



Figure 1 - Downtown Smithville

## City of Smithville, Missouri

### Board of Aldermen - Work Session Agenda

Tuesday, August 19, 2025


5:30 p.m. - City Hall Council Chambers

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Meetings are live streamed on the [City's YouTube](#) page and will be posted to the City's website and FaceBook following the meeting.

1. Call to Order
2. 9-Month FY2025 Budget Update
3. FY2026 Budget Discussion
4. Adjourn



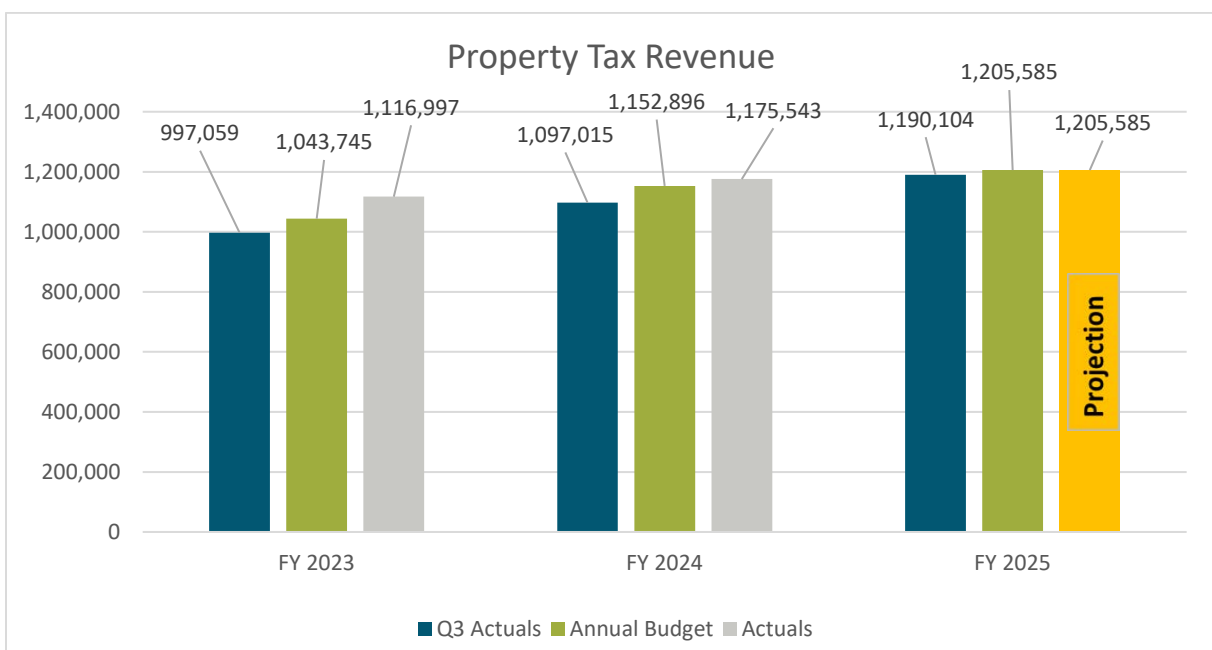
	<div>STAFF REPORT</div>
<b>Date:</b>	August 19, 2025
<b>Prepared By:</b>	Rick Welch, Finance Director
<b>Subject:</b>	FY2025 Third Quarter Fiscal Update
<b>Staff Report:</b>	Finance Department

## Third Quarter FY2025 – General Fund Budget Performance

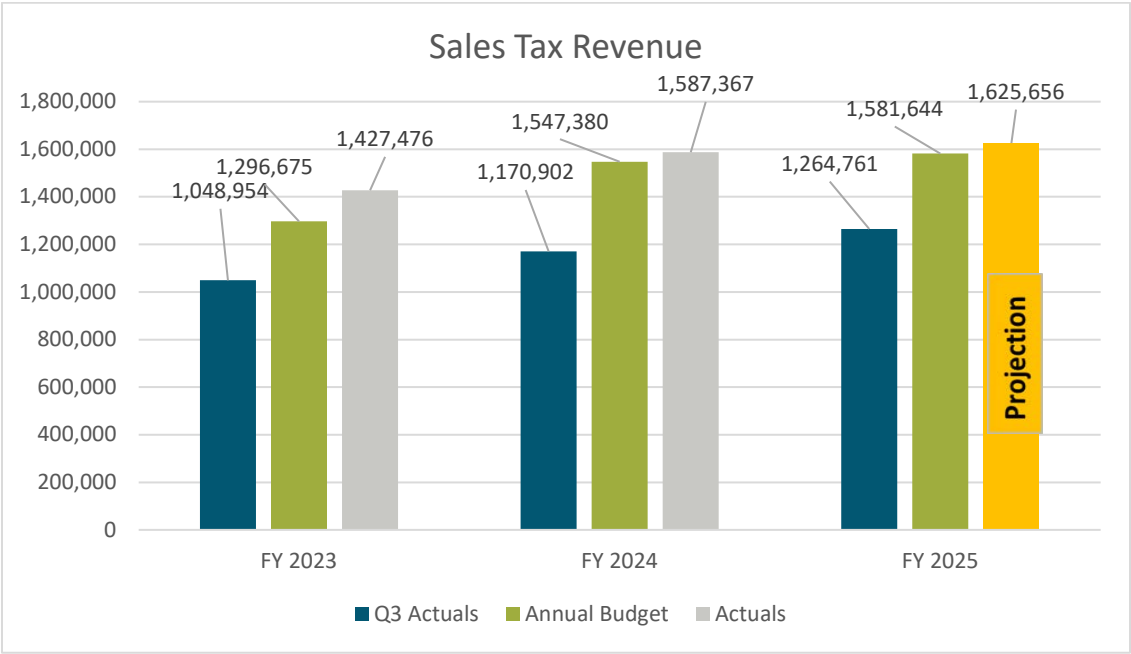
### *Revenue Highlights*

As of the first nine months of the FY2025 budget cycle, the City's financial performance remains strong. General Fund revenues are currently projected at \$7,272,399, exceeding the budgeted amount of \$6,737,657. On the expenditure side, General Fund spending is projected to align with the adopted budget, totaling \$7,547,496. Overall, revenues are outpacing expectations while expenditures remain on target.

