

SMITHVILLE BOARD OF ALDERMEN
WORK SESSION

August 20, 2024 5:30 p.m.
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 5:29p.m. A quorum of the Board was present: Marv Atkins, Melissa Wilson, Kelly Kobylski, Leeah Shipley, Dan Hartman and Ronald Russell.

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

2. Discussion of the 9-Month FY2024 Budget Update

Rick Welch, Finance Director, presented the 9-Month FY2024 Budget Update.

FY2024 Budget Amendments Through Quarter Three
FY2024 amendments approved by the Board:

- Budget Amendment #1: On November 20, 2023, \$732,000 of expenditures to the CWWS Fund. Expenditures are:
 - \$155,000 4th Street Terrace stormwater improvements
 - \$305,000 Quincy Boulevard stormwater improvements
 - \$20,000 Raw Water Pump Station construction
 - \$72,000 Playground Resurfacing at Smith's Fork Park and Heritage Park

- Budget Amendment #2: On March 5, 2024, \$30,000 of expenditures to the General Fund and \$200,831.87 of expenditures to the CWWS Fund. Expenditures are:
 - \$30,000 West Central Missouri Regional Lodge #50 of the Fraternal Order of Police
 - \$166,713.60 First and Bridge Street Waterline Improvement
 - \$28,000 manhole replacement on Maple Street
 - \$29,796.27 final cost of motive pump maintenance
 - \$26,322 waterline under 147th Street

- Budget Amendment #3: On May 7, 2024, \$45,375.63 of expenditures to the General Fund \$15,753.93 of expenditures to the CWWS Fund. Expenditures are:
 - \$36,000.75 LAGERS upgrade to L-12 from L-7 (GF)
 - \$12,078.81 LAGERS upgrade to L-12 from L-7 (CWWS)
 - \$9,374.88 IT services grade (GF)
 - \$3,675.12 IT services grade (CWWS)

On May 7, 2024, \$460,000 of additional revenue and expenditures to the Transportation Sales Tax Fund and \$1,000,000 to the Capital Improvement Sales Tax Fund was approved as additional MARC grant funds were secured. Revenue and expenditures are:

- \$460,000 Commercial Sidewalk Project
- \$1,000,000 Streetscape Phase III

- \$4,350,000 COP budget in CWSWS fund, plus and additional \$2,344,510 for a total of \$6,694,610. Resolution 1307, Go to Market.

General Fund Review

| General Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|--------------|-----------------|--------------------|-------------|----------------------|
| Revenues | \$6,266,986 | \$6,674,967 | \$5,276,244 | 84.2% |

- The increase over budgeted FY2024 General Fund revenue are the result of better performance of property tax, sales tax, and interest earnings.

| General Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|--------------|-----------------|--------------------|------------|----------------------|
| Expenditures | \$7,100,790 | \$7,406,812 | 5,555,109 | 78.2% |

- The increase over budgeted FY2024 General Fund expenditures have been recognized with the rising costs of commodities, employee benefits, and repairs and maintenance.

| | Phase | Resolution | Contractor / Engineer | Status |
|--|--------------|------------|-----------------------|---------------|
| 4th St & 4th Terr Improvement | Construction | 1199 | Menke | Completed |
| Quincy Boulevard Improvements | Construction | 1221 | Amino Brothers | In Progress * |
| Annual Wayfinding Signage Installation | Construction | Upcoming | City Staff | Not Started |

*Project is currently in the punch list stage

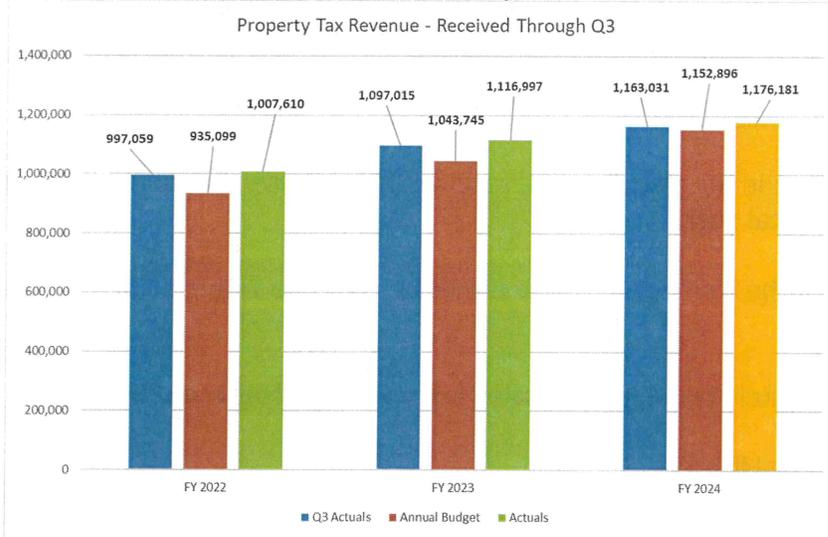
Property Tax Revenue

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

| General Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-----------------------|-----------------|--------------------|--------------|----------------------|
| Property Tax Revenues | \$ 1,152,896 | \$ 1,176,181 | \$ 1,163,536 | 100.9% |

- The City receives the majority of the property tax disbursement from Clay County in January of each year.
- The City, on average in the past 3 years, receives 99.6% of annual property tax revenue by the 3rd quarter of the fiscal year.
- For the last five years, the City has seen an average annual increase in property tax revenues of about 6.3%.

Property Tax Revenue 3- Year History



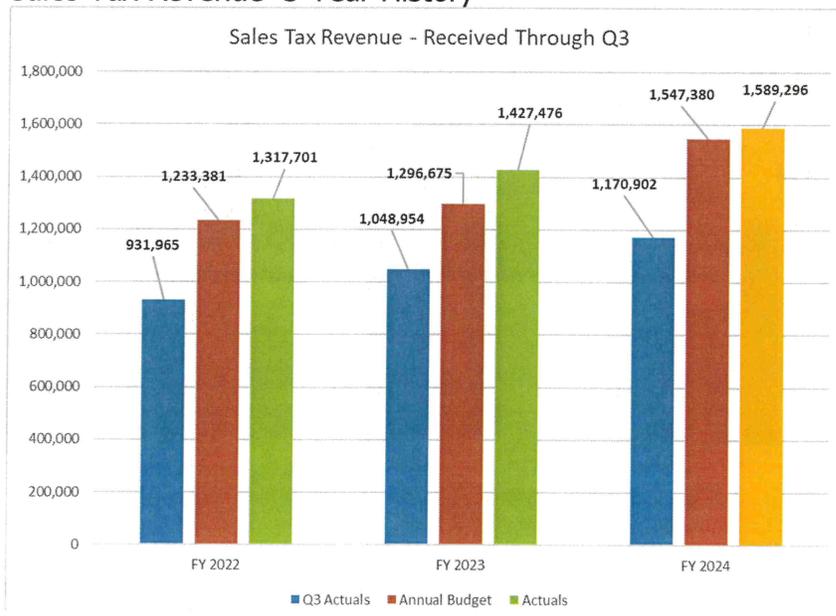
Sales Tax Revenue

| General Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-------------------|-----------------|--------------------|--------------|----------------------|
| Sales Tax Revenue | \$ 1,547,380 | \$ 1,589,296 | \$ 1,170,902 | 75.7% |

- The City, on average in the past 3 years, receives 73% of sales tax annual revenue by the 3rd quarter of the fiscal year.
- This data reflects the monthly transfer of TIF EATs from the General Fund to the Special Allocation Fund (Marketplace TIF).

Rick noted that this was one fund that staff will be monitoring over the next couple of months. He explained that most cities are seeing a slowdown in sales tax revenue.

Sales Tax Revenue 3-Year History



Use Tax Revenue

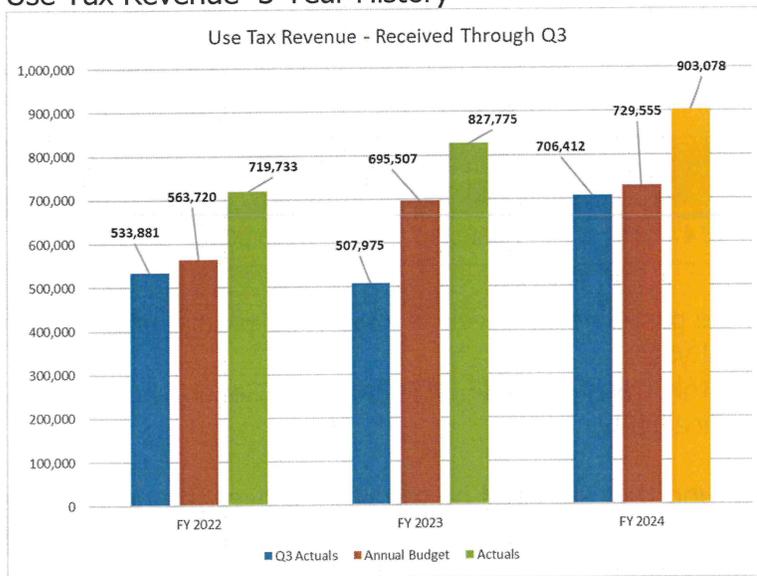
| General Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-----------------|-----------------|--------------------|------------|----------------------|
| Use Tax Revenue | \$ 729,555 | \$ 903,078 | \$ 706,412 | 96.8% |

- The City, on average in the past 3 years, receives 75% of use tax annual revenue by the 3rd quarter of the fiscal year.

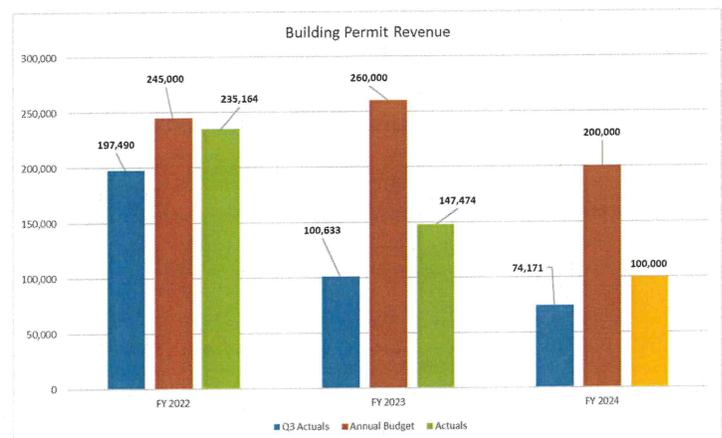
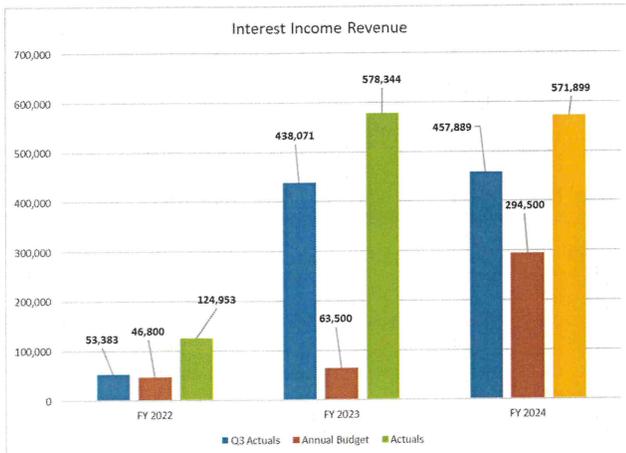
Alderman Atkins asked if the increase in use tax revenue could be where some of the sales tax revenues are going.

