75%                  |

- ☐ As of April 30, 2023, the City had **\$158,915** remaining on the Raw Water Pump Station construction contract with Irvinbilt Construction.
- ☐ Project has been completed. Final invoices are expected to be paid in August/September 2023.

## 9 Month Budget Review – Concluding Remarks

### Revenues

- General Fund revenues continue to forecast above budget, with strong performance in Sales Tax and Interest Earnings.
- Use Tax is bouncing back with great performance following remittance catchup.
- A warm summer season has resulted in increased water sales in CWWS Fund.

### Expenditures

- Inflation continues to be present in department operational budgets (increased costs in repairs & maintenance, treatment chemicals, contractual services).

### Budget "Rollovers" for FY2024

- Funds for several projects planned for FY2023 will be rolled over to FY2024. This has no detrimental effect on fund balance as the planned expenditures simply move from this year to the next year.

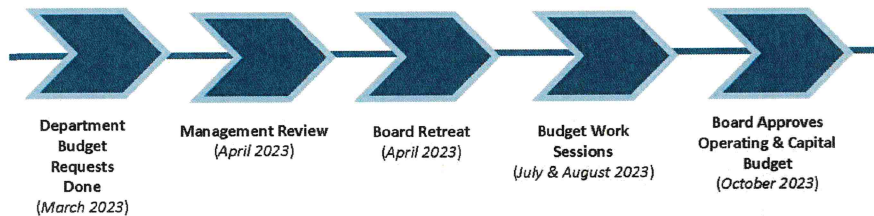
### Migration from ERP Pro 9 to ERP Pro 10

- The Finance Department is currently coordinating an update to the City's financial & resource planning software. The "Go Live" period for the software is planned in Q1 of 2024.

## 5. Discussion FY2024 Operating Budget

Stephen Larson, Finance Director presented the proposed FY2024 Operating Budget.

### Budget Development Process



### Financial Profile – Bond Rating

Rating Based Upon the Following Criteria:

- *City Economy*
- *Debt Structure*
- *Financial Condition*
- *Demographic Factors*
- *Management Practices of Governing Body & Administration*

**Rating of "AA-"**

**Assigned by  
S&P Global in  
February 2019**

## Financial Profile – Outstanding Debt

**Outstanding  
General  
Obligation Debt  
of \$5,230,000**

Funds Delivered - **August 2018**

Final Payment – **March 2038**

**Outstanding  
COP Debt of  
\$7,550,000**

Funds Delivered - **August 2018**

Final Payment – **September 2038**

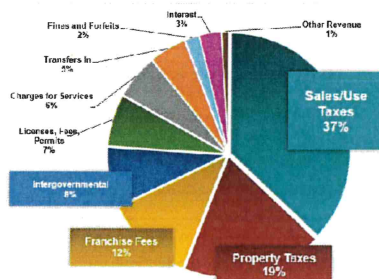
General Fund – Proposed FY2024 Operating Budget and CIP

### Proposed FY2024 General Fund Revenue Summary

| General Fund Revenues       | Actual FY2022      | FY2023 Budget      | Projected FY2023   | FY2024 Proposed Budget |
|-----------------------------|--------------------|--------------------|--------------------|------------------------|
| Property Taxes              | 1,007,610          | 1,043,745          | 1,103,250          | 1,152,896              |
| Sales and Use Taxes         | 2,122,573          | 2,068,284          | 2,213,350          | 2,360,105              |
| Franchise Taxes             | 742,590            | 674,690            | 762,290            | 759,740                |
| Licenses, Fees, and Permits | 422,663            | 442,279            | 336,895            | 350,725                |
| Intergovernmental Revenues  | 388,676            | 402,872            | 479,662            | 451,420                |
| Charges for Services        | 317,125            | 347,900            | 370,497            | 382,060                |
| Fines and Forfeits          | 118,738            | 112,615            | 113,850            | 114,320                |
| Interest Earnings           | 124,953            | 63,500             | 495,000            | 254,500                |
| Other Revenue               | 68,180             | 29,595             | 54,175             | 31,170                 |
| Transfers In                | 227,148            | 280,860            | 281,160            | 265,550                |
| <b>Total Revenues</b>       | <b>\$5,540,256</b> | <b>\$5,466,340</b> | <b>\$6,210,118</b> | <b>\$6,262,486</b>     |

□ **0.84% increase** in total revenues from Projected FY 2023 to Proposed FY 2024.

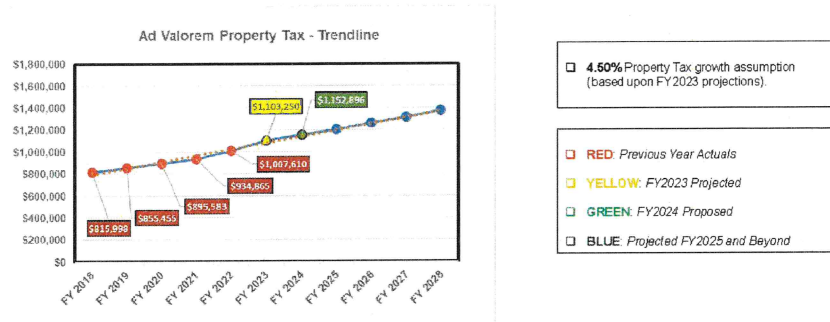
### Proposed FY2024 General Fund Revenues by Category



□ About **56%** of the General Fund revenue budget is comprised of:

- Sales Tax
- Use Tax
- Property Tax

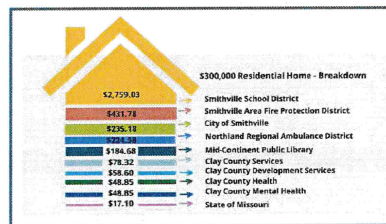
## Proposed FY2024 General Fund Ad Valorem Property Tax



