

	STAFF REPORT
Date:	August 28, 2023
Prepared By:	Stephen Larson, Finance Director
Subject:	FY2024 Proposed Operating & Capital Budget

Developing the Proposed FY2024 Budget

The FY2024 Proposed Budget was developed in conjunction with the Board of Aldermen. On May 17, 2023, the Board held a retreat and received a presentation from staff. From that retreat, the Board identified funding priorities such as retirement, compensation, and City infrastructure and identified revenue solutions to address these needs. Ballot initiatives and timing were subjects also discussed.

FY2024 Total Fund Summary

Below is a total proposed revenue and total proposed expenditure summary for the FY2024 Proposed General Fund budget for the sixteen budgeted funds. The total proposed revenue budget for FY2024 is \$24,853,558 and the total proposed expenditure budget for FY2024 is \$29,661,867. Across all funds, it is anticipated that the total fund balance that will be used is \$4,808,309.

	2024 Projected Beginning Balance	2024 Proposed Revenues	2024 Proposed Expenditures	2024 Projected Ending Balance
General Fund	3,262,490	6,262,486	6,620,790	2,904,186
Capital Improvement Sales Tax Fund	554,679	1,240,750	1,761,340	34,089
Capital Projects Fund	183,729	40,000	-	223,729
Combined Water/Wastewater Fund	5,896,635	12,243,600	15,775,117	2,365,119
Debt Service Fund	267,739	357,830	351,333	274,236
Park and Stormwater Sales Tax Fund	983,800	933,750	931,000	986,550
Sanitation Fund	57,974	938,757	931,805	64,925
Marketplace TIF (Allocation) Fund	1,635,910	868,446	1,179,800	1,324,555
Commons CID Fund	137,351	396,592	413,916	120,027
Transportation Sales Tax Fund	103,872	1,168,950	1,244,140	28,682
Vehicle And Equipment Replacement Fund	210,780	374,398	423,547	161,631
Donation Fund	9,109	21,000	15,000	15,109
Judicial Education Fund	3,447	-	3,447	-
Technology Upgrade Fund	632	-	632	-
DWI Recovery Fund	6,612	4,000	5,000	5,612
Police Training Fund	4,538	3,000	5,000	2,538
Grand Total	\$ 13,319,296	\$ 24,853,558	\$ 29,661,867	\$ 8,510,987

The City is anticipating using fund balance on planned capital improvement projects in both the CWWS (Combined Water & Wastewater) Fund and the General Fund. In the

General Fund, it is anticipated that \$358,304 will be used in fund balance. This is due to additional budget enhancements and increased capital improvement project spending (such as the funding for 1st & Bridge Street Engineering).

In the CWWS Fund, there are numerous capital improvement projects that will reduce fund balance, including the construction of the Stonebridge Lift Station (at a budget of \$1,500,000) and Water Treatment Plant Improvements (at a budget of \$900,000). In the CWWS Fund, it is anticipated that \$3,531,517 will be used in fund balance.

In the Capital Improvement Sales Tax Fund, fund balance will be used to pay for Streetscape Phase III as well as funding the beginning of three engineering contracts for the Riverwalk & Trail, 2nd Creek Sidewalks, and 1st & Bridge Street Round-A-Bout. In this fund, it is anticipated that there will be \$520,590 used in fund balance.

General Fund Revenues

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	390,725
Intergovernmental Revenues	388,676	402,872	479,652	491,420
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	294,500
Other Revenue	68,180	29,595	54,175	31,170
Transfers In	227,148	280,860	281,160	285,550
Total Revenues	\$5,540,256	\$5,466,340	\$6,210,118	\$6,262,486

General Fund Expenditures

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	566,405	247,250
Contractual Services	580,498	629,630	520,257	531,620
Transfers Out	155,000	35,000	35,000	197,000
Total Expenditures	\$5,853,699	\$6,460,310	\$6,372,849	\$6,620,790

Key Revenue and Expenditure Assumptions for FY2024

The budget was developed using the following assumptions:

FY2024 Proposed Budget

- **Ad Valorem Property Tax:** For the FY2024 revenue budget, staff are forecasting a 4.5% Increase in Ad Valorem Property Tax from the FY2023 projected collections. Smithville continues to add new commercial businesses, which carry a higher assessment factor than residential homes. The addition of these businesses will continue to play a significant role in boosting the Cities earnings of property tax.
- **1% City Sales Tax:** For the FY2024 revenue budget, staff are forecasting a 9.3% Increase in City Sales Tax from FY2023 projected collections. This includes the impact of the Marijuana 3% Sales Tax, as there is one marijuana dispensary in the City of Smithville and this 3% recreational sales tax will be routed into the sales tax line item. In addition, Smithville is experiencing surging commercial growth which will continue to positively impact sales tax collections.
- **City Use Tax:** For the FY2024 revenue budget, staff are forecasting a 2.0% increase in City Use Tax from FY2023 projected collections. Online internet sales have been inconsistent from month to month (as of recent). Finance staff remain optimistic that there will be continued growth in use tax earnings.

FY2024 Proposed Budget

- **CPI Compensation Adjustment – 3% Increase** effective November 1, 2023, for all staff. The City's long range five-year financial forecast for the General Fund includes a 3% CPI adjustment assumption for employees.
- **New Audit Services Contract –** Staff received pricing from CliftonLarsonAllen on a new three-year audit services contract and pricing has increased \$14,000 annually from the final year of the previous contract to the first year of the newly proposed contract.
- **Health Insurance Premiums –** Staff have received information from Mike Keith that health insurance premium expenses are expected to go up 15%.

During the budget process, department directors submit budget requests for funding. Each of these expenditure assumptions have an impact on the General Fund and all

assumptions listed above, except for the audit services contract, have a fiscal impact on the CWWS (Combined Water & Wastewater) Fund.

FY2024 Departmental Requests - Funded

- **\$5,000** for Year 4 of Financial Support for the Main Street Program: The budget includes \$5,000 for Year 4 of support for the Smithville Main Street Association which was created to provide marketing and educational support for the revitalization of Downtown Smithville.
- **\$10,000** for Chamber of Commerce & City Agreement: This agreement between the City and Chamber of Commerce will provide financial resources to ensure there are business development tools and services available to local businesses and Smithville business merchants and citizens.
- **\$5,000** for Additional City-Wide Department Training: These resources allow for City employees to achieve additional certifications and licensing as well as attend regional and national seminars and conferences, all in the effort to build on the professionalism and knowledge current employees have.
- **\$5,000** for a Laptop Replacement Program: Many of the City's laptop computers were last replaced with CAREs funding during the COVID-19 pandemic, or earlier. This funding creates a laptop replacement plan which allocates \$5,000 to departments on an annual basis going forward.
- **\$10,000** for a New City Website: The Board of Aldermen directed staff to research and find ways to improve the City website or explore website upgrades/enhancements to streamline citizen functions and interactions.
- **\$3,500** for Employee Wellness Programming: Staff are proposing to enhance the City's employee wellness programming which includes walking challenges, "Lunch and Learns", and CPR Training events.
- **\$2,500** for a Citizens Academy: Staff are proposing to create a citizen's academy which informs and educates citizens on the City's core functions, including Police, Parks & Recreation, Public Works, and Finance.
- **\$25,000** for the 2024 Neighborhood Beautification Grant Program: The purpose of this program is to provide funding to applicants to complete projects that beautify and enhance the public spaces within the City's neighborhoods.

- **\$100,000** for Downtown Wayfinding & Signage: The City contracted with KMA Design for the development of Signage guidelines. The next step is to allocate annual funding for the implementation/installment of wayfinding signs and pedestrian kiosk stations.
- **\$6,000** for Police Ballistic Vests Replacement: The Police Department continues to replace upcoming “out of warranty” equipment and plans to replace three ballistic vests in 2024 for Police Officers.
- **\$6,000** for Mental Health Wellness Checks: Mental health wellness checks will be required by the State of Missouri to address Police Officers coping with stress and potential psychological trauma resulting from responses to critical incidents or emotionally difficult events.
- **\$13,000** for Replacement of Mobile Data Terminals (Patrol In-Car Computers): The Police Department is completing the 2nd half of the MDT (Mobile Data Terminal) In-Car Computer Replacement Program. These computers are used by Police Officers inside the Patrol cars.
- **\$29,250** for a Lease Purchase Option for Streets Department Skid Steer: The Board of Aldermen approved a Five-Year Lease for a John Deere 330G Skid Steer and the Street Department proposes to go ahead and purchase the equipment. The purchase option will be available in 2024.
- **\$50,000** of \$150,000 for a Portion of 1st & Bridge Street Round-A-Bout Engineering: This CIP Project addresses navigation issues, pedestrian crossing issues, and safety problems at the intersection of Bridge Street, Hilltop Street, and East 1st Street.
- **\$46,000** for the Annual Lease of a Tractor & Boom Mower: The current Streets tractor/mower has experienced mechanical/electrical issues making the equipment unreliable to use. Staff are electing for a Five-Year Municipal Lease Option with an estimated \$46,000 annual lease cost to acquire the tractor/mower.
- **\$12,500** for South Employment Overlay District Planning: The Smithville Comprehensive Plan 2030 identifies three separate “Overlay” districts to help bolster the local economy. Impacted property owners would work with the City and the selected consultant to develop a conceptual plan. This action would commence in early 2024.

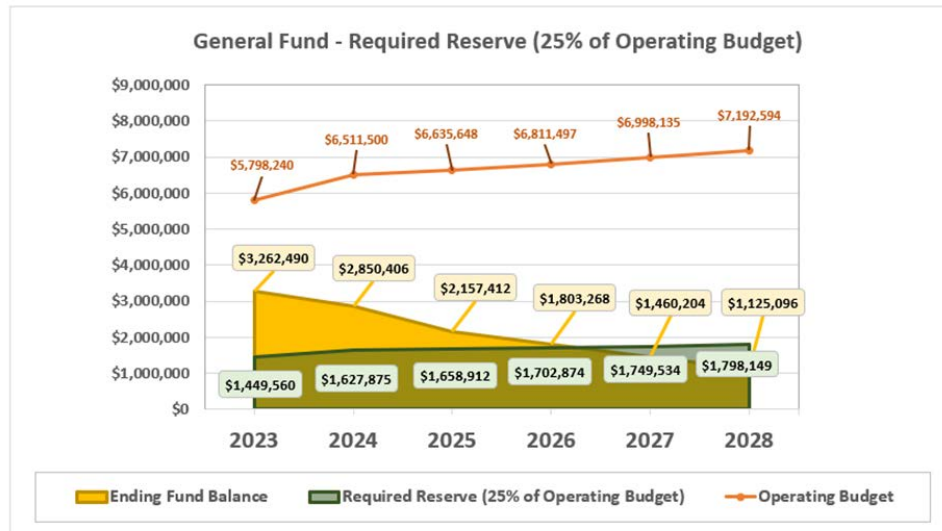
- **\$20,000** for a Parks & Recreation UTV Side-By-Side: The current Parks & Recreation Kubota UTV has a critical engine issue which is projected to cost the department \$9,000 to fix. Since the UTV was manufactured in 2005, staff are proposing to replace the vehicle because of the age and depreciation of the asset.

LAGERS Program Enhancement Analysis

As the Board is aware, review of compensation and retirement benefits is a priority that came out of the Board retreat. Based on survey information and follow-up meetings with staff, enhancement to retirement benefits is a priority for the bulk of city staff. Refined cost estimates to implement changes to retirement benefits were received in early August. Review of this information indicates that the cost to implement an enhancement to the benefit multiplier without affecting employee contribution is less than originally anticipated, with no change to employee contribution levels. However, this cost is more than the budget can support at this time.

