

SMITHVILLE BOARD OF ALDERMEN WORK SESSION

November 21, 2023, 6:00 p.m.
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 6:00 p.m. A quorum of the Board was present: Melissa Wilson, Marv Atkins, Leeah Shipley, Dan Ulledahl, Dan Hartman and Ronald Russell.

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

2. Assessed Valuation and Bond Considerations

Cynthia Wagner, City Administrator, provided a brief introduction. The Board had in-depth discussions in May related to the City's bonding capacity and debt analysis. Staff wanted to make sure and remind the Board of that information and to ensure that everyone has that information. Cynthia noted that this is also the third or fourth time since May that we have discussed ballot initiatives. Continued discussions are needed to ensure that staff has direction on how the Board wants to move forward. There are a lot of pieces of information needed in order to move forward with any ballot initiatives and staff is looking for direction from the Board.

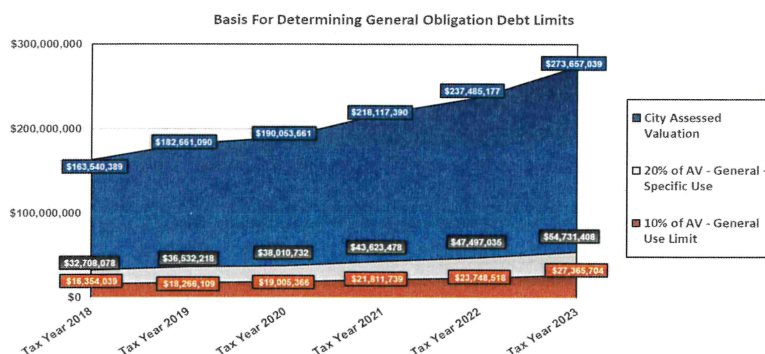
Stephen Larson, Finance Director, gave an update on the City's general obligation bonding capacity and brief overview of how we established the City's debt limits.

Debt Limits – 2 Bucket Analogy

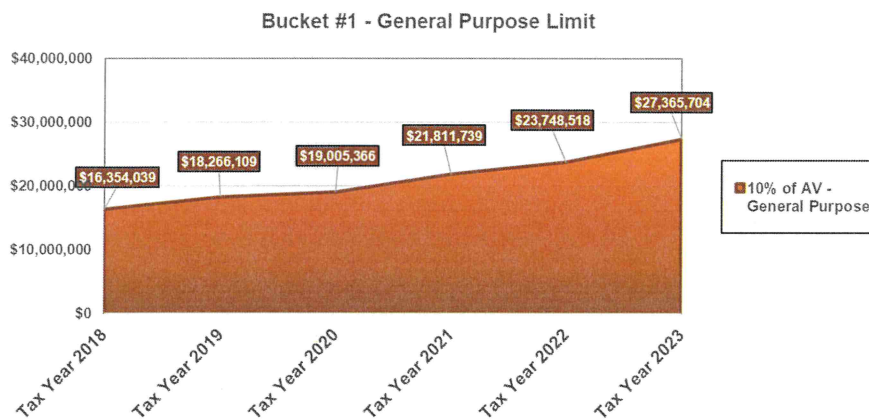
First Bucket: Established for "general purpose" debt. The City debt limit established for general purposes is limited to 10% of assessed valuation. Debt can be used for any municipal purpose. The City is not utilizing any debt in bucket #1.

Second Bucket: Established for "specific municipal uses". A debt limit equal to an additional 10% of assessed valuation is allowed for "purposes of acquiring rights-of-way, construction, extending, and improving streets and or sanitary/storm sewer systems" and for "purchasing or constructing waterworks, electric, or other light plants to be owned exclusively by the City". The City is utilizing debt capacity in bucket #2 for bonds associated with the 2018 election.