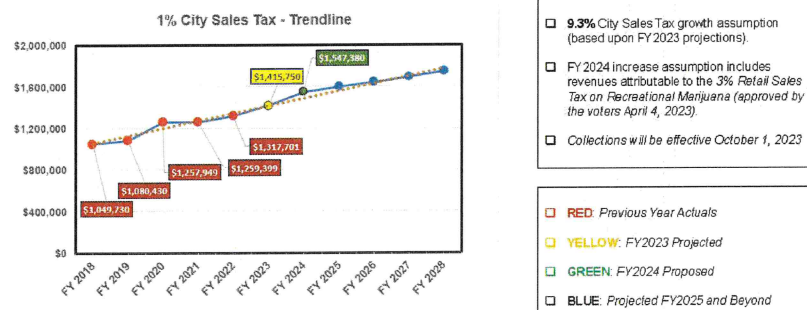
## City Financial Profile – Tax Structure

|                                       | 2022 Tax Levy Rate |
|---------------------------------------|--------------------|
| Smithville School District            | 4.9404             |
| Smithville Fire Protection District   | 0.7575             |
| City of Smithville                    | 0.4126             |
| Northland Regional Ambulance District | 0.3940             |
| Mid-Continent Public Library          | 0.3240             |
| Clay County - General Services        | 0.1374             |
| Clay County - Developmental Services  | 0.1028             |
| Clay County - Health Services         | 0.0857             |
| Clay County - Mental Health Services  | 0.0857             |
| State of Missouri                     | 0.0300             |
| <b>Grand Total Levy</b>               | <b>7.1701</b>      |

Total Property Tax Bill - \$4,087  
City of Smithville = 6% of Total Bill

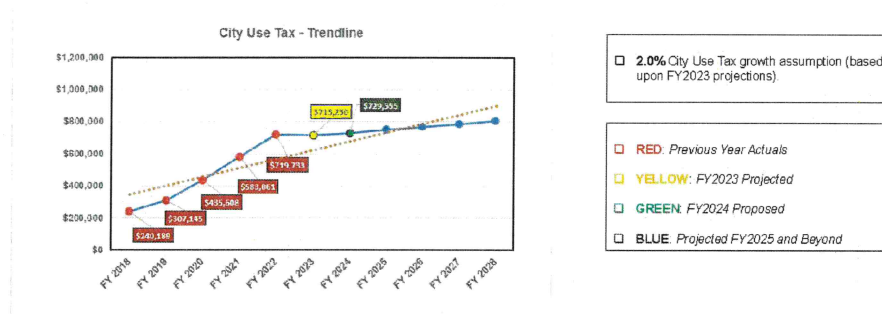


## Proposed FY2024 General Fund City Sales Tax





## Proposed FY2024 General Fund City Use Tax



Alderman Wilson asked Stephen to explain why we are combining the 3% marijuana tax in with the City's general sales tax.

Stephen explained that we have access to the Department of Revenue sales tax data and that data is treated as proprietary because accessing that allows us to see what their sales look like and those sales are protected data. Because we only have one dispensary in town we are just combining it with the general fund sales tax.

Cynthia added that only certain staff members have access to that information from the Department of Revenue and those employees have to sign that they will not share that information. Staff can look at the information from the Department of Revenue on a monthly basis and use it to help make up the sales tax projections. We are not allowed to call out the sales tax revenue on a single business.

## FY2024 Proposed General Fund Key Operating Budget Assumptions

- > CPI Compensation Adjustment – 3% Increase effective November 1, 2023, for all staff. The long-range financial forecast assumes a 3% annual increase.
- > Health Insurance Premiums – 15% Increase
- > Fuel Assumption - \$3.65 / Gallon
- > City Facility Electricity - 5% Increase
- > Police Dispatching – 3% Increase
- > ERP Pro Tyler Technologies User Fees – 5% Increase
- > New Annual Audit Services Agreement: \$14,000 Increase
- > Property & Liability Insurance – Increase of 3%
- > Worker's Compensation Expenses – Increase of 3%



### Retirement & Compensation Discussion

- Employees Survey
- Employee Meetings
- Long Term Budget Impact
- Ongoing Review

Cynthia noted that in the budget discussions at the retreat in May and throughout the summer we have had continuing discussions on employee compensation and retirement. The City's personnel portion of our budget is a significant portion of our expenditures in all funds. We have to pay our employees and provide compensation and retirement packages to keep them providing the services to our residents. The Board tasked staff to find out what composition of compensation and retirement employees favored the most. Over the course of the summer, we have engaged employees in a lot of discussion with regard to compensation and retirement. We conducted a survey and through the month of July, one of the topics of discussion during her quarterly department meetings, was our compensation and retirement package and employee survey results. The information from the survey indicated that employees had a preference for enhancements to both retirement and compensation. Through additional discussion, the bulk of employees prioritized a focus on enhancing our retirement program. All city employees participate in a LAGERS retirement program that is a state pension program. That program has three components: the amount of time an employee is in service, their final average salary and a multiplier. There are a number of levels provided by communities around the state. The plan that the City of Smithville currently participates in is a 1.5% multiplier, so the retirement benefit is 1.5% of a calculation of income based on final average salary and years of service. That 1.5% is the lowest rate that LAGERS offers. Many of the communities in the area participate at a 1.75% or 2% multiplier. Staff has reached out to LAGERS to determine the cost to increase to a higher multiplier. As discussed early this summer one other piece to take into consideration is whether we are contributory or not. That means whether the employees participate by contributing a portion of their income to their retirement program or not. There are some communities in the area that are non-contributory and some that are contributory. Until January of this year, we participated where employees were 4% contributory at a 1.5% multiplier, so they provided 4% of their annual salary to their pension. In January based on Board direction, we reduced that employee contribution amount from 4% to 2%, we did not change the multiplier. In early summer staff requested revised information from LAGERS about the cost to make those increases to a higher multiplier. The initial information staff received included an estimate that was close to the number that staff had plugged in and budgeted for merit increases. Early in August staff received additional information revised information that would allow us to review a 2% employee contribution amount rather than the 4% contribution amount effectively keeping employees at the same contribution level for an enhancement to the 1.75% multiplier. It was slightly higher than what staff from the initially received information for the 4% contribution level, so employees would be going back losing part of their income but increasing the retirement multiplier number. Staff believes that this is something that we could look at in the future, the total is about \$115,000, which is more than the \$85,000 budgeted. Staff is recommending that at this point in time as the budget is adopted we do not make any changes to retirement but continue to monitor our expenditures and revenues. Staff also recommends that after January 1 this information be revisited, with the possibility of making the enhancement to employee retirement to a higher multiplier without having to increase employee contribution.