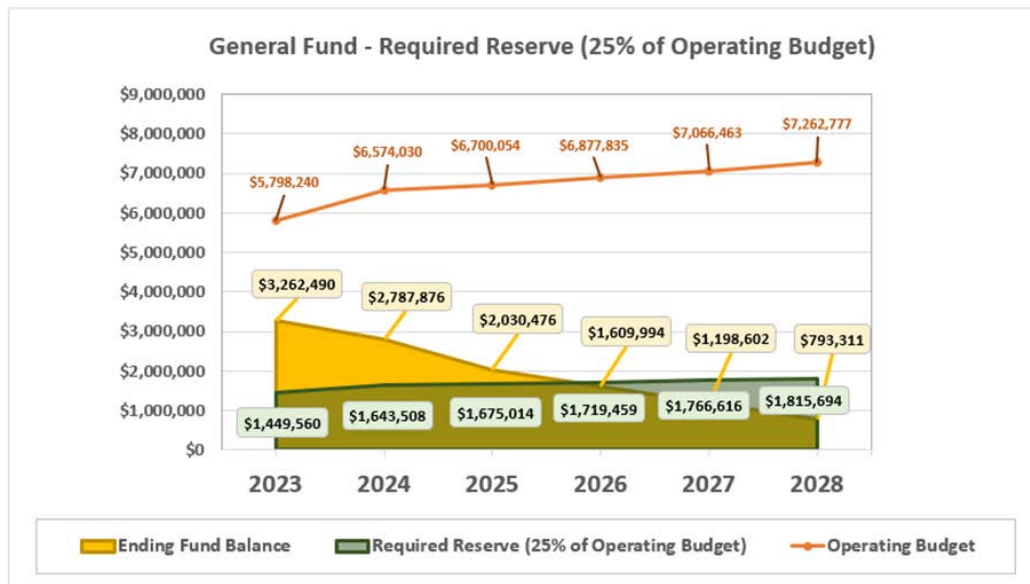
Staff have also developed long range forecast/cashflow projections for the General Fund based upon upgrades to the City's LAGERS Retirement Program.

Below is the long-range forecast/cashflow projection for the upgrade to the LAGERS L-12 Retirement Program with a 4% Rate Employee Contribution:



In the chart above, the projected cashflow would be expected to be depleted below the City's 25% required reserve level (shown in green) by the end of FY2026.

Below is the long-range forecast/cashflow projection for the upgrade to the LAGERS L-12 Retirement Program with a 2% Rate Employee Contribution:



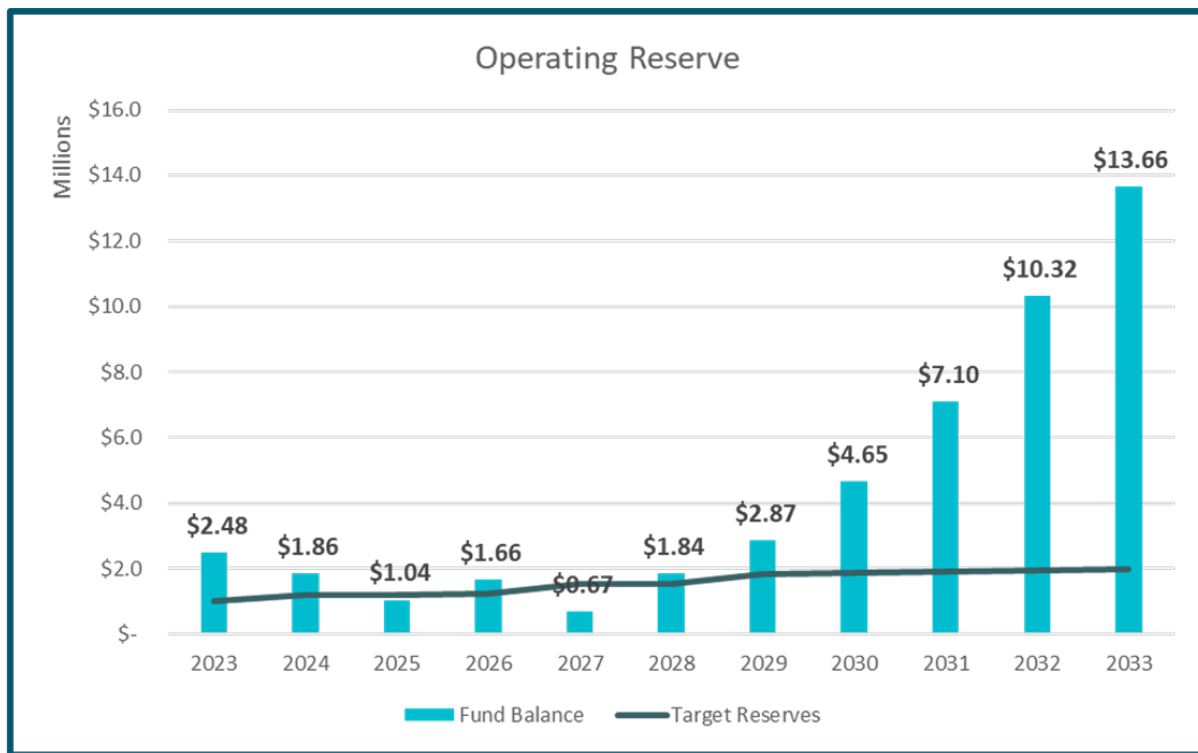
In the chart above, the projected cashflow would be expected to be depleted below the City's 25% required reserve level (shown in green) during the FY2026 budget year and finish below the required level at the end of the fiscal year.

Based on the current forecast of the City's General Fund, it is recommended that the FY2024 Budget not include changes to employee retirement. Enhancements to retirement are recommended to be revisited after the review of the first quarter performance of the FY2024 Budget. This recommendation is based on employee feedback favoring the enhancements to the LAGERS benefit and the consideration of maintaining the compensation increases provided with the CPI adjustment. This recommendation will be discussed at the Board of Aldermen on Monday, August 28, during the discussion of the FY2024 Budget.

CWWS Fund Summary

Given the five-year capital plan, and current year operational budget, the CWWS Fund general operating reserve is shown in the graph below. These projections are updated monthly in conjunction with the General Fund forecast update, and each year, the utility rate model, which was provided by Raftelis Financial Consultants, is updated annually during the budget development process.

In addition, the projections shown below are also contingent on the completion of the CWWS Fund projects shown in the CIP. As Public Works staff provide updates and communication to the Finance Department about project delays and project completions, Finance will update the forecast, and eventually, the utility rate model, with that information.



Reserve levels are expected to drop to a level of around \$670,000 in FY2027, which is slightly below the target reserve level (shown in the dark blue line going across the chart horizontally). This operating reserve chart includes rate increase assumptions going forward to fund operational expense increases and capital project expenses. Rate adjustments would be applicable for both water volume and base charges and wastewater volume and base charges.

Requested Additions in the CWWS Fund

Below is a listing of the requested additions within the CWWS Fund that were submitted during the budget process. These additions are critical for the Utilities Department in carrying out their commitment to providing consistent water and wastewater services to the utility customers of Smithville.

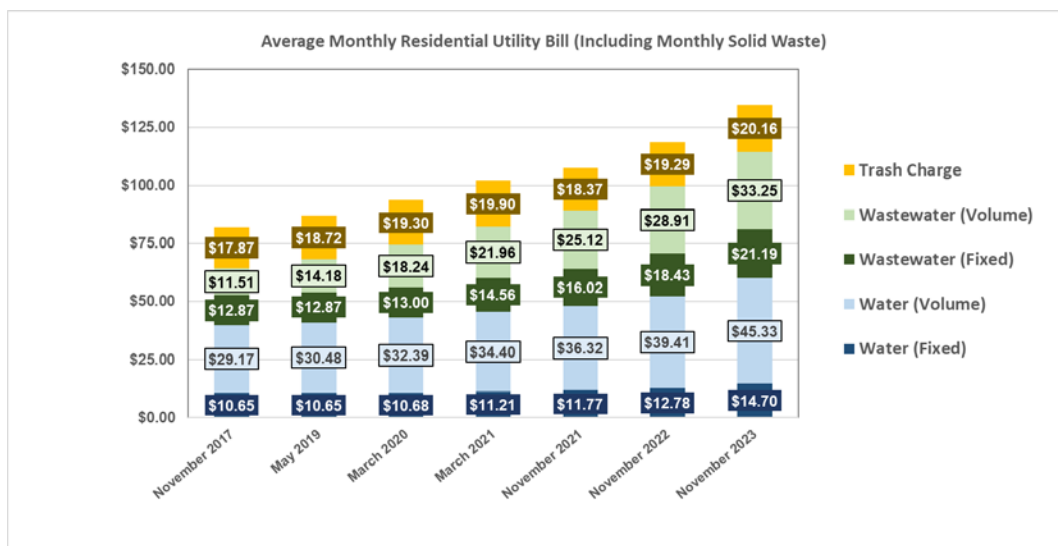
- \$62,000 Annually** for a Wastewater Treatment Plant Operator: With staffing for the Wastewater Treatment Plant has not been increased since 2004, the Utilities Department is requesting the addition of a Wastewater Treatment Plant Operator. This position would work towards improving lift station maintenance, sewer camera/videoing, hydrant/valve exercising, gathering GIS location data, and fire hydrant replacement. As the City has grown, daily wastewater workload has increased, which calls for an additional FTE.

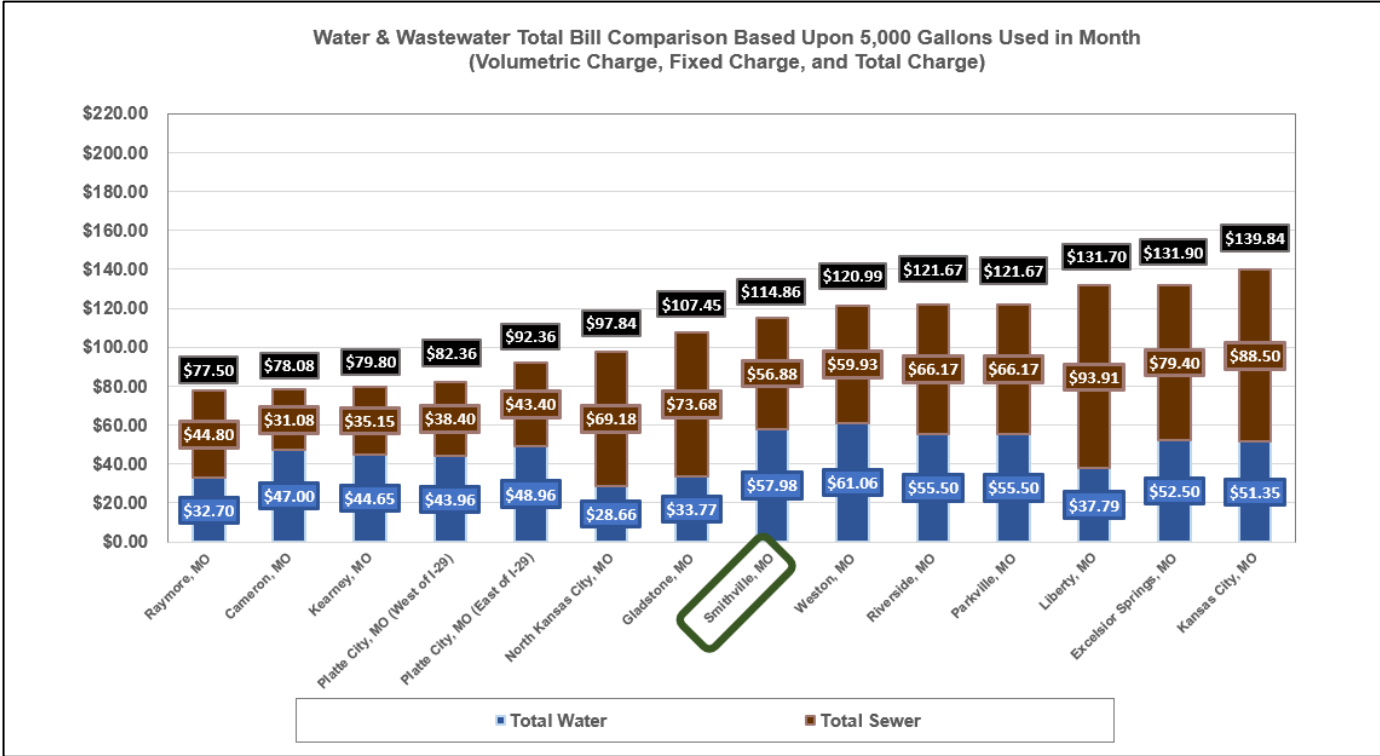
- **\$200,000** for a Sewer Jetter Machine: The Utilities Department is requesting a new setter jetter to clean clogged sewer lines, perform preventative maintenance, and clean up streets after water breaks occur. The current jetter is over 20 years old and has 1,100 hours of run time and has required four pump rebuilds. If the jetter is not functioning properly, the City must hire a company to clean the sewer lines (which typically costs about \$1,000 each time to clean a line). The jetter was identified for replacement in the City's long-term equipment replacement plan.
- **\$10,000** for Field Gymmy Tires/Hydraulic Cylinder Repair: During the development of the FY2024 proposed budget, Utilities staff evaluated the lifespan of the City's sludge applicator, which was determined to be 40 years old. Right now, the sludge applicator is about 20 years old, so the applicator has half its life remaining. However, the applicator does need routine maintenance which would include the replacement of the applicator's four tires and replacement/rebuilding of some hydraulic cylinders.
- **\$11,500** for Lab Equipment: Staff from the Water Treatment Plant requesting funds to purchase a Laboratory Laser Turbidimeter for \$5,200. The current turbidimeter was purchased in 2011 and replacement parts for the machine are now obsolete. In addition to this request, utilities staff are also requesting a backup titrator for \$6,300. The utilities department is required by the State of Missouri to test for chlorine dioxide and chlorite daily and the department does not have a reliable backup instrument if the current titrator fails.
- **\$8,000** for Water Treatment Facility Lighting Replacement: In 2023, a portion of the existing lighting at the WTP was updated to more energy efficient LED fixtures in the high service pump area, pipe gallery, and Morton building. Utilities staff would like to update the remaining lighting to reduce maintenance costs and provide energy savings.
- **\$20,000** for Water Treatment Plant HVAC System Replacement: The current HVAC system at the WTP was installed in 1993 with the expansion of the treatment facility. The current HVAC system is undersized for the needs of the facility. Staff have been using portable heaters during the winter and portable air conditions in the summer months to help maintain comfortable temperatures in the laboratory area.