Rick said that could absolutely be where the sales tax revenue offset could be.

Use Tax Revenue 3-Year History



General Fund Revenues - Areas of Impact



Alderman Hartman reminded everyone watching that the City's year end is October 31.

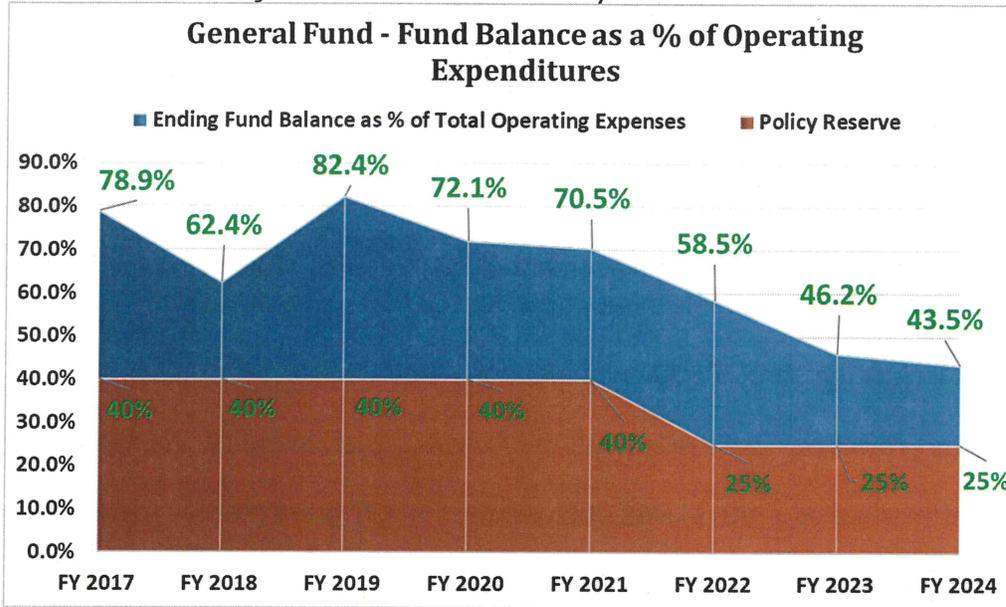
General Fund - Bottom Line

| | Actual FY2023 | Budgeted FY2024 | Projected FY2024 |
|-----------------------------------|------------------|--------------------|---------------------|
| Beginning Fund Balance | 3,425,221 | 3,951,294 | 3,951,294 |
| Total Revenues | 6,569,620 | 6,266,986 | 6,674,967 |
| Total Expenses | 6,043,547 | 7,100,790 | 7,406,812 |
| Net Change in Fund Balance | 526,073 | (833,804) | (731,845) |
| Ending Fund Balance | 3,951,294 | 3,117,490 | 3,219,449 |
| | | | 101,959 |

Projected fund balance over budget.

*Projected includes budget amendments.

General Fund – Projected Fund Balance Analysis



Capital Improvement Sales Tax Fund

| Capital Improvement Sales Tax | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|-------------------------------|-----------------|--------------------|------------|----------------------|----------------|
| Revenue | \$ 2,240,750 | \$ 762,742 | \$ 576,021 | 25.7% | 75.5% |

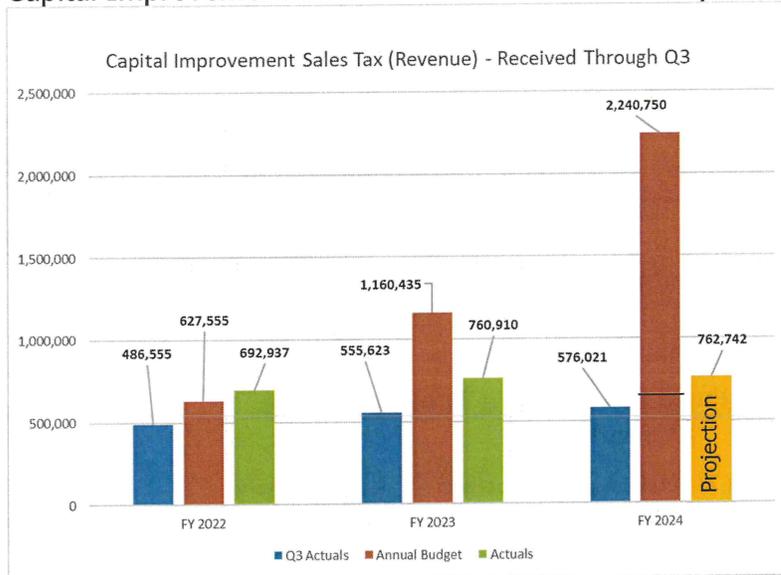
- Projection include CIP that will carry forward to FY25, including a MoDOT reimbursement included in FY24 revenue in the amount of \$1,488,000.

| Capital Improvement Sales Tax | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|-------------------------------|-----------------|--------------------|------------|----------------------|----------------|
| Expenditure | \$ 1,906,340 | \$ 418,340 | \$ 181,054 | 9.5% | 43.3% |

- Projection includes CIP project expenditures that will carry forward to FY25.

| CIST Funded Capital Project | Phase | Resolution | Contractor / Engineer | Status |
|------------------------------------|--------------|------------|-----------------------|-------------|
| Riverwalk Park & Trail | Engineering | 1321 | GBA | In Progress |
| 2nd Creek Sidewalks | Engineering | 1321 | GBA | In Progress |
| Downtown Streetscape Phase III | Construction | Upcoming | TBD | Bid Awarded |
| 1st Street and Bridge Round-A-Bout | TBD | Upcoming | To Be Decided | Agenda Item |

Capital Improvement Sales Tax Fund 3-Year History



FY24 budget includes a MoDOT reimbursement of \$1,488,000. The line in the budget column represents where budget would be without the \$1,488,000 reimbursement.

FY23 budget included a MoDOT reimbursement of \$488,000.

Both years the project has been rolled into the following year, including the reimbursement.

Alderman Hartman asked if the \$1,488,000 was the MoDOT grant that we received.

Chuck Soules, Public Works Director, said that it was.

Transportation Sales Tax Fund

| Transportation Sales Tax | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|--------------------------|-----------------|--------------------|------------|----------------------|----------------|
| Revenue | \$ 1,627,450 | \$ 682,217 | \$ 529,175 | 32.5% | 77.6% |

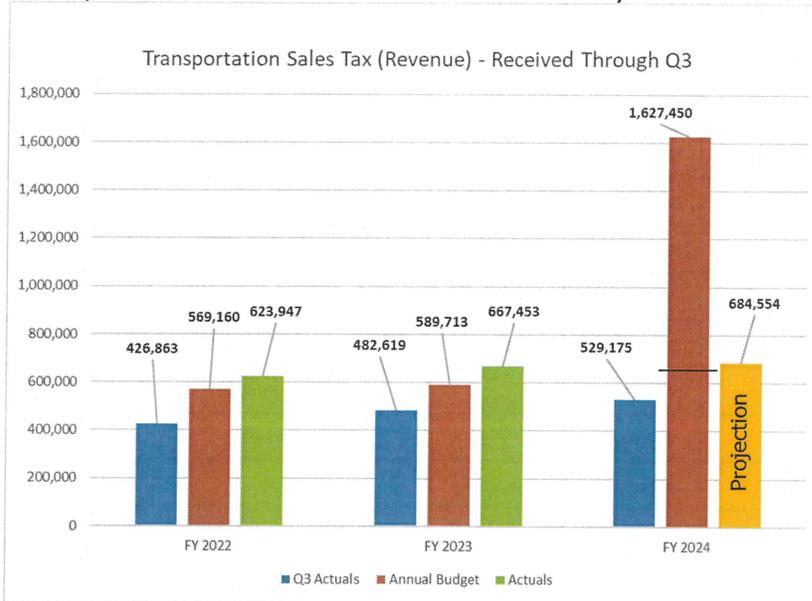
- Projection includes CIP that will carryforward to FY25, including a MARC reimbursement included in FY24 revenue in the amount of \$960,000.

| Transportation Sales Tax | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|--------------------------|-----------------|--------------------|------------|----------------------|----------------|
| Expenditure | \$ 1,699,140 | \$ 739,140 | \$ 555,132 | 32.7% | 75.1% |

- Projection includes Commercial Street Sidewalk expenditures that will carry forward to FY25.

| TST Funded Capital Project | Phase | Resolution | Contractor / Engineer | Status |
|---|--------------|------------|-----------------------|-------------|
| Annual Asphalt Overlay Program | Construction | 1323 | Asphaltic Surfaces | Completed |
| Annual Sidewalk Replacement Program | Construction | Upcoming | KC Concrete | Completed |
| Commercial Street Sidewalks (grant for \$960,000) | Construction | Upcoming | To Be Decided | Agenda Item |

Transportation Sales Tax Fund 3-Year History



FY24 budget includes a MARC reimbursement of \$960,000. The line in the budget column represents where budget would be without the \$960,000 reimbursement.

The project will carry forward into the following year, including the reimbursement.

Combined Water and Wastewater Fund

| CWWS Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|-----------|-----------------|--------------------|--------------|----------------------|----------------|
| Revenue | \$ 10,683,600 | \$ 6,618,941 | \$ 4,687,514 | 43.9% | 70.8% |

- Projection revenues do not include COP proceeds

| CWWS Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|-------------|-----------------|--------------------|--------------|----------------------|----------------|
| Expenditure | \$ 15,704,620 | \$ 5,937,039 | \$ 3,460,529 | 22.0% | 58.3% |

- Projection expenditures do not include the majority of FY24 CIP projects, which will carryforward to FY25.