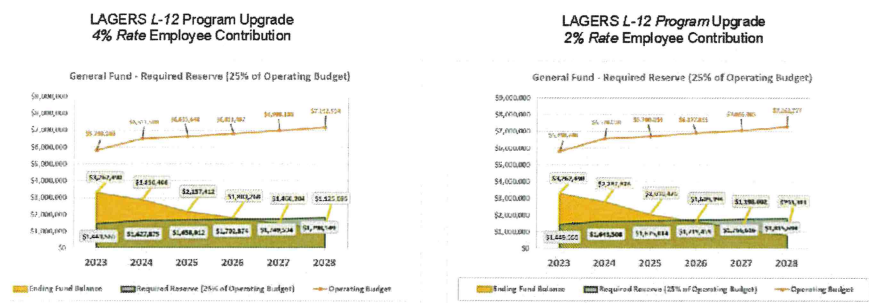
Alderman Russell asked if it would be retroactive if no changes are made to the retirement until after January.

Cynthia explained that retroactive does not apply to employee retirement. One month after a change is implemented, all employees that retire will receive the higher multiplier.

Alderman Wilson asked currently employees contribute 2% to LAGERS, if we just raise the multiplier, they would still recognize their 3% CPI increase.

Cynthia said that was correct.

## Retirement Program Scenarios Long Range Financial Modeling



## FY2024 Proposed General Fund Funded Requests

| Funded Amount                                   | City Department | Funded Request                                  |
|---|-----------------|---|
| \$5,000<br>(One-Time, Year 4)                   | Administration  | Year 4 of Main Street Program Financial Support |
| \$10,000<br>(Annually)                          | Administration  | Chamber of Commerce & City Agreement            |
| \$5,000<br>(Annual)                             | Administration  | Additional City-Wide Department Training        |
| \$5,000<br>(Annual)                             | Administration  | Laptop Replacement Program                      |
| \$10,000<br>(Annual)                            | Administration  | New Website/Website Improvements                |
| \$3,500<br>(Annual)                             | Administration  | Employee Wellness Programming                   |
| \$2,500<br>(Annual)                             | Administration  | Citizens Academy                                |
| \$25,000<br>(Annual)                            | Administration  | Neighborhood Beautification Grant               |
| \$100,000 (Annual)<br>\$500,000 (Five Year CIP) | Administration  | Downtown Wayfinding & Signage                   |



## FY2024 Proposed General Fund Funded Requests

| Funded Amount                                      | City Department        | Funded Request   |
|--|------------------------|--|
| \$6,000<br>(Annual)                                | Police                 | Police Ballistic Vests Replacement (4)                                 |
| \$6,000<br>(Annual)                                | Police                 | Mental Health Wellness Checks  |
| \$13,000<br>(Annual)                               | Police                 | Replace Four Mobile Data Terminals<br>(Patrol In Car Computers)        |
| \$29,250<br>(One-Time)                             | Public Works (Streets) | Lease Purchase Option - Skid Steer                                     |
| \$50,000 of \$150,000<br>(One-Time)                | Public Works (Streets) | Portion of 1 <sup>st</sup> & Bridge Street Round-A-Bout<br>Engineering |
| \$46,000 (Annually)<br>\$230,000 (Five Year Lease) | Public Works (Streets) | <b>Lease of Tractor &amp; Boom Mower Equipment</b>                     |
| \$12,500<br>(One-Time)                             | Development            | South Employment Overlay District<br>(In-House & Consultant)           |
| \$20,000<br>(One-Time)                             | Parks & Recreation     | <b>UTV Side-By-Side</b>  |



### 4<sup>th</sup> Street & 4<sup>th</sup> Terrace Change Order



### 4<sup>th</sup> Street & 4<sup>th</sup> Terrace Change Order

#### Proposed Plan



Mayra Toothman, Assistant to the Public Works Director, explained the proposed change order for 4<sup>th</sup> Street Terrace. Staff recommends installing a cluster mailbox for the residents on 4<sup>th</sup> Street Terrace on Spelman Drive. The cost would be \$89,936.37 to the infrastructure.

Alderman Russell asked how many mailboxes.

Mayra explained there would be 15.

Alderman Hartman noted that it would be more economical to do it now while they are still working in that area.

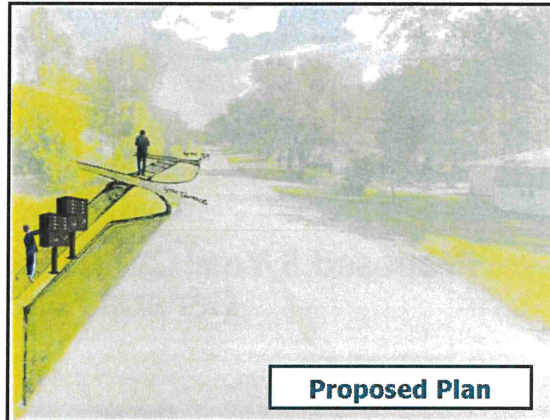
Cynthia explained that Chuck Soules, Public Works Director and Mayra have spent a lot of time with the residents getting their approval for this. She also noted that it would be less expensive to complete while the contractor is still working in the area.