Utility Rates - Monthly Cost Impact on Customer Utility Bill

On July 18, 2023, staff presented the proposed utility rate changes to the Board of Aldermen for initial consideration. These rate changes are necessary to continue funding CWWs Operations, ongoing Capital Projects, and equipment/capital outlay requests mentioned above. Staff are proposing a 15% increase to water monthly fixed rates and volume rates and a 15% increase to wastewater monthly fixed rates and volume rates.

The monthly cost impact for the average residential utility bill is presented in the chart below. This is based upon *data gathered from the utility billing system* for the average residential monthly water usage and average residential monthly wastewater usage.





In addition, a jurisdiction comparison chart indicating water and wastewater charges for a 5,000-gallon user is presented below. Five thousand gallons is selected as a flat, round, comparable friendly number because some jurisdictions charge by cubic feet for water used, rather than gallons used.

As seen in the chart, Smithville continues to be competitive with surrounding jurisdictions. As of now, towns and cities which are geographically close to Smithville, such as Weston, Riverside, and Parkville, have higher cost utility bills when considering a monthly usage amount of five thousand gallons.

Proposed FY2024 - Sanitation Fund

Staff are proposing to increase the monthly trash & recycling fee rate from \$19.29 per month to \$20.16 per month, which is a 4.5% increase to the monthly trash charge. During price negotiations, it also should be noted that staff were able to secure no proposed price increase for senior citizens, meaning the rate senior citizens pay will remain at \$16.40 per month. Changes in the trash charge over time can be seen in the monthly bill impact chart.

Capital Improvement Plan Highlights

Projects slated for 2024 in the Five-Year CIP are outlined below.

General Fund

- Downtown Wayfinding Signage Installation
- 1st & Bridge Street Round-A-Bout Engineering

Combined Water & Wastewater (CWWS) Fund

- Interconnect Mains at 144th Street/169 Highway
- Highway 92 & Commercial Waterline
- 144th Street Lift Station
- West Bypass of the 144th Street Lift Station
- Maple Lane & River Crossing (12" Waterline)
- Smith's Fork Force Main
- McDonalds/Central Bank Lift Station
- Smit's Fork Park Waterline
- Headworks Bar Screen
- Stonebridge Lift Station
- Water Treatment Plant Improvements

Transportation Sales Tax Fund

- Annual Asphalt Overlay Program
- Annual Sidewalk Replacement Program
- Commercial Street Sidewalks

Capital Improvement Sales Tax Fund

- Downtown Streetscape Phase III
- Riverwalk Park & Trail Engineering
- Second Creek Sidewalk Engineering
- 1st & Bridge Street Round-A-Bout Engineering

Park & Stormwater Sales Tax Fund

- Emerald Ridge Neighborhood Park
- OK Railroad Trail – Phase I
- Stonebridge Stormwater Improvements – Engineering and Construction

Concluding Remarks

The FY2024 budget development process includes an optional budget discussion for September 5, 2023, if the Board desires more information or wants additional time to discuss the budget for decision making purposes. The next step after the optional discussion would be budget adoption on October 17, 2023.

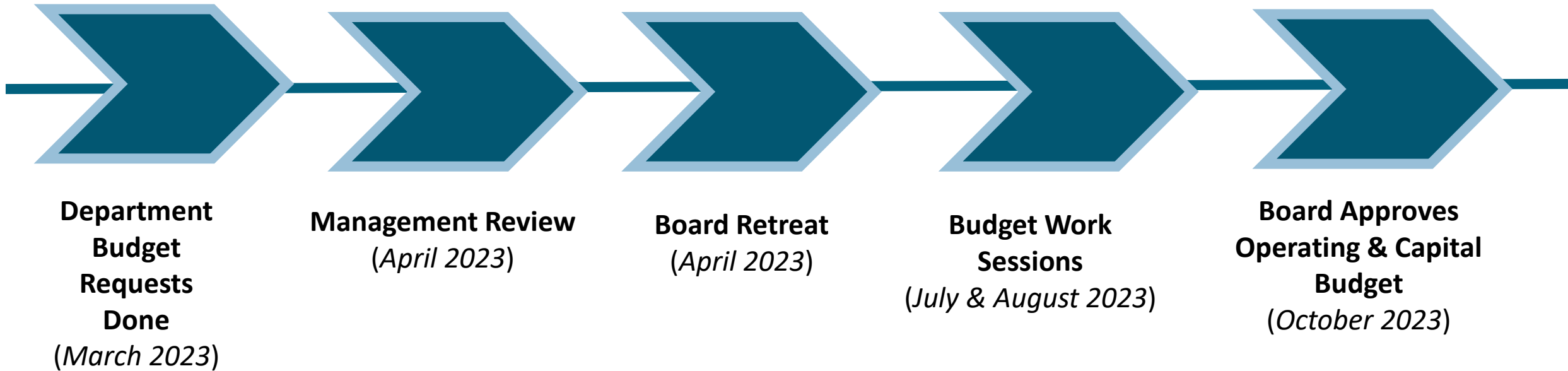


*City of
Smithville*

8/28/2023

**FY2024 Proposed Operating Budget
&
Five Year CIP
August 28, 2023**

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**

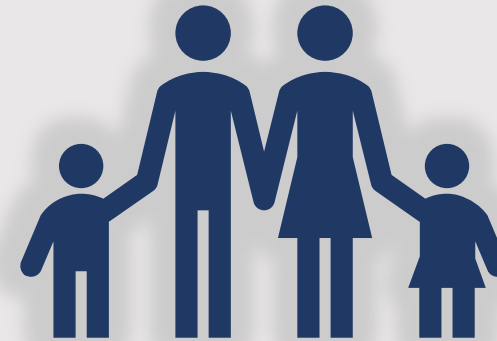
Funds Delivered - ***August 2018***

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

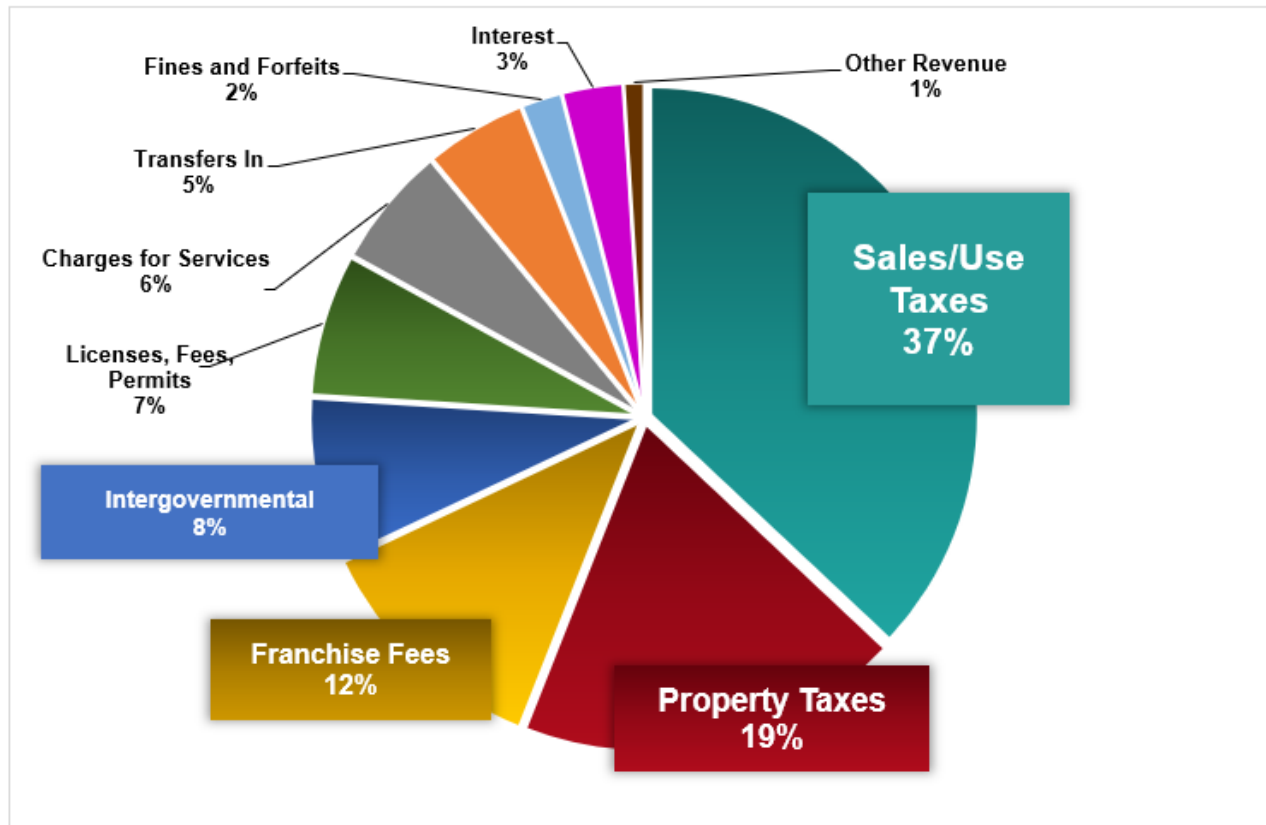


Proposed FY2024 General Fund Revenue Summary

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
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Transfers In	227,148	280,860	281,160	285,550
Total Revenues	\$5,540,256	\$5,466,340	\$6,210,118	\$6,262,486

❑ **0.84% increase** in total revenues from Projected FY2023 to Proposed FY2024.

