



## Board of Aldermen Request for Action

**MEETING DATE:** 10/1/2024

**DEPARTMENT:** Administration/Finance

**AGENDA ITEM:** Approve Bill No. 3043-24 Adopt FY2025 Annual Operating Budget – 1st Reading.

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**REQUESTED BOARD ACTION:**

A motion to approve Bill No. 3043-24, adopting the FY2025 Annual Operating Budget for the City Of Smithville, Missouri, and authorizing the expenditures of funds for municipal services. First reading by title only.

**SUMMARY:**

City staff have worked collectively since February 2024 to determine the needs, and eventually propose recommendations, for the FY2025 Budget. In June of 2024, the Board of Aldermen, Department Directors, and other key department staff met in a retreat/financial summit to review organizational workplans and priorities identified through recent processes to outline community goals. Various goals were outlined in the retreat. The FY2025 proposed budget:

- Continues to place focus on employee recruitment and retention.
  - Salary increases reflect an organizational goal to being market competitive across all positions.
  - Departmental budgets include enhanced funding for employee training and development.
- Continues to focus on investment in infrastructure.
- Assures the maintenance and acquisition of appropriate work equipment.
- Includes \$7.5 million in capital improvements across all funds.
- Includes \$100,000 for a City / County shared road improvement of 176<sup>th</sup> Street.
- Includes \$150,000 for Campground Road repairs.
- Includes funds to conduct a DirectionFinder citizen satisfaction survey.
- Expands senior services using funds from a Clay County Senior Services grant.
- Includes a \$2,500 for the Northland Career Center contribution.

**FY2024 Budget “Rollovers”**

Each year, the Finance Department adjusts the upcoming budget based upon the remaining amounts in current engineering and construction contracts. These amounts are rolled over as a part of the newly proposed budget. This year, Public Works and Finance staff have worked together to determine the budget rollovers needed for FY2025. This includes projects that have not yet been completed. These rollovers will be noted in the FY2025 – FY2029 Proposed Five Year Capital Improvement Plan. The rollover amounts included in the FY2025 budget are as follows:

### *Combined Water and Wastewater Fund*

- The City has contracted With Richards Construction Company to complete the Lagoon Cleaning project. The total contract amount for this project was established at \$188,000. Of this amount, \$188,000 will be rolled in the FY2025 budget.
- The City has contracted with Ross Construction for the completion of Water Plant Improvements. The total contract amount for this project was established at \$1,463,800. Of this amount, \$1,463,800 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the West Bypass of 144<sup>th</sup> Street Lift Station in the amount of \$346,050. Of this amount, \$70,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the Smith's Fork Pump Station in the amount of \$285,800. Of this amount, \$10,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the Water Plant Residuals in the amount of \$255,000. Of this amount, \$60,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for Water Plant operations in the amount of \$121,000. Of this amount, \$85,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the Stonebridge Pump Station in the amount of \$275,000. Of this amount, \$85,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the Wastewater Facilities Plan in the amount of \$150,000. Of this amount, \$150,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the River Crossing & Maple Lane Waterline Improvements in the amount of \$178,560. Of this amount, \$75,000 will be rolled in the FY2025 budget.
- The City has contracted with HDR Engineering for the completion of engineering for the Owens Branch Sanitary Sewer, Line #1, Phase #1 in the amount of \$321,950. Of this amount, \$220,000 will be rolled in the FY2025 budget.

### *Capital Improvement Sales Tax Fund*

- The City has contracted with Mega KC to complete Downtown Streetscape Phase III. The total contract amount for this project was established at \$1,746,100. Of this amount, \$1,746,100 will be rolled in the FY2025 budget.

#### *Transportation Sales Tax Fund*

- The City has contracted with Legacy Underground to complete Commercial Street Sidewalk program. The total contract amount for this project was established at \$998,658. Of this amount, \$998,658 will be rolled in the FY2025 budget.
- The City has contracted with HDR to complete Downtown Streetscape Phase III plan, which has been completed, in the amount of \$45,000. Of this amount, \$45,000 will be rolled in the FY2025 budget.

#### *Parks and Stormwater Sales Tax Fund*

- The City has contracted with Tunks Construction for the completion of the storm sewer for Stonebridge Stormwater Improvement project in the amount of \$127,243.18. Of this amount, \$100,000 will be rolled in the FY2025 budget.

#### *Shared / Multiple Funds*

- The City has contracted with GBA to complete Riverwalk and 2<sup>nd</sup> Creek Sidewalk engineering. The total contract amount for these two projects were established at \$400,000. Split between Capital Improvement Sales Tax Fund and Parks and Stormwater Sales Tax Fund. Of this amount, \$380,000 will be rolled in the FY2025 budget.
- The City has contracted with GBA to complete 1<sup>st</sup> and Bridge Street Round-A-Bout engineering. The total contract amount for this project was established at \$440,085. Split between Capital Improvement Sales Tax Fund and General Fund (\$50,000). Of this amount, \$440,085 will be rolled in the FY2025 budget.