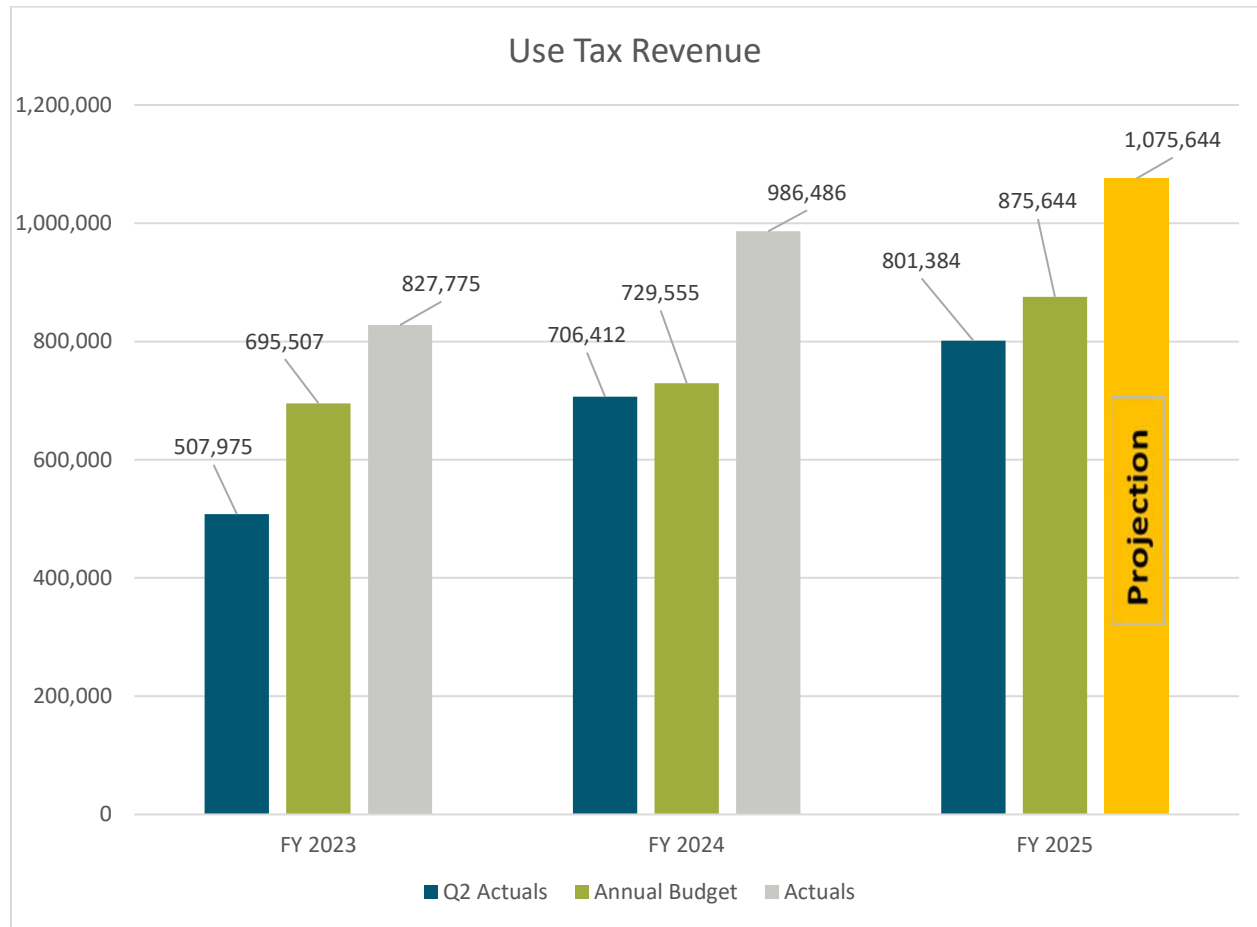
Property tax revenues have demonstrated consistent growth over the past five years. From FY2023 to FY2024, property tax collections increased by 5.24%. For FY2025, property tax revenue is projected to meet the budgeted amount of \$1,205,585, representing a 2.56% increase from FY24 actual to FY25 projected.



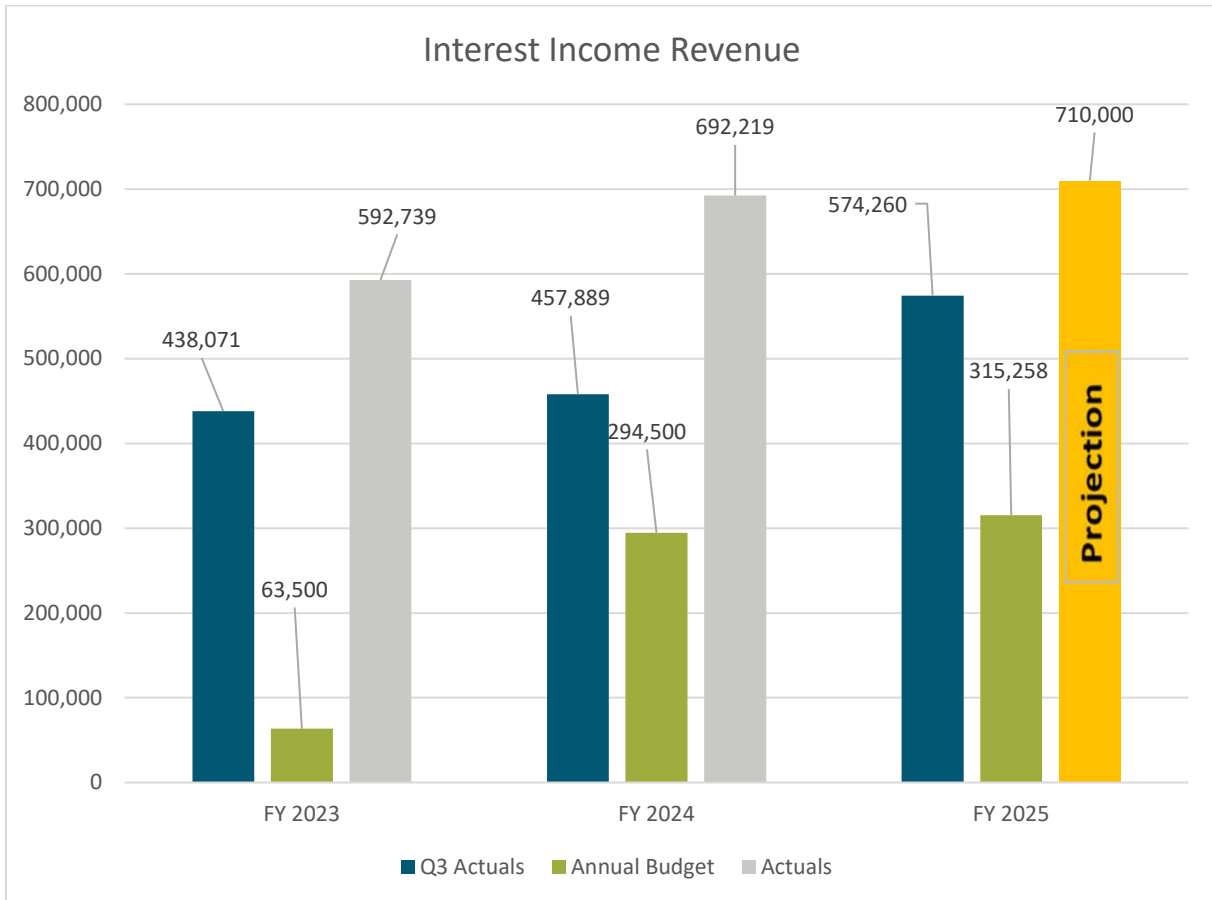
Sales tax revenues have steadily increased over the past five years, reflecting continued growth in the Smithville local economy. From FY2023 to FY2024, sales tax collections saw an 11.2% increase. For FY2025, sales tax revenue is budgeted at \$1,581,644 and currently projected at \$1,625,656, representing a 2.41% increase from FY24 actual to FY25 projected.



