

**SMITHVILLE BOARD OF ALDERMEN
WORK SESSION**

May 6, 2025 6:00 p.m.

City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 6:00 p.m. following the executive session. A quorum of the Board was present: Melissa Wilson, Marv Atkins, Leeah Shipley, Kelly Kobylski, Ronald Russell and Dan Hartman.

Staff present: Cynthia Wagner, Gina Pate, Captain Roetman, Chuck Soules, Rick Welch and Brandi Schuerger.

2. FY2024 Audit Presentation

Finance Director Rick Welch introduced the auditors from CliftonLarsonAllen (CLA) who performed the 2024 audit for the City: Adam Pulley, Justin Nort and Allison Gorm all present via Zoom.

Adam Pulley, principal in charge of the audit presented the results of the FY2024 audit. He noted that nothing surfaced that was alarming to them during the audit process. They did issue an unmodified or clean audit opinion. This is the best opinion that can be given to a city. One of the documents that they provide is known as a governance letter. Essentially, this is mostly standard language. It serves as their chance, as auditors, to inform the board if we encountered any disputes with management, any significant delays, or similar issues. Overall, there was not anything particularly unusual or unexpected that stood out.

Agenda

- Introduction
- Required Communications
- Internal Control Communications
- Financial Results

Required Communications

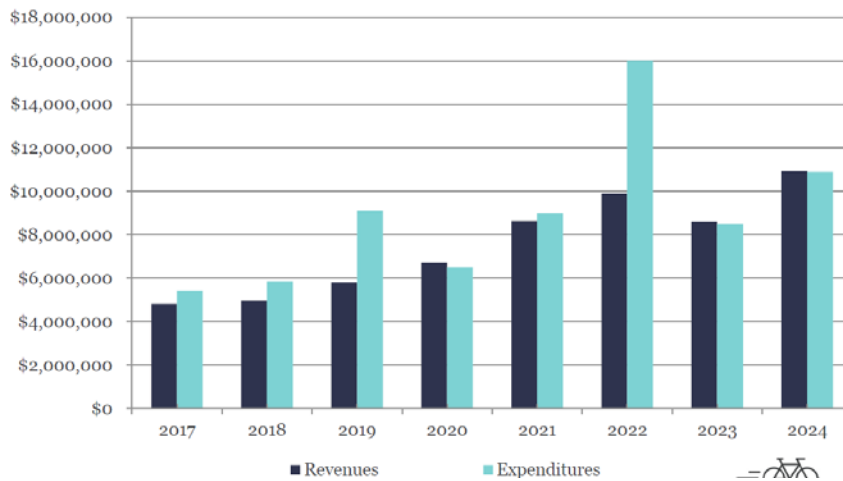
- See separate letter required by audit standards – largely anticipated/boilerplate language

Internal Control Communications

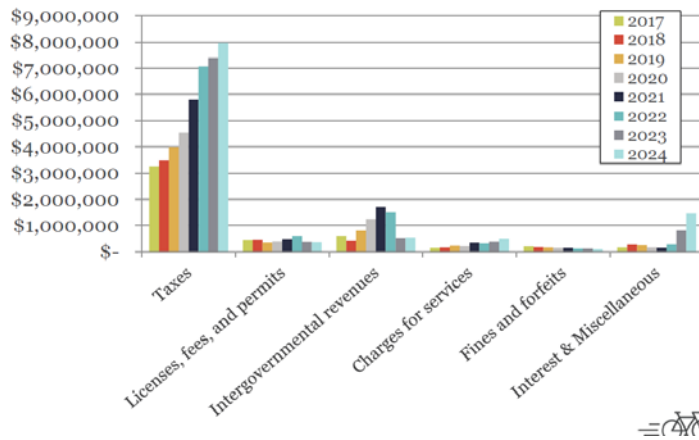
- Material Weaknesses (Both findings are repeats from the prior year and are common in municipalities the size of the City)
 - o Preparation of Financial Statements
 - o Audit Adjusting Entries

Financial Results

All Governmental Funds – Revenues and Expenditures



All Governmental Funds – Revenue Sources



Adam noted a separate letter that they provide that is referred to as an internal control communication. This would be the report that includes any discoveries they made or additional suggestions that they deemed important enough to document. They did identify two matters that are viewed as material weaknesses.

