

## **SMITHVILLE BOARD OF ALDERMEN WORK SESSION**

October 15, 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 5:32 p.m. A quorum of the Board was present: Melissa Wilson, Marv Atkins, Dan Hartman, Leeah Shipley and Ron Russell. Kelly Kobylski was absent.

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

### **2. Credit Card Processing**

Rick Welch, Finance Director, noted that late last week we found out that the bills that were supposed to go out on the second or third did not go out until the fourth. We do not know if that meant that they got to the post office on the fourth or they went out in the mail on the fourth. Residents have informed staff this week that they have just received their bills. Rick said that staff is following up with our vendor that does our billing but have not gotten a response back yet. Rick noted that one positive thing that has come out of this is when people come in asking for a copy of their bill, staff is getting a lot of them signed up to receive their bills via email and ACH.

Rick explained that on September 25 staff had a conversation with our account manager from Tyler Technologies regarding credit card billing.

What is Changing?

The City has been informed that Tyler Technologies partnership with Elavon Credit Card Processing will end January 1, 2025. Credit card processing will not end on that date, just the Tyler partnership.

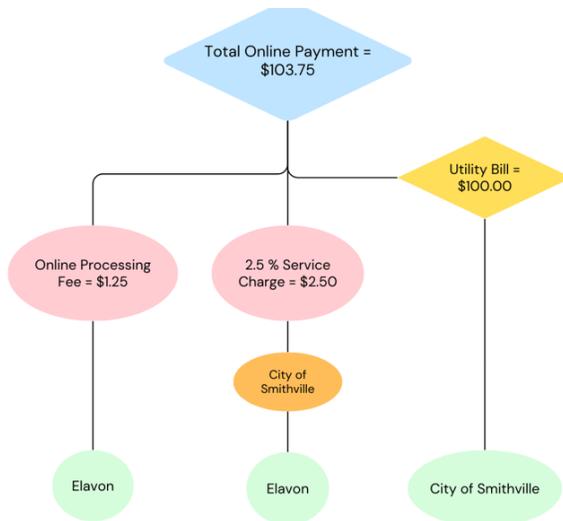
Tyler Technologies works with only one other third-party credit card processor, Global Payments (formerly OpenEdge Payments). Moving to Global Payments does not guarantee a long-term relationship.

A second option is Tyler Payment Processing, an inhouse credit card processing module.

Example of a \$100 Utility Payment Paid Online

- Online processing fee of \$1.25 is a convenience fee kept by Elavon. This is a flat fee.
- Service charge of \$2.50 represents a 2.5% transaction cost collected by the City and remitted to Elavon monthly.
- Original utility invoice of \$100 is retained by the City.
- Total cost of a \$100 utility bill made online is \$103.75.
  - \$102.50 if paid in person with credit card

- \$100 if paid in person with cash or check
- \$100 if customer sets up ACH with the City



Rick explained that staff received a quote of .72% from Tyler for their processing fees. The .72% fee would be for utility bills only. Permits and business licenses fees would be 3.75% because they usually pay with cards that offer rewards.

- Staff is recommending a conversion to Tyler Payment Processing.
- No out-of-pocket implementation cost, except the purchase of credit card readers starting at \$700.
  - Tap to pay
  - PCI 3.0 compliant credit card security
- Two- or three-month implementation timeline.
  - Staff recommends an April – June 2025 timeframe.
- Possible reduction in the 2.5% transaction fee.

Rick explained that if the Board decided to go with Tyler for credit card processing there would be not out of pocket expenses except for the card readers, and we would need two for a cost between \$1,000 to \$1,500.

Alderman Russell asked what brought this on.

Rick explained that this was a surprise to staff. They found out during their annual update meeting with Tyler. He said this is something between Tyler and Elavon.

Alderman Russell asked if the 2.5% fee goes to Tyler then to Elavon or do we pay it directly to Elavon.

Rick said that we will end up paying Elavon on a monthly basis. We could have Tyler collect the fees, but the fee would increase by a couple of points. If we went

with Tyler to collect the fees we would have to research chargebacks or go after people if the payment got taken back. Rick explained that if we went that route we would lose some of the control over our customers. Rick said that we owe it to our customers and to the City to look at Global Payments (OpenEdge) and Tyler.