Combined Water and Wastewater CIP

| CWWS Funded Capital Project | Phase | Resolution | Contractor / Engineer | Status |
|---|--------------|------------|---------------------------------|-------------|
| 2024 Sewer Rehabilitation Program | Maintenance | 1300 | SAK | Completed |
| 1st and Bridge Street Watermain Improvements | Construction | Upcoming | Engleman Construction | Completed |
| Complete Auth 99 - WTP Improvements / Residuals | Engineering | 1208 | HDR Engineering | Completed |
| Complete Auth 94 - West Bypass of 144th St Lift Station | Engineering | 987 | HDR Engineering | In progress |
| Complete Auth 92 - Smith's Fork Pump Station | Engineering | 1197 | HDR Engineering | In progress |
| Complete Auth 97 - River Cross / Maple Ln Waterline | Engineering | 1138 | HDR Engineering | In progress |
| Complete Auth 98 - Owens Branch Sanitary Sewer | Engineering | 1176 | HDR Engineering | In progress |
| West Bypass of the 144th Street Lift Station | Construction | Upcoming | TBD | In progress |
| 144 th Street Lift Station | Construction | Upcoming | TBD | In progress |
| Est. Remaining Contract - Smith's Fork Force Main | Construction | Upcoming | TBD | In progress |
| Maple Lane & River Crossing (12" Waterline) | Construction | Upcoming | TBD | In progress |
| Headworks Bar Screen | Construction | 1309 | Ross Construction | In progress |
| Authorization 101 - Stonebridge Lift Station | Engineering | 1258 | HDR Engineering | In progress |
| Stonebridge Lift Station (SSD Cost Sharing) | Construction | Upcoming | TBD | In progress |
| Lagoon Cleaning & Liner Repair | Construction | 1299 | Richardson Construction Company | Bid Awarded |
| Water Plant Improvements | Construction | Upcoming | Ross Construction | Bid Awarded |

Water and Wastewater Sales Revenue

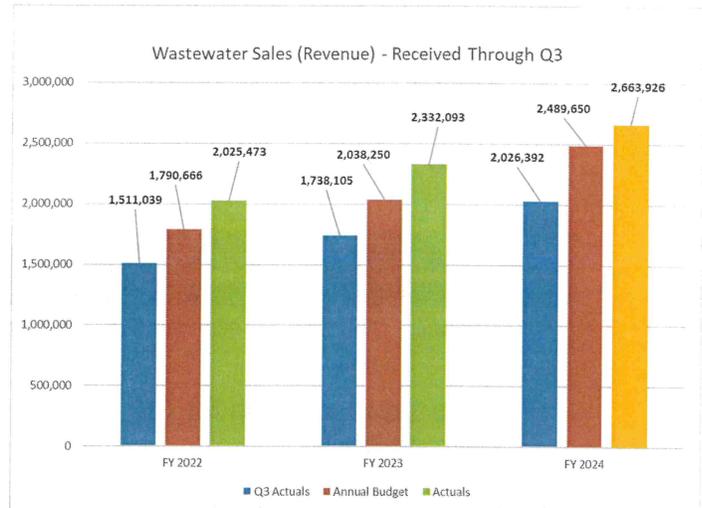
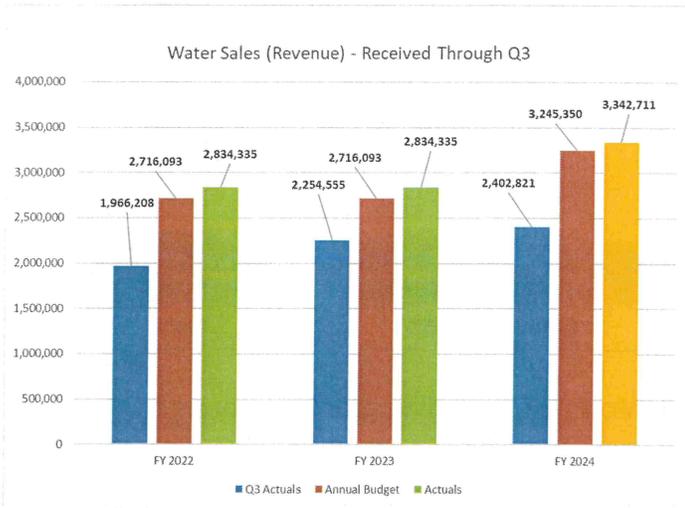
| CWWS Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|--------------------|---------------------|---------------------|---------------------|----------------------|
| Water Sales | \$ 3,245,350 | \$ 3,342,711 | \$ 2,402,821 | 74.0% |

- The City, on average in the past 3 years, receives 71% of water sales annual revenue by the 3rd quarter of the fiscal year.

| CWWS Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-------------------------|---------------------|---------------------|---------------------|----------------------|
| Wastewater Sales | \$ 2,489,650 | \$ 2,663,926 | \$ 2,026,392 | 81.4% |

- The City, on average in the past 3 years, receives 75% of wastewater sales annual revenue by 3rd quarter of the fiscal year.

Water and Wastewater Sales Revenue 3-Year History



CWWS Fund Bottom Line

| | Actual FY 2023 | Budgeted FY 2024 | Projected FY 2024 |
|-----------------------------------|-------------------|---------------------|----------------------|
| Beginning Fund Balance | 7,123,744 | 6,589,526 | 6,589,526 |
| Total Revenues | 6,104,757 | 10,683,600 | 6,618,941 |
| Total Expenses | 6,638,976 | 15,704,620 | 5,937,039 |
| Net Change in Fund Balance | (534,218) | (5,021,020) | 681,902 |
| Ending Fund Balance | 6,589,526 | 1,568,506 | 7,271,428 |
| | | | 5,702,922 |

Projected fund balance over budget.

*Projected includes budget amendments.

Sanitation Fund

| Sanitation Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-----------------|-----------------|--------------------|------------|----------------------|
| Revenue | \$ 938,757 | \$ 920,573 | \$ 690,430 | 73.5% |

- The City, on average in the past 3 years, receives 73% of solid waste annual revenue by the 3rd quarter of the fiscal year.

| Sanitation Fund | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-----------------|-----------------|--------------------|------------|----------------------|
| Expenditure | \$ 931,805 | \$ 924,397 | \$ 693,298 | 74.4% |

- The City also pays to participate in the Household Hazardous Waste collection program (paid for in Q1 every year) administered by MARC which is funded by the Sanitation Fund.

Parks and Stormwater Sales Tax Fund

| Park & Stormwater Sales Tax | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|-----------------------------|-----------------|--------------------|------------|----------------------|----------------|
| Revenue | \$ 933,750 | \$ 752,156 | \$ 574,618 | 61.5% | 76.4% |

- Projections adjusted for CIP that will roll into FY25, including grant revenue of OK Railroad Trails.

| Park & Stormwater Sales Tax | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received | % of Projected |
|-----------------------------|-----------------|--------------------|------------|----------------------|----------------|
| Expenditure | \$ 1,021,000 | \$ 618,577 | \$ 461,834 | 45.2% | 74.7% |

| PST Funded Capital Project | Phase | Resolution | Contractor / Engineer | Status |
|---|--------------|------------|-----------------------|-------------|
| Stonebridge Stormwater Improvements | Engineering | 1304 | GBA | Completed |
| Emerald Ridge Neighborhood Park & Signage | Construction | Upcoming | To Be Decided | In Progress |
| Stonebridge Stormwater Improvements | Construction | Upcoming | Tunks | In Progress |
| The "OK Railroad" Trail (grant for \$184,600) | Engineering | Upcoming | In house | Not Started |

Vehicle and Equipment Replacement Fund (VERF)

| VERF | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|---------|-----------------|--------------------|------------|----------------------|
| Revenue | \$ 374,398 | \$ 373,851 | \$ 373,851 | 99.9% |

- The VERF received \$249,000 transfer into the fund for annual operational support in FY24.
- The VERF realized revenue from vehicle sales of \$124,851.

| VERF | FY2024 Budgeted | FY2024 Projections | FY2024 YTD | % of Budget Received |
|-------------|-----------------|--------------------|------------|----------------------|
| Expenditure | \$ 423,547 | \$ 465,487 | \$ 360,487 | 85.1% |

- Through July 31, 2024, the City is leasing **38 vehicles** with Enterprise Fleet Management. This represents all the vehicles that will be placed with Enterprise, other than future organic growth.

9-Month Budget Review Concluding Remarks Revenues

- General Fund revenues continue to forecast above budget, especially with sales tax, use tax, and interest earnings.
- Water and wastewater revenue in the CWWS Fund is slightly above budget.

Expenditures

- Inflation remains a significant factor impacting department operational budgets, particularly in areas such as commodities, employee benefits, and repairs and maintenance.

Budget Carryforward to FY2025

- Funds for CIP projects planned for FY2024 will carry forward to FY2025. This has no negative effect on fund balance as the planned expenditures move to the following year.

Alderman Hartman asked if the interest income of \$157,000 for third quarter was correct.

Rick said that we are roughly at \$50,000 for third quarter. Rick explained that the way our computation is we are capped at 5% on our CDs at Central Bank.

Alderman Russell noted he like the line added to the graphs showing what it would be without the grant money.

3. Discussion of the FY2025 Operating Budget

Rick presented the first discussion of the proposed FY2025 Operating Budget and the Five-Year CIP. Rick noted that the last two or three years have had better than expected financial results. He explained that as we look forward, we will begin to see a decline in interest rates as the economy in general is somewhat lacking a little bit of confidence. In the FY2025 budget there is not really anything new. We are not adding employees, we are not adding projects or big expenditures. The proposed FY2025 budget does address inflation to commodities and CIP projects that have been pushed forward, that now need to be completed.

Cynthia thanked Rick and staff for preparing the FY2025 budget. She noted that the information provided incorporates work that has been done in work sessions and the retreat. The FY2025 proposed budget reflects a maintenance budget. We are not adding new programs, or staff, we are working to ensure that we continue to provide the level of services and focus on employee recruitment and retention. Cynthia noted that inflation has an effect on our expenditure level that then effects how we are able to fund projects. She explained that Rick has done a great job in coming on board, understanding our budget, and doing it while we have been transitioning to a new software.

Budget Development Process

- Department Budget Requests Done – May 2024
- Management Review – June 2024
- Board Retreat – June 2024
- Budget Work Session – August and September 2024
- Board Approves Operating Budget and Capital Improvement Budget – October 2024

Rick noted that at the September meeting he expects to come back with better revenue projections as well as be able to look at month to date September expenditures. Rick explained that he has taken a very conservative approach this budget.

FY2025 Proposed General Fund Key Operating Budget Assumptions

- Health Insurance Premiums: 15% Increase
- Fuel Assumption: \$3.55 / Gallon
- Propane Assumption: \$2.00 / Gallon
- City Facility Electricity: 5% Increase
- Confinement Fees – 100% increase based on current hybrid model
- ERP Pro 10 Tyler Technologies User Fee: 31% Increase
- Property and Liability Insurance: 11% Increase
- Worker’s Compensation Rate Changes: 9% Increase

FY2025 Proposed General Fund Necessary Operating Increases

- Annual VERF (Vehicle and Equipment Replacement Fund) Financial Support (\$390,000)
- IT Services increase with new contract (\$39,150)
- Smith’s Fork Park Lease Payment to Corp of Engineers: Annual Cost Increase from \$53,335 to \$56,002
- Police Overtime: \$44,379 Increase from FY2024 Adopted Budget to FY2025 Proposed Budget

Rick noted that with the new IT services, we have been able to not renew our Microsoft 365 licensing that was \$14,000 a year because it is provided with the new service. We will also save \$5,000 next year on our cybersecurity training with KnowBe4 since it is also provided with our new service.

Alderman Wilson asked if the \$39,150 IT Services increase had those two totals taken out of it.

Rick said that it did not.

Alderman Russell asked when the Smith’s Fork lease payment goes up again.

Mayor Boley explained that it goes up every year.