### 4<sup>th</sup> Street & 4<sup>th</sup> Terrace Change Order

Relocation of Mailboxes to  
the West Side of Spelman



**Current Location**



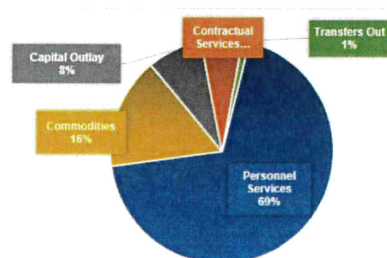
**Proposed Plan**

### FY2024 Proposed General Fund Expenditure Summary by Category

| General Fund Expenditures | Actual FY2022      | FY2023 Budget      | Projected FY2023   | FY2024 Proposed Budget |
|---------------------------|--------------------|--------------------|--------------------|------------------------|
| Personnel Services        | 3,723,302          | 4,232,980          | 4,201,632          | 4,561,470              |
| Commodities               | 1,125,725          | 978,650            | 1,049,556          | 1,083,450              |
| Capital Outlay            | 269,174            | 584,050            | 588,405            | 247,250                |
| Contractual Services      | 580,498            | 629,630            | 520,257            | 531,620                |
| Transfers Out             | 155,000            | 35,000             | 35,000             | 197,000                |
| <b>Total Expenditures</b> | <b>\$5,853,699</b> | <b>\$6,460,310</b> | <b>\$6,372,849</b> | <b>\$6,620,790</b>     |

□ 3.89% increase in total expenditures from  
Projected FY2023 to Proposed FY2024.

### FY2024 Proposed General Fund Expenditures by Category

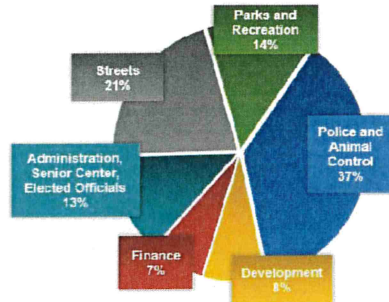


□ Personnel Services constitutes **69%** of General Fund Spending, and includes expenses such as:

- Full Time Salaries
- Health Insurance Premiums
- FICA
- LAGER's Employer Contributions
- Worker's Compensation



## FY2024 Proposed General Fund Expenditures by Department



☐ The Police Dept, Parks & Recreation Dept, and Streets Dept compose **72%** of the General Fund Budget which funds these important municipal services:

- ☐ Public Safety
- ☐ Road Maintenance
- ☐ Recreational Amenities and Parks

## Proposed 5 Year CIP (FY2024 – FY2028) General Fund

| Capital Improvement Projects                                      | FY 2024          | FY 2025          | FY 2026          | FY 2027          | FY 2028          |
|---|------------------|------------------|------------------|------------------|------------------|
| Annual Wayfinding Signage Program                                 | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        |
| 1 <sup>st</sup> & Bridge Street Round-A-Bout (30% of Engineering) | \$50,000         | -                | -                | -                | -                |
| Annual Asphalt Overlay Program (30% of Construction)              | -                | \$100,000        | -                | -                | -                |
| Annual Sidewalk Replacement Program (60% of Construction)         | -                | \$50,000         | -                | -                | -                |
| 2 <sup>nd</sup> Creek Bridge Sidewalks (30% of Construction)      | -                | \$250,000        | -                | -                | -                |
| Riverwalk Park & Trail (10% of Construction)                      | -                | \$200,000        | -                | -                | -                |
| <b>Grand Total (Net Cost)</b>                                     | <b>\$150,000</b> | <b>\$700,000</b> | <b>\$100,000</b> | <b>\$100,000</b> | <b>\$100,000</b> |

☐ General Fund provides **supplemental resources** to the City's Five-Year CIP:

- ☐ 1<sup>st</sup> & Bridge Street Engineering
- ☐ Annual Asphalt Overlay Program
- ☐ Annual Sidewalk Replacement Program
- ☐ 2<sup>nd</sup> Creek Bridge Sidewalks
- ☐ Riverwalk Park & Trail

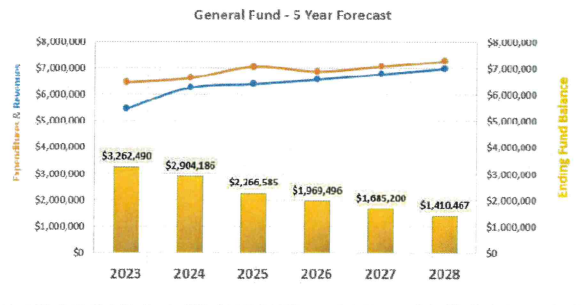
☐ Five Year General Fund Contribution Total is **\$1,150,000**

## FY2024 Proposed General Fund Net Change in Fund Balance

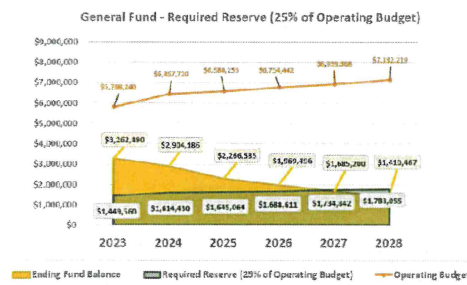
|                            | Actual FY2022 | Projected FY2023 | Proposed FY2024 |
|----------------------------|---------------|------------------|-----------------|
| Beginning Fund Balance     | \$ 3,736,229  | \$ 3,425,221     | \$ 3,262,490    |
| Total Revenues             | \$ 5,542,691  | \$ 6,210,118     | \$ 6,262,486    |
| Total Expenses             | \$ 5,853,699  | \$ 6,372,849     | \$ 6,620,790    |
| Net Change in Fund Balance | \$ (311,008)  | \$ (162,731)     | \$ (358,304)    |
| Ending Fund Balance        | \$ 3,425,221  | \$ 3,262,490     | \$ 2,904,186    |

☐ The Proposed FY2024 budget would utilize just over **\$358,000** in General Fund cash balance.