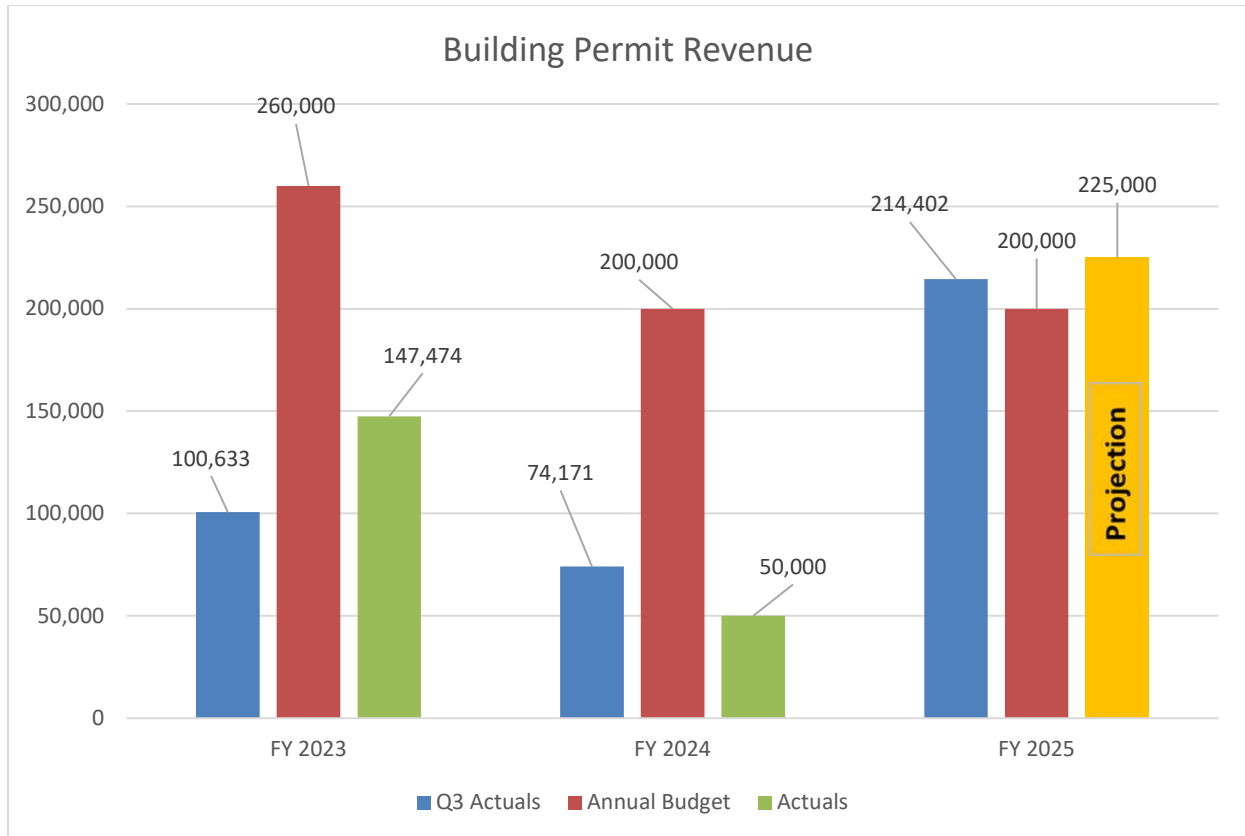
Use tax revenue has also experienced steady growth over the past five years, driven largely by the continued shift toward online purchasing. From FY2023 to FY2024, use tax collections increased significantly by 19.2%. Anticipating that such growth may not be sustainable, the City conservatively budgeted \$875,644 for FY2025. However, current projections estimate FY2025 use tax revenue at \$1,075,644, representing a 9.04% increase from FY24 actual to FY25 projected.



The City's interest rate is set to float with the Treasury Bill rate. With interest rates holding steady, year to date FY2025 earnings has already exceeded 50% of budget. During the development of the FY2025 budget it was anticipated the Federal Reserve would cut rates up to a total of five times. After three rate cuts, Fed officials have recently noted there is no hurry to make additional rate cuts, resulting in a projected interest income revenue higher than FY2025 budgeted. Projected interest income for FY2025 is \$710,000, a 2.57% increase from FY24 actual to FY25 projected.



Building permit revenues have shown strong performance in FY2025, driven primarily by increased residential and commercial development in the districts such as Fairview Crossings. Revenue from building permits is projected to reach \$225,000 for the fiscal year, representing a 350% increase over FY2024 actuals.



### *Expenditure Highlights*

Salaries and benefits account for the majority of General Fund expenditures. As of now, total General Fund spending is projected to remain on track with the FY2025 budget.

In addition to salaries and benefits, key General Fund expenditures include materials and services, grant-funded programs, and capital outlays. The City continues to monitor fluctuations in commodity prices and is actively pursuing additional grant opportunities to help offset rising costs and support ongoing initiatives. Overall, General Fund expenditures are expected to align with the FY2025 budget projections.

### **Third Quarter FY2025 – Combined Water and Wastewater Fund Budget Performance**

The CWWS Fund has demonstrated steady growth in FY2025, largely driven by the implementation of 15% rate increases for both water and wastewater services. These adjustments have contributed to a healthy increase in the fund's balance, positioning it to support several upcoming high-cost infrastructure projects. Currently, water and wastewater revenues are tracking in line with budgeted projections.

FY2025 marks the launch of several key projects that serve as the foundation of the City's comprehensive, multi-year strategy to upgrade and expand infrastructure and service capacity. These initiatives are aimed at enhancing long-term sustainability, meeting current demands, and supporting future growth. As projects progress, timelines and scopes are being adjusted as needed to reflect evolving cost estimates and economic conditions. Due to project timeline changes, CWWS budgeted expenses of \$10,800,684 has been decreased to \$8,128,320. To support the financial requirements of the comprehensive plan, the City has proposed issuing debt. Discussions around debt issuance are ongoing to ensure alignment with project timelines, funding needs, and fiscal responsibility.

### **Special Sales Tax Funds**

The City leverages dedicated special sales tax funds to support targeted projects that align with the specific goals and legal requirements of each fund. These funds play a critical role in advancing the City's comprehensive plan by providing dedicated financial resources for essential maintenance, infrastructure upgrades, and community enhancements.

As of the third quarter of FY2025, the City continues to effectively manage and allocate resources from its three primary special sales tax funds: the Capital Improvement Sales Tax Fund, the Transportation Sales Tax Fund, and the Park and Stormwater Sales Tax Fund. Each of these funds is structured to address distinct priorities, ranging from facility improvements and roadway enhancements to parks development and stormwater management. The following section provides a brief status update on each fund, outlining their financial position and project activity to date.

The City relies on special sales tax funds to finance a range of strategic projects that align with the defined purpose of each fund. These dedicated revenues are vital to the successful implementation of the City's comprehensive plan, providing targeted funding for critical infrastructure improvements, ongoing maintenance, and community enhancements across various sectors.

These special revenue funds ensure that resources are allocated efficiently and transparently toward their intended uses, reducing pressure on the General Fund and enabling long-term capital planning.

As of the third quarter of FY2025, the City's three primary special sales tax funds continue to perform as expected, supporting key initiatives in their respective areas:

- Capital Improvement Sales Tax Fund – Focused on facility upgrades, equipment purchases, and other capital needs that support core City operations and public services.
- Transportation Sales Tax Fund – Dedicated to the maintenance, expansion, and improvement of transportation infrastructure, including streets, sidewalks, and traffic control systems.
- Park and Stormwater Sales Tax Fund – Supports enhancements to parks, recreational facilities, and stormwater infrastructure to improve quality of life and address environmental concerns.