These items were ones they have seen before from the last year. Honestly, he believes they were more expected this time around, and these are things that often come up with their clients, particularly in a city of this size.

Adam explained that they work with a variety of communities and clients. There are likely three main material weaknesses that are frequently encountered. The two weakness items listed for the City fall into that category.

Adam provided a quick overview of each item. The first topic is the preparation of financial statements. Essentially, this means they assisted the City in compiling the financial statements to ensure alignment with accounting standards. The City played a significant role in this process. However, when it comes to keeping up with all the Governmental Accounting Standards Board (GASB) accounting standards and the various footnote disclosures related to it, they relied somewhat on our support to prepare that data. Nonetheless, the City conducted a thorough review of the financial statements and ultimately approved what was issued. The reason this is noted as a finding is because, as external auditors, they cannot be considered part of the City's internal control structure.

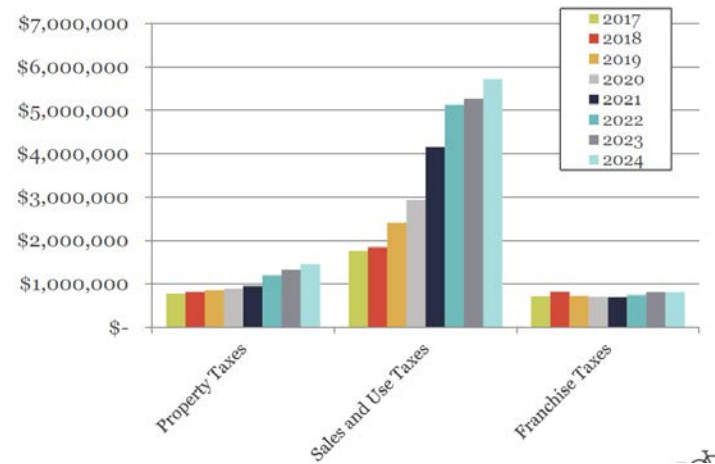
Adam noted that there are numerous standards and it is difficult for small staff to keep up with all the changes. This is why such findings are often noted, particularly in similar cities.

The second item is audit adjusting entries is somewhat similar to the first item as CLA helped in preparing both the financial statements and the audit adjusting entries. They identified a few areas that needed adjustments to comply with the appropriate accounting standards.

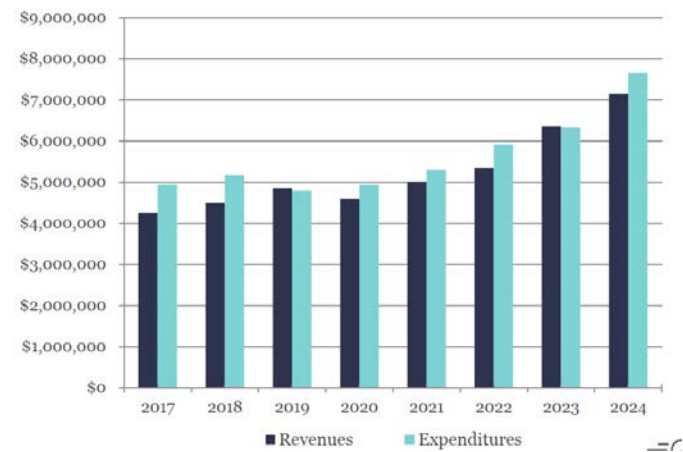
Adam explained that these two items are interconnected. They cannot be considered part of the City's internal control system, and it is necessary to list this as an audit finding or a material weakness.

In both situations, they discussed these matters with City management, and staff showed substantial interest in working to reduce these risks or issues as much as possible in the future. They have collaborated on this topic, and they will continue to work together on strategies for how these issues can be addressed in the coming years.