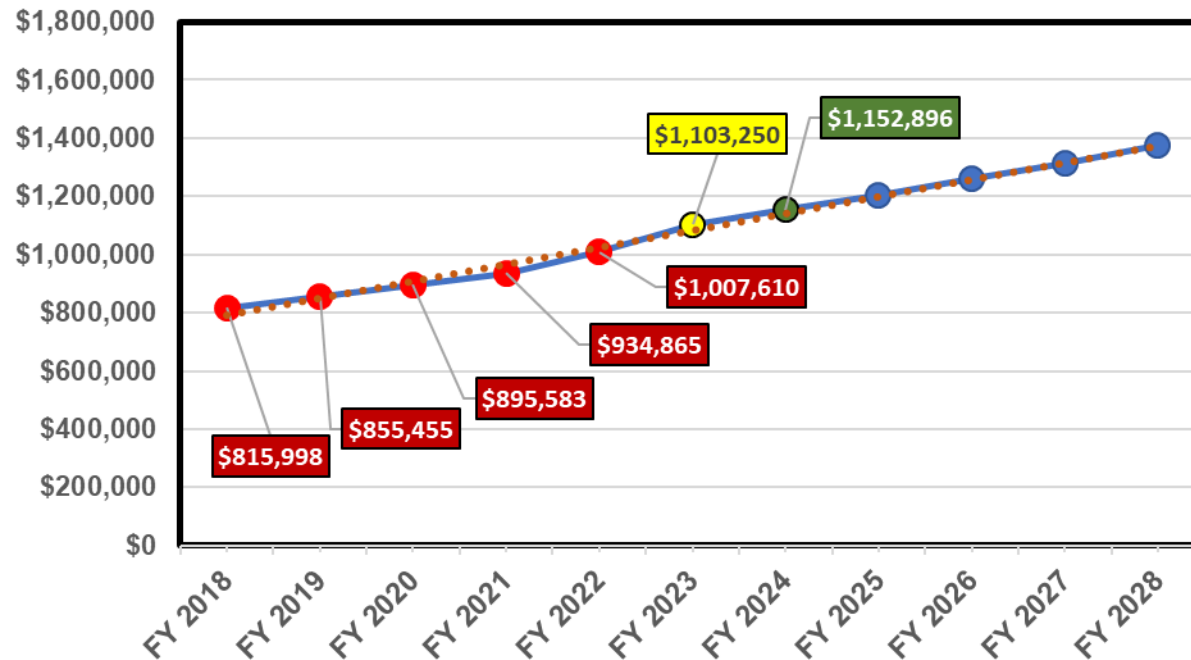
Proposed FY2024 General Fund Revenues by Category



- ☐ 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

Ad Valorem Property Tax - Trendline



4.50% Property Tax growth assumption
(based upon FY2023 projections).

RED: Previous Year Actuals

YELLOW: FY2023 Projected

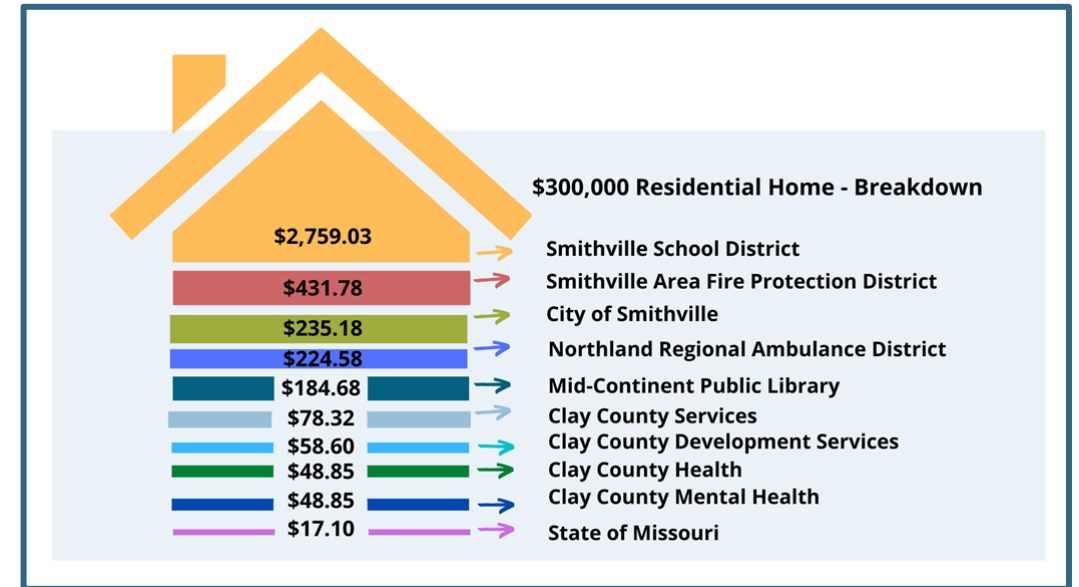
GREEN: FY2024 Proposed

BLUE: Projected FY2025 and Beyond

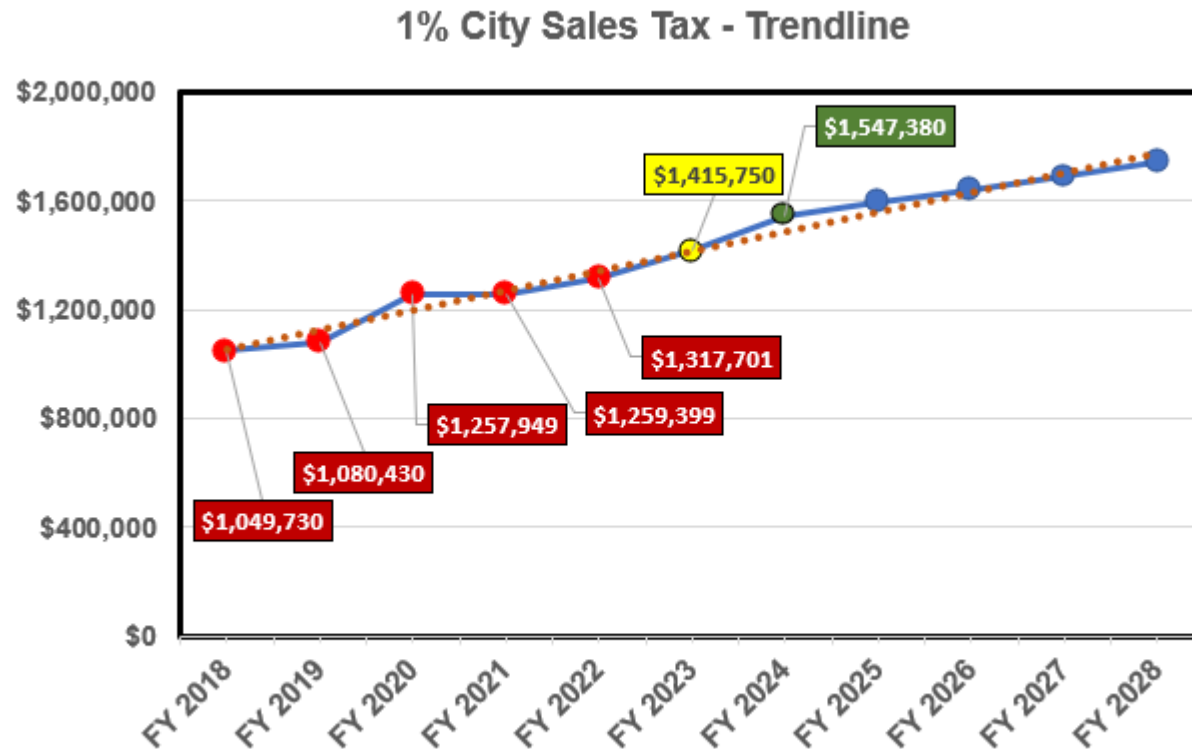
City Financial Profile – Tax Structure

	2022 Tax Levy Rate
Smithville School District	4.8404
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
Grand Total Levy	7.1701

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



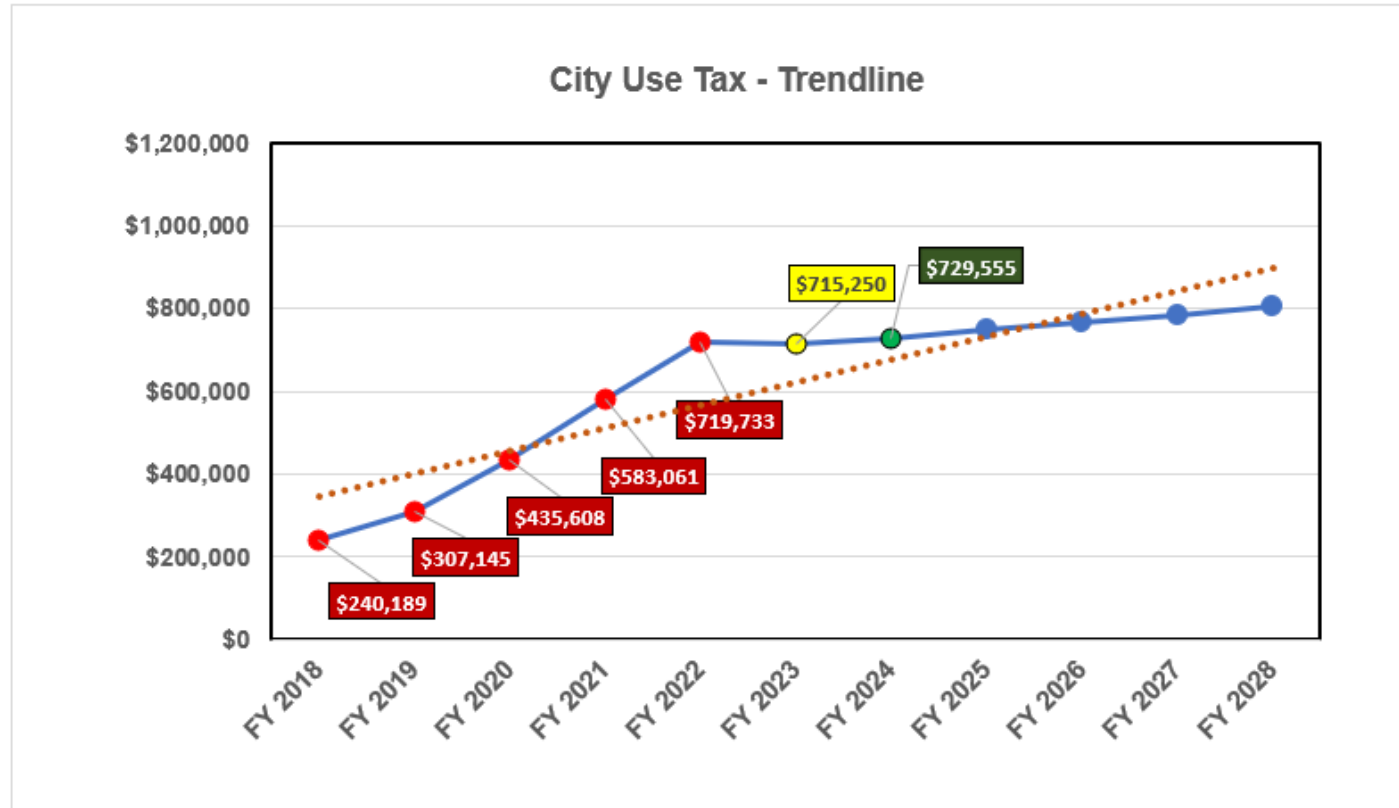
Proposed FY2024 General Fund City Sales Tax



- ❑ **9.3%** City Sales Tax growth assumption (based upon FY2023 projections).
- ❑ FY2024 increase assumption includes revenues attributable to the 3% *Retail Sales Tax on Recreational Marijuana* (approved by the voters April 4, 2023).
- ❑ Collections will be effective October 1, 2023

- ❑ **RED:** Previous Year Actuals
- ❑ **YELLOW:** FY2023 Projected
- ❑ **GREEN:** FY2024 Proposed
- ❑ **BLUE:** Projected FY2025 and Beyond

Proposed FY2024 General Fund City Use Tax



□ **2.0%** City Use Tax growth assumption (based upon FY2023 projections).