## FY2024 Proposed General Fund 5 Year Projected Cashflow Summary



## FY2024 Proposed General Fund Cashflow vs. Reserve Policy



- The Board of Aldermen approved a reduction (on August 2<sup>nd</sup>, 2022) in the required General Fund reserve from 40% of the operating budget to 25% of the operating budget. This new reserve requirement is shown in green in the chart.
- With the proposed additions to the FY2024 budget, the City is projected to continue to *utilize fund balance each year* as time goes on

## Combined Water and Wastewater Fund

### Proposed Five Year CIP (FY2024) CWWS Fund

| Capital Improvement Project                                     | FY 2024            | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|--------------------|---------|---------|---------|---------|
| Interconnect: Vains w/ 144" Street/169 Highway (Construction)   | \$55,000           | -       | -       | -       | -       |
| Highway 92 & Commercial Street Waterline (Engineering)          | \$125,000          | -       | -       | -       | -       |
| 144" Street Lift Station (Construction)                         | \$1,700,000        | -       | -       | -       | -       |
| West Bypass of the 144" Street Lift Station (Construction)      | \$2,200,000        | -       | -       | -       | -       |
| Maple Lane & River Crossing 12" Waterline (50% of Construction) | \$700,000          | -       | -       | -       | -       |
| Smith's Fork Force Main (Construction)                          | \$300,000          | -       | -       | -       | -       |
| McDonalds/Central Bank Lift Station (Engineering)               | \$100,000          | -       | -       | -       | -       |
| Smith's Park Park Waterline (Construction)                      | \$170,000          | -       | -       | -       | -       |
| Headworks Bar Screen (Construction)                             | \$325,000          | -       | -       | -       | -       |
| Stonebridge Lift Station (Engineering)                          | \$250,000          | -       | -       | -       | -       |
| Stonebridge Lift Station (Construction)                         | \$1,500,000        | -       | -       | -       | -       |
| Water Treatment Plant Improvements (Construction)               | \$900,000          | -       | -       | -       | -       |
| <b>Grand Total (Net Cost)</b>                                   | <b>\$8,325,000</b> |         |         |         |         |

- CIP Project Push Back
  - 144" Street Lift Station & West Bypass of 144" Street Lift Station (Funded via Certificate of Participation)
  - Water Treatment Plant Improvements - Engineering is Underway Now

### Proposed Five Year CIP (FY2025 – FY2028) CWWS Fund

| Capital Improvement Project                                | FY 2024  | FY 2025            | FY 2026            | FY 2027            | FY 2028            |
|--|----------|--------------------|--------------------|--------------------|--------------------|
| Owens Branch Gravity Line Phase #1, Line #1 (Construction) | -        | \$2,200,000        | -                  | -                  | -                  |
| McDonalds/Central Bank Lift Station (Construction)         | -        | \$500,000          | -                  | -                  | -                  |
| Highway 92 & Commercial Street Waterline (Construction)    | -        | \$300,000          | -                  | -                  | -                  |
| Owens Branch Gravity Line Phase #1, Line #2 (Engineering)  | -        | \$500,000          | -                  | -                  | -                  |
| Owens Branch Gravity Line Phase #1, Line #2 (Construction) | -        | -                  | \$2,500,000        | -                  | -                  |
| Water Plant Expansion (Engineering)                        | -        | -                  | \$2,100,000        | -                  | -                  |
| Wastewater Treatment Plant Expansion (Construction)        | -        | -                  | \$3,000,000        | \$3,000,000        | -                  |
| Rubio Water and Wastewater Project Funding                 | -        | -                  | -                  | \$2,000,000        | -                  |
| Water Plant Expansion, Phase I (Construction)              | -        | -                  | -                  | -                  | \$7,500,000        |
| Rubio Water and Wastewater Project Funding                 | -        | -                  | -                  | -                  | \$2,000,000        |
| <b>Grand Total (Net Cost)</b>                              | <b>-</b> | <b>\$3,600,000</b> | <b>\$7,600,000</b> | <b>\$5,000,000</b> | <b>\$9,500,000</b> |

## Proposed Five Year CIP (FY2024 – FY2028) CWWS Fund (Water Impact Projects)

| Capital Improvement Project  | FY 2024          | FY 2025  | FY 2026  | FY 2027  | FY 2028  |
|--|------------------|----------|----------|----------|----------|
| Maple Lane & River Crossing - 12" Waterline<br>(50% of Construction) | \$700,000        | -        | -        | -        | -        |
| <b>Grand Total (Net Cost)</b>  | <b>\$700,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

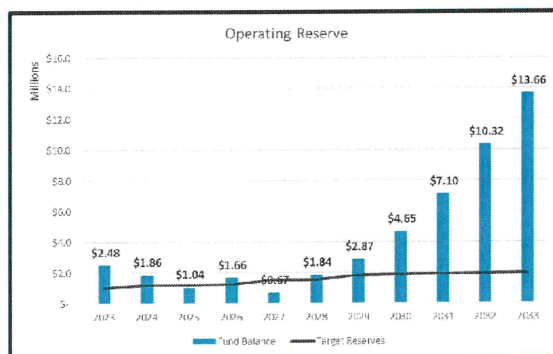
## Proposed Five Year CIP (FY2024 – FY2028) CWWS Fund (Wastewater Impact Projects)

| Capital Improvement Project                 | FY 2024            | FY 2025  | FY 2026  | FY 2027  | FY 2028  |
|---|--------------------|----------|----------|----------|----------|
| Wastewater Plant Expansion<br>(Engineering) | \$1,050,000        | -        | -        | -        | -        |
| <b>Grand Total (Net Cost)</b>               | <b>\$1,050,000</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

## FY2024 Proposed CWWS Fund Operating Budget Recommendations

| Request Estimate               | Highlighted Expenditure                   |
|--------------------------------|---|
| <b>\$62,000</b><br>(Annually)  | Wastewater Treatment Plant Operator       |
| <b>\$200,000</b><br>(One-Time) | Sewer Jetter Machine                      |
| <b>\$11,500</b><br>(One-Time)  | Lab Equipment (Turbidimeter & Titrator)   |
| <b>\$8,000</b><br>(One-Time)   | Replace Water Treatment Facility Lighting |
| <b>\$20,000</b><br>(One-Time)  | Replace Water Treatment Plant HVAC System |

## Proposed FY2024 CWWS (Non-Impact Cash) Fund Long Term Cash Flow



- ☐ CWWS cashflow is projected to remain about the **20%** required reserve throughout the next 5 years (assuming rate increases).
- ☐ Utility Rate Study updated in 2023 prescribes annual rate increases in water and wastewater to pay cash for and finance capital improvement projects and utility system upgrades.