A summary of each fund's financial status and project activity through the 3<sup>rd</sup> quarter of FY2025 is provided below.

*Capital Improvement Sales Tax Fund:* Sales tax revenue is projected to align with the FY2025 budget, with 3<sup>rd</sup> quarter collections totaling \$607,069 against the annual budgeted amount of \$783,132. Several key capital projects funded through the Transportation Sales Tax Fund are either completed or currently underway in FY2025. These include:

- Riverwalk & Trail Engineering
- 2nd Creek Sidewalks Engineering
- Downtown Streetscape Phase III
- 1st Street and Bridge Roundabout Engineering

Downtown Streetscape Phase III is supported by a reimbursement from MoDOT totaling \$1,488,000. Construction for both the 2nd Creek Sidewalks and the Riverwalk & Trail, projects that include significant MARC reimbursements totaling \$1,080,000, has been rescheduled to begin in FY2026. The related MARC reimbursements will carry over and be realized in FY2026 in alignment with the new construction timelines.

*Transportation Sales Tax Fund:* Sales tax revenue for the fund is projected to align with the FY2025 budget, with third-quarter collections totaling \$537,596 against a budgeted amount of \$758,624. This fund supports the City's annual mill and overlay street maintenance program as well as the annual sidewalk improvement program. In addition, two budgeted FY2025 projects have commenced:

- Commercial Street Sidewalks – Construction Phase
- 1st & Bridge Street – Roundabout Engineering



The Commercial Street Sidewalks project includes an anticipated MARC reimbursement of \$800,000, representing approximately 80% of the contract cost. Due to recent events relating to the contractor, both the project expenditures and corresponding reimbursement are expected to be substantially realized in FY2026.

*Park & Stormwater Sales Tax:* Sales tax revenue is projected to align with the FY2025 budget, with third-quarter collections totaling \$602,454 compared to the annual budgeted amount of \$781,294. Engineering work is underway for two key stormwater projects: the Dundee Road Stormwater Improvements and the Forest Oaks Stormwater Improvements. All other budgeted projects have been deferred to FY2026, including the OK Railroad Trail project, which is expected to receive a grant reimbursement of \$184,000 in that fiscal year.

	<div>STAFF</div> <div>REPORT</div>
<b>Date:</b>	August 19, 2025
<b>Prepared By:</b>	Rick Welch, Finance Director
<b>Subject:</b>	FY2026 Recommended Operating & Capital Budget

The Recommended Budget for Fiscal Year 2026 was strategically developed through close collaboration among City staff, departmental leadership, the administration, and the Board of Aldermen. This comprehensive, team-driven approach ensures that the budget aligns with Board goals, operational needs, and long-term fiscal sustainability.

Key funding priorities identified include enhancing employee compensation and retirement to support recruitment and retention and investing in critical infrastructure to maintain and grow essential services.

The Recommended FY2026 Budget also reflects addition of the Public Safety Sales Tax Fund. Approved by the voters in April, the Public Safety Sales tax is estimated to generate approximately \$700,000 in annual revenue to fund increased compensation and benefits for officers to support recruitment and retention, additional staffing and related equipment and implementation of a full-time animal control program. This dedicated funding source allows the City to prioritize public safety while reducing financial impact to the General Fund.

### **FY2026 Recommended Budget**

The Fiscal Year 2026 budget presents a detailed and strategic outline of all projected revenues and expenditures for the upcoming year. It serves not only as a financial roadmap but also as a tool to align with organizational goals. This comprehensive budget document provides the financial framework necessary to support both day-to-day operations and the implementation of high-impact projects, ensuring the effective allocation of available resources.

Across all funds, the recommended expenditure budget totals \$33,298,864. As discussed throughout development of the budget, several major capital and operational projects have been initiated and are expected to reach key phases in FY2026. The budget includes anticipated expenditures associated with these initiatives, reflecting the organization's ongoing commitment to long-term growth, infrastructure investment, and service enhancement.

Revenues supporting the budget total \$22,244,830. Strategic use of fund balance to address operational and capital needs is coupled with issuance of debt to provide resources for completion of significant utility projects.

	2026 Projected Beginning Balance	2026 Proposed Revenues	2026 Proposed Expenditures	2026 Projected Ending Balance
General Fund	3,652,824	7,146,409	7,922,536	2,876,697
Capital Improvement Sales Tax Fund	246,847	1,886,626	2,042,920	90,553
Capital Projects Fund	165,755	11,000	-	176,755
Combined Water/Wastewater Fund	16,378,986	7,454,901	16,466,155	7,367,732
Debt Service Fund	274,113	367,920	367,920	274,113
Park and Stormwater Sales Tax Fund	2,243,422	988,733	1,901,000	1,331,155
Sanitation Fund	70,155	1,000,715	987,117	83,753
Special Allocation Fund	2,318,511	905,625	792,862	2,431,274
Commons CID Fund	465,689	438,655	381,502	522,842
Transportation Sales Tax Fund	169,999	1,591,271	2,000,000	(238,730)
Vehicle and Equipment Replacement Fund	85,390	433,000	428,497	89,893
Donation Fund	42,280	15,100	-	57,380
Judicial Education Fund	2,532	-	1,100	1,432
DWI Recovery Fund	13,762	3,425	2,975	14,212
Police Training Fund	12,312	1,450	4,280	9,482
<b>Grand Total</b>	<b>\$ 26,142,576</b>	<b>\$ 22,244,830</b>	<b>\$ 33,298,864</b>	<b>\$ 15,088,542</b>

## General Fund

The City anticipates a strategic use of fund balance in the General Fund to support planned personnel investments and critical capital improvement projects. This allocation is part of a long-term financial strategy aimed at maintaining service levels, addressing infrastructure needs, and supporting workforce stability.

For Fiscal Year 2026, an estimated \$776,127 from the General Fund's available fund balance is proposed to be used. This planned drawdown reflects a deliberate investment in initiatives that align with the City's operational goals and capital planning efforts. The City will maintain a positive reserve position through 2027. Fund balance could dip below the required reserve in 2028. This is consistent with the timeframe discussed with the Board in July. Staff will continue to monitor the reserve projections.

## Revenues

As outlined in the chart below, revenues are budgeted to total \$7,146,409. The following accounts represent the more significant accounts affecting 2026 revenues.

- **Property taxes** represent a conservative estimate with unknowns related to Clay County Senior Real Estate Property Tax Relief Program. The City is still awaiting definitive figures to substantiate the amount that has been frozen.
- **Interest earnings** are expected to have the most significant impact on the projected revenue decline in 2026 compared to fiscal year 2025. Two key factors will place downward pressure on interest earnings. First is the anticipated reduction in interest rates by the Federal Reserve. Second, and with a greater projected impact, is the City's approach to allocating interest income across the appropriate funds. This allocation strategy directs earnings to funds with the largest cash balances, affecting the overall interest revenue recognized in the general fund.