Cynthia noted that the increase really escalates in the next several years. She explained that staff had a conversation with the City Attorney, John Reddoch today and have reached out to the Corps of Engineers several times to see if we could discuss changing that due to the significant impact on our budget. Cynthia explained that this payment schedule is from a court ordered settlement agreement from the late 1970’s.

Rick noted some of the [Smith’s Fork Lease payment schedule](#).

Alderman Russell asked how the Sergeant’s overtime was figured.

Rick explained that it is an everchanging number that was figured based on history and projections.

Financial Profile – FY2024 Outstanding Debt
 Outstanding General Obligation Debt of \$5,075,000
 Funds Delivered – August 2018
 Final Payment – March 2038

Outstanding COP Debt of \$7,195,000
 Funds Delivered – August 2018
 Final Payment – September 2038

Cynthia noted that the GO Bonds or General Obligation Bonds debt financing is supported by the rates for the utilities. She explained that GO Bonds require voter approval and COP Bonds do not.

Financial Profile – Bond Rating
 Rating of “AA-” Assigned by S&P Global in February 2019

Rating Based Upon the Following Criteria:

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

Cynthia noted that we are only rated when we go out to issue debt and the last time was in 2019 for COPs. This is a bond rating that is a rating of our capacity to repay that debt

FY2025 Funded Highlights – General Fund

| Operational Budget Item | Estimated Cost | Considerations |
|---|--------------------------------------|---|
| Chamber Contract | \$10,000 | Second year of four year contract. |
| Additional City-Wide Department Training | \$5,000 (Average Annual Addition) | Additional funding has been budgeted for department training resulting from Employee Development Program discussions. |
| Employee Wellness Program | \$3,500 (Annually) | Identified funding for employee health & wellness initiatives |
| Police Ballistic Vests Replacement (4) | \$6,000 (Annual Replacement Program) | Replacement of 4 ballistic vests |
| Replacement of Four Mobile Data Terminals | \$13,000 (Replacement Program) | Second round of replacing in-car Police MDTs (computers) |
| City/County Shared Road | \$100,000 (One-Time) | Shared road improvements on 176th |
| ID Badge Machine | \$2,500 (One-Time) | Use for employees, peddlers license, etc. |
| 9' Boss Plow Attachments (Streets) | \$15,000 (One-Time) | Plow will replace 2011 8' 6" and a 2007 (2 total) |
| Glock Handgun Replacement | \$18,000 (One-Time) | Replacement of handguns, sights and holsters. Upgrades to red dot sights. |
| Holding Cell Benches | \$3,500 (One-Time) | Benches for City holding cells. |

Cont.

| Operational Request | Estimated Cost | Considerations |
|------------------------------|----------------------|---|
| Analytic Data Software | \$7,000 | The budget currently includes \$5,000 to continue with Replica agreement. Staff is recommending an upgrade, which could require additional funding. |
| Marketing | \$3,000 | Funding to address marketing opportunities that come up throughout the year. |
| 2024 Direction Finder Survey | \$15,000 | Staff requests Board direction. Last survey was conducted in FY2022. |
| Campground Road Repair | \$150,000 (One-Time) | Thickened road overlay. Option would be patch repairs at \$25,000. |
| Campground Sewer Video | \$10,000 (One-Time) | Assess damage to sewer system |

Mayor Boley asked if the campground road repair included paving some of the site for ADA.

Matt Denton, Parks Director said that it did not.

Mayor Boley asked that it be added as an alternative when it is put out for bid.

Rick explained that he had removed the addition of a Parks and Recreation position in the FY2025 budget. Rick noted that yesterday we received word concerning the Clay County Senior Services grant. We requested \$103,000 to help fund expanded services at the Senior Center and the Senior Services Coordinator position. At this time, we have been told we will receive \$60,000. That does give us some additional monies to expand some programming. Rick noted that he and Matt will be discussing this over the next week to figure out how best to utilize the additional funds.

Cynthia explained that staff submitted the grant application in mid-July. The \$103,000 would have provided for Amy to go full-time, looking at a five-day lunch service and expanded hours. She noted that the increase is not enough for the full-time position, but we can expand some of the programming. This will be plugged into the budget on the revenue and expenditures side.

Rick noted that two other items that are not included in this budget, the \$50,000 for the Strategic Planning program and the \$2,500 for the Northland Career Development Center.

Alderman Hartman said that he thought it is important that the Board consider the \$2,500 to the Northland Career Development Center be put in the budget. He noted that we are talking a conservative budget and not adding a lot of things but feels it would put us in a good position and we would be able to take advantage of the facility when it is built.

Alderman Kobylski agreed and believes it is a good investment for our students.

Rick noted that with all of the Board in agreement the \$2,500 for the Northland Career Development Center would be added back into the FY2025 budget.

FY2025 Compensation Scenarios

| Department | Base | 6% All | 8% Directors / 6% Frontline | 8% All | 10% Directors / 8% Frontline | 8% Directors / 10% Frontline | 10% All |
|--------------------------------|------------------|------------------|--------------------------------|------------------|---------------------------------|---------------------------------|------------------|
| Administration | 470,761 | 509,253 | 511,455 | 511,455 | 513,658 | 511,455 | 513,658 |
| Public Works | 797,761 | 838,187 | 839,625 | 851,663 | 853,100 | 863,700 | 865,138 |
| Police | 1,900,238 | 1,913,425 | 1,923,521 | 1,925,130 | 1,934,398 | 1,931,611 | 1,934,398 |
| Development | 456,439 | 480,602 | 483,003 | 488,657 | 491,057 | 494,311 | 496,711 |
| Finance | 369,950 | 389,007 | 391,442 | 395,359 | 397,794 | 399,276 | 401,711 |
| Parks & Rec | 540,448 | 568,640 | 570,943 | 578,037 | 580,340 | 585,131 | 587,434 |
| Elected Officials | 16,337 | 16,337 | 16,337 | 16,337 | 16,337 | 16,337 | 16,337 |
| General Fund | 4,551,934 | 4,715,451 | 4,736,326 | 4,766,638 | 4,786,685 | 4,801,822 | 4,815,388 |
| \$ Difference Over Base | | 163,517 | 184,392 | 214,704 | 234,751 | 249,888 | 263,454 |

Current FY25 projections are based off the 10% Directors / 8% Frontline Scenario as directed by Board of Alderman on July 16, 2024.

* Police include contract salaries of police officers per agreement. Agreement with sergeant unit is still being negotiated, totals do not reflect any adjustment.

Alderman Wilson suggested that since staff is still in negotiation with the union for the Sergeants, to think about taking that back to the eight percent for all or the eight percent for directors and the six percent for the frontline.

Alderman Kobylski asked if she thought the eight percent /six percent or the eight percent overall.

Rick noted that this was part of staff's discussion and omitting the Parks and Recreation position because we wanted to focus on our current employees and especially recruitment. He said that he would bring multiple scenarios for the September work session budget discussion.

Alderman Wilson noted that she understands the importance of employee retention but said that we have to look at the overall budget. She added that she is going to be very conservative when she is looking at the budget.

Alderman Hartman concurred with Alderman Wilson that we should leave the multiple scenarios, potentially the eight percent for all or maybe leave the ten percent for directors and eight percent for frontline.

Rick noted that going with the eight percent all would be a savings of \$20,000 and when you think about compensation it is a compounding number.

Alderman Russell asked if another city had recently done a compensation comparison.

Cynthia explained that after we did our compensation and classification study in 2021 a number of other cities have since done the same, which caused an escalation of salaries for employees. Cynthia noted that Gina Pate, Assistant City Administrator, did an in-house reboot of that compensation study by reaching out to other cities for the compensation rates to help update our information. This information was presented at the retreat.

Alderman Hartman asked if these amounts were the total employee costs.

Rick said yes that it included salaries plus benefits.

Mayor Boley noted that they needed to recognize that we have some tenure in our director positions and catching up on their compensation is important.

Alderman Wilson said that she did not want to see us get into the same situation as Independence when their tax increase did not pass, and they were looking at having to cut employees instead. She noted that she was concerned that could happen to us.

Alderman Russell suggested not making an adjustment to LAGERS and keeping the pay higher.

Cynthia explained that in the FY2024 budget we did a three percent across the board pay increase and LAGERS for a mid-year adjustment. That adjustment went into effect July 1. These numbers include the LAGERS adjusted amount. She noted that adjustment was based on conversations with employees last year wanting to look at increasing retirement benefits. Cynthia noted that in FY2024 our police frontline employees voted to be represented and their new contract went into effect with the first pay adjustments this year and the average increase was between seven and eight percent overall. They then have a step-increase January 1, and that step is reflected in these numbers. This spring, our sergeants voted to be recognized and we are currently in negotiations. These numbers reflect current sergeant's salaries.

Alderman Russell asked if these numbers show any projected increases for the sergeants.

Cynthia said that it does not because we do not know what the increase will be.

Alderman Hartman asked with the sergeants becoming unionized that would only leave three positions in the department that would not be part of a union.

Rick said yes it is the Chief, Captain and Police Clerk.

Alderman Hartman noted that the increase not included would only be for the four sergeant positions.

Cynthia explained that we are in negotiations with the sergeants at this time and cannot discuss numbers or timeline.

Rick asked which scenarios the Board would want for the September work session.

The Board requested the eight percent/six percent, eight percent and the ten percent/eight percent scenarios.

Proposed FY2025 General Fund Revenue Summary

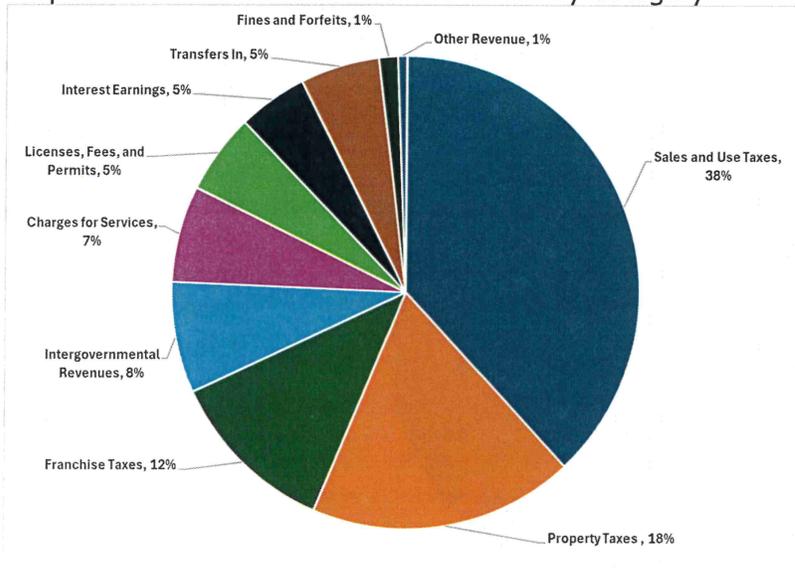
| General Fund Revenues | Actual FY2023 | FY2024 Budget | Projected FY2024 | FY2025 Proposed Budget |
|-----------------------------|---------------------|---------------------|---------------------|------------------------|
| Property Taxes | 1,116,997 | 1,152,896 | 1,176,181 | 1,205,585 |
| Sales and Use Taxes | 2,362,749 | 2,360,105 | 2,575,544 | 2,510,781 |
| Franchise Taxes | 810,659 | 759,740 | 768,246 | 772,352 |
| Licenses, Fees, and Permits | 329,842 | 351,900 | 234,455 | 361,846 |
| Intergovernmental Revenues | 494,990 | 481,675 | 488,236 | 501,119 |
| Charges for Services | 446,065 | 411,180 | 420,689 | 434,820 |
| Fines and Forfeits | 113,519 | 113,120 | 82,441 | 86,652 |
| Interest Earnings | 578,344 | 294,500 | 571,899 | 315,258 |
| Other Revenue | 68,803 | 51,820 | 67,226 | 42,937 |
| Transfers In | 247,651 | 290,050 | 290,050 | 360,477 |
| Total Revenues | \$ 6,569,620 | \$ 6,266,986 | \$ 6,674,967 | \$ 6,591,827 |

1.25% decrease in total revenues from Projected FY2024 to Proposed FY2025.