## Proposed Water & Wastewater Rate Increases

| Water Rates  | FY2024 (Proposed) |
|--|-------------------|
| Monthly Water Base Charge & Volume Charge (3/4" and 1" Residential Meter)      | 15% Increase      |
| Monthly Wastewater Base Charge & Volume Charge (3/4" and 1" Residential Meter) | 15% Increase      |

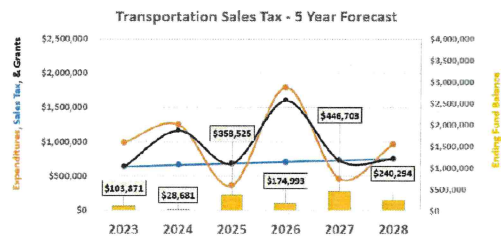
### Transportation Sales Tax Fund – Five Year Capital Plan

#### Proposed Five Year CIP (FY2024 – FY2028) Transportation Sales Tax Fund

| Capital Improvement Project   | FY 2024          | FY2025           | FY 2026          | FY 2027          | FY 2028          |
|---|------------------|------------------|------------------|------------------|------------------|
| Annual Asphalt Overlay Program (Projects TBD)                             | \$300,000        | \$200,000        | \$200,000        | \$300,000        | \$300,000        |
| Annual Sidewalk Replacement Program (Projects TBD)                        | \$25,000         | \$25,000         | \$25,000         | \$25,000         | \$25,000         |
| Commercial Street Sidewalks (Construction)                                | \$750,000        | -                | -                | -                | -                |
| Commercial Street Sidewalks (MARC Reimbursement Grant)                    | (\$500,000)      | -                | -                | -                | -                |
| 1 <sup>st</sup> & Bridge St Round-A-Bout (80% of Construction)            | -                | -                | \$1,430,000      | -                | -                |
| 1 <sup>st</sup> & Bridge St Round-A-Bout (MARC Reimbursement Grant)       | -                | -                | (\$96,000)       | -                | -                |
| 180 <sup>th</sup> Street/Eagle Parkway Round-A-Bout (20% of Construction) | -                | -                | -                | -                | \$300,000        |
| <b>Grand Total (Net Cost)</b>   | <b>\$575,000</b> | <b>\$225,000</b> | <b>\$759,000</b> | <b>\$325,000</b> | <b>\$625,000</b> |

- "Green" colored grant reimbursement cells reflect secured funding for the CIP Project.
- CIP maintains funding for Annual Asphalt Overlay and Sidewalk Replacement Program.

### Proposed FY2024 Transportation Sales Tax Fund Five Year Projected Cashflow



- Grant funding indicating by "Black Line" in FY2024 and FY2026 on graph.

### Capital Improvement Sales Tax Fund – Five Year Capital Plan

#### Proposed Five Year CIP (FY2024) Capital Improvement Sales Tax Fund

| Capital Improvement Projects & Debt Service                       | FY 2024            | FY2025    | FY 2026   | FY 2027   | FY 2028   |
|---|--------------------|-----------|-----------|-----------|-----------|
| Annual Transfers to Pay General Obligation Debt                   | \$361,340          | \$364,875 | \$367,620 | \$373,420 | \$376,420 |
| Downtown Streetscape Phase III (Construction)                     | \$800,000          | -         | -         | -         | -         |
| Downtown Streetscape Phase III (Grant Reimbursement)              | (488,000)          | -         | -         | -         | -         |
| Recreational Trail (Engineering)                                  | \$250,000          | -         | -         | -         | -         |
| 2 <sup>nd</sup> Creek Sidewalks (Engineering)                     | \$150,000          | -         | -         | -         | -         |
| 1 <sup>st</sup> & Bridge Street Round-A-Bout (80% of Engineering) | \$200,000          | -         | -         | -         | -         |
| <b>Grand Total (Net Cost)</b>                                     | <b>\$1,273,340</b> |           |           |           |           |

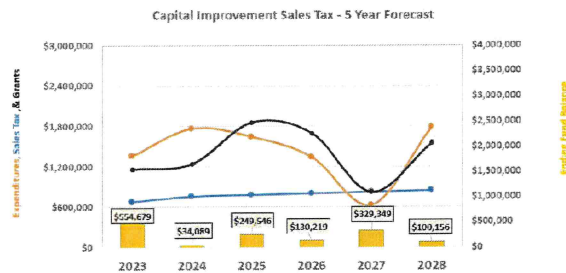
- "Green" grant reimbursement reflects secured funding for the CIP Project.
- Engineering begins in FY2024 on three MARC funded CIP infrastructure projects.

## Proposed Five Year CIP (FY2025 – FY2028) Capital Improvement Sales Tax Fund

| Capital Improvement Projects & Debt Service                          | FY 2024 | FY 2025          | FY 2026          | FY 2027          | FY 2028            |
|--|---------|------------------|------------------|------------------|--------------------|
| 2 <sup>nd</sup> Creek Sidewalks (70% of Construction)                | -       | \$895,000        | -                | -                | -                  |
| 2 <sup>nd</sup> Creek Sidewalks (MARC Grant Reimbursement)           | -       | (600,000)        | -                | -                | -                  |
| Riverwalk & Trail (80% of Construction)                              | -       | \$480,000        | \$670,000        | -                | -                  |
| Riverwalk & Trail (MARC Reimbursement)                               | -       | (480,000)        | (420,000)        | -                | -                  |
| 1st & Bridge Street Round-A-Bout (20% of Construction)               | -       | -                | \$300,000        | -                | -                  |
| 180 <sup>th</sup> & Eagle Parkway Round-A-Bout (Engineering)         | -       | -                | -                | \$250,000        | -                  |
| Pope Lane Round-A-Bout (80% of Engineering)                          | -       | -                | -                | -                | \$400,000          |
| 180 <sup>th</sup> & Eagle Parkway Round-A-Bout (75% of Construction) | -       | -                | -                | -                | \$1,000,000        |
| 180 <sup>th</sup> & Eagle Parkway Round-A-Bout (MARC Reimbursement)  | -       | -                | -                | -                | (700,000)          |
| <b>Grand Total (Net Cost)</b>  |         | <b>\$458,875</b> | <b>\$917,920</b> | <b>\$623,420</b> | <b>\$1,976,420</b> |

- "Green" grant reimbursement reflects secured funding for the CIP Project.
- 180<sup>th</sup> Street & Eagle Parkway and Pope Lane Round-A-Bout need to be submitted for grant applications.