General Fund Revenues	Actual FY2024	FY2025 Budget	Projected FY2025	FY2026 Proposed Budget
Property Taxes	1,208,975	1,205,585	1,205,585	1,215,000
Sales and Use Taxes	2,688,789	2,550,738	2,773,611	2,878,671
Franchise Taxes	804,845	784,370	784,370	838,565
Licenses, Fees, and Permits	351,651	365,246	390,246	358,696
Intergovernmental Revenues	539,592	501,119	501,119	555,773
Charges for Services	495,811	474,025	474,025	479,271
Fines and Forfeits	88,937	116,652	116,652	112,000
Interest Earnings	730,251	315,258	710,000	222,684
Other Revenue	237,245	104,164	104,164	126,498
Transfers In	286,750	320,500	333,987	359,250
<b>Total Revenues</b>	<b>\$ 7,432,846</b>	<b>\$ 6,737,657</b>	<b>\$ 7,393,759</b>	<b>\$ 7,146,409</b>

## Expenditures

The expenditure budget totals \$7,922,536 and incorporates Board direction at the retreat this spring as well as discussion this summer.

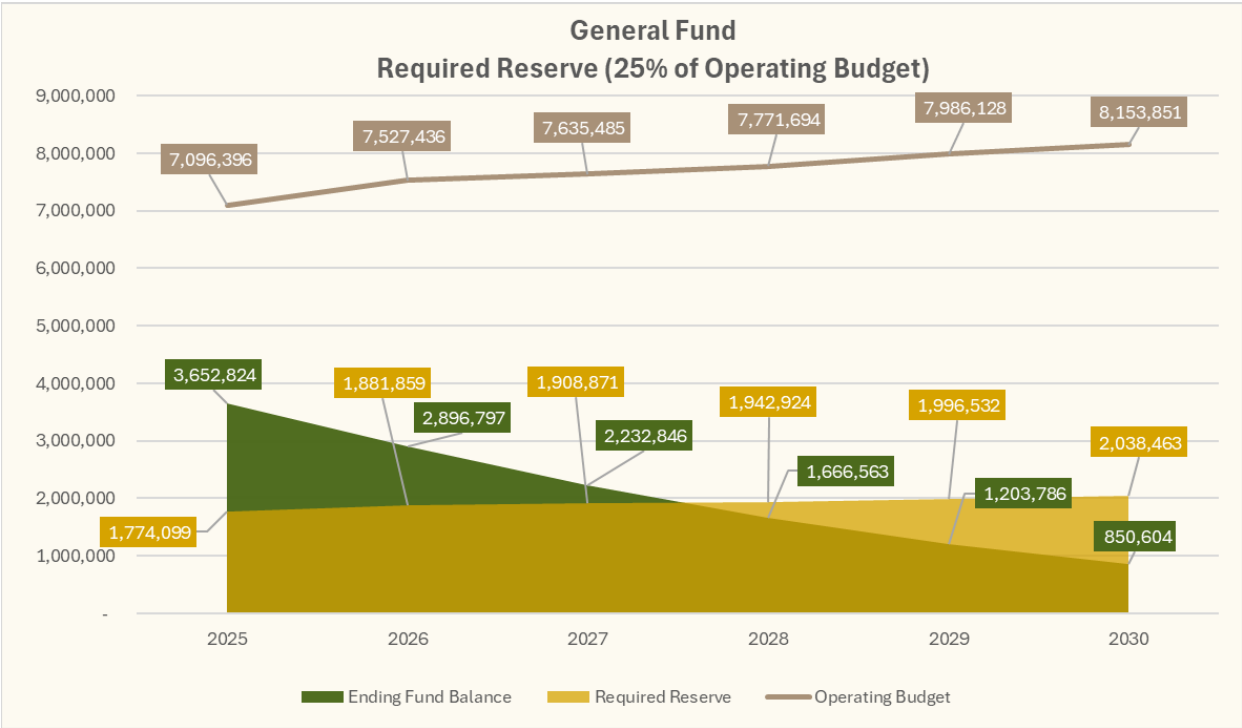
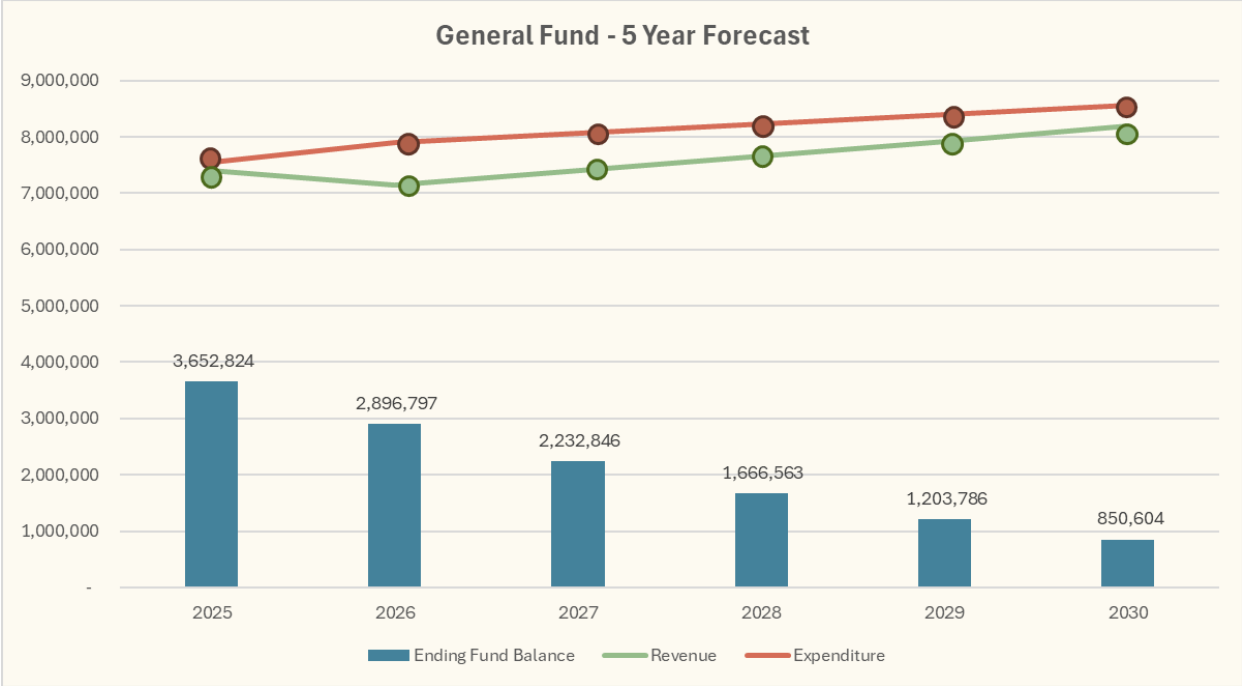
General Fund Expenditures	Actual FY2024	FY2025 Budget	Projected FY2025	FY2026 Proposed Budget
Personnel Services	4,319,582	4,661,649	4,661,649	5,156,321
Commodities	1,097,603	1,161,730	1,161,730	1,315,172
Capital Outlay	782,774	852,043	852,043	408,925
Contractual Services	452,401	489,074	489,074	709,118
Transfers Out	357,000	383,000	383,000	333,000
<b>Total Expenditures</b>	<b>\$ 7,009,359</b>	<b>\$ 7,547,496</b>	<b>\$ 7,547,496</b>	<b>\$ 7,922,536</b>

Following Board review throughout the summer, the recommended budget includes the addition of two positions and expenditures to address operational and equipment

needs. Expenditures added to the base budget total \$447,013. Recommended new expenditures are summarized in the chart below.