Alderman Russell said we should stay with Elavon and research Global Payments (OpenEdge) and if there are any other options available.

Rick said that staff is also looking for direction if the Board still want the fees passed on to the customers.

Alderman Atkins said that everyone is passing the fees on. He added that we do not have enough money to cover the fees.

Mayor Boley noted that ACH is free. He said that most restaurant and some retailers charge you the credit card fee.

Alderman Hartman asked what the percentage of our citizens pay by debit/credit card.

Rick explained that citizens pay by debit/credit card is around 33% and ACH is around 20%.

Alderman Wilson noted that she has done ACH since it was very first implemented and has only had incident and that was when the City switched processors.

Alderman Wilson said that she would like staff to look into going to Tyler for credit card processing to help reduce that fee from 2.5% to .72%.

Mayor Boley said that it would be beneficial to use Tyler's module since it is built for their software.

Rick explained that based on staff's conversations with Tyler, partnerships will get harder to work with. Tyler wants to protect themselves with security and their cyber security and credit card processors are making that harder.

Alderman Hartman agreed with Alderman Wilson and go with Tyler.

Alderman Russell suggested looking at all the options before we do that. He said that we need to have a conversation with Tyler Technology that we are looking to lower the 2.5%.

Rick explained to Alderman Russell that Tyler offered the processing fee of .72% and they made it clear that they have not raised it in three or four years.

Mayor Boley explained that utility billing is very safe for them, it is a lower risk of fraud.

Rick added that is also the reason that their fees go up to 3.75% for permits and businesses licenses.

Rick noted that staff will get a quote from Global Payments (OpenEdge) but be looking more at Tyler.

### **3. Discussion of Excavation Fees**

Chuck Soules, Public Works Director, explained that we require contractors that work in the right-of-way have a right-of-way permit. The right-of-way permit is not the excavation permit. If they are not working in the street or sidewalk it is a \$25 permit fee with a two-year bond. Franchise users such as AT&T and other utilities do work in the right-of-way, and we offer them a \$250 annual right-of-way permit plus a \$25,000 bond.

Chuck explained that the excavation fee is based on whether they take out curbs, sidewalks or street. The purpose of the excavation fee is not to repair the road, which is required, it is for the degradation of or the loss of life of the infrastructure that they are tearing up.

Chuck noted that on Commercial Street, AT&T has large facilities in the right-of-way behind the curb. We have a water line behind the curb. AT&T has to maintain their utility until they relocate and the only place to go is in the street, which is the big hole in Commercial. Chuck noted that AT&T is doing an excellent job repairing the street with flowable fill all the way up and topped with 10-inches of concrete. Chuck said that when all of the work is done on Commercial with the sidewalk project we will come in and mill and overlay the street.

Chuck explained that the way our current Schedule of Fees is structured, the excavation fee would be \$156,000 which is high. The purpose of the fee is to make contractors look at different options other than cutting into the street. He said this project fee is a little excessive. AT&T gave us the easements we needed for the sidewalk project. Chuck explained that when AT&T completes the project, all of the facilities will be underground housed in a box and all we will see is a manhole lid.

Chuck said that staff is proposing excavation greater than 1,000 square feet, we reduce the fee to \$5 per square foot versus \$20. That would make the excavation fee for this project \$39,000. Chuck noted that they have done a good job with traffic control, and they have been opening Commercial as they complete an area.

Chuck explained that the Schedule of Fees is on the agenda tonight for Board approval. If the Board give staff direction to add the \$5 per square-foot fee for larger projects, staff will have to bring it back as an amendment at the next meeting. He added that he has had a conversation with AT&T, and they are aware if the Board does not want to amend the fee they would owe the City \$156,000.

Alderman Atkins asked if we had a lot of large projects similar to this.

Chuck said that this is the largest one since he has been here.

Alderman Atkins said he would like to see the Board go with the amendment.

Alderman Russell asked who keeps track of the annual fee.

Chuck explained that Brandi Schuerger, Permit Technician, does.

All of the Board agreed with the recommended change.