## Proposed FY2024 Capital Improvement Sales Tax Fund Five Year Projected Cashflow



- Grant funding indicating by "Black Line" in FY2024, FY2025 and FY2026 on the graph.

## Parks and Stormwater Sales Tax Fund – Five Year Capital Plan

### Proposed Five Year CIP (FY2024 - FY2025) Park & Stormwater Sales Tax Fund

| Capital Improvement Project                              | FY 2024          | FY 2025          | FY 2026 | FY 2027       | FY 2028 |
|--|------------------|------------------|---------|---------------|---------|
| The "OK Railroad" Phase I (Construction)                 | \$281,000        | -                | -       | -             | -       |
| The "OK Railroad" Phase I (RTP Grant Funding)            | (181,000)        | -                | -       | -             | -       |
| Emerald Ridge Neighborhood Park & Signage (Construction) | \$450,000        | -                | -       | -             | -       |
| Stonebridge Stormwater Improvements (Engineering)        | \$50,000         | -                | -       | -             | -       |
| Stonebridge Stormwater Improvements (Construction)       | \$150,000        | -                | -       | -             | -       |
| Hundred Road Stormwater Improvements (Engineering)       | -                | \$50,000         | -       | -             | -       |
| Dundoo Road Stormwater Improvements (Construction)       | -                | \$150,000        | -       | -             | -       |
| Riverwalk Park & Trail (30% of Construction)             | -                | \$600,000        | -       | -             | -       |
| <b>Grand Total (Net Cost)</b>                            | <b>\$750,000</b> | <b>\$800,000</b> |         | See Next Page |         |

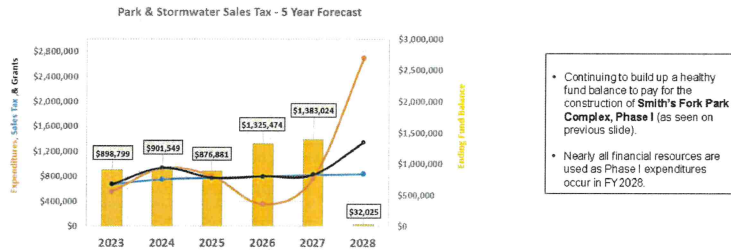
- "OK Railroad" Phase I for trail construction will be submitted for grant funding.

### Proposed Five Year CIP (FY2026 - FY2028) Park & Stormwater Sales Tax Fund

| Capital Improvement Project                        | FY 2024 | FY 2025 | FY 2026          | FY 2027          | FY 2028            |
|--|---------|---------|------------------|------------------|--------------------|
| Forest Oaks Stormwater Improvements (Engineering)  | -       | -       | \$50,000         | -                | -                  |
| Forest Oaks Stormwater Improvements (Construction) | -       | -       | \$300,000        | -                | -                  |
| Cedar Lakes Stormwater Improvements (Engineering)  | -       | -       | -                | \$25,000         | -                  |
| Cedar Lakes Stormwater Improvements (Construction) | -       | -       | -                | \$100,000        | -                  |
| Smith's Fork Park Complex (Design & Engineering)   | -       | -       | -                | \$940,000        | -                  |
| Maple Lane Stormwater Improvements (Engineering)   | -       | -       | -                | -                | \$50,000           |
| Maple Lane Stormwater Improvements (Construction)  | -       | -       | -                | -                | \$920,000          |
| Smith's Fork Park Complex (Construction, Phase I)  | -       | -       | -                | -                | \$2,240,000        |
| <b>Grand Total (Net Cost)</b>                      | -       | -       | <b>\$350,000</b> | <b>\$765,000</b> | <b>\$2,340,000</b> |

- Stormwater projects have been prioritized and slotted based upon the recently completed Stormwater Assessment.

## Proposed FY2024 Park & Stormwater Sales Tax Fund 5 Year Projected Cashflow



Alderman Wilson noted that she would like a restroom installed at the splashpad.

Mayor Boley explained that the Parks and Recreation Committee were working on that now.

## FY2024 Proposed Vehicle and Equipment Replacement Fund

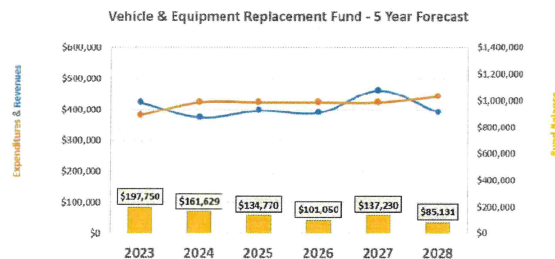
### Proposed FY2024 Budget Vehicle & Equipment Replacement Fund

- The City of Smithville is currently leasing **31 vehicles** from Enterprise.
- Three of the Eight 2023 Ford Explorer Police Interceptors have been received by the City.
- Staff will be monitoring the reduction in maintenance costs associated with patrol vehicle repair once fleet change-out has occurred.
- The General Fund and Utilities Fund will be transferring more financial resources into the VERF in the next Five Years to offset costs associated with rising vehicle lease expenses.
  - General Fund FY2024 Transfer - \$197,000
  - Utility Fund FY2024 Transfer - \$52,000