Operational Budget Item	Estimated Cost	Considerations
Building and Facilities Manager (Parks & Recreation)	<b>\$92,455</b>	New position in the Parks & Recreation department.
GIS/IT Technician (50% Admin / 50% CWWS)	<b>\$83,458</b>	New position that will be split between Administration and Combined Water and Wastewater (\$41,729 per department).
World Cup	<b>\$40,000</b>	Authority up to \$40,000 to provide support initiatives for World Cup.
Mini Excavator	<b>\$25,000</b>	Estimated annual lease payment of \$25,000. Improve project timelines and safety of staff with the addition of mini excavator.
Walk Behind Saw	<b>\$15,000</b>	Improve productivity and precision and reduce outsourcing.
Rapid Warning	<b>\$50,000</b>	Enhance efficiency and reliability of outdoor warning system and incorporating Realtime alerts.
Golf Cart	<b>\$15,000</b>	Priority on Parks & Recreation equipment replacement plan for quick and easy access.
Toolcat Bucket	<b>\$6,000</b>	Replacement of current broken arm.
Strategic Planning	<b>\$50,000</b>	Revise and update the City's strategic Plan.
Financial Support	<b>\$25,000</b>	Provide assistance to outside requests as directed by the Board.
Financial Support	<b>\$25,000</b>	Provide assistance to outside requests as directed by the Board.
Wellness Stipend	<b>\$20,100</b>	Reimburse City employees up to \$300 for wellness related expenses.
	<b>\$447,013</b>	

The following two charts represent the projected 5-year cash flow and cashflow versus the reserve policy. Both revenues and expenses have been conservatively budgeted. Despite strong recent performance, interest income has been significantly reduced in alignment with the new methodology allocation previously discussed. This adjustment contributes to a wider gap between revenues and expenses in the 2026 budget. Looking ahead, revenue and expenditure projections are based on historical trends and anticipated economic conditions. Staff will continuously monitor the status for and trends that may affect fund balance and reserve level.



## Public Safety Sales Tax

As previously noted, the priorities identified for the Public Safety Sales Tax Fund to increase compensation and benefits for officers to support recruitment and retention, additional staffing and related equipment and implementation of a full-time animal control program. At the board retreat, the Governing Body provided direction to prioritize recruitment and retention of public safety personnel and development of an animal control program.

The FY2026 Recommended Budget reflects these priorities, funding a total of \$343,890 in expenditures. This includes \$230,700 for direct police expenses and \$113,190 for animal control expenses. The \$91,000 represents the January 2026 step increase included in current contracts for both officers and sergeants. Additionally, the impact of moving to the new LAGERS pension program (L-6) is estimated at \$33,500.

### FY2026 Recommended Public Safety Sales Tax Expenses

#### Smithville Police Expenses

Personnel and Benefits	\$91,000
LAGERS upgrade to L-6	\$33,500
Equipment and Training	\$106,200
<b>Total</b>	<b>\$230,700</b>

#### Animal Control Expenses

Personnel and Benefits	\$52,500
Commodities	\$15,515
Contracted Services	\$11,725
Capital Improvements	\$33,450
<b>Total</b>	<b>\$113,190</b>

<b>Total Public Safety Sales Tax Expenses</b>	<b><u>\$343,890</u></b>
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Collection of the Public Safety Sales Tax begins October 1, 2025. The City expects minimal revenue for the first three months with a total received in FY2026 of \$700,000.

As discussed, creation of a Public Safety Sales Tax Review Committee is planned to review implementation of budget priorities. Staff will be bringing forward recommendations for composition of that committee in the coming weeks.

## Combined Water and Wastewater Fund (CWWS)

To ensure long-term alignment between utility rates and the City's strategic goals, a comprehensive rate study is scheduled for the fall of 2026. This study will evaluate the City's financial needs in the context of the Water and Wastewater Master Plans, helping to inform future rate structures that support sustainable service delivery and capital investment. In the interim, there will be no utility rate increase implemented on November 1, 2025, reflecting the City's commitment to maintaining affordability for residents while continuing to provide high-quality utility services.

Additionally, in September 2025, the City plans to issue \$8.5 million in Certificates of Participation (COP) bonds. This infusion of capital funding will directly support a range of vital capital improvement projects beginning in FY2026, as outlined below. These projects are designed to enhance City infrastructure, promote economic development, and ensure long-term operational efficiency. The strategic use of debt financing, paired with stable utility rates and a forward-looking rate study, underscores the City's prudent financial management and dedication to balancing affordability with investment in community infrastructure.

The following represents the FY2026 capital outlay for CWWS and projects support with the COP issuance.

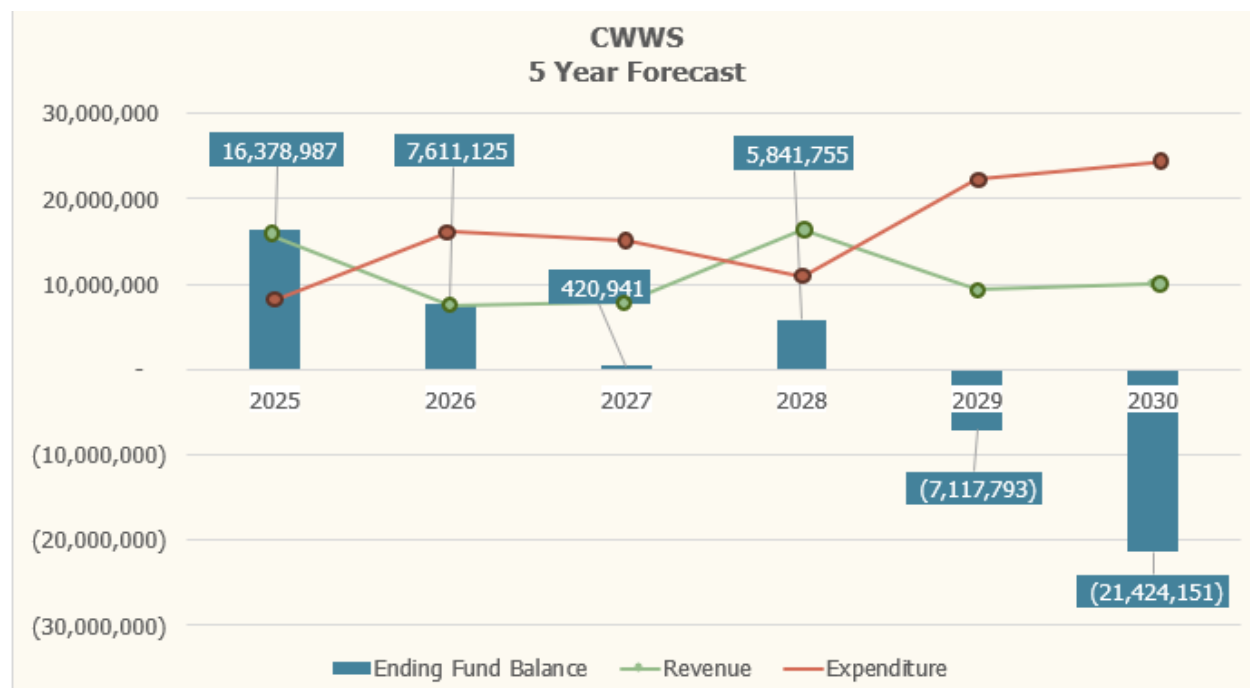
Capital Improvement Project	FY 2026	FY 2027	FY 2028	FY2029	FY2030
West Bypass of the 144th Street Lift Station (Construction)	\$ 4,000,000	-	-	-	-
144 <sup>th</sup> Street Lift Station Federal Earmark	\$ (1,000,000)	-	-	-	-
Smith's Fork Force Main (Construction)	\$ 600,000	-	-	-	-
Maple Ave & River Crossing (12" Waterline) (50% of Construction)	\$ 1,190,000	-	-	-	-
Stonebridge Lift Station (Construction With SSD Cost Sharing)	\$ 1,300,000	-	-	-	-
McDonalds/Central Bank Lift Station (Engineering)	\$ 100,000	-	-	-	-
Interconnect Mains at 144 <sup>th</sup> /169 Highway/Major Mall (S2, Engineering)	\$ 55,000	-	-	-	-
Highway 92 & Commercial Waterline (Engineering)	\$ 150,000	-	-	-	-
Smith's Fork Park Waterline (Construction)	\$ 170,000	-	-	-	-
Highway 92 & Commercial Waterline (Construction)	\$ 300,000	-	-	-	-
Wastewater Treatment Plant Expansion (Engineering)	\$ 1,050,000	-	-	-	-
Water and Wastewater Master Plans Update	\$ 200,000	-	-	-	-
Taste and Odor	\$ 1,000,000				
<b>Grand Total (Net Cost)</b>	<b>\$9,115,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