General Obligation Debt Limits – By Bucket

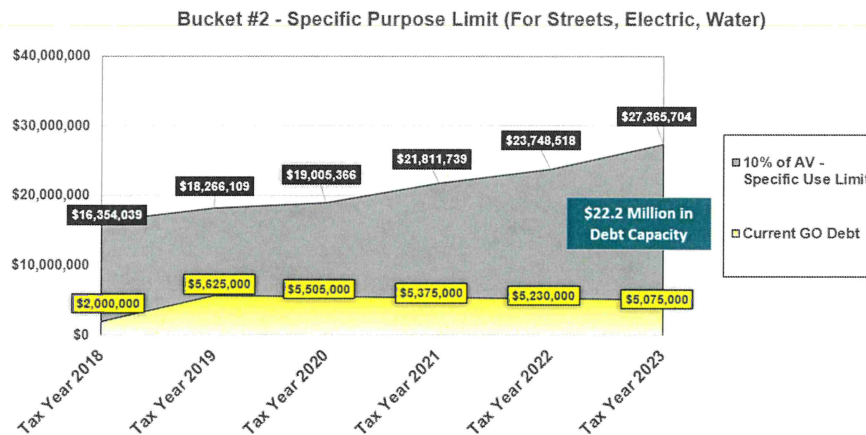


Bucket #1 – General Purpose Debt



The City of Smithville has all of Bucket #1 available for debt issuance, which is equal to \$27,365,704.

Bucket #2 – Specific Purpose Debt



City had general obligation debt totaling \$5,625,000 in 2019 for the following projects:

South Commercial Ave Sidewalks
 180th Street Sidewalks
 Main Street Streetscape
 Amory Road Bridge
 2nd Creek Road Bridge

Stephen explained that you take the limit and subtract the outstanding debt that was issued and that gives you what your actual debt capacity is (shown in yellow) which is \$22.2 million. What is important in terms of the City's potential debt issuance is that capacity in the general-purpose bucket which gives us \$27.4 million to an issuance capacity.

Cynthia noted that the \$27.4 million of total assessed valuation is based on the certified assessor's appraisals of property in the City in 2023. This is how we set our mill levy rate that has to be set and to the county by the last day of October. Cynthia explained that the Board set the tax rate, and based on that tax rate is what then gets assessed on property tax bills for the 2023 tax amount due. Those amounts are due in January of 2024. She noted that is what funds our budget the general mill levy, and we cannot increase it without going to the voters. We actually reduce the general mill levy based on growth and assessed valuation. We can absorb or take the growth in CPI or cola, but, by statute, we cannot absorb that new growth. Cynthia noted that at the Board retreat in May the debt capacity of 10% of assessed valuation was about \$23.5 million. At this time our assessed valuation has increased so the debt capacity has increased to \$27.4 million.

Mayor Boley noted that one of the items discussed for bucket #2 was the raw water pump station, which we ended up being able to pay cash for. He also noted that we are still waiting for final bills for the projects.

Stephen noted that we used ARPA funds to pay for the raw water pump station.

Cynthia explained that we are still waiting for final bills for the project due to the delay in getting material and completing it. She noted that it is part of the budget amendment on the regular session agenda this evening. Cynthia noted that we looked at debt issuance for some of the water and sewer projects and continue to look at the issuance for the 144th Street pump station that will be going out to bid later this year. For those we will be issuing Certificates of Participation (COP). Those are another debt financing source that are funded solely through revenues from water and sewer.

3. Discussion of Potential Ballot Issues

Cynthia noted that at the retreat in May we discussed the Strategic Planning, Comprehensive Planning and Parks and Recreation Master Planning. Looking at all the needs that we have in the community in the coming years and ways to be able to fund those needs. We have ongoing maintenance needs that we try to address through the existing budget and needs to address some of our new growth. As the community grows, those maintenance needs also grow. In the discussion in May and then the Board reiterated again this summer a desire to take to the voters a ballot question in November of this year for a Public Safety half cent sales tax. The revenue from that sales tax would have funded the addition of two police officers, implementation of an animal control program and cost associated with equipment and vehicles for the Police Department. Those funds would enhance and not supplant any existing revenues or resources going toward the Police Department. Cynthia noted that a half-cent sales tax generates about \$700,000 annually. The question went to the voters on November 7 and a simple majority was required to pass. The question failed slightly under that margin. The enabling legislation that was adopted last year granting us the ability to go to the voters for a public safety sales tax includes language that outlines that no proposal pursuant to a question shall go to the voters no sooner than 12 months from the date of the last election. We have to wait a minimum of a year before taking a public safety sales tax back to the voters. The earliest date would be the April 2025 election.

Cynthia asked the Board if they would like to continue the discussion of the Public Safety sales tax.

Mayor Boley said that would be a decision for the future Board at that time and the Aldermen agreed.

