



City of Smithville, Missouri

Board of Aldermen - Work Session Agenda

Tuesday, September 24, 2024

5:30 p.m. – City Hall Council Chambers and Via Videoconference

Anyone who wishes to view the meeting may do so in real time as it will be streamed live on the City's YouTube page.

For Public Comment via Zoom, please email your request to the City Clerk at ldrummond@smithvillemo.org prior to the meeting to be sent the meeting Zoom link.

1. Call to Order
2. Smithville Main Street District Update
3. Discussion Business Licenses
4. [2nd Discussion of the FY2025 Operating Budget](#)
5. Adjourn

Join Zoom Meeting

<https://us02web.zoom.us/j/83161986163>

Meeting ID: 831 6198 6163

Passcode: **461455**





To: Smithville, Missouri Board of Aldermen:

Our team has worked diligently to enhance the vibrancy and appeal of our beloved Smithville Main Street District, and we are excited to share our progress and future plans with you.

Accomplishments Over the Past Year

1. Event Hosting

- Winter Wine Walk and Christmas Market: This event brought together the community to celebrate the festive season with wine tastings, local vendors, and holiday cheer.
- Shark Week Scavenger Hunt and Olympics Scavenger Hunt: We partnered with Smithville Parks & Rec to create a fun and engaging event for families, where participants explored the district while searching for hidden shark-themed items.
- Hot Summer Nights Takeover for The Lion's Club: We successfully took over the organization of this popular event, ensuring its continued success and supporting a great cause.

2. Enhanced Online Presence

- Social Media Growth: We have significantly increased our social media presence, engaging with more community members and visitors through platforms like Facebook, Instagram, and Twitter.
- Website Update: Our website has been updated to provide a more user-friendly experience, offering easier access to event information, district news, and business directories.

3. Community Engagement

- Board Retreat Hosted by Mayor Boley: We attended a productive board retreat, hosted by Mayor Boley, where we discussed strategies for the district's growth and improvement. This retreat fostered stronger relationships among board members and aligned our vision for the future.

Goals for the Upcoming Year

1. Hosting More Community Family-Friendly Events

- We aim to increase the number of events that cater to families, providing opportunities for all ages to enjoy the district. These events will focus on inclusivity, entertainment, and fostering a sense of community.

2. Growing Tourism for Smithville

- One of our primary goals is to attract more tourists to Smithville. By promoting our unique attractions and hosting special events, we aim to boost local businesses and showcase the charm of our town.

3. Partnering with Other City Groups

- Parks and Recreation: We plan to collaborate with the Parks and Recreation department to enhance our events and utilize public spaces effectively.
- The Chamber of Commerce: Partnering with the Chamber of Commerce will help us to align our efforts with broader economic development goals and support local businesses more effectively.

Smithville Main Street District has made significant strides over the past year, and we are excited about the future. Our accomplishments reflect our dedication to making Smithville a vibrant and welcoming community for residents and visitors alike. As we move forward, we remain committed to our goals of hosting more family-friendly events, growing tourism, and strengthening partnerships with other city groups. Thank you for your continued support and enthusiasm for our district. Together, we can make Smithville an even better place to live, work, and visit.

Thank you,
Alicia Neth, President
Smithville Main Street District

Date:	September 17, 2024
Prepared By:	Jack Hendrix, Development Director
Subject:	Business License Ordinance Issues

At the August 6, 2024 Board Work Session, the Board discussed the proposed Schedule of Fees. Included in that discussion was consolidating the three business license fee tiers into one tier, as well as problems with including license renewals into the prorated fees provisions. During the last several months, staff discussed the implementation of a new feature to our Incode software packages on several levels with the Board, which includes changes to our business licensing processes. The Board directed staff to make the fee changes and the prorating fee issue change. While reviewing the ordinance for these items to change, staff looked at the entire ordinance to streamline this new software implementation.