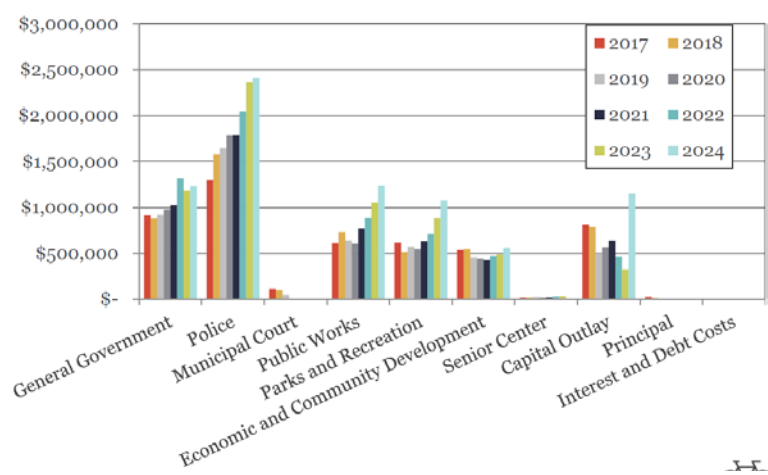
All Governmental Funds – Tax Revenues



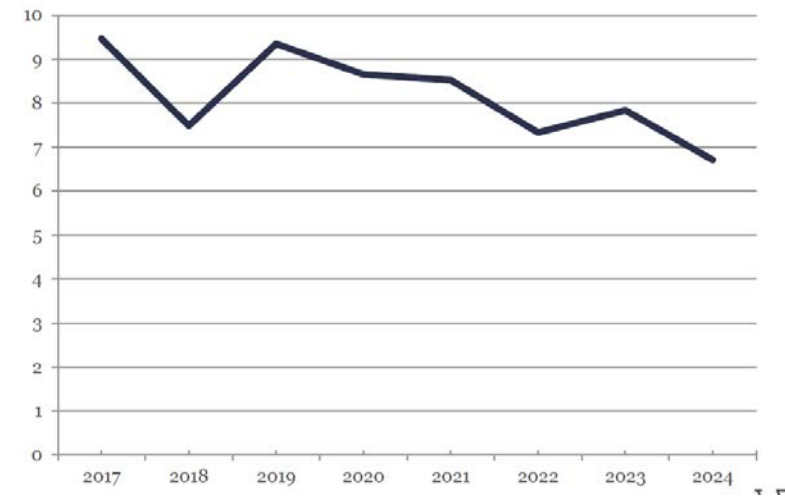
General Fund – Total Revenues and Expenditures