Cynthia reviewed the GO Bond issuance for public safety and operations outlined in the memo. In early 2022 we received presentations from the architects that did work on both the police facility needs, public works and parks maintenance needs. The police currently occupy about 2,700 square feet in City Hall with some ancillary storage space outside of City Hall. That houses all of the operations and functions of the police department. The information that was presented in 2022 by the architects looked at growth in the community and what the needs will be for the Police Department for a 20-to-30-year span, to ensure the space to allow that growth in the department. The estimates at that time were just under \$16 million to construct the facility and did not include any animal control facility space. Working with TreanorHL Architects, the ones that completed initial space needs study, the current estimate, based on projects they are seeing and what they have seen in cost escalation, with no change to the scope, for the base level police building would be \$18.8 million. Cynthia noted that through the past year, we have had a lot of discussion with regard to the pound, which is located on the site where the water treatment plant is located. The 2018 Water Master Plan identified the need for expansion of the water treatment plant to meet the service needs of the community. That expansion would basically move or create the need to move the pound. We have had discussions that a standalone facility located with the Police Department could probably cost about an estimate of \$700,000. Those are current dollars, just based on the square footage cost for a basic facility provided by TreanorHL Architects. Staff has talked about that \$18.5 million plus \$700,000 really includes the scope that had been previously discussed with no reductions. Cynthia noted the work that was completed by TreanorHL Architects in 2022 looked at needs into the future and it was based on facility needs not on budgeted resources. The facility also included construction of a community room built to FEMA specifications, so it could be used as a public shelter in event of an emergency and also serve as an Emergency Operations Center for the community in the event of a disaster. We do not currently have a facility built to the FEMA specifications to operate out of.

Cynthia also noted that there is a fitness facility within the building and the finishes are built to withstand intense use. There are some reductions to cost that could occur. Cynthia indicated that staff could also go back to TreanorHL with a budget amount to develop a scaled back design based on that budget as opposed to developing a plan for needs for 20 years down the road.

Alderman Wilson noted that from past experience with a spouse that was in law enforcement, that a police facility was built in Platte County for future needs. When the time came for those future needs they found out that the building that they had done for the future needs did not comply. She said she could understand going out and looking at what is needed in 20 or 30 years but thinks it is going to probably change a lot before

that time. Alderman Wilson suggested seeing if this company could look at something that could benefit us for maybe 15 years instead of going out 30 years.

Mayor Boley noted that there is just shy of four acres of land and a police facility could be added on to in the future. He suggested also looking at our needs now and looking at expanding the facility when the need is there.

Alderman Hartman noted that in less than two years the cost went up to \$18 million. The construction costs are not going down. He said that we have identified a need, it is not a want it is a need. The community is growing. He did the math from 2000 to 2023 and we have had 93% growth. Alderman Hartman noted that we are outgrowing our current facility. Each year that cost goes up.

Cynthia noted that the \$18.8 million estimate is TreanorHL's estimate for fourth quarter 2025 which is about when we would be anticipating construction if we were to move forward with this now.

Alderman Atkins noted that what money we would be saving would probably go toward cost increases.

Cynthia noted that the space study is not the architectural design plans. We have not had them done yet so there would be that cost also. She explained that this information and planning now helps to understand what we may need to be looking at and how we can design something to meet the needs in to the future within a budget.

Mayor Boley asked what the date was to start the water treatment facility expansion.

Cynthia noted that it is scheduled for 2028.

Alderman Russell agreed with Alderman Hartman that this is a need and not a want. He noted that we needed to get creative with the funding. It is his personal opinion that there is not a want for increased debt to the City or an increase in taxes as we saw in the last election. He suggested looking at all available options.

Cynthia said that staff understands this and knows that this is not a small undertaking on how we address those needs is important. That is why we need to have ongoing discussions.

Cynthia noted that expansion of the water treatment facility is scheduled in 2028. The location is also now the home of the pound and the street maintenance facility. Cynthia explained that in 2022 we worked with Bartlett and West and WSK to conduct engineering design work for a combined parks and recreation and public works streets operations facility. At both facilities we have equipment that sits outside, we have limited facilities for support staff, restrooms facilities, locker rooms, ability to clean up after a project and the ability to store the heavy equipment that cost a significant amount of money. The estimated cost in 2022 was approximately \$10 million total, with a first