One of the benefits of the software change (adding Content Manager) is the ability to bring our licensing processes online. Currently, all the business licensing processes are conducted on paper applications. This includes mailing out approximately 750 renewal applications each October. This includes a large amount of staff time to process these applications. Inevitably, these renewals regularly involve missing documents – Insurance certificates, no tax due statements, master licenses – which include more staff time. Many of these updates come via facsimile or emails. Staff then prints those documents and includes them into the application files. This involves much more staff time and papers for files.

The new Content Manager module for our licensing program will reduce or eliminate most, if not all these issues. This will allow us to use an online portal for applications, new and renewals where the business will sign in to the system and complete its' application process online, including attaching digital documents (insurances, tax statements, etc.) directly to the application. The applicant will know, without additional staff contact, that their application is incomplete. Once completed online, staff will then review the documents submitted prior to approval. If there are errors or changes needed to the documents, the business will be notified of the needed changes. When complete, then the application is finally approved. None of the online processes will include paper copies the businesses must create or the city must maintain.

Staff presents a draft of a new ordinance for review today. Most of the changes are directly associated with moving all fee references into the Schedule of Fees, but some of the changes are suggested to adjust the ordinance language to better reflect the

actual operational structure. First, to remove references to the City Clerk and City Administrator and change them to the City Finance Director, who currently manages the business license system, and include a definition of City Finance Director. Other changes that address operational issues include:

- clarification of the occupancy statement required is related solely to zoning
- remove reference to testing services allowable for contractors Master licenses
- change the description of the actual license by removing the requirement of the Clerk 'affixing the city seal' to the license and requiring it contain the city logo and that it can be signed by the Finance Director

The original step here was to adjust the fee structure from three tiers to just one. While incorporating that change, staff also identified other fees mentioned in the code that could also be included in the schedule of fees. Staff suggests a few additional inclusions. First is the Fireworks Sales Permit, which is \$1,500. Staff drafted language that removes that fee from the ordinance and places it into the Schedule of Fees. Second was the Blanket Occupation License Fee of \$250. The purpose of such a Blanket License was to allow a new builder to pay one fee of \$250 dollars for all of the subcontractors that work on a given permit instead of each paying \$50. Those subcontractors using the blanket license would only be responsible for providing a copy of their Master's license and no separate license would be required. Even though staff mentions this option with all new general contractors, no contractor has used this option for several years. Based upon the lack of use, staff suggests the Board consider deleting the Blanket License entirely from the code. The attached code includes this deletion for discussion.

The final two provisions arise out of removing fee prorating for renewals. Based upon the Board direction, staff has removed the existing licenses from the proration structure. While reviewing the proration structure itself when it came to incorporating it into the new content manager forms, staff suggest an additional change in that structure. Currently, the structure is:

- 0-6 months left in the year – 50% of the fee
- 7-9 months left in the year – 75% of the fee
- 10+ months left in the year – full fee

Given the new fee would be \$75, staff suggests that the proration schedule be changed into four month sections that would allow the fees to change one third and two thirds the cost – 75-50-25. This will make the forms easier to use for both the system and to customers.

The second issue arose while drafting the new ordinance. Specifically, a contractor who held a license with the city in 2022 but did no work within the city in either 23 or 24, sought a new license. Following the proposed changes above, including the removal of renewals from the prorating system, staff discussed how that change would impact the specific scenario. Using the new system, this situation would require the applicant to renew the license from 2022. Since their request was in August, their fee would include the 10% initial penalty, as well as an additional 20 months of penalties of 1% compounded monthly. The fee would be \$67.11 under the new structure, versus the \$25 they paid.

Staff evaluated how this might impact businesses coming to do business in Smithville in accordance with the new ordinance. Staff would suggest a different interpretation of an existing provision in the code could be used to address the situation. Specifically, there exists a "Non-Permanent Vendor" provision that has been used on temporary vendors like food trucks, etc. A broader interpretation could be used to include businesses that conduct business in Smithville sporadically such as contractors. For example, an HVAC contractor knows that they have to have a license to do business in Smithville when they pull a new permit to replace a unit. However, if they don't have a customer in Smithville for six months or more that extends into another license year (November to October) they never get a renewed license. The code defines a non-permanent vendor as one that doesn't have a physical address in the city, and conducts business less than 11 months of a given year in the city. In this HVAC contractor example, they would meet the definition of a Non-Permanent Vendor and be subject to the new prorated fees language. This interpretation would not impact existing businesses located in the city as they already renew their licenses annually.