Rick noted that we do not have the final post Board of Equalization assessed valuation numbers for property taxes from Clay County yet, so this number is conservative. Rick also noted that Clay County has adopted the seniors 65 and older property tax rollback program which will affect the 2026 revenues.

Cynthia noted that once we receive the assessed valuation from Clay County we will have to set the tax rate. That has to be done by October 1. She explained that we have to take the valuation and plug it in to a state calculation to evaluate our mill levy. We also have to post the notice of a public hearing. Staff has been in communication with the Clay County Assessor’s Office to establish an ETA to receive the information and be able to schedule setting the tax rate. Cynthia explained that the tax rate is set by Ordinance with two readings, and we typically have to do that by emergency Ordinance.

Proposed FY2025 General Fund Revenues by Category



Approximately 56% of the general fund revenue budget is comprised of:

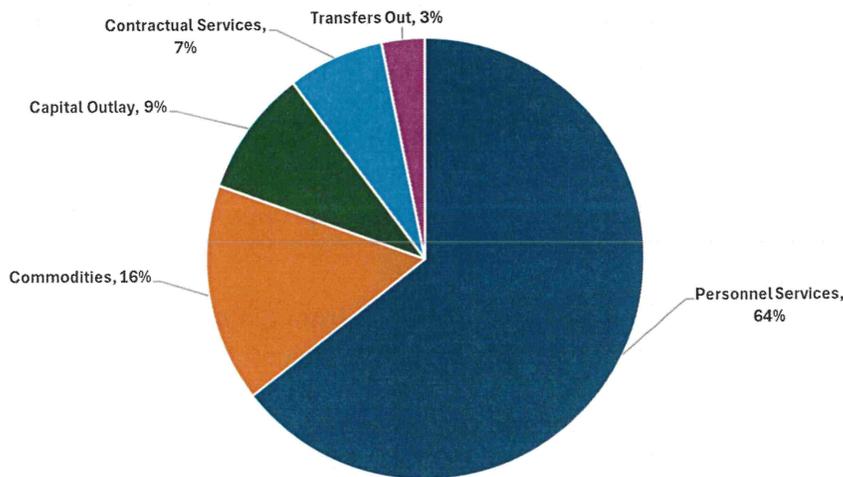
- Sales Tax
- Use Tax
- Property Tax

Proposed FY2025 General Fund Expenditure Summary

| General Fund Expenditures | Actual FY2023 | FY2024 Budget | Projected FY2024 | FY2025 Proposed Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|
| Personnel Services | 4,242,935 | 4,564,970 | 4,661,649 | 5,147,499 |
| Commodities | 1,057,603 | 1,091,460 | 1,161,730 | 1,259,561 |
| Capital Outlay | 255,609 | 725,850 | 897,359 | 201,000 |
| Contractual Services | 452,401 | 521,510 | 489,074 | 574,217 |
| Transfers Out | 35,000 | 197,000 | 197,000 | 258,000 |
| Total Expenditures | \$ 6,043,547 | \$ 7,100,790 | \$ 7,406,812 | \$ 7,440,277 |

4.78% increase in total expenditures from Budgeted FY2024 to Proposed FY2025.

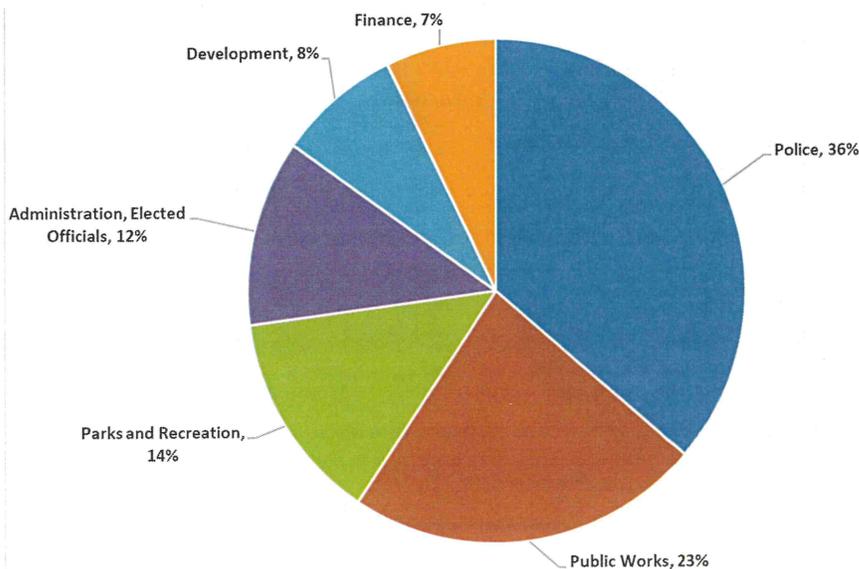
FY2025 Proposed General Fund Expenditures by Category



Personnel Services constitutes **64%** of the general fund expenditures, and includes the following expenses:

- Full and Part Time Salaries
- Health Insurance Premiums
- FICA
- LAGERS Employer Contributions
- Worker's Compensation

FY2025 Proposed General Fund Expenditures by Department



The Police Dept, Parks & Recreation Dept, and Public Works Dept compose 73% of the General Fund budget, which fund these important municipal services:

- Public Safety
- Road Maintenance
- Recreational Amenities and Parks

Proposed 5 Year CIP (FY2025 – FY 2029) General Fund

| Capital Improvement Projects | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|------------------|------------------|------------------|------------------|------------------|
| Annual Wayfinding Signage Installation | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| 1 st & Bridge Street Round-A-Bout (Engineering) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additional Annual Asphalt Overlay Program Funding | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additional Sidewalk Replacement Program Funding | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 nd Creek Bridge Sidewalks (30% of Construction) | \$ - | \$ 250,000 | \$ - | \$ - | \$ - |
| Riverwalk Park & Trail (10% of Construction) | \$ - | \$ 200,000 | \$ - | \$ - | \$ - |
| Grand Total | \$100,000 | \$550,000 | \$100,000 | \$100,000 | \$100,000 |

Rick noted that the Wayfinding Signage is on hold until we receive more guidance on the project.

Cynthia noted that the Second Creek Bridge Sidewalk Project and the Riverwalk Park and Trail Project are construction costs for FY2026. The engineering and design are included in this coming year and funded through other funds. Most of the construction costs of those projects is funded through other funds. Cynthia noted that in order to complete those projects we are spreading out the cost over several funds.

Alderman Hartman asked if some of the funds are from grants that we will receive at completion or during the construction.

Cynthia said that both of the projects are grant funded and the funding would be received during construction.

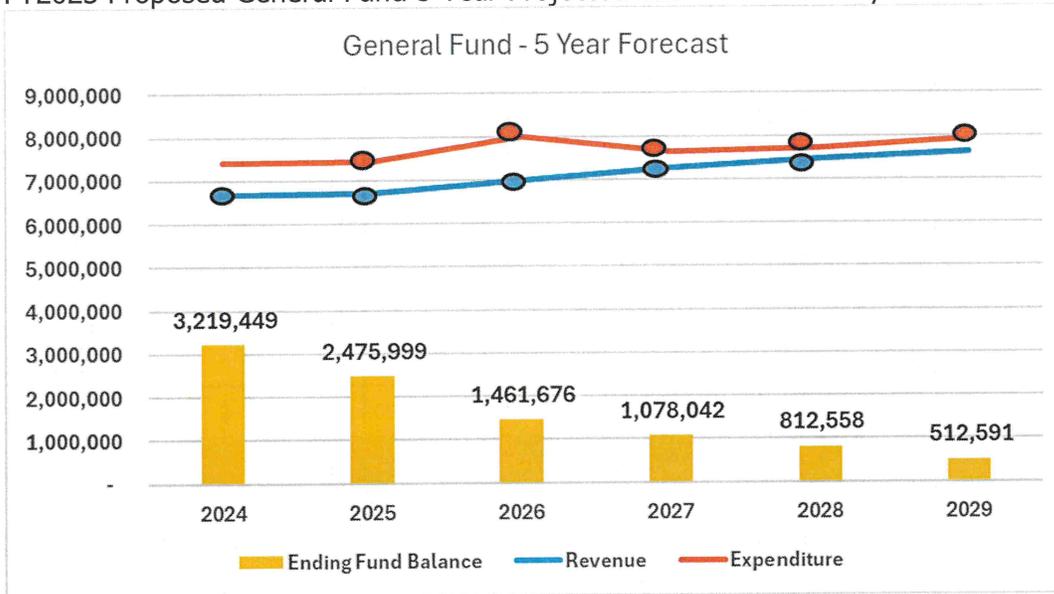
FY2025 Proposed General Fund Net Change in Fund Balance

| | Actual FY2023 | Projected FY2024 | Proposed FY2025 |
|-----------------------------------|------------------|---------------------|--------------------|
| Beginning Fund Balance | 3,425,221 | 3,951,294 | 3,219,449 |
| Total Revenues | 6,569,620 | 6,674,967 | 6,696,827 |
| Total Expenses | 6,043,547 | 7,406,812 | 7,440,277 |
| Net Change in Fund Balance | 526,073 | (731,845) | (743,450) |
| Ending Fund Balance | 3,951,294 | 3,219,449 | 2,475,999 |

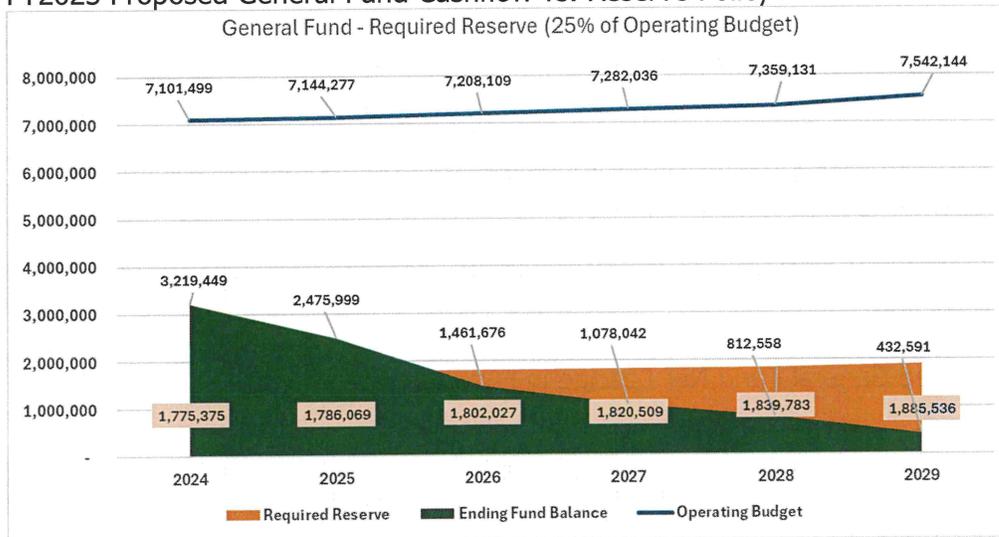
Alderman Wilson noted that the total revenue numbers in an earlier slide was \$6,591,827 and that would make net change in the fund balance.