□ **RED:** Previous Year Actuals

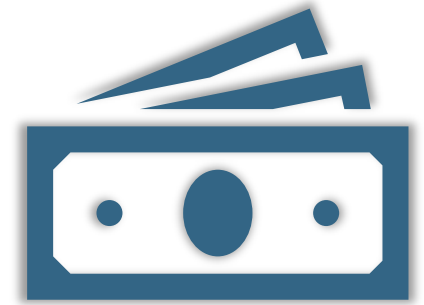
□ **YELLOW:** FY2023 Projected

□ **GREEN:** FY2024 Proposed

□ **BLUE:** Projected FY2025 and Beyond

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

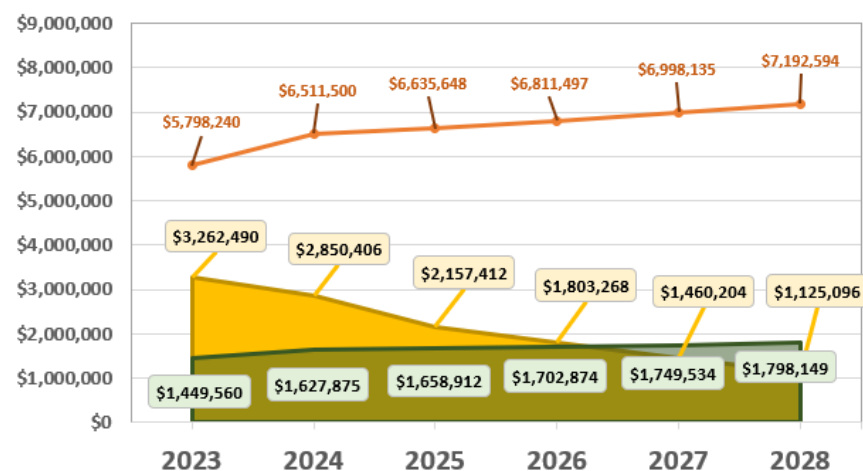
- Employees Survey
- Employee Meetings
- Long Term Budget Impact
- Ongoing Review

Retirement Program Scenarios

Long Range Financial Modeling

LAGERS L-12 Program Upgrade
4% Rate Employee Contribution

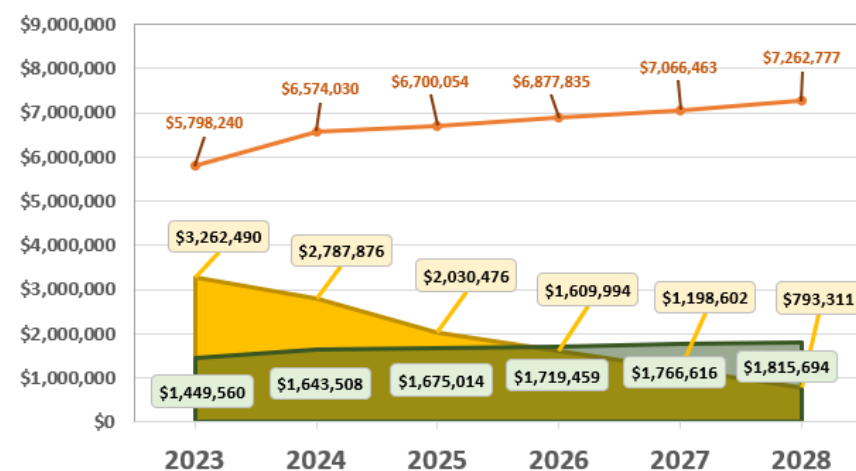
General Fund - Required Reserve (25% of Operating Budget)



Ending Fund Balance Required Reserve (25% of Operating Budget) Operating Budget

LAGERS L-12 Program Upgrade
2% Rate Employee Contribution

General Fund - Required Reserve (25% of Operating Budget)



Ending Fund Balance Required Reserve (25% of Operating Budget) Operating Budget

FY2024 Proposed General Fund *Funded Requests*

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



FY2024 Proposed General Fund *Funded Requests*

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



4th Street & 4th Terrace Change Order



Mailboxes Located at Spelman Drive

4th Street & 4th Terrace Change Order

Proposed Plan



4th Street & 4th Terrace Change Order

Relocation of Mailboxes to
the West Side of Spelman



Current Location



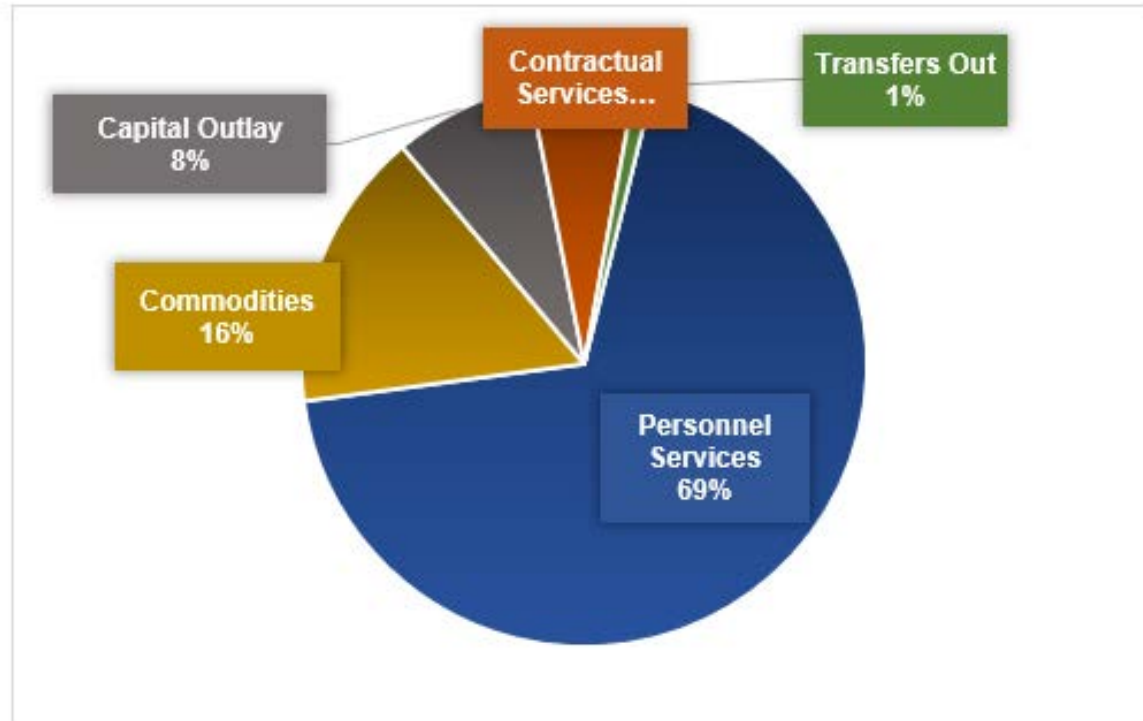
Proposed Plan

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	566,405	247,250
Contractual Services	580,498	629,630	520,257	531,620
Transfers Out	155,000	35,000	35,000	197,000
Total Expenditures	\$5,853,699	\$6,460,310	\$6,372,849	\$6,620,790

- ❑ **3.89%** increase in total expenditures from Projected *FY2023* to Proposed *FY2024*.

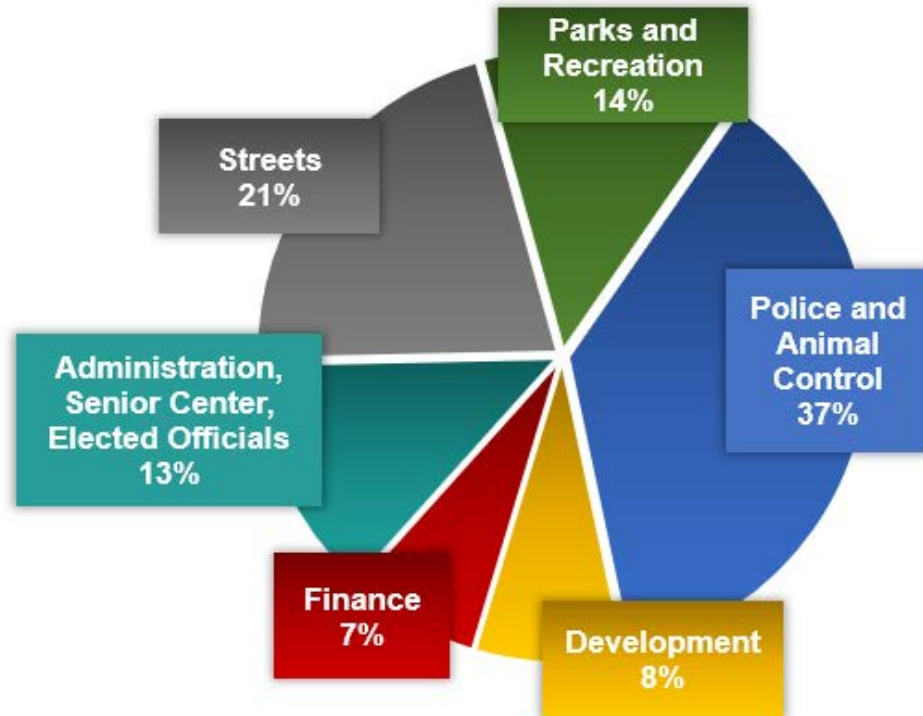
FY2024 Proposed General Fund Expenditures by Category



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

- ❑ Full Time Salaries
- ❑ Health Insurance Premiums
- ❑ FICA
- ❑ LAGERs 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 st & 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 nd Creek Bridge Sidewalks (30% of Construction)	-	\$250,000	-	-	-
Riverwalk Park & Trail (10% of Construction)	-	\$200,000	-	-	-
Grand Total (Net Cost)	\$150,000	\$700,000	\$100,000	\$100,000	\$100,000

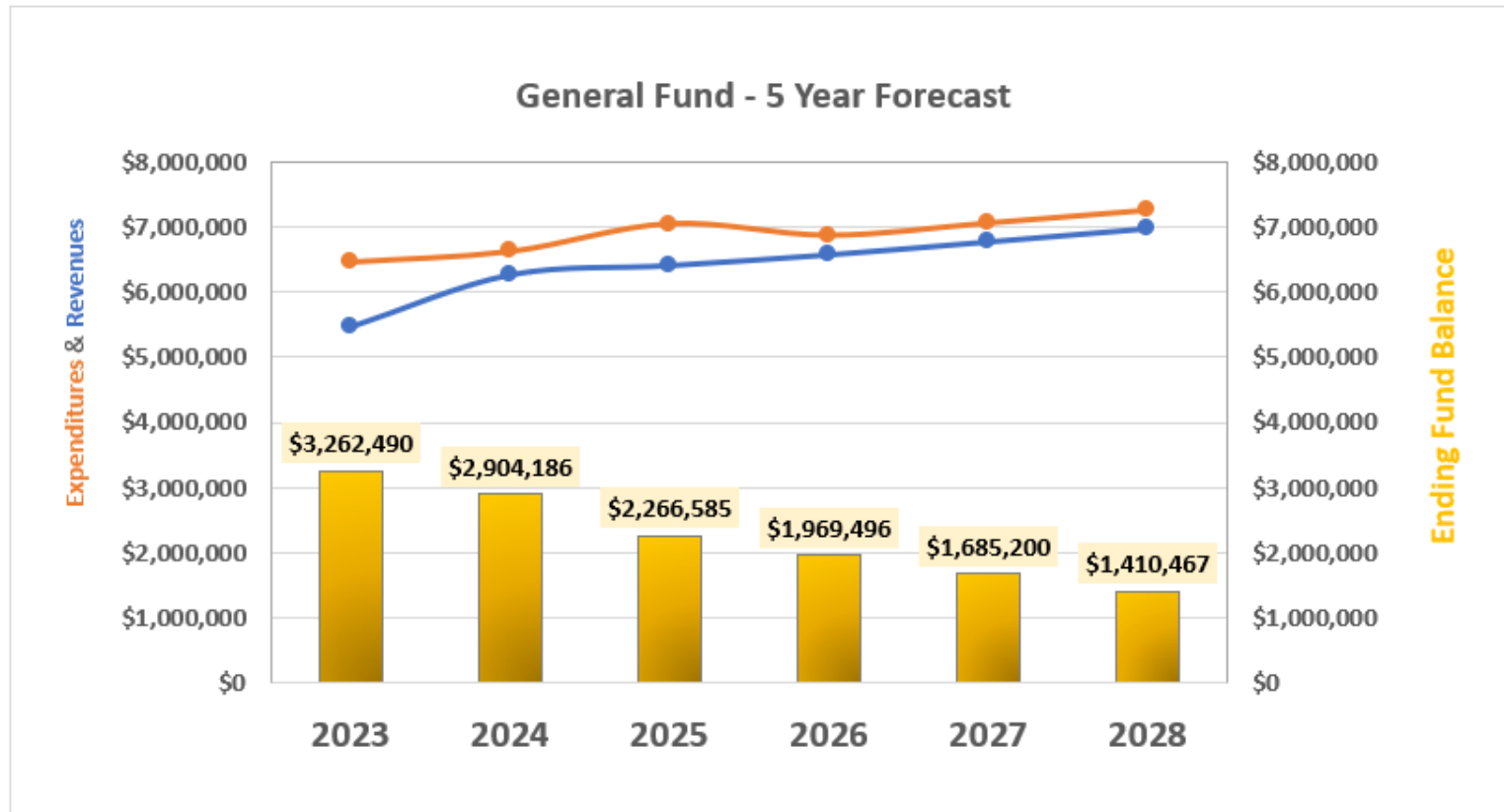
- ❑ General Fund provides **supplemental resources** to the City's Five-Year CIP:
 - ❑ 1st & Bridge Street Engineering
 - ❑ Annual Asphalt Overlay Program
 - ❑ Annual Sidewalk Replacement Program
 - ❑ 2nd Creek Bridge Sidewalks
 - ❑ Riverwalk Park & Trail
- ❑ Five Year General Fund Contribution Total 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