Attached you will find a red-lined version of a proposed ordinance that shows the changes suggested in this memo.

BILL NO. XXXX-XX

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE BUSINESS LICENSE REGULATIONS OF THE CITY OF SMITHVILLE, MISSOURI

WHEREAS, the City of Smithville, Missouri enacted Ordinance Number 287-67 setting forth business regulations; and,

WHEREAS, the Mayor and Board of Aldermen of the City of Smithville, Missouri have updated the provisions numerous times since it was enacted; and,

WHEREAS, the Board of Aldermen have sought to consolidate all of the City's fees and charges into its' annual Comprehensive Schedule of Fees, including those contained in this ordinance; and

WHEREAS, that a review of the ordinance while preparing for the changes to the fee structure changes, several other changes became necessary in order to simplify and improve the efficiency of the business licensing program for all businesses; and,

WHEREAS, the Board of Aldermen believe the best interests of all affected parties to delete the prior ordinances in their entirety and replace them with a comprehensive, updated ordinance regulating business licenses in the City of Smithville;

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

Section 1. That Sections 610.010 through 610.140 of the Code of Ordinance be deleted in their entirety, and replaced and renumbered as follows:

Section 610.010 Definitions.

For the purposes of this Article, the following words and phrases shall have the meanings respectively ascribed to them by this Section:

CITY ~~CLERK~~ FINANCE DIRECTOR

The City ~~Clerk~~ FINANCE DIRECTOR and his or her duly authorized deputies and agents.

CONTRACTORS

Every individual, including ~~any and~~ all building crafts and enterprises, which shall engage in the business of building, erecting, repairing, remodeling or otherwise constructing or reconstructing houses, buildings, bridges, stonework, sewers, streets, sidewalks, parking lots or other structures or any parts thereof or contracting with others for the performance of any such work.

FESTIVAL ORGANIZERS

Persons or entities that sponsor a festival within the city limits with Festival Vendors
FESTIVAL VENDORS

For-profit and not-for-profit vendors selling at ~~City-approved or sanctioned~~ festivals within the City limits.

NON-PERMANENT VENDOR

A business operation with no permanent physical structure attached to real estate within the city limits that operates less than eleven (11) months of each year.

Section 610.020 Licenses Required — Fees To Be Paid.

Every person, firm or corporation who shall maintain, operate or conduct any of the businesses or trades listed in Section 610.130 or exercise any of the privileges specified in this Section shall obtain a license to do so and pay the license fee or tax prescribed in Section 610.130. All license taxes or fees required in this Section shall be due and payable on the first day of December of each year and shall be delinquent on the 31st day of December each year. A late payment fee equal to ten percent (10%) of the required fee shall also be required for all payments received after the due date and shall additionally accrue additional penalties in the amount of one percent (1%) per month for each month or part thereof for payments received after such fees become delinquent.

Section 610.030 Terms Of Licenses — Prorating Of Fees.

The regular license period for the City of Smithville is from December 1 through November 30 of the following year and when any person shall apply for a new license ~~or a renewal of an existing license~~ from the City after December 1st and the remaining period for which the business may be operated shall be less than twelve (12) months, the license fee shall be as follows: If such license shall run more than one (1) month and less than ~~six (6)~~ four (4) months, then the license fee charged shall be ~~one-half (1/2)~~ one-third (1/3) the license fee charged for the full twelve (12) months. If such period be more than ~~six (6)~~ four (4) months and less than ~~nine (9)~~ eight (8) months, then the license fee charged shall be ~~three-fourths (3/4)~~ two-thirds (2/3) of the license fee charged for the full twelve (12) months. If such period is for more than ~~nine (9)~~ eight (8) months, then the license fee shall be the same as for twelve (12) months.