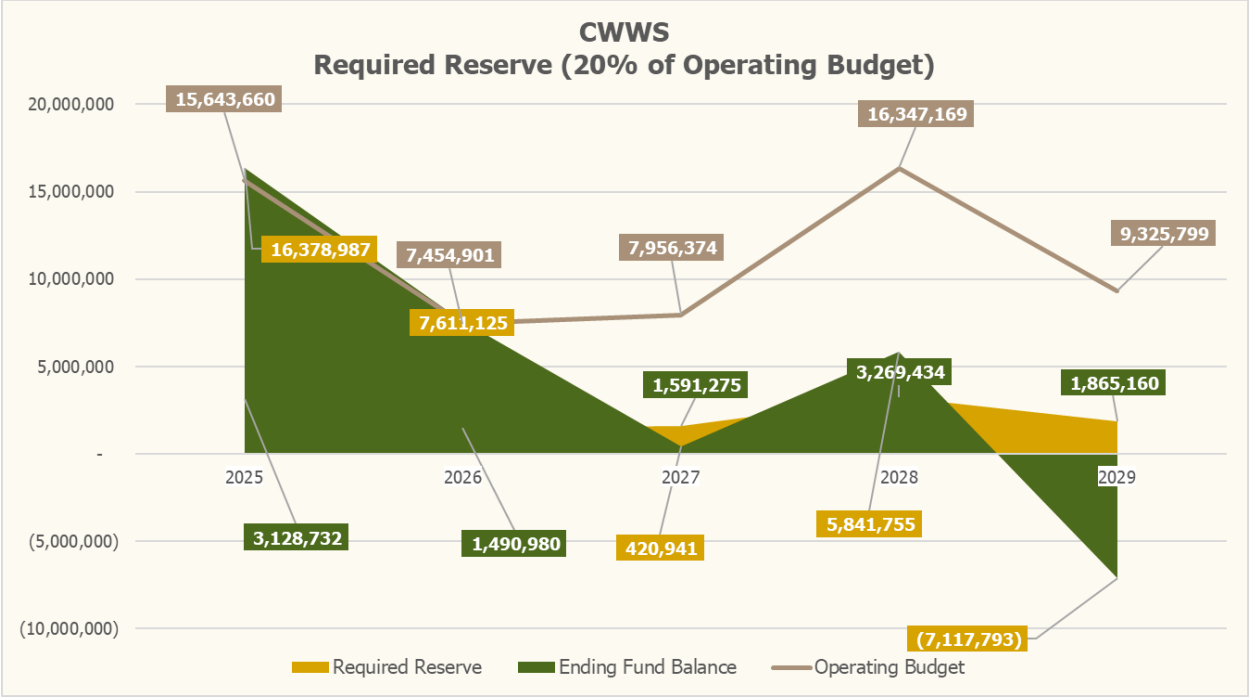


It is anticipated that second COP issuance will be made in FY2027. The following capital outlay represents the additional projects.

Capital Improvement Project	FY 2026	FY 2027	FY 2028	FY2029	FY2030
Owens Branch Gravity Line Phase #1, Line #1 (Construction)	\$ -	\$ 1,150,000	\$ -	\$ -	\$ -
Owens Branch Gravity Line Phase #1 and #3, Line #2 (Engineering)	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Interconnect Mains at 144 <sup>th</sup> /169 Highway/Major Mall (S2, Construction)	\$ -	\$ 150,000	\$ -	\$ -	\$ -
Water Plant Expansion (Engineering)	\$ -	\$ 2,100,000	\$ -	\$ -	\$ -
McDonalds/Central Bank Lift Station (Construction)	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Wastewater Treatment Plant Expansion (Construction)	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -
Owens Branch Gravity Line Phase #1 and #3, Line #2 (Engineering)	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Additional Water and Wastewater Project Funding	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -
Owens Branch Gravity Line Phase #1, Line #2 (Construction)	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -
Owens Branch Gravity Line Phase #1, Line #3 (Construction)	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -
Additional Water and Wastewater Project Funding	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -
Water Plant Expansion, Phase I (Construction)	\$ -	\$ -	\$ -	\$ 7,500,000	\$ 15,000,000
<b>Grand Total (Net Cost)</b>	<b>\$9,115,000</b>	<b>\$7,400,000</b>	<b>\$2,500,000</b>	<b>\$14,000,000</b>	<b>\$15,000,000</b>

The following two charts represent the projected 5-year cash flow and cashflow verse the reserve policy.





## Transportation Sales Tax Fund

The Transportation Sales Tax Fund plays a vital role in supporting the City's ongoing efforts to maintain and improve its transportation infrastructure. Revenues generated from this dedicated sales tax are specifically allocated to fund essential maintenance projects, roadway enhancements, and long-term capital improvements.

By providing a stable and locally controlled funding source, the Transportation Sales Tax Fund enables the City to invest proactively in critical infrastructure—such as street resurfacing, sidewalk repairs, traffic signal upgrades, and other mobility-related improvements—thereby enhancing safety, reducing long-term maintenance costs, and improving overall connectivity for residents, businesses, and visitors.

This fund reflects the City's commitment to responsible fiscal planning and infrastructure sustainability, ensuring that transportation systems remain reliable, efficient, and capable of supporting future growth.

The following projected projects are planned for the transportation sales tax fund.