#### **4. Discussion City/County Shared Roads**

Chuck Soules, Public Works Director, provided a brief history of the City/County shared roads agreement.

In August of 2010, the Board approved Ordinance 2764 entering into an intergovernmental cooperative agreement with Clay County for road repairs. The agreement outlined certain maintenance responsibilities on various roads that are partially inside the city limits and various other shared jurisdictional roads. Since that time, the City and County have worked cooperatively, generally following the agreement of 2010. Over the years the City and County have also entered into agreements for road repairs on certain streets that required substantially more work than general maintenance.

In October 2022, the Board passed Resolution 1137 authorizing the Mayor to sign the Winter Storm Maintenance Agreement. The agreement outlines the responsibilities of both the City and County for winter storm response including removal of snow and ice from the roads identified as shared roads. Snow removal is an operational issue for response, depending on whether the City or County is already removing snow from adjacent roads or must use a certain road to access other roads for snow removal.

Chuck noted that there is a difference between maintenance versus snow removal. Snow removal is more operational. Maintenance cost money.

Chuck explained that this summer, staff met with Clay County, and they discussed North Main Street. Staff told the county if they make repairs to North Main Street, staff would take the recommendation to the Board to take over the maintenance. Staff also offered to make the recommendation of taking over 176<sup>th</sup> Street from Thomas Lane to H & H Lake Road to the Board. Staff was under the assumption that it was all worked out and the county came back with an agreement that also had the City taking over 144<sup>th</sup> Street. When Chuck questioned why 144<sup>th</sup> Street was added the county said it was because of the new subdivision going in at the intersection of Mount Olivet and 144<sup>th</sup> Street. Chuck told the county he would take it to the Board for direction but was going to advise not to take over 144<sup>th</sup> Street.

The City has a development agreement for Mount Olivet Subdivision. The developer is responsible for overlaying NE 144<sup>th</sup> from Wise Road to Mount Olivet Road and crack seal and micro surface Mount Olivet Road from NE 144<sup>th</sup> Street to Highway 92. The county agreed that these were appropriate improvements.



144<sup>th</sup> from Wise Rd . To Virginia



Virginia from 144<sup>th</sup> to NE Amory

The county maintains blue lined roads.

Chuck explained that the county wants the City to take over 144<sup>th</sup> Street from wise to Mount Olivet.

Mayor Boley noted that the mill and overlay would only last eight to ten years.

Chuck explained that in July 2019 and again in December 2021, the City submitted a petition to the Clay County Board of County Commissioners requesting the establishment of a Road District to be placed on the ballot. The requests were not acted upon. Chuck noted that all cities in Clay County receive 25% of the taxes collected for road maintenance. Cities with special road districts receive a total of 80% for road maintenance. The City of Smithville only receives 25%.

Year	Road & Bridge revenue from Smithville residents	25 % returned to Smithville
2022	\$281,416	\$70,354
2023	\$318,600	\$79,650
2024	\$368,504 YTD	\$92,126 YTD

Chuck noted that Kearney has a special road district and has comparable miles of roads as Smithville receives over \$300,000.

Mayor Boley said that unless the residents in that area annex in to the City, he does not want to take the road over because we do not receive any tax dollars for it. He explained that we got the need signed petitions to the county to be able to have a special road district and the county did nothing with them. Now it is illegal to do it with the county's new charter and we will never have the opportunity to receive additional tax dollars.

The Board all concurred that the City not to take over maintenance of 144<sup>th</sup> Street.

Chuck asked the Board for direction on North Main Street.

Mayor Boley noted that the county did a nice job repairing North Main Street to our street specs and it looks great. North Main Street is also fully encompassed in the City. There are a few homes that are not annexed to city limits, but they are surrounded by city. Mayor Boley said he had no issues with taking North Main Street over.

Alderman Hartman asked if there should be some life expectancy as far as maintenance for North Main Street.

Chuck said there should be.

Mayor Boley added that Herzog did a lot with drain tile to help with the drainage issues there.

The Board agreed to take over North Main Street.

Chuck asked for direction on 176<sup>th</sup> Street northwest from Thomas Lane to H & H Lake Road. He noted that there is \$100,000 in the budget to be able to bring it up to a standard that we could maintain.