Section 610.040 Applications For Occupation License.

A. No license shall be issued under the terms of this Article unless the applicant provides the following information:

1. A completed application for a license, or renewal application, upon the forms provided by the City Administrator, or designated representative, for each application.

2. A copy of a retail sales license from the Missouri Department of Revenue, or an affidavit from the applicant that no retail sales license is required for the type of business intended to be performed under the occupation license.
 3. A copy of a statement, issued by the Missouri Department of Revenue, stating that no tax is due in accordance with the requirements of Section 144.083, RSMo., that is dated no longer than ninety (90) days before the date of submission of the application.
 4. A ~~zoning~~ occupancy statement from the Planning and Zoning Director that the intended location of the business is in conformance with the zoning requirements of the City of Smithville, unless the business is one that in common practice would not necessarily have a business location in the City. In such a case the business must provide the address of its business location on its application and must provide the City with notice of any change of address within a reasonable time after the change.
 5. A certificate of insurance for Workers' Compensation Insurance Coverage. The applicant shall have the affirmative responsibility to provide the City with additional certificates throughout the term of the license sufficient to show that such coverage is in effect during the entire term of the occupation license. Nothing in this Section shall be construed to create or constitute a liability to or a cause of action against the City in regard to the issuance or non-issuance of any license for failure to provide such certificates.
 6. If the business is food-service related, a preopening food service establishment inspection report from the Clay County Health Department must be submitted.
 7. If the business is a plumbing, electrical, or mechanical contractor, the applicant shall also provide a copy of a valid master's license issued by any City that proctors a nationally recognized exam for such purpose, ~~such as Block®~~, prior to the issuance of such master's license.
 8. If the business requires any special license issued by the State of Missouri, the applicant shall provide a copy of such license, along with a certification from the issuer that the license is currently valid. If the license expires during the term of the license granted herein, the applicant is required to supplement its initial application with a copy of such license renewal prior to the expiration date of the previous State license.
- B. It shall be unlawful to provide fraudulent documents or fraudulent information on the application required herein.

Section 610.050_Requirements For Issuance Of License.

No license shall be issued to any applicant who is in arrears of payment of any debt to the City of Smithville, including, but not limited to, real estate taxes, personal property taxes, special assessments, special tax bills, water usage bills, fines, fees or expenses related to any other approvals from the City, unless a payment plan has been approved by the City of Smithville. It shall not be a defense to the requirements of this provision that any such real estate taxes are owed by the owner of the real estate in which the applicant is merely a tenant. Licenses shall be signed by the City Clerk-Director of Finance and contain the City's logo ~~and Mayor and the Clerk shall affix the corporate Seal of the City thereto.~~

Section 610.060 City ~~Clerk~~Finance Director To Classify — Appeal From City ~~Clerk's~~Finance Director's Decision.

The City ~~Administrator~~Finance Director, or designated representative, shall classify all applicants for licenses and issue the appropriate license. In performing these duties, the City ~~Administrator~~Finance Director, or designated representative, may request the applicant provide evidence to support any of the classifications. Any such information provided for this classification shall be considered personal and confidential records and will be returned to the applicant upon completion of any review. Any person aggrieved by the ~~Administrator's~~Director of Finance's, or designated representative's, decision may pay such fee under protest and appeal to the Board of Aldermen within thirty (30) days of such payment. The Board shall have the power to order the license canceled, the fee repaid and a new and more appropriate license or licenses issued.

Section 610.070 Non-Transferability Of Licenses.

All licenses issued by the City shall be deemed to be mere personal privileges and shall not be transferable or assignable.

Section 610.080 Display Of Licenses.

All licenses issued hereunder, and State-issued licenses of any employee required to be maintained for the work performed at the business, shall be posted in a conspicuous place for all members of the public to view. No person shall refuse to exhibit such license(s) to any City Official upon demand.