Capital Improvement Project Name	FY2026	FY2027	FY2028	FY2029	FY2030
Annual Asphalt Overlay Program (Projects TBD)	\$ 500,000	\$ 350,000	\$ 350,000	\$ 400,000	\$ 450,000
Annual Residential Sidewalk Replacement Program	\$ 100,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000
Dundee Overlay Project	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Richardson St / 169 Signal (Engineering)	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Commercial Street Sidewalks (Construction)	\$ 1,000,000				
Commercial Street Sidewalks (MARC Reimbursement)	\$ (800,000)				
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)	\$ -	\$ -	\$ -
1 <sup>st</sup> & Bridge St Round-A-Bout Construction (80% of Project Expense)	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -
1 <sup>st</sup> & Bridge Street Round-A-Bout (MARC Reimbursement)	\$ -	\$ (900,000)	\$ -	\$ -	\$ -
180th & Eagle Round-A-Bout Construction (25% of Project Expense)	\$ -	\$ -	\$ -	\$ 300,000	\$ -
<b>Grand Total (Net Cost)</b>	<b>\$1,200,000</b>	<b>\$3,210,000</b>	<b>\$410,000</b>	<b>\$770,000</b>	<b>\$ 520,000</b>

## Capital Improvement Sales Tax Fund

The Capital Improvement Sales Tax Fund serves as a critical financial mechanism that supports the City's strategic objective of investing in long-term infrastructure and facility improvements. This dedicated revenue stream is essential for funding, financing, operating, and maintaining a wide range of capital projects that enhance public services.

Proceeds from the Capital Improvement Sales Tax Fund are used not only to support new construction and upgrades to City buildings, public facilities and infrastructure, but also to ensure the ongoing maintenance and operational efficiency of existing infrastructure. In addition, this fund plays a key role in covering debt service obligations.

The following projected projects are planned for the capital improvement sales tax fund.

Capital Improvement Project Name	FY2026	FY2027	FY2028	FY2029	FY2030
Annual Transfer to Debt Service	\$ 367,920	\$ 373,420	\$ 376,420	\$ 382,420	\$ 390,540
2 <sup>nd</sup> Creek Sidewalks (Engineering)	\$ 20,000	\$ -	\$ -	\$ -	\$ -
2 <sup>nd</sup> Creek Sidewalks (70% of Construction)	\$ 515,000	\$ 515,000	\$ -	\$ -	\$ -
2 <sup>nd</sup> Creek Sidewalks (MARC Reimbursement)	\$ (300,000)	\$ (300,000)	\$ -	\$ -	\$ -
2 <sup>nd</sup> Creek Bridge Sidewalks (30% of Construction)	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -
Riverwalk & Trail (Engineering)	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Riverwalk & Trail Construction (60% of Construction)	\$ 480,000	\$ 670,000	\$ -	\$ -	\$ -
Riverwalk & Trail (MARC Reimbursement)	\$ (480,000)	\$ (420,000)	\$ -	\$ -	\$ -
Maple Lane Sidewalks (Engineering)	\$ 100,000	\$ -	\$ -	\$ -	\$ -
1 <sup>st</sup> & Bridge Street - Round-A-Bout (20% of Construction)	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Maple Lane Sidewalks (Construction)	\$ -	\$ 600,000	\$ -		\$ -
Maple Lane Sidewalks (MARC Reimbursement)	\$ -	\$ (480,000)	\$ -	\$ -	\$ -
180 <sup>th</sup> & Eagle Parkway Round-A-Bout (Engineering)	\$ -	\$ -	\$ 350,000	\$ -	\$ -
Pope Lane Round-a-Bout/Connection (80% of Engineering)	\$ -	\$ -	\$ -	\$ 400,000	\$ -
180 <sup>th</sup> & Eagle Parkway Round-A-Bout (75% of Construction)	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
180 <sup>th</sup> & Eagle Parkway Round-A-Bout (MARC Reimburse)	\$ -	\$ -	\$ -	\$ -	\$ (2,000,000)
<b>Grand Total (Net Cost)</b>	<b>\$ 847,920</b>	<b>\$2,083,420</b>	<b>\$726,420</b>	<b>\$782,420</b>	<b>\$ 2,390,540</b>

## Park and Stormwater Sales Tax Fund

The Park and Stormwater Sales Tax Fund serves as a dedicated revenue source to support the enhancement, expansion, and long-term sustainability of the City's parks, recreational facilities, and stormwater management systems. This fund plays a crucial role in advancing the City's mission to provide high-quality recreational opportunities and the maintenance and expansion of the City's stormwater infrastructure.

Revenues generated through this sales tax are strategically allocated to improve and expand parks, trails, playgrounds, sports facilities, ensuring access to safe, modern, and inclusive recreational amenities. Additionally, the fund supports stormwater infrastructure and related priorities.

The following projected projects are planned for the park and stormwater sales tax fund.

Capital Improvement Project Name	FY2026	FY2027	FY2028	FY2029	FY2030
Dundee Road Stormwater Improvements (Construction)	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Riverwalk & Trail Construction (40% of Construction)	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Riverwalk Park & Trail (10% of Construction)	\$ 200,000	\$ -	\$ -	\$ -	\$ -
OK Railroad Trail - Phase I (Construction)	\$ 281,000				
OK Railroad Trail - Phase I (Grant)	\$ (184,000)				
Forest Oaks Stormwater Improvements (Engineering)	\$ -	\$ -	\$ -	\$ -	\$ -
Forest Oaks Stormwater Improvements (Construction)	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Smith's Fork Park Complex (Engineering & Design)	\$ 320,000	\$ 320,000	\$ -	\$ -	\$ -
Cedar Lakes Stormwater Improvements (Engineering)	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Cedar Lakes Stormwater Improvements (Construction)	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Maple Lane Stormwater Improvements (Engineering)	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Maple Lane Stormwater Improvements (Construction)	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Smith's Fork Park Complex (Construction)	\$ -	\$ -	\$ 2,240,000	\$ -	\$ -
<b>Grand Total (Net Cost)</b>	<b>\$ 1,717,000</b>	<b>\$ 445,000</b>	<b>\$ 2,540,000</b>	<b>\$ -</b>	<b>\$ -</b>

### **Vehicle and Replacement Fund (VERF)**

The City currently leases a total of 38 vehicles through its partnership with Enterprise Fleet Management, supporting the operational needs of key departments including Public Works, Police, Parks and Recreation, and Utilities. This fleet leasing program strategically managed solution that ensures City departments have access to reliable, well-maintained vehicles essential for daily operations and public service.

Leasing through Enterprise allows the City to modernize its fleet on a regular cycle, reducing downtime, improving fuel efficiency, and minimizing the long-term costs associated with aging vehicles. In addition to providing access to a newer and more dependable fleet, the program includes basic maintenance services, which further enhance vehicle performance, safety, and longevity.

### **Sanitation Fund**

City staff are proposing an increase to the monthly residential trash and recycling fee, increasing the rate from \$20.16 to \$21.43 per month, an overall increase of 1.7%. This proposed rate adjustment is necessary to ensure the continued delivery of waste collection and recycling services while keeping pace with rising service costs and inflation.

The City has successfully secured a long-term service agreement with Green For Life (GFL), locking in highly competitive rates through 2030. Under the terms of this agreement, the annual rate increase will remain at a stable 1.7% through 2028, followed by a modest increase of 2.5% in both 2029 and 2030. This negotiated contract provides cost predictability for the City and its residents while maintaining reliable waste services. To help support affordability for residents on fixed incomes, senior citizens will continue to receive a 15% discount on the monthly trash and recycling rate.

### **Concluding Remarks**

The Fiscal Year 2026 budget serves as a financial roadmap that outlines the City's planned revenues and expenditures, aligning available resources with strategic priorities and community needs. The FY2026 budget provides both a financial framework and a policy tool to guide decision-making throughout the year. It supports core municipal services, advances capital improvement projects, addresses infrastructure and public safety needs, and ensures the continued delivery of services to residents, businesses, and visitors.