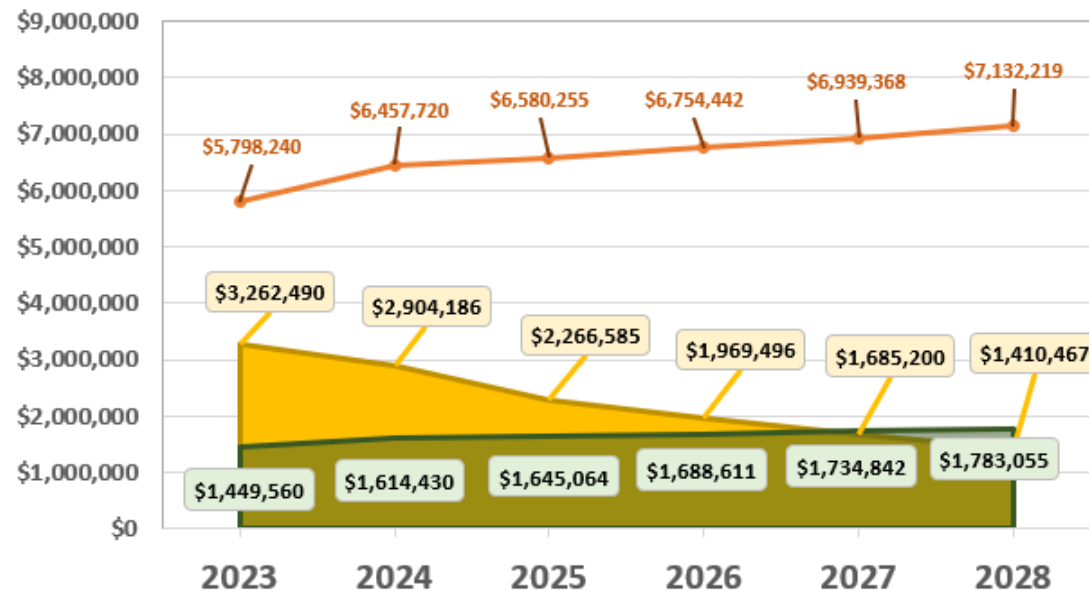
- ☐ The Proposed FY2024 budget would utilize just over **\$358,000** in General Fund cash balance.

FY2024 Proposed General Fund 5 Year Projected Cashflow Summary



FY2024 Proposed General Fund Cashflow vs. Reserve Policy

General Fund - Required Reserve (25% of Operating Budget)



Ending Fund Balance Required Reserve (25% of Operating Budget) Operating Budget

- ❑ The Board of Aldermen approved a reduction (on August 2nd, 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

8/28/2023



Proposed Five Year CIP (FY2024) CWWS Fund

Capital Improvement Project	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Interconnect Mains at 144 th Street/169 Highway (Construction)	\$55,000	-	-	-	-
Highway 92 & Commercial Street Waterline (Engineering)	\$125,000	-	-	-	-
144 th Street Lift Station (Construction)	\$1,700,000	-	-	-	-
West Bypass of the 144 th 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 Fork 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	-	-	-	-
Grand Total (Net Cost)	\$8,325,000	See Next Page			

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

Proposed Five Year CIP (FY2025 – FY2028) CWWWS 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)	-	\$600,000	-	-	-
Owens Branch Gravity Line Phase #1, Line #2 (Construction)	-	-	\$2,500,000	-	-
Water Plant Expansion (Engineering)	-	-	\$2,100,000	-	-
Wastewater Treatment Plan Expansion (Construction)	-	-	\$3,000,000	\$3,000,000	-
<i>Future Water and Wastewater Project Funding</i>	-	-	-	\$2,000,000	-
Water Plant Expansion, Phase I (Construction)	-	-	-	-	\$7,500,000
<i>Future Water and Wastewater Project Funding</i>	-	-	-	-	\$2,000,000
Grand Total (Net Cost)	-	\$3,600,000	\$7,600,000	\$5,000,000	\$9,500,000

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 (50% of Construction)	\$700,000	-	-	-	-
Grand Total (Net Cost)	\$700,000	-	-	-	-

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 (Engineering)	\$1,050,000	-	-	-	-
Grand Total (Net Cost)	\$1,050,000	-	-	-	-

FY2024 Proposed CWWS Fund Operating Budget Recommendations

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

Sewer Jetter – Work Applications

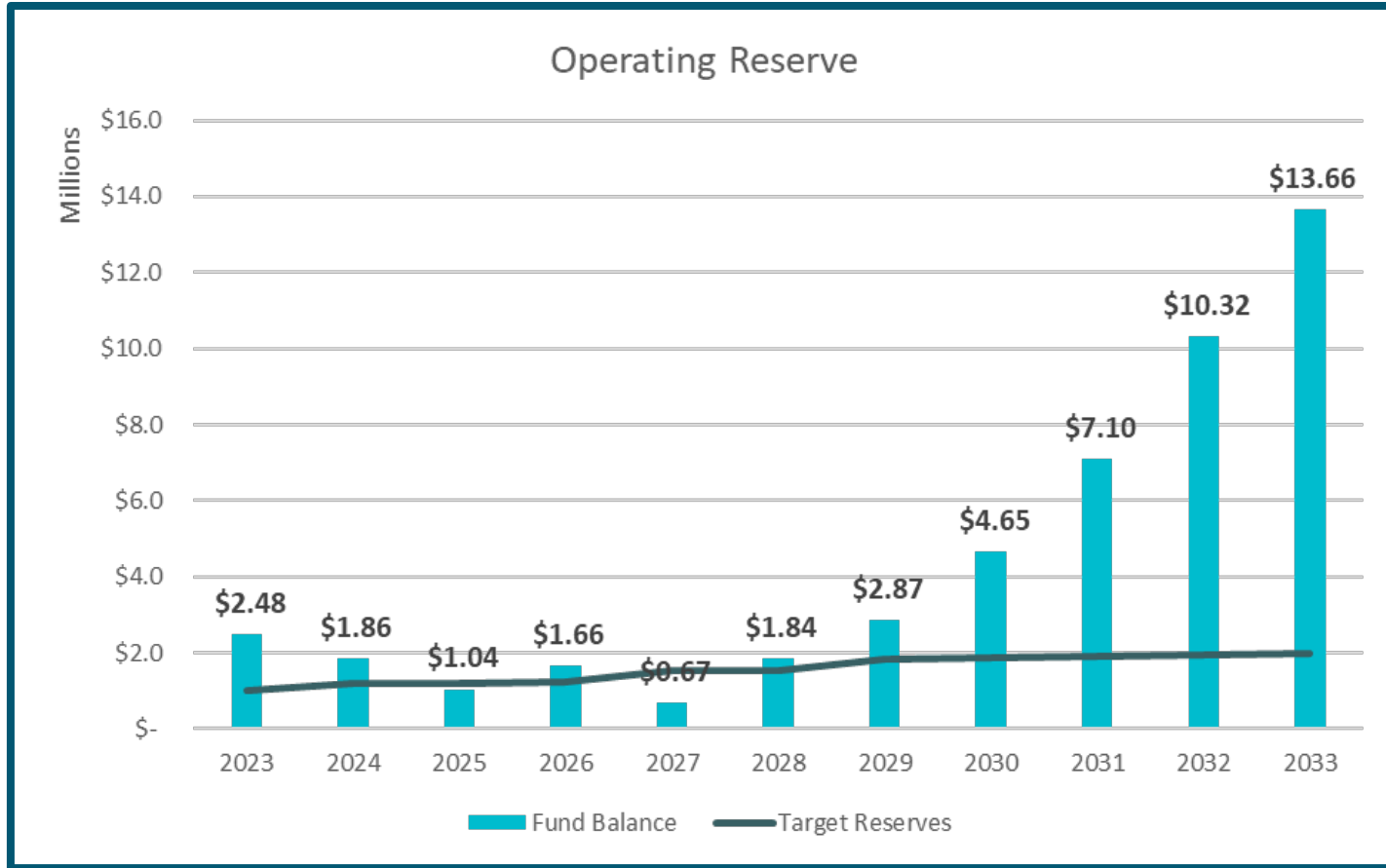


*Manhole
Cleanout*



*SBR
Cleanout*

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



Road Micro Surfacing Project

Transportation Sales Tax Fund Five Year Capital Plan



Bridge Street Round-A-Bout Conceptual Design

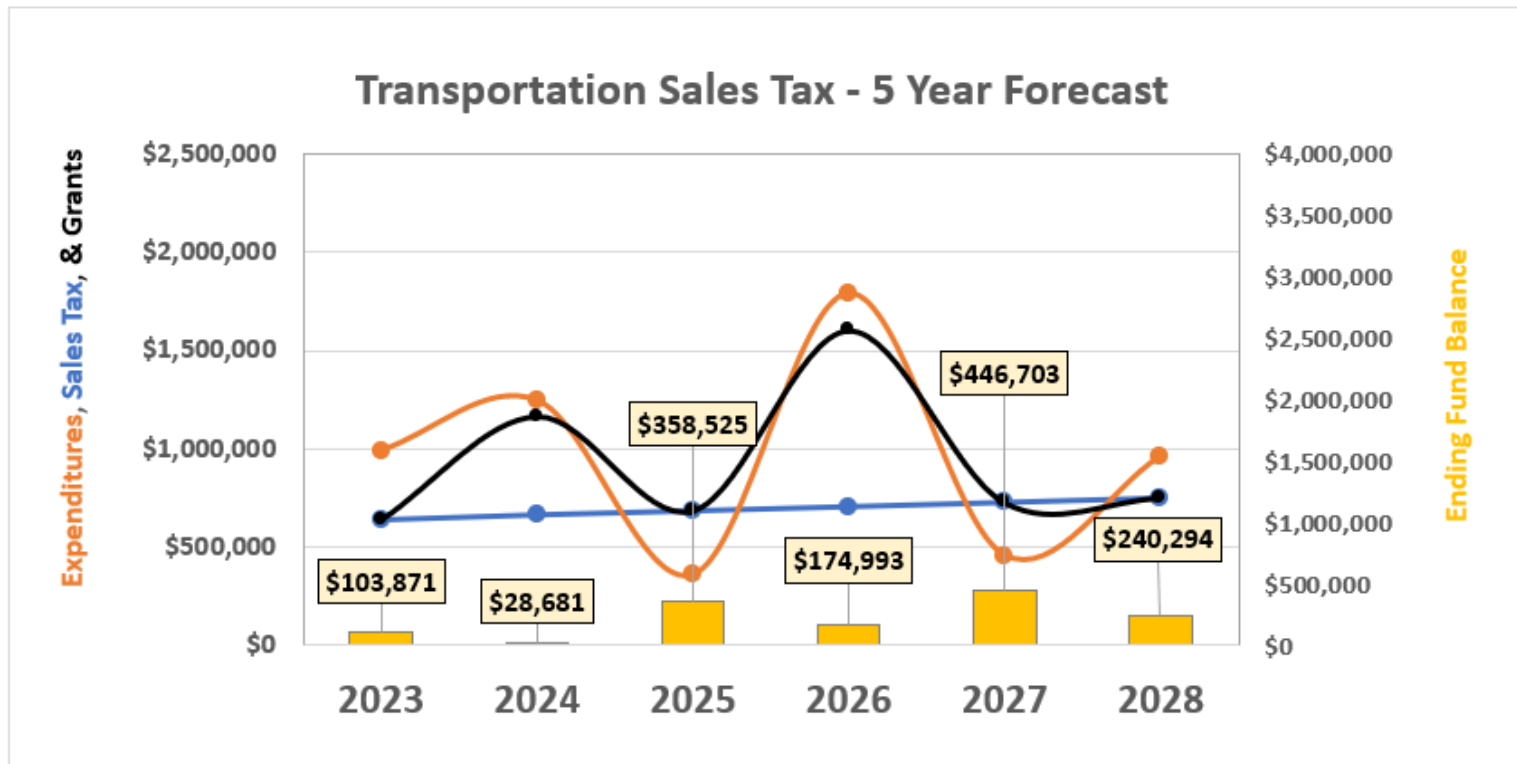
Proposed Five Year CIP (FY2024 – FY2028)