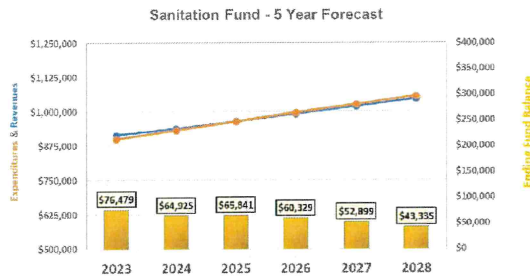
New 2023 Ford F-150 Truck

### Vehicle & Equipment Replacement Fund Five Year Cashflow Projections



## Proposed FY2024 Budget – Sanitation Fund

### Proposed FY2024 Budget Sanitation Fund



#### Summary of the Sanitation Fund

- ☐ As of August 2023, the City of Smithville contracts with GFL to service just over **3,263** regular trash accounts and service just over **513** senior rate trash accounts (available for account holders ages 65 and older). Senior rate trash accounts make up nearly **14%** of total accounts.
- ☐ GFL will be increasing the regular (non-senior) City contracted trash rates by 5%.
- ☐ Monthly Customer Trash Charge to increase by 4.8% from **\$19.29** per month to **\$20.16** per month.
- ☐ The Senior Trash charge will remain the same.

## Concluding Budget Summaries

### Proposed FY2024 – FY2028 Five Year CIP All Funds Total

| Capital Improvement Projects - All Funds                           | FY 2024             | FY 2025            | FY 2026            | FY 2027            | FY 2028             |
|--|---------------------|--------------------|--------------------|--------------------|---------------------|
| General Fund   | \$150,000           | \$700,000          | \$100,000          | \$100,000          | \$100,000           |
| Combined Water/Wastewater Fund - <b>Non Impact Projects</b>        | \$8,325,000         | \$3,600,000        | \$7,600,000        | \$5,030,000        | \$9,500,000         |
| Combined Water/Wastewater Fund - <b>Water Impact Projects</b>      | \$700,000           | -                  | -                  | -                  | -                   |
| Combined Water/Wastewater Fund - <b>Wastewater Impact Projects</b> | \$1,091,000         | -                  | -                  | -                  | -                   |
| Transportation Sales Tax Fund                                      | \$575,000           | \$225,000          | \$759,000          | \$325,000          | \$825,000           |
| Capital Improvement Sales Tax Fund                                 | \$1,273,340         | \$459,075          | \$917,920          | \$623,420          | \$1,076,420         |
| Parking and Stormwater Sales Tax Fund                              | \$750,000           | \$800,000          | \$350,000          | \$765,000          | \$2,540,000         |
| <b>Grand Total (Net Cost)</b>                                      | <b>\$12,823,340</b> | <b>\$5,784,875</b> | <b>\$9,726,920</b> | <b>\$6,613,420</b> | <b>\$13,841,420</b> |

- ☐ The City's Five-Year CIP features **\$48.9 million** in CIP Projects across **5** budgeted funds from **FY2024 – FY2028**.

Grand Total Five Year Spend - **\$48,989,975**

## Proposed FY2024 - All Funds Summary

|  | 2024<br>Projected<br>Beginning<br>Balance | 2024 Proposed<br>Revenues | 2024 Proposed<br>Expenditures | 2024<br>Projected<br>Ending<br>Balance |
|--|---|---------------------------|-------------------------------|--|
| General Fund                           | 3,202,490                                 | 0,202,480                 | 0,020,790                     | 2,384,180                              |
| Capital Improvement Sales Tax Fund     | 554,673                                   | 1,240,750                 | 1,751,340                     | 34,083                                 |
| Capital Projects Fund                  | 103,725                                   | 40,000                    | -                             | 223,725                                |
| Combined Water/Wastewater Fund         | 5,890,635                                 | 12,243,600                | 15,775,117                    | 2,359,118                              |
| Debt Service Fund                      | 267,735                                   | 387,840                   | 311,233                       | 344,342                                |
| Park and Stormwater Sales Tax Fund     | 583,600                                   | 935,700                   | 931,200                       | 588,100                                |
| Sanitation Fund                        | 57,074                                    | 938,757                   | 931,805                       | 64,026                                 |
| Marketplace TIF (Allocation) Fund      | 1,235,912                                 | 869,446                   | 1,179,000                     | 1,224,558                              |
| Commons C/D Fund                       | 137,351                                   | 395,522                   | 413,518                       | 120,027                                |
| Transportation Sales Tax Fund          | 103,872                                   | 1,169,950                 | 1,244,140                     | 28,682                                 |
| Vehicle And Equipment Replacement Fund | 210,780                                   | 374,368                   | 423,547                       | 161,601                                |
| Donation Fund                          | 9,105                                     | 21,000                    | 15,000                        | 15,105                                 |
| Judicial Education Fund                | 1,447                                     | -                         | 1,447                         | -                                      |
| Technology Upgrade Fund                | 632                                       | -                         | 532                           | -                                      |
| DWIF Recovery Fund                     | 6,612                                     | 4,000                     | 5,000                         | 5,612                                  |
| Police Training Fund                   | 4,538                                     | 3,000                     | 5,000                         | 2,538                                  |
| <b>Grand Total</b>                     | <b>\$13,319,296</b>                       | <b>\$24,962,659</b>       | <b>\$20,861,967</b>           | <b>\$8,519,987</b>                     |

- ☐ The FY2024 Proposed Budget features **16** Budgeted Funds totaling just over **\$24.8 million** in revenues and just over **\$29.6 million** in expenditures.

## FY2024 Budget Process Schedule

- FY20254 Operating Budget and 5 Year CIP Review – 2<sup>nd</sup> discussion if needed (September 5)



- Public Hearing for Sewer Rates as required by Missouri State Statutes (October 3)
- Adopt Water and Wastewater Utility Rates and Schedule of Fees by Board Resolution (October 17)
- Adopt the FY2024 Operating and Capital Budget on 2<sup>nd</sup> Reading (October 17)

Stephen asked the Board if they required another work session to discuss the FY2024 budget.

The Board agreed that they did not.

Alderman Wilson and the Board thanked Stephen for his thorough presentation.

**6. Adjourn**

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

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 7:41 p.m.

  
Linda Drummond, City Clerk  
Damien Boley, Mayor