Section 610.090 Separate Licenses For Each Business.

A separate license shall be obtained for each place of business conducted, operated, maintained or carried on by every person engaged in any occupation, trade or enterprise for which a license is required under this Article. Whenever any applicant for a license under this Article is engaged in more than one (1) occupation or business at the same address, such applicant shall make a separate application and pay the required fee for each of such separate businesses, occupations or enterprises conducted on said premises.

Section 610.100 Two Licenses For One Business Not Required.

If, by the provisions of any other Code Section a separate license is required for conducting business in the City of Smithville, then no such fee shall be due under this provision.

Section 610.110 Festival, Non-Permanent And Fireworks Vendors.

A. All Festival Organizers shall be required to provide the following information in order to obtain a license:

1. The name of the festival organizer or contact person.
2. The booth number or location assigned to each vendor.
3. If a food-service-related operation, a Clay County Health Department approval letter.

B. All non-permanent vendors shall be subject to the fees required under Section 610.130 and must provide the information required under Section 610.040, as well as the following additional information:

1. Evidence of authorization to operate at the proposed location from the owner of the real estate. Such proof must be signed by the owner.
2. Evidence that adequate required utility services, including, but not limited to, water and sewer facilities, are available.

C. All fireworks vendors shall obtain a permit for the sale of fireworks as described herein and be subject to a fee ~~of one thousand five hundred dollars (\$1,500.00)~~ as determined by the Board of Aldermen and contained in its' annual Schedule of Fees for such permit.

1. Applicants for a fireworks vendor permit shall submit an application in which they agree to the following:
 - a. They shall adhere to the laws of the State of Missouri regulating the sale of fireworks, including, but not limited to, Chapter 320, RSMo., as amended.
 - b. They shall indemnify and hold harmless the City of Smithville in any way for the action or damages resulting from the operation of their fireworks stand or from the sale of their fireworks.
 - c. They shall agree to abide by all other ordinances of the City.
2. All applications must be submitted between the days of May 1 and June 6 of the year in which a permit is requested, and such application shall include: the specifications of the firework stand or tent; its location; written approval of the owner of the property upon which the stand will be located; a certificate of liability insurance covering the sale of fireworks for accident or damages caused from the operation of the fireworks stand, with the City of Smithville named as an additional insured on the policy in an amount not less than the municipal sovereign immunity limit imposed by the Statutes of the State of Missouri; and the required fee herein.
3. Before any permit is issued herein, the applicant shall pass a background check conducted by the Chief of Police or his or her designee and the location and specifications of firework stand or tent shall be approved, in writing, by the Chief of the Fire District.
4. Any fireworks stand permitted as required above shall also meet the following requirements:
 - a. The sale of fireworks shall be limited to the hours of 9:00 A.M. and 10:00 P.M. on the following days: June 20 until July 5, as well as December 20 until January 2 of the year

following the year in which the permit was issued, and no other sales outside those dates and times shall be permitted.

b. The applicant must prominently post signs that read: "Fireworks For Sale — Keep Open Flames Away — No Smoking Allowed."

5. The sale of fireworks not in accordance with the timeframes included in Subsection (C)(4) above shall result in the immediate revocation of the permit issued herein, as well as may constitute a violation of Section 205.680 of the City Code.

Section 610.120 Building Contractors — License.

No building permit shall be issued to any contractor who has not obtained a license as required in this Article. ~~Contractors may, at their option, purchase a blanket license for a fee of two hundred fifty dollars (\$250.00). Such blanket license would authorize the contractor and any subcontractor under him/her to perform work under any building permit issued to the contractor. If any subcontractor will perform any plumbing, electrical or mechanical work under a building permit, such subcontractor must separately provide a copy of a master's license as is required for a contractor performing the same work.~~

Section 610.130 License Fee ~~Based On Gross Annual Receipts.~~

A. Every person, firm, corporation, partnership or association engaged in the following listed businesses shall pay the City Collector Finance Director a license fee ~~based upon gross annual receipts in accordance with the following schedule. as determined by the Board of Aldermen and contained in its' annual Schedule of Fees.~~