Rick thanked her for pointing that out and would check which of the numbers were correct and have it for the September work session.

FY2025 Proposed General Fund 5 Year Projected Cashflow Summary



FY2025 Proposed General Fund Cashflow vs. Reserve Policy



Alderman Russell asked what happens when we start to hit the required reserve and what actions the Board would take.

Cynthia explained that we would be looking at ways to cut costs whether it be delaying projects cutting salaries. Cynthia noted that is why we review the budget on a quarterly basis and always know where we are and can make the necessary adjustments. She explained that 25% is a policy and not something that is state law. There are no consequences or penalties if we dip below 25%. The reserve of 25% is to ensure that we have adequate funds available when needed. Cynthia noted that three years ago it was a 40% policy and was changed to 25% and since we have never dipped below 40%. There have been discussions that we were going to spend down below that in order to continue to fund projects and services.

Alderman Wilson said that when she was previously on the Board she was told that if they dip below the reserve policy percentage they had three years to build it back up. She asked if this was something the Board had to have discussion on.

Cynthia noted that they would need to have a discussion because one thing that dipping below 25% would have an effect on would be if we were looking to debt finance projects in the future. One thing that is looked at in a bond rating is stability and that would have an impact on our ability to debt finance.

Mayor Boley noted that the three years to build it back up was probably Board policy. He said that a number of Boards are moving more towards number of operating months and not percentages. Mayor Boley explained that the City of Riverside has a 100% reserve policy because if the casino goes out of business they want to make sure they can still operate.

Alderman Hartman said that he did not feel the 40% reserve policy was being good stewards. It is the Board responsibility to be fiscally responsible with the tax dollars.

Cynthia clarified with the Board as staff prepares to bring the information forward to the Board of the September work session, Rick will revise revenues based on current information, we will have more sales tax information, incorporate Northland Career Development Center \$2,500 funds and develop multiple scenarios for employee compensation for review.

Combined Water and Wastewater Rate Increases

Proposed Water and Wastewater Rate Increases

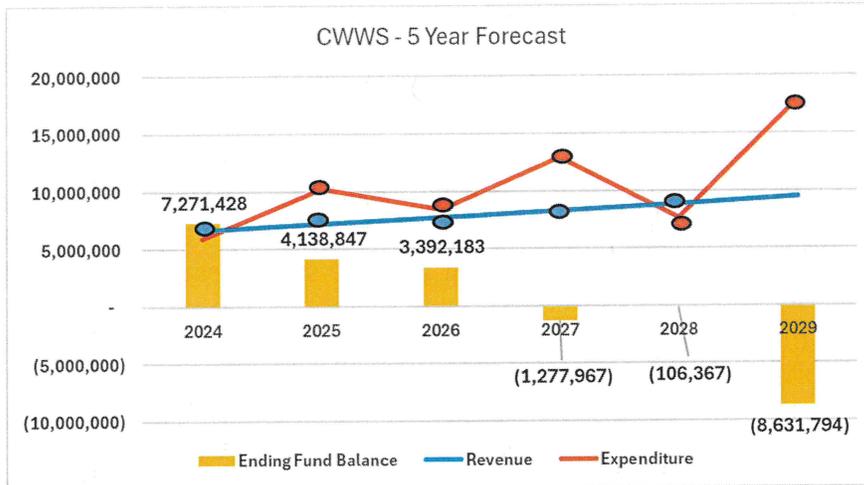
| Water Rates | FY2025 (Proposed) |
|---|--------------------------|
| Monthly Water Base Charge & Volume Charge (3/4" and 1" Residential Meter) | 15% Increase |
| Monthly Wastewater Base Charge & Volume Charge (3/4" and 1" Residential Meter) | 15% Increase |

Proposed FY2025 CWWS Fund

| | Actual FY 2023 | Projected FY 2024 | Proposed FY2025 |
|-----------------------------------|---------------------------|------------------------------|----------------------------|
| Beginning Fund Balance | 7,123,744 | 6,589,526 | 7,271,428 |
| Total Revenues | 6,104,757 | 6,618,941 | 7,143,660 |
| Total Expenses | 6,638,976 | 5,937,039 | 10,276,241 |
| Net Change in Fund Balance | (534,218) | 681,902 | (3,132,581) |
| Ending Fund Balance | 6,589,526 | 7,271,428 | 4,138,847 |

* Reserve requirement is 20% of revenue. For FY2025, the reserve requirement would be \$1,428,732.

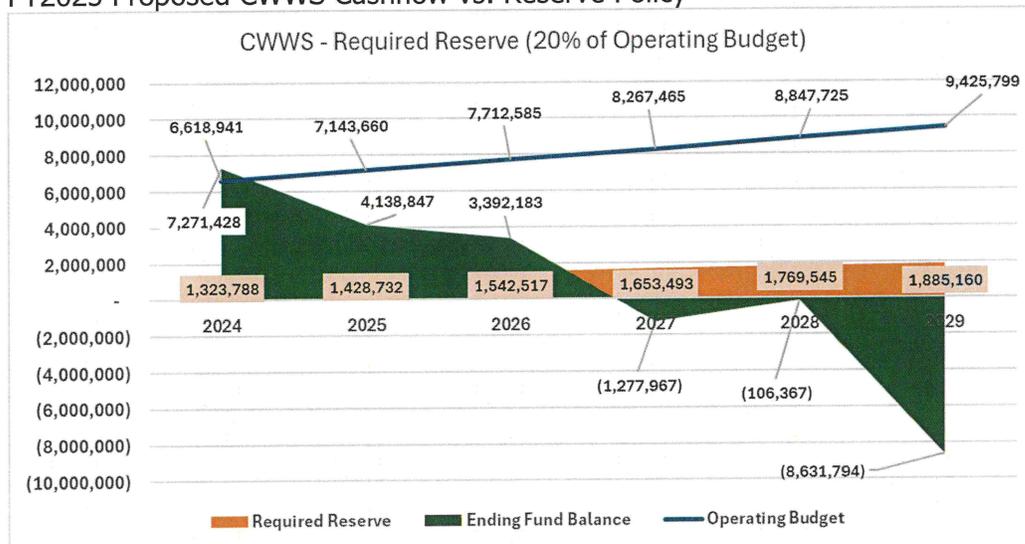
FY2025 Proposed CWWS Fund 5 Year Projected Cashflow Summary



CWWS Fund 5 Year projected cashflow summary does not include COP issuance.

Rick explained that we hope to push off the COP issuance for as long as possible. Doing that saves the taxpayers money due to issuance costs and interest and gives us more time as directed by the Board to look at privatization.

FY2025 Proposed CWWS Cashflow vs. Reserve Policy



CWWS Fund 5 Year projected cashflow summary does not include COP issuance.

Cynthia noted that we have always anticipated using COPs to provide cash flow for the larger projects. With the infusion of earmark funding that we will be receiving it will help us continue to delay having to do COP issuance.

Alderman Russell asked if this included a 15% increase every year or just next year.

Rick explained that it includes 15% for the next three years.

Cynthia noted that those projections are based on the rate model that we use from Raftelis.

Proposed Five Year CIP (FY2025 – FY2029) CWWS Fund

| Capital Improvement Project Name | FY 2025 | FY 2026 | FY 2027 | FY2028 | FY2029 |
|--|--------------------|------------|------------|------------|------------|
| West Bypass of the 144th Street Lift Station (Construction) | \$2,200,000 | - | - | - | - |
| 144 th Street Lift Station (Construction) | \$100,000 | - | - | - | - |
| 144 th Street Lift Station Federal Earmark | -\$1,500,000 | | | | |
| Smith's Fork Force Main (Construction) | \$600,000 | - | - | - | - |
| Owens Branch Gravity Line Phase #1, Line #1 (Engineering) | \$200,000 | - | - | - | - |
| Maple Ave & River Crossing (12" Waterline) (50% of Construction) | \$700,000 | - | - | - | - |
| Stonebridge Lift Station (Engineering) | \$30,000 | - | - | - | - |
| Stonebridge Lift Station (Construction With SSD Cost Sharing) | \$1,300,000 | - | - | - | - |
| Water Plant Improvements (Construction) | \$1,400,000 | - | - | - | - |
| McDonalds/Central Bank Lift Station (Engineering) | \$100,000 | - | - | - | - |
| Grand Total (Net Cost) | \$5,130,000 | \$0 | \$0 | \$0 | \$0 |

Alderman Wilson asked why we were not looking at a gravity flow for the Smtih's Fork Force Main.

Mayor Boley noted that main is a lateral to the existing one because the existing does not have enough outflow.

Chuck Soules, Public Works Director, explained that we would if we could, but it is not feasible. It would be extremely expensive because it would have to go all the way to the plant. He said that there is now only a four-inch force main, and we are going to put in a six-inch force main.