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	-	-	-	-
Commerical Street Sidewalks (MARC Reimbursement Grant)	(500,000)	-	-	-	-
1 st & Bridge St Round-A-Bout (80% of Construction)	-	-	\$1,430,000	-	-
1 st & Bridge St Round-A-Bout (MARC Reimbursement Grant)	-	-	(896,000)	-	-
180 th Street/Eagle Parkway Round-A-Bout (20% of Construction)	-	-	-	-	\$300,000
Grand Total (Net Cost)	\$575,000	\$225,000	\$759,000	\$325,000	\$625,000

- “**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 Transfer to Pay General Obligation Debt	\$361,340	\$364,875	\$367,920	\$373,420	\$376,420
Downtown Streetscape Phase III (Construction)	\$800,000	-	-	-	-
Downtown Streetscape Phase III (Grant Reimbursement)	(488,000)	-	-	-	-
Riverwalk & Trail (Engineering)	\$250,000	-	-	-	-
2 nd Creek Sidewalks (Engineering)	\$150,000	-	-	-	-
1 st & Bridge Street Round-A-Bout (80% of Engineering)	\$200,000	-	-	-	-
Grand Total (Net Cost)	\$1,273,340	See Next Page			

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

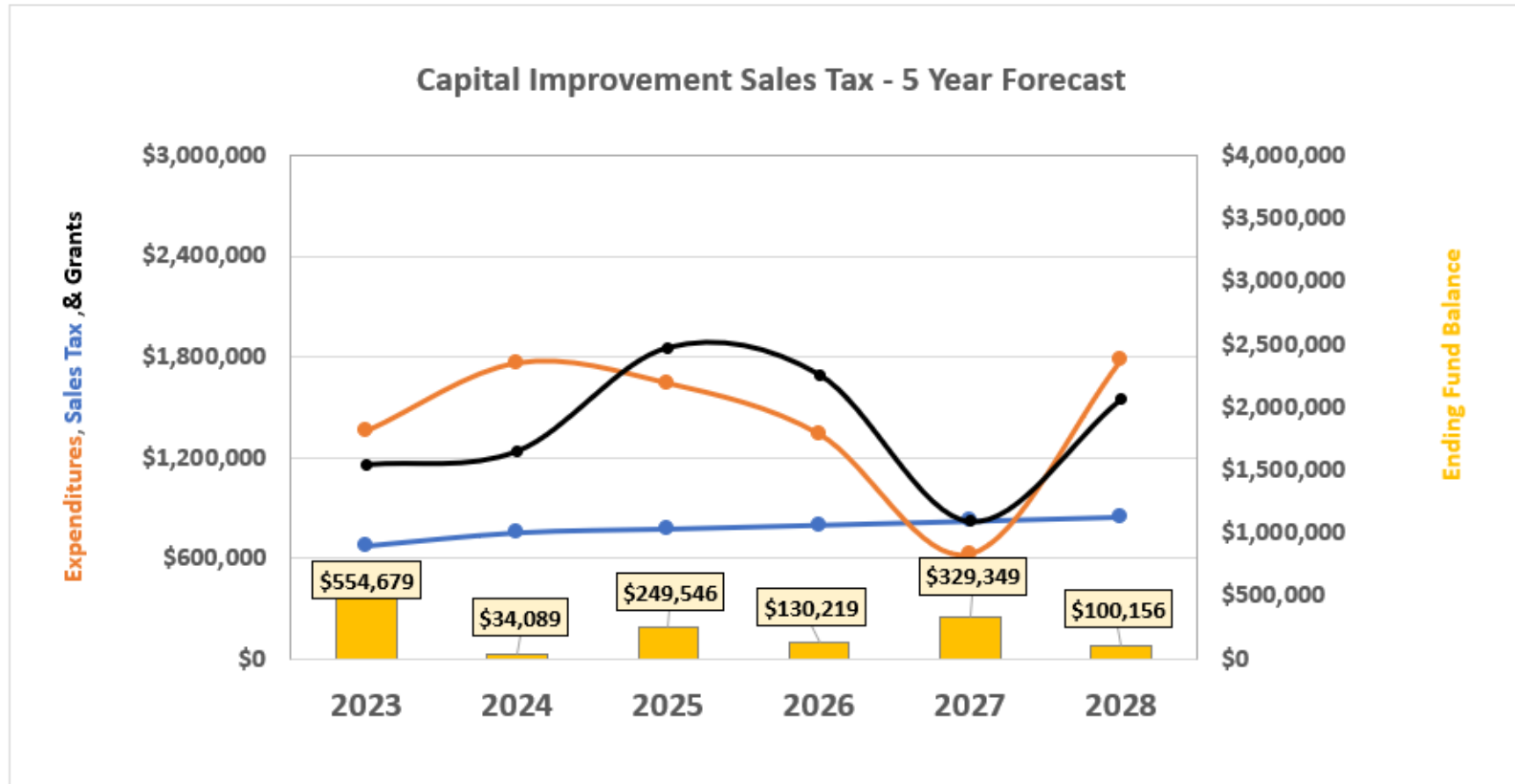
Proposed Five Year CIP (FY2025 – FY2028)

Capital Improvement Sales Tax Fund

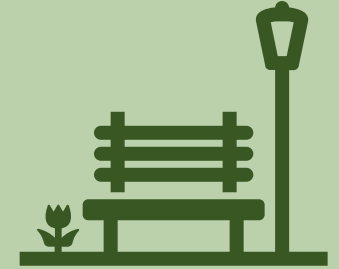
Capital Improvement Projects & Debt Service	FY 2024	FY2025	FY 2026	FY 2027	FY 2028
2 nd Creek Sidewalks (70% of Construction)	-	\$695,000	-	-	-
2 nd Creek Sidewalks (MARC Grant Reimbursement)	-	(600,000)	-	-	-
Riverwalk & Trail (60% of Construction)	-	\$480,000	\$670,000	-	-
Riverwalk & Trail (MARC Reimbursement)	-	(480,000)	(420,000)	-	-
1st & Bridge Street Round-A-Bout (20% of Construction)	-	-	\$300,000	-	-
180 th & Eagle Parkway Round-A-Bout (Engineering)	-	-	-	\$250,000	-
Pope Lane Round-A-Bout (80% of Engineering)	-	-	-	-	\$400,000
180 th & Eagle Parkway Round-A-Bout (75% of Construction)	-	-	-	-	\$1,000,000
180 th & Eagle Parkway Round-A-Bout (MARC Reimbursement)	-	-	-	-	(700,000)
Grand Total (Net Cost)		\$459,875	\$917,920	\$623,420	\$1,076,420

- “Green” grant reimbursement reflects secured funding for the CIP Project.
- 180th 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.



**Park & 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	-	-	-	-
Dundee Road Stormwater Improvements (Engineering)	-	\$50,000	-	-	-
Dundee Road Stormwater Improvements (Construction)	-	\$150,000	-	-	-
Riverwalk Park & Trail (30% of Construction)	-	\$600,000	-	-	-
Grand Total (Net Cost)	\$750,000	\$800,000	See Next Page		

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

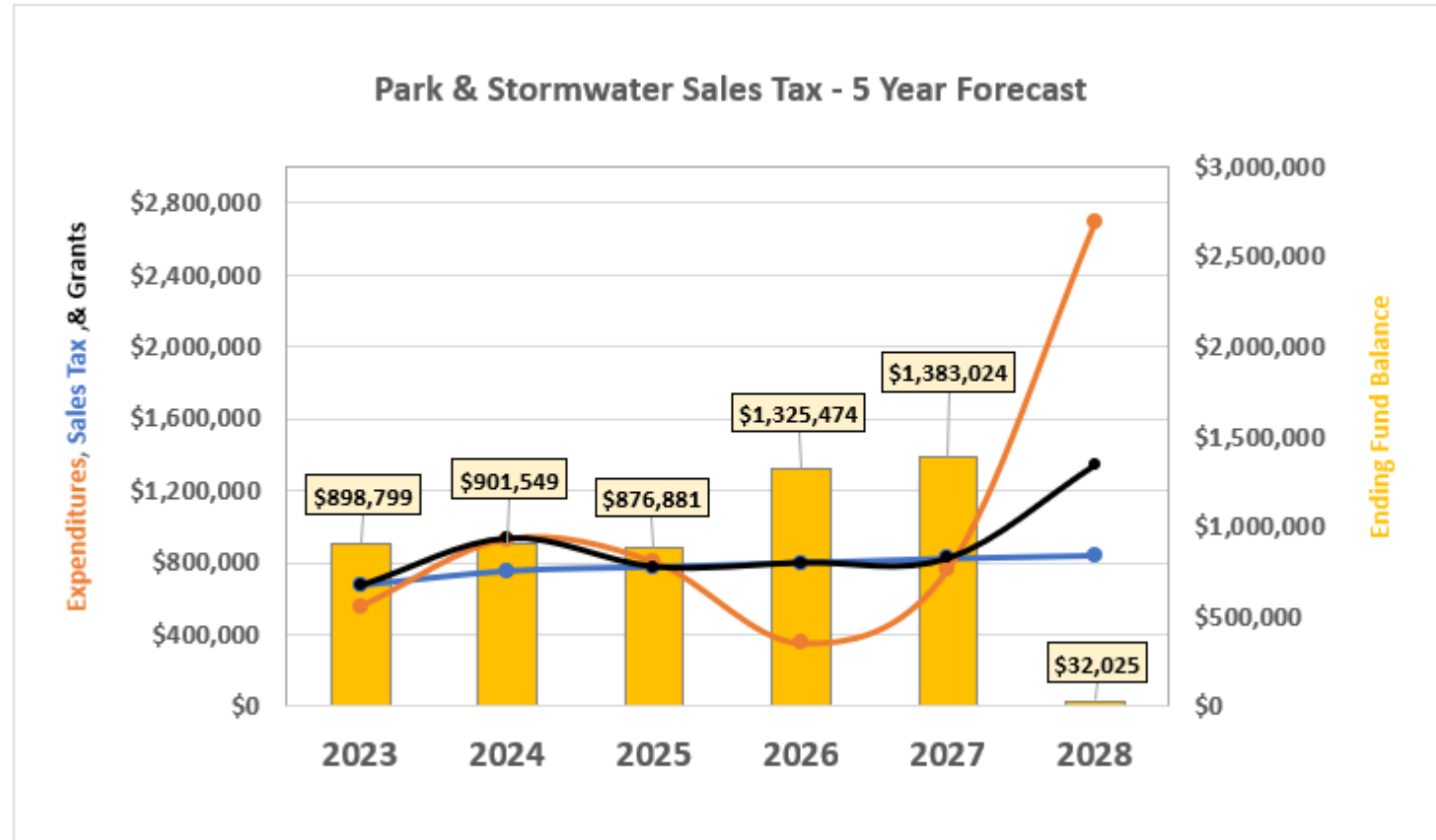
Proposed Five Year CIP (FY2026 - FY2028)

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)	-	-	-	\$640,000	-
Maple Lane Stormwater Improvements (Engineering)	-	-	-	-	\$50,000
Maple Lane Stormwater Improvements (Construction)	-	-	-	-	\$250,000
Smith's Fork Park Complex (Construction, Phase I)	-	-	-	-	\$2,240,000
Grand Total (Net Cost)	-	-	\$350,000	\$765,000	\$2,540,000

- 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



- Continuing to build up a healthy fund balance to pay for the construction of **Smith's Fork Park Complex, Phase I** (as seen on previous slide).
- Nearly all financial resources are used as Phase I expenditures occur in FY2028.