Mayor Boley noted that Whiskey Ridge is within city limits.

Jack Hendrix, Development Director, explained that it is only Whiskey Ridge on the south side just east of the curve on 176<sup>th</sup> Street is in city limits. The entire north side and west of the curve are all unincorporated.

Alderman Hartman noted that all of Whiskey Ridge pay city taxes.

Mayor Boley added that they all have to drive on 176<sup>th</sup> Street to get to their subdivision.

Alderman Hartman said he did not see any reason we should not maintain it.

Alderman Atkins said we should keep it consistent, if we receive the property tax we should maintain it.

Chuck said that staff will work with the county on an agreement.

## **5. Discussion of Public Safety Sales Tax**

Cynthia Wagner, City Administrator, noted that over the last several years we have made several attempts to get legislation approved at the state level that would allow us to take to the voters the question of a public safety sales tax. Last year, we were successful in getting legislation approved through the General Assembly and after that bill was approved, the governing body had expressed an interest in

putting the question of a half-cent sales tax on last November's ballot. The agenda [packet](#) includes the ballot question and what we looked at in review of public safety sales tax. That question was not approved by the voters in November of last year. Cynthia explained that the enabling legislation outlines that we must wait 12 months from the time of one election to the next. The November election last year to the November election this year is just shy of 365 days. At the retreat this summer, the governing body expressed interest in pursuing a public safety sales tax again and asked that it be brought back at a work session this fall.

Information in the packet provides the history and the language in the revised statutes that indicate that 365 day period or one year. Cynthia noted that the statute outlines that if the second question is not approved we no longer have power to impose the sales tax, and the authorization of the section is terminated. Which means we would have to go back and get legislation again. The overall legislation requires that the funding level for public safety be maintained at the level prior to approval of the tax. If voters approve a public safety sales tax, we could not supplant existing general fund or city monies already in existence with the funds from new sales tax. Cynthia explained that the general question would be approval of a public safety sales tax. That is what the legislation allows. Our intent would be to kind of drill down and look at items that the board would desire to see funded. Staff has recommended enhancements to officer compensation in order to aid in recruitment and retention of officers, to fund necessary public safety equipment and staff to support community growth and implementation of an animal control program.

Cynthia noted that staff has reached out to the school district, the fire district and ambulance district. It is our understanding that there are current discussions by the school district of the possibility of an April ballot question related to a bond. The ambulance district also indicated that they are reviewing the possibility of a question for the April ballot.

Cynthia noted staff was looking for direction from the governing body to determine if there is desire to place an issue on a ballot. If so when. If this is something the Board wishes to move forward with, staff would work to develop that language to bring it back to the Board. Staff would also strongly recommend that we work on a public information campaign to put together to provide to the public.

Alderman Russell asked what 9,500 and no more than 10,800 inhabitant numbers are based on.

Cynthia explained that these numbers are based on the 2020 census.

Cynthia noted that most of the communities in Clay County have a public safety sales tax. Excelsior Springs was the first in 2005 and Parkville is the most recent in 2023. Riverside, North Kansas City, Liberty and Gladstone all have a public safety sales tax. Kearney does not but, based on their population, they also fall into the same enabling legislation as Smithville.

Mayor Boley noted that this has taken years of work with legislators to be able to get it on the ballot.

Cynthia noted that most communities have had to go to legislature and the ballot multiple times in order to get it to pass.

Mayor Boley said that he is all for putting this on the April ballot, but it was up to the rest of the Board.

Alderman Russell said that this is our last chance to put this on the ballot before we would have to go before legislature again. We are up against that issue and also the population number. He said that he does not feel the constituents are ready for another tax. He does not feel the timing is right but also would hate to miss the opportunity.

Alderman Atkins said that he thinks the public is aware of the shortage of officers. He also believes that public safety is becoming more of a concern. Alderman Atkins said that he thinks the Board needs to look at this issue and the importance of public safety.

Mayor Boley noted that the April election will not be an Aldermen election, but there will be for School Board and if the Ambulance District is doing a bond issuance there should be a good turnout at the polls rather than waiting until November.