phase cost of \$7.5 million. Because the facility was cost prohibitive, staff has evaluated alternatives to provide space for expansion and a joint maintenance facility. Cynthia also noted that there has been ongoing conversations with the Corps of Engineers for us to use of some of the space at the Litton Center for administrative functions for public works and parks. Through the conversion with the Corps of Engineers, we are not sure that is a feasible solution for a number of reasons: cost, ongoing maintenance needs and the configuration of the space. Staff is continuing to review options of where we might be able to locate a scaled back project for a maintenance facility to house the equipment and provide maintenance staff restrooms, locker rooms and some renovations to the existing park's office support staff could also use the building. She noted that staff has not worked with an architect on any of those revisions but have gotten potential projects. The current estimate for a redesigned maintenance facility would be about \$5 million and that would include the engineering cost. This would not include moving the public works administrative staff that are located in City Hall. If the police facility was built we would have space available at City Hall to renovate for the administrative staff for public works, development and parks to move there. Development could then use the customer service window off the front lobby for easier access to the building. Cynthia explained that the estimated cost for renovating the west half of City Hall would be about \$750,000. Cynthia noted that with the recent renovation of City Hall we still have issues with the men's restroom and could be expensive to repair and part of the \$750,000 includes addressing that issue. A significant cost for the upgraded work at Smith's Fork Park for the maintenance facility is the grading and utility work. She noted that we could possibly think about leveraging some of the Parks and Stormwater Sales Tax funds for that work.

Mayor Boley noted that some of the issues for our facilities have been brought up by some of the people in the audience. Our streets and parks facilities do not have restrooms for both men and women. We do not have a location for staff to change. He noted that we need to address all of those issues. Mayor Boley explained that the numbers are high but we as a government entity have to pay prevailing wage.

Alderman Hartman noted that our assessed valuation will continue to increase and our ability to borrow will go up. He said as we continue to see these overwhelming projects we have to take some sort of action and present it to the voters and allow them to decide. Alderman Hartman noted that the 5% turn out that we had for the last election was pathetic. He said the continuing to talk about this and debate it was doing no good and that cost were going to continue to go up. He said that the Board needed to make a decision on whether to move forward to give the City the opportunity to fund these projects because it will not be funded with our sales tax or property tax. He suggested the Board move forward and put it on the ballot and let the voters decide.

Alderman Atkins agreed with Alderman Russell about the need to get creative and trying to save money. He noted that he had a feeling staff has been doing that all along. He also agreed with Alderman Hartman that the costs were going to continue to go up and we need to be creative with the money but not \$25 million worth of creativity. He does believe we need to move forward with this.

Mayor Boley noted that we need additional parking spaces here at City Hall just for police alone. He also explained that the 2,700 square feet that now house the police includes office space, evidence rooms, interview room and holding cells.

Mayor Boley asked what the total bond capacity is.

Stephen explained that for the general purpose it is \$27,364,000.

Mayor Boley noted that last time we went out for bond issuance our bond rating came back better so there could be additional funding there. He explained that we would not need to use all of that amount for a bond we would just be going to the voters to ask for the authority for the bond issuance.

Cynthia said that was correct there would be the authority to go up to a maximum number. She said one thing to keep in mind is that debt issuance has a cost. The cost of issuance and the cost of the interest associated with it. Depending upon the size of the issuance, a mill levy to support a general-purpose debt issuance is currently estimated to be between \$0.55 to \$0.60.

Alderman Wilson asked what was dollar amount of issuance that comes with that estimated cost.

Cynthia explained that the \$0.55 would be close to the \$25,250,000 and the \$0.60 would be the full amount of \$27,364,000.

Mayor Boley noted that we also have to not get in to arbitrage situation where we can not spend it fast enough. We would have to do multiple issuances.

Alderman Hartman noted that the voters would be only the residents within the city limits and not the entire Smithville School District. He explained that City has 16 square miles the School District has 78 square miles, and the lake takes up about six square miles.

Cynthia explained that approximately 20% of the Smithville School District is in the city limits of Smithville.

Mayor Boley noted that the School District's mill levy is 12 times our mill levy. He also noted that the city did not collect taxes for 23 years which is why we have infrastructure and maintenance issues now.

Cynthia clarified that we have had a lot of discussions about COP's and utility needs and that is a separate funding source. Utility works is funded through utility rates and not the general fund.

Alderman Wilson said that she understood how small our mill levy is in comparison to the total tax bill. But she can also sit here as an individual of the community and look at her

own total tax bill and raising it is a hard pill to swallow especially when your home value goes up.

Alderman Russell said that the residents have that and also the addition of the 15% increase for the next few years for their water and sewer bills. He noted that he receives a lot of calls from residents concerning this.

Cynthia said that staff completely understand, and it does not fall on deaf ears. We recognize those are costs are passed on to the residents. The one thing that we struggle with as well is as we put the City's budget together is the same thing that are affecting residents are affecting the City. If we could cut those costs, we would but our utility bills are not going down either and neither is the cost of projects. Cynthia noted that it is a struggle, and it is frustrating to have those costs go from \$16 million to \$18 million dollars in the span of a short period of time.