### **2025 Budget Summary**

The Total Proposed FY2025 Budget includes the aggregate use of fund balance across sixteen budgeted funds. The use in fund balance can be attributed to several high-profile capital improvement projects within the General Fund, CWWS (Combined Water & Wastewater) Fund, Transportation Sales Tax Fund, and Capital Improvement Sales Tax Fund. This includes completion of the following projects:

- 144<sup>th</sup> Street Lift Station and West Interceptor – Construction
- Smith's Fork Force Main – Construction
- Downtown Streetscape Phase III – Construction
- Stonebridge Lift Station – Engineering & Construction
- 2nd Creek Sidewalks – Engineering and Construction
- Commercial Street Sidewalks – Construction
- Riverwalk & Trail Construction – Construction

|  | 2025<br>Projected<br>Beginning<br>Balance | 2025<br>Revenues  | 2025<br>Expenditures | 2025<br>Projected<br>Ending<br>Balance |
|--|---|-------------------|----------------------|--|
| General Fund                           | 3,219,449                                 | 6,743,657         | 7,482,202            | 2,480,904                              |
| Capital Improvement Sales Tax Fund     | 917,552                                   | 3,351,132         | 4,217,875            | 50,809                                 |
| Capital Projects Fund                  | 110,625                                   | 12,100            | -                    | 122,725                                |
| Combined Water/Wastewater Fund         | 7,564,457                                 | 7,143,660         | 10,276,241           | 4,431,876                              |
| Debt Service Fund                      | 267,740                                   | 354,000           | 354,000              | 267,740                                |
| Park and Stormwater Sales Tax Fund     | 1,325,252                                 | 781,294           | 897,000              | 1,209,546                              |
| Sanitation Fund                        | 60,176                                    | 971,205           | 970,617              | 60,764                                 |
| Marketplace TIF (Allocation) Fund      | 2,556,132                                 | 856,224           | 1,136,542            | 2,275,814                              |
| Commons CID Fund                       | 242,632                                   | 324,559           | 362,752              | 204,439                                |
| Transportation Sales Tax Fund          | 486,707                                   | 1,718,624         | 1,750,000            | 455,331                                |
| Vehicle And Equipment Replacement Fund | 69,993                                    | 469,000           | 474,794              | 64,199                                 |
| Donation Fund                          | 23,550                                    | 14,950            | -                    | 38,500                                 |
| Judicial Education Fund                | 2,645                                     | -                 | 975                  | 1,670                                  |
| Technology Upgrade Fund                | -   | -                 | -                    | -                                      |
| DWI Recovery Fund                      | 13,699                                    | 3,650             | 800                  | 16,549                                 |
| Police Training Fund                   | 12,333                                    | 1,300             | 3,450                | 10,183                                 |
| <b>Grand Total</b>                     | <b>16,872,943</b>                         | <b>22,745,355</b> | <b>27,927,248</b>    | <b>11,691,050</b>                      |

#### PREVIOUS ACTION:

As a part of the budget process, the Board held a Financial Retreat on June 13, 2024. Following the retreat, the Board reviewed Compensation Scenarios proposed by staff on July 16, 2024. On August 28, 2024 and September 24, 2024, the Board formally reviewed the FY2025 Proposed Operating Budget and Five-Year Capital Improvement plan.

#### POLICY OBJECTIVE:

Approval of operating and capital budget to provide funds to support Board of Aldermen goals in FY2025

#### FINANCIAL CONSIDERATIONS:

Adopting expenditure and revenue budget for FY2025 which establishes spending and receipting authority for the City in FY2025.

#### ATTACHMENTS:

- |   |                                   |
|---|-----------------------------------|
| <input checked="" type="checkbox"/> Ordinance   | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution   | <input type="checkbox"/> Plans    |
| <input type="checkbox"/> Staff Report   | <input type="checkbox"/> Minutes  |
| <input checked="" type="checkbox"/> Other: <a href="#">FY2025 Budget and Five-Year CIP Presentation</a> |                                   |

**BILL NO. 3043-24**

**ORDINANCE NO. 32XX-24**

**AN ORDINANCE ADOPTING THE FY2025 ANNUAL OPERATING BUDGET  
FOR THE CITY OF SMITHVILLE, MISSOURI, AND AUTHORIZING THE  
EXPENDITURES OF FUNDS FOR MUNICIPAL SERVICES.**

**BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE,  
MISSOURI, AS FOLLOWS:**

**THAT**, for the purpose of financing the conduct of affairs of the City of Smithville, Missouri during the fiscal year from November 1, 2024, and ending October 31, 2025 inclusive, the budget of the City's revenue and expenses for such period prepared and submitted to the Smithville Board of Aldermen by the City Administrator is hereby approved and adopted as the Official Budget of the City of Smithville, Missouri; and

**THAT**, the amounts set forth in the various funds are hereby appropriated to such uses, and authority is hereby given to the City Administrator of the City of Smithville to expend the amounts shown for the purposes indicated; and

**THAT**, the amounts for each fund, as shown in the Annual Budget shall not be increased or decreased except by the Board of Aldermen approval, but the various objects of expenses comprising the total appropriation for any fund may be increased or decreased at the discretion of the City Administrator, providing the adjustments shall not increase the total amount appropriated for that fund.

**PASSED** by the Board of Aldermen, and **APPROVED** by the Mayor, of the City of Smithville, Missouri, this 15<sup>th</sup> day of October, 2024.

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Damien Boley, Mayor

ATTEST:

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Linda Drummond, City Clerk

First Reading: 10/01/2024

Second Reading: 10/15/2024