Proposed Five Year CIP (FY2025 – FY2029) CWWS Fund Continued

| Capital Improvement Project Name | FY 2025 | FY 2026 | FY 2027 | FY2028 | FY2029 |
|--|--------------------|--------------------|------------|------------|------------|
| Interconnect Mains at 144 th /169 Highway/Major Mall (S2, Construction) | - | \$55,000 | - | - | - |
| Highway 92 & Commercial Waterline (Engineering) | - | \$150,000 | - | - | - |
| Smith's Fork Park Waterline (Construction) | - | \$170,000 | - | - | - |
| Owens Branch Gravity Line Phase #1, Line #1 (Construction) | - | \$1,150,000 | - | - | - |
| Highway 92 & Commercial Waterline (Construction) | - | \$300,000 | - | - | - |
| Owens Branch Gravity Line Phase #1 and #3, Line #2 (Engineering) | - | \$1,000,000 | - | - | - |
| McDonalds/Central Bank Lift Station (Construction) | - | \$500,000 | - | - | - |
| Grand Total (Net Cost) | \$5,130,000 | \$3,325,000 | \$0 | \$0 | \$0 |

| Capital Improvement Project Name | FY 2025 | FY 2026 | FY 2027 | FY2028 | FY2029 |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|
| Owens Branch Gravity Line Phase #1, Line #3 (Construction) | - | - | \$2,000,000 | - | - |
| Wastewater Treatment Plant Expansion (Engineering) | - | - | \$1,050,000 | - | - |
| Owens Branch Gravity Line Phase #1, Line #2 (Construction) | - | - | \$2,500,000 | - | - |
| Water Plant Expansion (Engineering) | - | - | \$2,100,000 | - | - |
| Additional Water and Wastewater Project Funding | - | - | - | \$2,000,000 | - |
| Wastewater Treatment Plant Expansion (Construction) | - | - | - | - | \$3,000,000 |
| Water Plant Expansion, Phase I (Construction) | - | - | - | - | \$7,500,000 |
| Additional Water and Wastewater Project Funding | - | - | - | - | \$2,000,000 |
| Grand Total (Net Cost) | \$5,130,000 | \$3,325,000 | \$7,650,000 | \$2,000,000 | \$12,500,000 |

- *Projects with a GREEN background are new to the 5-Year CIP
- *Projects with a RED background are expenditures past the 5-Year CIP

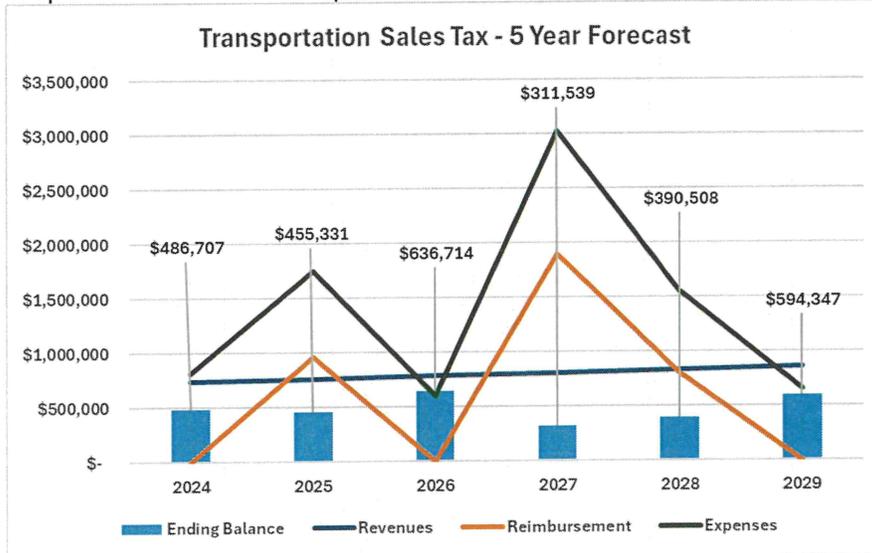
Proposed Five Year CIP (FY2025 – FY2029) CWWS Fund (Water Impact Projects)

| Capital Improvement Project Name | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|------------------|----------|----------|----------|----------|
| Maple Ave & River Crossing (12" Waterline) (50% of Construction) | \$700,000 | - | - | - | - |
| Grand Total | \$700,000 | - | - | - | - |

Proposed Five Year CIP (FY2025 – FY2029) Transportation Sales Tax Fund

| Transportation Sales Tax Fund | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|------------------|------------------|--------------------|------------------|------------------|
| Annual Asphalt Overlay Program (Projects TBD) | \$300,000 | \$500,000 | \$300,000 | \$300,000 | \$300,000 |
| Annual Sidewalk Replacement Program | \$50,000 | \$100,000 | \$50,000 | \$50,000 | \$50,000 |
| Commercial Street Sidewalks (Construction) | \$1,400,000 | - | - | - | - |
| Commercial Street Sidewalks (MARC Reimbursement) | -\$960,000 | - | - | - | - |
| 1 st & Bridge St Round-A-Bout Construction (80% of Project Expense) | - | - | \$2,380,000 | - | - |
| 1 st & Bridge Street Round-A-Bout (MARC Reimbursement) | - | - | -\$1,900,000 | - | - |
| Richardson St / 169 Signal (Engineering) | - | - | \$300,000 | - | - |
| Richardson St / 169 Signal (Construction) | - | - | - | \$1,200,000 | - |
| Richardson St / 169 Signal (Construction) MODOT 50% Cost Share | - | - | - | -\$600,000 | - |
| Richardson St / 169 Signal (Construction) Developments Share | - | - | - | -\$200,000 | - |
| 180th & Eagle Round-A-Bout Construction (25% of Project Expense) | - | - | - | - | \$300,000 |
| Grand Total (Net Cost) | \$790,000 | \$600,000 | \$1,130,000 | \$750,000 | \$650,000 |

Proposed FY2025 – Transportation Sales Tax Fund Five Year Projected Cashflow



Reimbursement line may include grants, Federal earmarks, and/or state reimbursements.

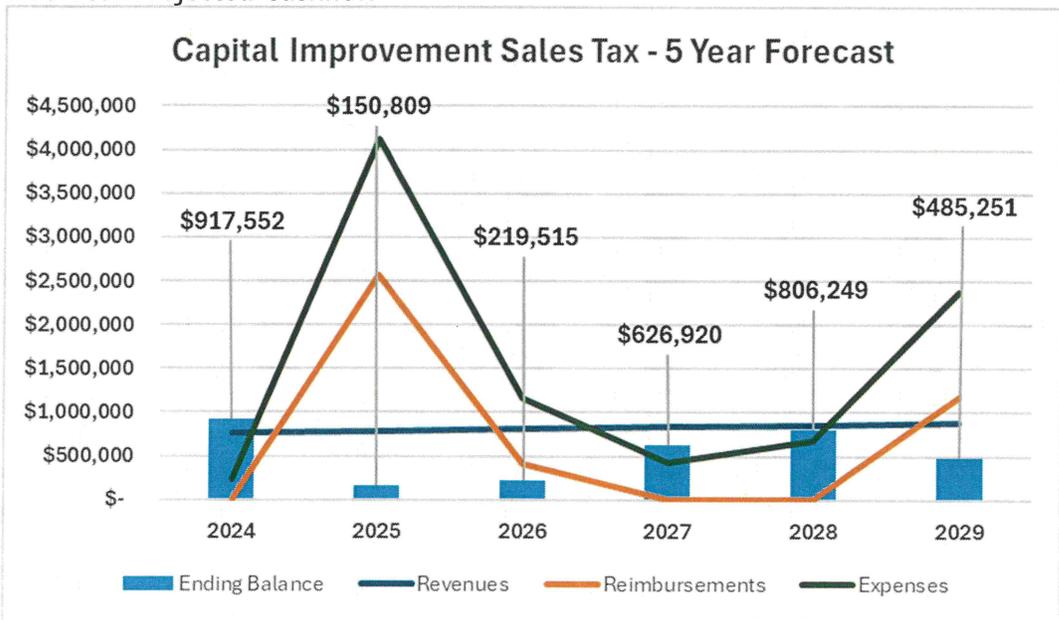
Proposed Five Year CIP (FY2025 – FY2029) Capital Improvement Sales Tax Fund

| Capital Improvement Project Name | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|--------------------|------------------|------------------|------------------|------------------|
| Annual Transfer to Debt Service | \$364,875 | \$367,920 | \$373,420 | \$376,420 | \$382,420 |
| Riverwalk & Trail (Engineering) | \$150,000 | - | - | - | - |
| 2 nd Creek Sidewalks (Engineering) | \$100,000 | - | - | - | - |
| Downtown Streetscape Phase III | \$1,828,000 | - | - | - | - |
| Downtown Streetscape Phase III (MARC) | -\$1,488,000 | - | - | - | - |
| 1st & Bridge Street Round-A-Bout (80% of Engineering) | \$500,000 | - | - | - | - |
| 2 nd Creek Sidewalks (70% of Construction) | \$695,000 | - | - | - | - |
| 2 nd Creek Sidewalks (MARC Reimbursement) | -\$600,000 | - | - | - | - |
| Riverwalk & Trail Construction (60% of Construction) | \$480,000 | \$670,000 | - | - | - |
| Riverwalk & Trail (MARC Reimbursement) | -\$480,000 | -\$420,000 | - | - | - |
| 1 st & Bridge Street - Round-A-Bout (20% of Construction) | - | \$120,000 | - | - | - |
| Grand Total (Net Cost) | \$1,549,875 | \$737,920 | \$373,420 | \$376,420 | \$382,420 |

Continued

| Capital Improvement Project Name | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|--------------------|------------------|------------------|------------------|--------------------|
| Maple Lane Sidewalks (Engineering) | - | - | \$50,000 | \$50,000 | - |
| 180 th & Eagle Parkway Round-A-Bout (Engineering) | - | - | - | \$250,000 | - |
| Maple Lane Sidewalks (Construction) | - | - | - | - | \$600,000 |
| Maple Lane Sidewalks (MARC Reimbursement) | - | - | - | - | -\$480,000 |
| Pope Lane Round-a-Bout/Connection (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 Reimburse) | - | - | - | - | -\$700,000 |
| Grand Total (Net Cost) | \$1,549,875 | \$737,920 | \$423,420 | \$676,420 | \$1,202,420 |

Proposed FY2025 – Capital Improvement Sales Tax Fund
Five Year Projected Cashflow



Reimbursement line may include grants, Federal earmarks, and/or state reimbursements.

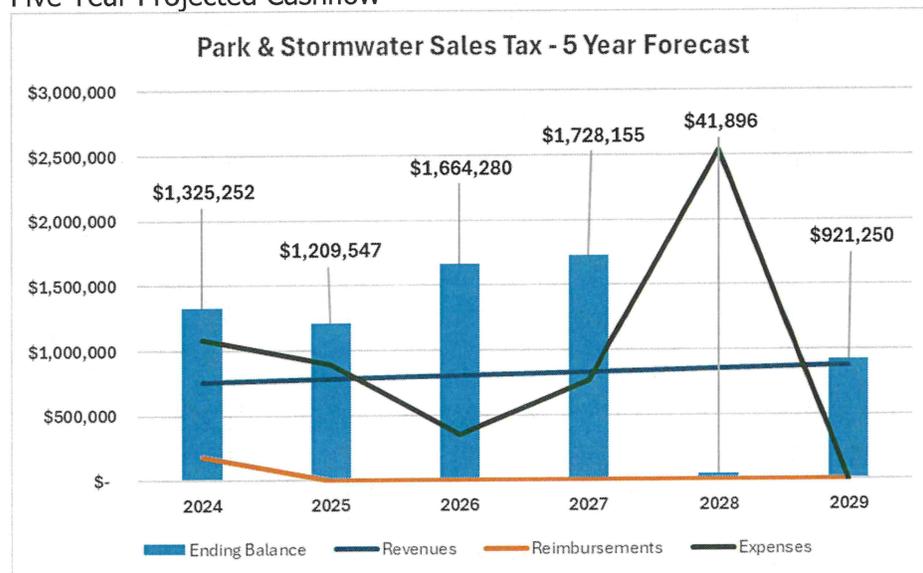
Proposed Five Year CIP (FY2025 – FY2029) Parks and Stormwater Sales Tax Fund

| Park and Stormwater Sales Tax Project Name | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|------------------|------------|------------|------------|------------|
| OK Railroad Trail - Phase I (Construction) | \$281,000 | - | - | - | - |
| OK Railroad Trail - Phase I (Grant) | -\$184,000 | - | - | - | - |
| Dundee Road Stormwater Improvements (Engineering) | \$50,000 | - | - | - | - |
| Dundee Road Stormwater Improvements (Construction) | \$150,000 | - | - | - | - |
| Riverwalk & Trail Construction (30% of Construction) | \$600,000 | - | - | - | - |
| Grand Total (Net Cost) | \$897,000 | \$0 | \$0 | \$0 | \$0 |

Continued

| Park and Stormwater Sales Tax Project Name | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|------------------|------------------|------------------|--------------------|------------|
| 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 (Engineering & Design) | - | - | \$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) | \$897,000 | \$350,000 | \$765,000 | \$2,540,000 | \$0 |

**Proposed FY2025 – Parks and Stormwater Sales Tax Fund
Five Year Projected Cashflow**



Reimbursement line may include grants, Federal earmarks, and / or state reimbursements.