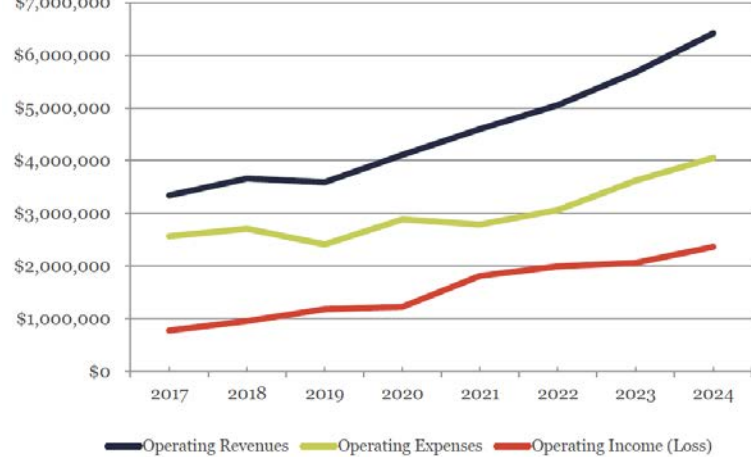
General Fund – Expenditures



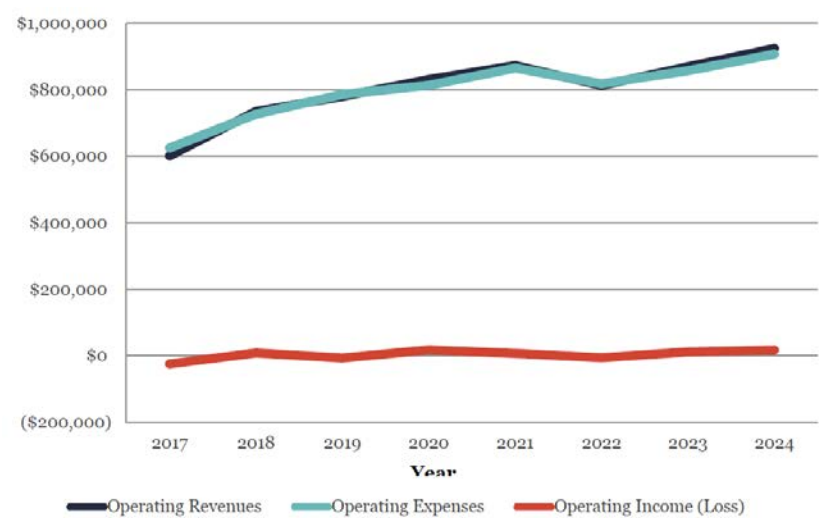
Months Expenditures in Fund Balance – General Fund



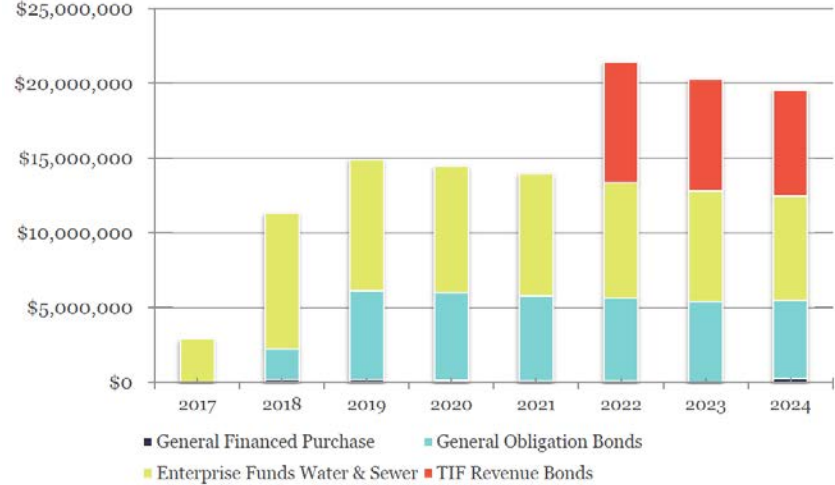
Water and Wastewater Fund – Historical Trends



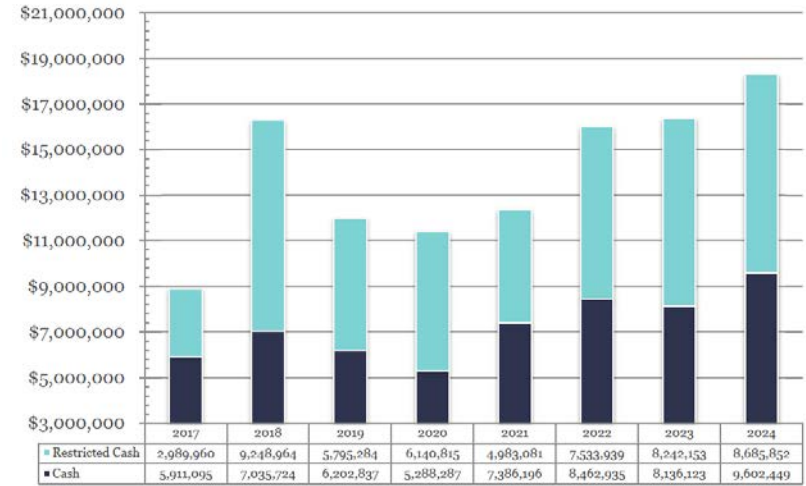
Sanitation Fund – Historical Trends



City Debt



City Cash Position



Adam concluded by saying that they provided a clear audit opinion, and nothing particularly concerning emerged during their review.