Cynthia explained that during the regular session she will elaborate on the Streetscape Phase III project on North Bridge Street. Staff has been able to leverage other funding sources and we got some good news about what overage on the project were. Cynthia noted that there are funds available for certain things, that are not funds available for others. She explained that typically there is no outside funding for construction of a public safety facility, most of the time that is a community-funded project. Grants are available for other public safety needs and those are the main ongoing operations.

Mayor Boley noted that the Fire District's levy put into effect August 2021, and they are currently \$0.34 higher than the City's 34 mills to be able to staff the additional fire station.

Cynthia explained that staff was not looking for direction from the Board tonight. Staff just wanted to make sure that the information is out there and to get a feel from the Board of what additional information staff can provide to the Board to help in making those decisions. The one thing that we always have to keep in mind is anytime we want to go to take a question on the ballot there is a pretty significant amount of lead time, if we were to look at something for a ballot issue for April of next year it would be certified by the County Board of Election the end of January. So, for the April 2024 ballot the question would have to be certified the end of January. For the August ballot it is May, and November's ballot is August. Cynthia reiterated that staff was not looking for a decision from the Board tonight. Staff will continue to look at ways to be able to address this as well and to find out if they are specific things that Board would like us to look into to be able to provide additional or better information to make decisions.

Mayor Boley noted that Clay County sent out the tax bills so you can go review your tax bills. He asked that people look at the dollar amount you are paying for city taxes are basically the same as what you are paying for the library for those services.

4. Abatement of Nuisance – Proposed Ordinance

Rachel Porter, 639 South Commercial Avenue, spoke to the Board about her home. She explained that she has been cited and she is working to get it taken care of. She

explained that they had a bunch of property come to them when Holloways went out of business. They are working to get storage for it. Ms. Porter said that she knows it is a nuisance. They did have a dumpster donated to them for a couple of weeks and are now trying to get another dumpster, but they do not have the funds at this time.

Jack Hendrix, Development Director, noted that the memo in the packet gave a brief overview of this issue. The State of Missouri has passed several changes over the few years for the code enforcement process. Jack explained what we do currently for an abatement scenario, which is mowing grass or removing trash, etc. The violations is reported or identified by the code enforcement officer and then inspection is completed and documented. The code enforcement officer then sends out a violation that gives 10 days to get it taken care of. There is then a reinspection on day 11, if it still is in violation, an abatement notice goes out that says they have five days to get it done or the city can come in and mow the grass or collect trash and get it cleaned up. A ticket can be issued at that time. Jack noted that we have had very few abatement cases other than mowing grass. They are usually because the property is in foreclosure. He said that he has been with the City for 16 years and we have had in the last 10 years three board-ups of buildings and one of those board-ups also included taking a bunch of trash off the property. Generally, we do not have those kind of abatements, it is mostly mowing grass.

Jack explained that there are new procedures proposed. One of the procedure pertains to when someone has a voluminous amount of trash. Jack noted that he met with our City Attorneys, the City Prosecutor, the Police Chief, Police Clerk and Code Enforcement Officer to figure out what we can do to clean this process up to make it more in accordance with state law. One of the things they decided was to have our attorney John Reddoch craft a draft of what an abatement ordinance would look like. A much more detailed ordinance than we have now applies for dangerous buildings. It would broaden it to incorporate an official process with specific timelines of the abatement and when you go on the property and mow it or go on the property to remove the trash. The proposed ordinance would have a process that would be a 10-day notice of appearing, so as soon as the 10 days have lapsed and they have not cleaned up the trash or mowed the grass, they receive a second letter that says you have a hearing in 10 days to explain why this should not be abated by the city. Staff would then set up the hearing process. That hearing happens, if the person does not show up, their findings will obviously be that there is an abatement necessary, if there's no evidence why an abatement is necessary, it would occur, there would be an order issued and that order issued could be subject to an appeal by that person. This would all be in compliance with the Missouri Administrative Procedure Act.

Jack explained that the purpose of tonight's discussion is to get direction from the Board for this process. The abatement goes out, there is a show cause hearing, who would the Board want to be the person or entity that would handle the show cause. Jack explained that at the show cause evidence is presented that there is a nuisance, the offending party would then have the ability to explain why, there is then an order issued one way or the other based on the results. Jack explained that the attorney's recommendation is that person be the Development Director, the City Administrator, or someone at the staff level.