FY2024 Proposed Vehicle & Equipment Replacement Fund

8/28/2023

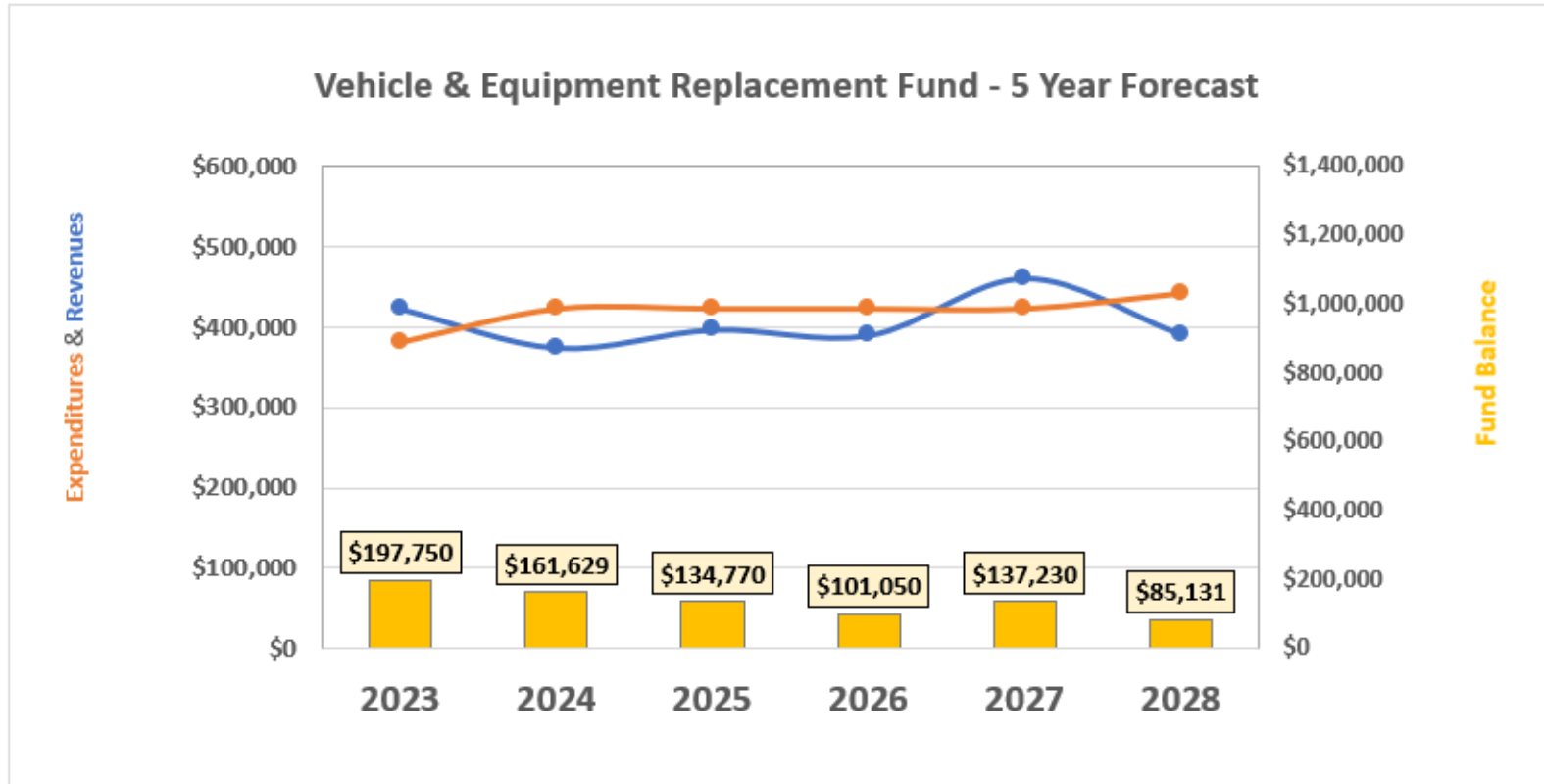
Proposed FY2024 Budget Vehicle & Equipment Replacement Fund

- 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 VERN 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

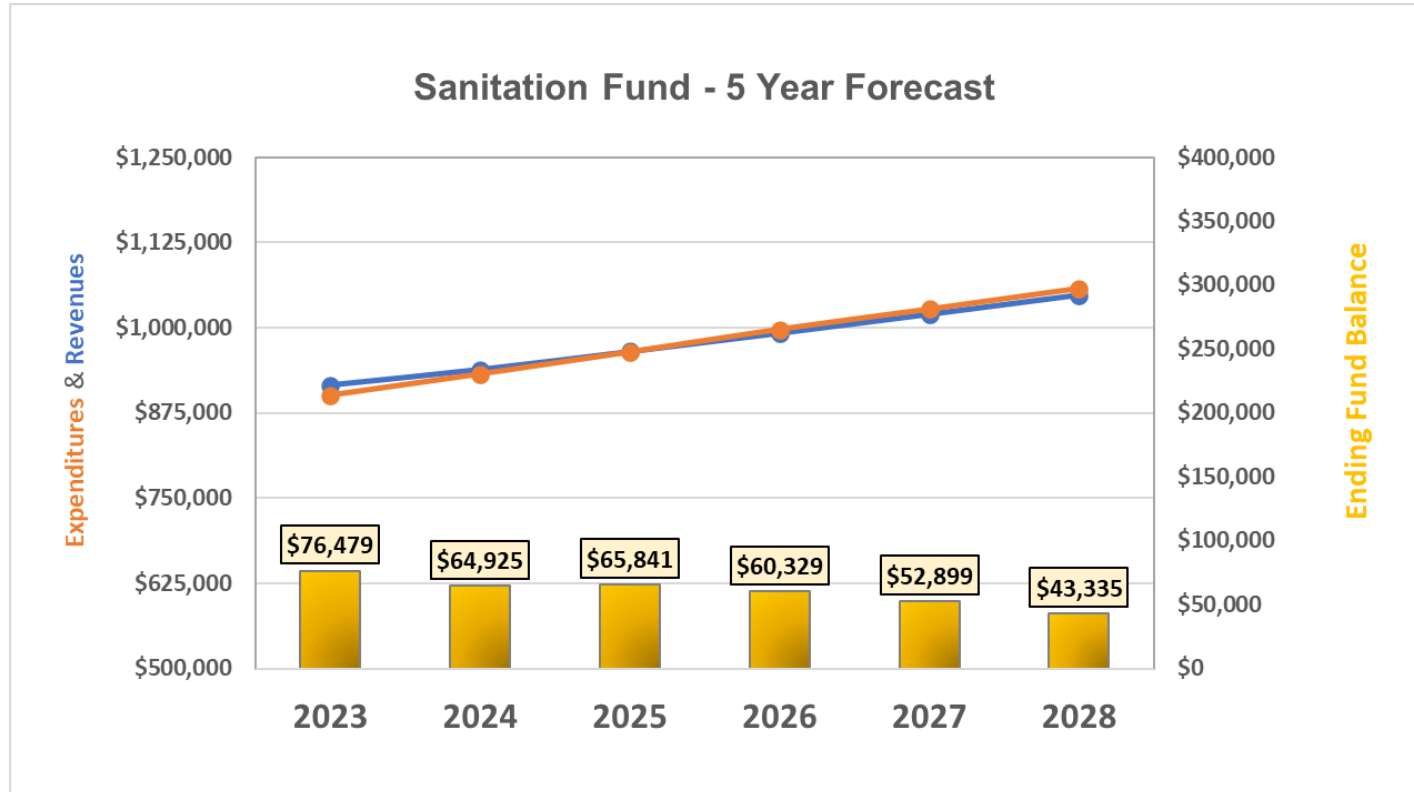
Vehicle & Equipment Replacement Fund Five Year Cashflow Projections



Proposed FY2024 Budget Sanitation Fund

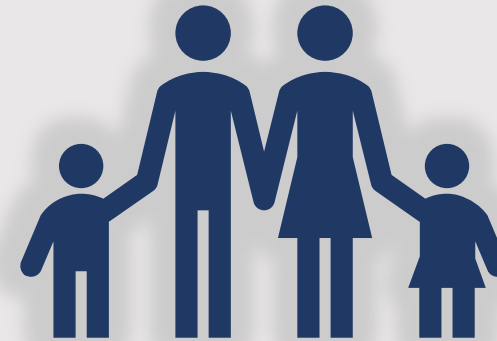


Proposed FY2024 Budget Sanitation Fund



Summary of the Sanitation Fund

- ❑ As of August 2023, the City of Smithville contracts with GFL to service just over **3,253** 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 - Non Impact Projects	\$8,325,000	\$3,600,000	\$7,600,000	\$5,000,000	\$9,500,000
Combined Water/Wastewater Fund - Water Impact Projects	\$700,000	-	-	-	-
Combined Water/Wastewater Fund - Wastewater Impact Projects	\$1,050,000	-	-	-	-
Transportation Sales Tax Fund	\$575,000	\$225,000	\$759,000	\$325,000	\$625,000
Capital Improvement Sales Tax Fund	\$1,273,340	\$459,875	\$917,920	\$623,420	\$1,076,420
Parks and Stormwater Sales Tax Fund	\$750,000	\$800,000	\$350,000	\$765,000	\$2,540,000
Grand Total (Net Cost)	\$12,823,340	\$5,784,875	\$9,726,920	\$6,813,420	\$13,841,420


- ❑ 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 Projected Beginning Balance	2024 Proposed Revenues	2024 Proposed Expenditures	2024 Projected Ending Balance
General Fund	3,262,490	6,262,486	6,620,790	2,904,186
Capital Improvement Sales Tax Fund	554,679	1,240,750	1,761,340	34,089
Capital Projects Fund	183,729	40,000	-	223,729
Combined Water/Wastewater Fund	5,896,635	12,243,600	15,775,117	2,365,119
Debt Service Fund	267,739	357,830	351,333	274,236
Park and Stormwater Sales Tax Fund	983,800	933,750	931,000	986,550
Sanitation Fund	57,974	938,757	931,805	64,925
Marketplace TIF (Allocation) Fund	1,635,910	868,446	1,179,800	1,324,555
Commons CID Fund	137,351	396,592	413,916	120,027
Transportation Sales Tax Fund	103,872	1,168,950	1,244,140	28,682
Vehicle And Equipment Replacement Fund	210,780	374,398	423,547	161,631
Donation Fund	9,109	21,000	15,000	15,109
Judicial Education Fund	3,447	-	3,447	-
Technology Upgrade Fund	632	-	632	-
DWI Recovery Fund	6,612	4,000	5,000	5,612
Police Training Fund	4,538	3,000	5,000	2,538
Grand Total	\$ 13,319,296	\$ 24,853,558	\$ 29,661,867	\$ 8,510,987

- ❑ 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

- FY2024 Operating Budget and 5 Year CIP Review: 2nd Discussion - If Needed (**September 5**)
- Public Hearing for Sewer Rates as Required by Missouri State Statute (**October 3**)
- Adopt Water & Wastewater Utility Rates & Schedule of Fees by Board Resolution (**October 17**)
- Adopt the FY2024 Operating and Capital Budget on 2nd Reading (**October 17**)