Alderman Hartman noted that as auditors they work with a wide range of organizations, both private and public, including various municipalities. How do these results relate or compare to like municipalities in Missouri.

Adam explained that they largely work with government bodies and local authorities, which is truly their area of expertise. They frequently notice with local governments the insufficient segregation of duties. This indicates that there are not enough resources available, or that the processes and controls are lacking, so there is not always a secondary review of every transaction. While some transactions may have oversight, many do not. Therefore, these three issues are commonly found. In comparison, he repeats that nothing stands out as particularly concerning or unexpected, especially since the management has shown willingness to address these risks. Sometimes these risks cannot be mitigated. He believes the City is comparable with other municipalities.

Mayor Boley asked how many clients they work in a year.

Adam noted that he works with 40 to 50 governmental entities a year and their firm works with thousands of municipal clients.

Mayor Boley noted that the separation of duties was a finding five or six year ago until we added some controls.

Alderman Hartman said kudos to Rick, Cynthia and staff. This process is difficult, but it is within their expertise. He believes we are improving year after year, putting more effort into everything, and truly focusing on the finer points. He noted that he valued the auditor's input.

Alderman Russell noted that the Finance Committee was dissolved last year. He asked how this audit compares with other towns that either have or do not have a finance committee. Had the auditors observed any differences in discrepancies between cities with a finance committee and those without one.

Mayor Boley explained that the Finance Committee was only a Mayor's advisory committee.

Adam said the answer is no. He noted that municipalities do things differently. It really does not rely so much on the structure itself, but how things actually operate on a daily basis.

Cynthia noted that this is a goal. Staff is making efforts to provide more information, and you will notice a new approach to how we present some of the budget information as we move forward in the coming months. Cynthia thanked Rick and his team. She noted that the auditing process requires a significant amount of time. Auditors arrive on-site in December and intermittently until about February, sometimes into early March. They are not present the entire duration but will follow up with inquiries or phone calls. This can require Rick and his team to compile information or collaborate with other staff to find answers regarding projects or similar matters. She said she appreciated the effort that the staff dedicates to this process.

3. Website Redesign Preview

Assistant City Administrator Gina Pate noted that we have scheduled launch of our newly designed website on Monday, May 12, contingent on a successful migration to a new platform. It may be somewhat challenging. We have a May 15 cutoff with our current website host. Due to delays in the redesign process we tried to reach out to the current firm to extend that cutoff date. Following repeated attempts, we received no response from the current provider. Therefore, we are adhering to May 15 as the final cut off. Gina thanked Linda Drummond as well as our communications committee for their work on this project. Each department has a representative who reviews their respective sites, especially during this transition phase. Gina noted that staff is also still training

Gina presented a preview of the new City website.



Gina noted that the website will still provide a Report a Concern function, and we now have an actual online employment application. In the coming months, a public service request center will be introduced where you can submit a mapped location of any issues you encounter. For instance, if you spot a pothole, you will have the capability to geolocate it and upload a picture. This will allow for more detail, and if you need to report someone neglecting their property, you can do that as well.

Cynthia noted that we will implement a different method for monitoring these reported issues or citizen concerns, ensuring we have visibility when handed off to various individuals within the organization. Currently, we do not know if someone has acknowledged a report or if it has been passed on to someone else and a response has been given. This new approach will be centralized, allowing us to track when a response has been issued, and it will also build a database we can access reports.

Gina explained that the system will create a database where, if you notice a pothole and are unsure if has already reported it, you can check what has been reported in the past 30 days. You will be able to see the status of the response on the website, such as when a crew is scheduled to address the issue. This will enhance communication for everyone involved. If someone is unavailable, we can establish a rule where, if an employee do not respond within five hours, the task will be redirected to another employee. This will further improve our tracking mechanism for follow-ups, as well.

Alderman Atkins asked if this calendar would be linked to other calendar.