~~1. Schedule:~~

~~\$0.00 to \$100,000.00 annual gross receipts: \$50.00.~~

~~\$100,000.00 to \$150,000.00 annual gross receipts: \$75.00.~~

~~\$150,000.00 and over annual gross receipts: \$100.00.~~

~~2. List of businesses:~~

Abstracting business	Chair rental concern
Abstracting agency	Collection agency
Adding machine company	Contractor
Addressing business	Confectioner
Advertising agency	Dairy products dealer
Advertising company	Druggist, retail and wholesale
Auction house	Dye house
Automobile accessory dealer	Dance hall or house
Automobile dealer or agency	Dancing school
Automobile rental or leasing company	Delivery truck or auto
Automobile repair shop	Drummer
Automobile washing and oiling concern	Electric battery or changing station
Accountant	Florist

Adjustor or adjusting company
Ambulance company
Architect, engineer or draftsman
Baker, retail or wholesale
Ball or bowling alley
Bathhouse
Blueprint maker
Bookbinder
Bottling works
Butcher, retail and wholesale
Bakery delivery wagon or truck
Bank or trust company
Barbershop
Beauty parlor
Bicycle repair shop
Blacksmith shop
Bondsman and agent
Building or housecleaning company
Building mover or wrecking company
Business licenses
Business or correspondence school
Cafe
Cigar and tobacco stand
Clothes cleaner
Clothes presser and dyer
Clothes rental concern
Coal dealers, retail and wholesale
Cold storage house or locker plant
Cash register agency
Caterer
Masseur
Merchants, retail and wholesale
Monument dealer or agency
Moving picture show
Machine shop
Manufacture agent
Merchant delivery company
Messenger or delivery service
Milk wagon or truck
Miniature golf course
Newspaper, advertising
Nursery
Oil station, retail or wholesale
Piano and organ dealer or agent

Flour mill
Foreign coffee and tea dealer and agent
Foundry
Groceries, retail and wholesale
Grain elevator
Hat cleaner
Hay merchant
Hospital, private
Hotel and motel
Hothouse
Ice dealer
Ice plant
Ice plant agency
Ice cream parlor
Ice cream stand
Ice truck or wagon
Insurance broker
Insurance company or agency
Investment company
Job wagon or truck
Junk dealer or auto yard
Land title — guarantor of
Land title insurance
Laundry
Laundry wagon or truck
Laundry branch or agency
Lumber dealer
Lunch stand or counter
Mail order merchant or house
Manufacturer
Theaters
Wholesale house or merchant
Towel supply agency
Trade school
Trailers, business
Tree surgeons and trimmers
Trucker and transfer company
Typewriter agency
Upholsterer
Vacuum cleaner sales or rental business
Vermin exterminator
Waste paper company
Welding business
Well driller

Popcorn stand or peanut stand	Window cleaning business
Printing business	Wood dealer
Produce dealer	
Poultry dealer	
Publishing business	
Patent right dealer	
Pawnbroker	
Photographer, business or studio	
Pool hall and pool tables	
Ready to wear clothing agency	
Restaurant	
Radio or television station, commercial	
Real estate loan or rental company	
Renovating or repair business	
Sand plant	
Secondhand business	
Soft drink stand or vendor	
Safe deposit company	
Sale of unclaimed goods	
Sales agent or agency	
Sewing machine	
Shoeshine parlor	
Shoe repair shop	
Sign hanger	
Sign maker	
Skating rink, ice or roller	
Storage warehouse	
Tailor-made clothing agency	
Tailors	

B. The fees referenced herein may be limited pursuant to Section 71.620, RSMo.

Section 610.140 Violations And Penalties.

It shall be unlawful for any person to violate any of the provisions of this Article and, upon conviction, shall be subject to a fine as set out in Section 100.220 of this code. Each day that a violation of the provisions of this Article occurs shall constitute a separate offense.