* Increases in fund balance is for Smith's Fork Park Complex, currently project in FY2028.

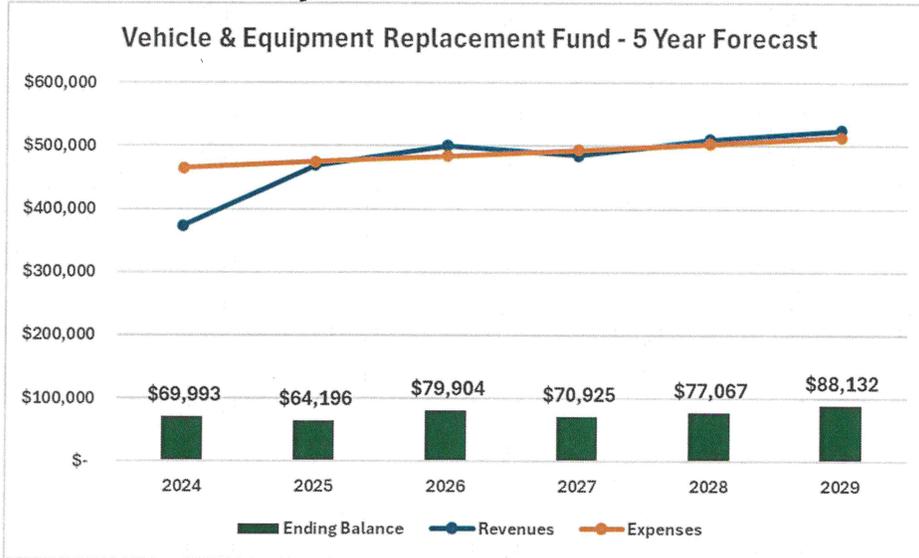
Proposed FY2025 Budget Vehicle and Equipment Replacement Fund (VERF)

- The City of Smithville is currently leasing 38 vehicles from Enterprise.
- Staff has begun monitoring the reduction in maintenance costs associated with patrol vehicle repair, as well as the overall impact pre and post Enterprise.
- The general fund and utilities fund will be transferring more financial resources into the VERF in the next five years to offset costs associated with rising vehicle lease expenses.

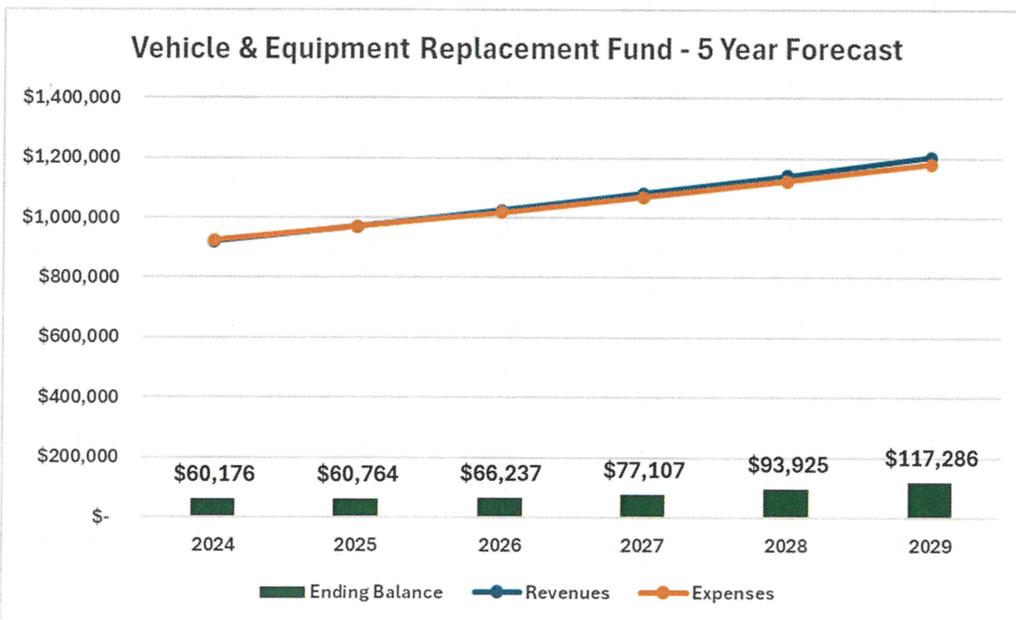
Alderman Russell asked if we have received all of the vehicles we had been waiting for.

Cynthia explained that all of the fleets we ordered had been delivered.

Vehicle and Equipment Replacement Fund (VERF)
Five Year Cashflow Projection



Proposed FY2025 Budget Sanitation Fund



Summary of the Sanitation Fund

- As of July 2024, the City of Smithville contracts with GFL to service just over 3,152 regular trash accounts and service just over 552 senior rate trash accounts (available for account holders ages 65 and older). Senior rate trash accounts make up nearly 15% of total accounts.
- GFL will increase the regular (non-senior) City contracted trash rates by 3.66%.
- Monthly trash rate to increase by 4.5% from \$20.16 per month to \$21.07 per month.
- The senior trash rate will have a discount of 15% of regular monthly trash rate (\$17.91).

Proposed FY2025 – FY2029 Five Year CIP All Funds Total

| Capital Improvement Projects - All Funds | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|---|--------------------|--------------------|---------------------|--------------------|---------------------|
| General Fund | \$100,000 | \$550,000 | \$100,000 | \$100,000 | \$100,000 |
| Combined Water & Wastewater Fund - Non Impact Projects | \$5,130,000 | \$3,325,000 | \$7,650,000 | \$2,000,000 | \$12,500,000 |
| Combined Water & Wastewater Fund - Water Impact Projects | \$700,000 | \$0 | \$0 | \$0 | \$0 |
| Combined Water & Wastewater Fund - Wastewater Impact Projects | \$0 | \$0 | \$1,150,000 | \$0 | \$0 |
| Transportation Sales Tax Fund | \$790,000 | \$600,000 | \$1,130,000 | \$750,000 | \$650,000 |
| Capital Improvement Sales Tax Fund | \$1,549,875 | \$737,920 | \$423,420 | \$676,420 | \$1,202,420 |
| Parks & Stormwater Sales Tax Fund | \$897,000 | \$350,000 | \$765,000 | \$2,540,000 | \$0 |
| Grand Total | \$9,166,875 | \$5,562,920 | \$11,218,420 | \$6,066,420 | \$14,452,420 |

5 Year Grand Total for All Funds: \$46,467,055

Proposed FY2025 – All Funds Summary

| | 2025 Projected Beginning Balance | 2025 Proposed Revenues | 2025 Proposed Expenditures | 2025 Projected Ending Balance |
|--|----------------------------------|------------------------|----------------------------|-------------------------------|
| General Fund | 3,219,449 | 6,696,827 | 7,520,757 | 2,395,519 |
| Capital Improvement Sales Tax Fund | 917,552 | 3,351,132 | 4,117,875 | 150,809 |
| Capital Projects Fund | 110,625 | 12,100 | - | 122,725 |
| Combined Water/Wastewater Fund | 7,271,428 | 7,143,660 | 10,276,241 | 4,138,847 |
| 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 |
| Special 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 |
| Grand Total | \$ 16,579,914 | \$ 22,698,525 | \$ 27,865,803 | \$ 11,412,636 |

The FY2025 Proposed Budget features 16 Budgeted Funds totaling \$22.7 million in revenues and just over \$27.9 million in expenditures.

FY2025 Budget Process Schedule

- FY2025 Operating Budget and 5 Year CIP Review: 2nd Discussion (TBD)
- Public Hearing for Sewer Rates as Required by Missouri State Statute (October 1)
- FY2025 Operating Budget on 1st Reading (October 1)
- Adopt Water & Wastewater Utility Rates by Board Resolution (October 15)
- Adopt the FY2025 Operating and Capital Budget on 2nd Reading (October 15)

Alderman Russell asked if the 15% increase for utilities was projected out to 2029.

Rick said that he had not but could in theory, but it is difficult to project. He noted that staff will be analyzing that going forward and looking at rate increases.

Alderman Russell asked if he was correct that we are in year three of the Raftelis Rate Study.

Cynthia explained that we did the Raftelis Rate Study in 2018 and implemented the first increases in 2019. Then in 2021 we had Raftelis come back, they revised the information, and we are in the third year of the revised information. She noted that we have done annual increases since 2019 but prior to that there had not been any increases.

Alderman Russell said that he was elected in 2022 and at that time and the rate study showed a five-year projection with 15% increases until the last year and he believed it was 19%. He said the with the remaining increases 15%, 15% and 19% for a total of 49%, he asked if it would behoove us to entertain a 50% increase and tell the residents they would not have another increase for three years. Alderman Russell said it would save the residents money in the long run because it would not be compounded.

Cynthia explained that the rate study changes every year as we have increased costs, and we change projects, we use the Raftelis study and plug in our scenarios and look at the increases and try to revenues to what we need for expenditures.

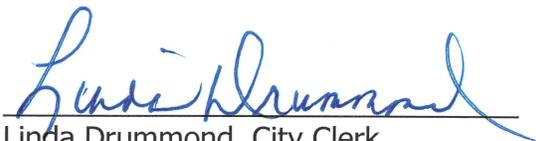
Alderman Russell suggested doing the 50% increase and getting some projects done and then not having an increase for the next at least three years.

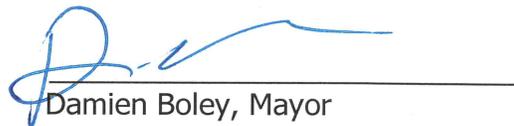
Alderman Wilson said that you can absorb a small increase each year but not a 50% increase in one year.

4. Adjourn

Alderman Hartman moved to adjourn. Alderman Kobylski seconded the motion.

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 7:11 p.m.


Linda Drummond, City Clerk


Damien Boley, Mayor