If the order is issued and the person has the ability to file an appeal of that order, the city attorney's recommendation then is it go before the City Administrator, the Board of Aldermen or an entity the Board wanted to name to process the appeal.

Jack noted that the time frame for abatement being too long is the number one complaint that the City receives from everyone but the ones that receive the notices. This ordinance will extend that timeline for the abatement when you actually get the offense taken care of. The draft ordinance added verbiage that allows one notice at the beginning of the year thereafter, so if they do not mow their grass two weeks, five weeks later you do not go back and start from scratch. You are already at you go mow it and no further notice is required since they have already went through the process and already had the opportunity for an appeal.

Jack asked the Board for direction as to who should handle the first level of the show cause, seeing the evidence, listening to the offending party's reasons and then going from there.

Alderman Russell asked who issues the fines now.

Jack explained that the City does not issue fines, a judge does. The City issue tickets.

Alderman Ulledahl asked if other cities have abatement boards.

Jack explained that some cities do have abatement boards. He noted that according to the city attorney, this process will get the City up to current versions of the state's changes to ensure that we are following state law.

Alderman Atkins suggested the City Administrator evaluate staff by availability or education level and also see what other cities are doing to see who would be the best fit for the show cause of the abatement.

Jack explained that there are two levels the show cause and the appeal that staff is looking for direction from the Board.

The Mayor said that the appeals should go before the Board.

Alderman Ulledahl agreed with the Mayor that the appeals should go before the Board. He noted that for the show cause he feels that there should be either a CIT Officer (Crisis Intervention Team) or a community outreach social worker involved in case there are mental health issues.

Alderman Russell asked if the 52 tickets issued on one property was issued by the City's Code Enforcement Officer.

Mayor Boley clarified that there are 59 cases at Clay County Court at this time.

Jack said they were. The 59 cases that are at Clay County Court that are scheduled for trial now started in 2022 and there are more cases accumulating.

Alderman Russell asked if the Code Enforcement Officer had to go to court for all of these.

Jack explained that even if the case does not go to trial the Code Enforcement Officer has to be in court every time and she has been going to court for 16 months for this case.

Alderman Ulledahl clarified that the Board needed to establish a rough outline for this abatement procedure for the show cause and the appeal will come before the Board.

Jack noted that the show cause is whether the City should take care of the abatement. The violations always go before a Missouri certified judge. Jack explained that with a violation, first you get a door hanger warning that states this is not a citation.

Jack explained that the Code Enforcement Officer would not issue an abatement if, for instance, it has been raining for 15 days and you were unable to mow your yard.

Alderman Wilson said that this is like the last step. We have tried everything, and it has not been resolved.

Jack explained that it does two things. It gives staff clear direction and step on how to get to an abatement. It also brings us up to current state law standards.

Alderman Russell asked if the City would have to clean up the trash from this one resident if the judge ordered it and it would have been resolved by now.

Jack explained that this is separate from what the judge orders. The judge orders fines. He noted that if we had this process and it went through the abatement then yes. In a scenario like this we would have brought it before the Board to get a budget amendment because it would cost several thousand dollars.

Cynthia noted that this would give staff a tool that we do not have right now. Right now, we work through the judicial system. This gives us a process through our nuisance code.

Jack explained that the City does have some abatement in place but nothing as comprehensive as this that sets up a specific procedure and sets up a hearing date. This will also give the person the opportunity to explain the reasons.

Alderman Wilson suggested that maybe the Development Director take the first steps in the abatement and then work with the CIT Officer through the process before it came before the Board for the final decision.

Jack explained that if someone comes in and looks like they are in distress the procedure is to get a CIT Officer that know how to handle that type of situation.

Alderman Wilson asked what about the times that you might not be able to identify they are in distress. Would it not be better to have the Development Director and a CIT Officer.

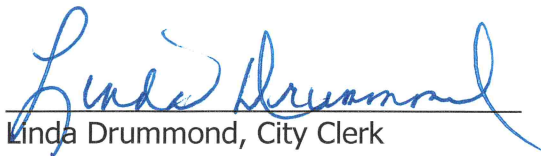
Jack noted that it would depend on the abatement issue. If the person is over 65 years of age we could get Senior Services involved. There may be times that Public Administrator would need to get involved. These all depend on how the Board directs staff to address them.

Mayor Boley asked that staff bring the Board recommendations for the show cause. The Board all agreed. The Board also agreed to the appeals coming before them.

5. 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 7:09 p.m.


Linda Drummond, City Clerk
Damien Boley, Mayor