Alderman Hartman noted that when we have an issue on the ballot we are limited in how we can communicate the issue. He did not feel we did a very good job last time of communicating this to the public. He said he wanted to make sure if we do this again, we do everything in our means within the statutes to communicate the importance of this issue.

Mayor Boley said he wanted to make it very clear that the revenues produced from the public safety sales tax can only be used for public safety purposes and not used for other general fund projects. We cannot legally use the public safety sales tax funds for anything other than public safety.

Alderman Hartman feels like we need to put this question on the ballot, but we need do a better job of communicating it.

Alderman Russell said that he agreed with what Alderman Atkins and Alderman Hartman said and that we are in the same predicament of other entities with a shortage of officers. He added that even if this question passes, it will not guarantee we will get any officers. Alderman Russell said he wanted to also make sure the information we communicate is the correct information as to what the funds will be used for. He added that he thought the statute was pretty broad as far as what the funds could be used for.

Mayor Boley explained that the funds have to be used for public safety which is our Police Department.

Alderman Russell said that he thinks that saying the funds will only go to raises and retention for police officers is misleading.

Alderman Hartman said that he thinks the funds will help take some pressure off of the general fund since right now 100% of our police funding comes out of our general fund.

Cynthia said that it is with the exception of small grants.

Alderman Hartman noted that it takes two and half to three million dollars to fund our police.

Mayor Boley explained that basically all of the property tax collected goes to fund our Police Department.

Alderman Hartman added that dollar amount is just going to keep going up as the city continues to grow.

Cynthia noted that a half cent sales tax generates around \$700,000.

Alderman Wilson asked if the Zoo or the Library would be having a taxing question on the ballot. She added it would be nice to know if they are considering it.

Cynthia explained that she did not reach out to those entities, but staff would check.

Alderman Wilson also noted that she agreed with Alderman Hartman that last time when it was put on the ballot the importance of it was not really shared with the community. She suggested looking at placing it on the ballot November 2025 to give ample time to communicate the campaign and the importance of it, instead of rushing it.

Mayor Boley noted that we would not have anything else on the ballot and if we were to do that it would be better to wait until April of 2026.

Alderman Russell said if we need to wait until 2026 that might be better. He asked if we only went for a quarter cent could we go back again with another question.

Cynthia explained that we only get one more time before we have to go back to legislature.

Alderman Atkins said that he would hate to keep pushing this off. He asked what the most strategic date would be for voting we should be looking for.

Mayor Boley explained that if we wait until the November 2026 election we will not be collecting the tax funds until after the date of our next labor contract negotiations. He added there should be better turnout for the April 2025 election and it would also give us six months to campaign and educate.

Alderman Atkins added if we educate for a year or more it will likely be forgotten.

Cynthia noted that one thing she envisions is establishing a committee and working with them to help get the information out. There will also be things they would have the ability to do provide more information and fund different types of campaigns that staff cannot. Cynthia said that if the Board would want to look at, staff would like to start thinking about that strategically as soon as possible and who the Board want on the committee.

Alderman Russell preferred to put it on the November 2025 ballot.

Alderman Hartman, Alderman Atkins and Alderman Shipley all agreed with the April 2025 ballot with a committee to help with the public education process.

Alderman Wilson said that she was fine with the April 2025 but worried it will not be sufficient time to get the information out.

Cynthia explained that we have received campaign material from other cities and can work off that to put together some proposals for additional work sessions. Ballot language does not need to be certified until January 28 and that should give us time to have a good plan.

Chief Lockridge noted that the ballot language is already written.

Alderman Atkins noted that we have time between now and January 28 and if something comes up and it looks like it would not be a good time to place it on the April ballot we can look at a future date.

Alderman Russell asked if it was correct that there are two other ballot initiative on the April 2025 ballot.

Cynthia explained that those are currently under consideration much like ours is.

Alderman Russell asked if that would be three tax increases.

Mayor Boley explained that the other two would be no increase bond questions.

Cynthia explained that it is an extension of the funding to cover the bonds.

## **6. Adjourn**

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

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:25 p.m.

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Linda Drummond, City Clerk

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Damien Boley, Mayor