Gina explained that currently it is only the City calendar, but we will be adding the Parks and Recreation events and then linking to that Chamber community calendar.

Cynthia explained that we direct everyone to the community calendar through the Chamber.

Gina noted that we can add a special placeholder for events in Smithville and she believed we do also have the option to add a calendar at the bottom of a page. She noted that if we have a World Cup event page on the website, we can link it through there as well.

Alderman Hartman noted that the new website appears cleaner. The navigation experience looks much more enhanced. In hearing from our constituents, it is essential to have a search feature that is more efficient in finding the items they seek.

Gina explained that we are going to be able to train our search functionality. For example, if someone types in the word water, we can prioritize utility billing as the first result, or possibly link it to the Master Plan. This means we can link specific resources from the city, highlighting the top options that people should find easily when searching for this information. We want to ensure that these important resources appear first. Additionally, when we have a new announcement, we can prominently feature it in that news section as well.

Cynthia noted that currently our website features the document center, which serves as a storage area for various types of information. She believes the document center has contributed to some misunderstandings during searches. For example, if someone searches for the comp plan, it could bring up the 2003 comp plan, and someone might be viewing that outdated document without recognizing that it is not the latest version available. Staff had extensive discussions with the developers at Revize to ensure that our existing documents, especially in the historical section, such as meeting minutes, meeting details, and budgets, are preserved for a duration of five years. The remaining information is stored here at City Hall or adheres to the established retention schedule. This will ensure information available online will be up to date.

Alderman Russell asked if in the search function, when you are seeking a city code for information about hot water heaters or something similar, would it take you to the specific city code, or do they need to go to the Municipal Code of Ordinances on website to find that information.

Gina explained that if someone were looking for information on a specific code they would have to go to the Municipal Code of Ordinances on the website.

Mayor Boley asked if the building codes would be linked.

Development Director Jack Hendrix explained that we have a contract with the ICC (International Building Codes) that allows us to put the link on our website.

Cynthia added that we have adopted those codes, and they are codified into our Code of Ordinances.

Alderman Russell asked if staff would have permission to change the photos and other information on the website or will staff need to go through the developer to make changes.

Gina explained we maintain full authority over the content and images displayed on our site. We do need to focus on getting more current images. She explained that it is staff's responsibility to ensure our website remains current following this migration. Gina noted

that we realized a little late that initiating marketing efforts sooner would have been beneficial.

Cynthia noted that individuals who have registered for the notification feature on the current (old) website will need to be informed about the transition. Staff will be communicating the steps they must follow to sign up to receive updates, such as news alerts or agenda announcements. As we implement this change, staff will launch a public information campaign to outline the necessary changes.

Gina noted that staff will be able to see when a page was last updated to help us ensure to keep the information current.

Alderman Hartman asked if there had been any discussion with the vendor regarding the possibility of integrating chatbots to enhance the existing functionality.

Gina explained that we do have a chatbot that we will be training. It is part of the go live process and when we will have more chances to implement such features. The process is done in stages, we begin with the launch and then introduce additional elements afterward.

Mayor Boley asked when the online business license renewal feature would be available.

Gina explained that we can do a lot of online forms now that we were not previously able to do.

Mayor Boley asked if the business license renewal form would be available by renewal time this year.

Gina noted that we would be able to have that feature available by renewal. She explained that Initially, we were accepting paper applications. Now we can implement an online application with required fields marked by an asterisk. This change ensures that applicants must provide all necessary information before submission. There is also a section at the bottom of our forms where they can upload required documents. This adjustment simplifies the application process, as we no longer need to follow up with to request missing items. The system will not allow submissions unless everything is completed.

Alderman Russell asked if it auto populates.

Gina said that it does not.

Gina noted that the new website is also mobile friendly and will adjust to the screen size.

Cynthia extended gratitude to Gina and Linda for their efforts on this project. They have dedicated significant time to this along with the communications committee, and their efforts will be evident in the documents and on our website. This will certainly be a work in progress in the upcoming days, and there will be some hiccups. As we navigate through these challenges, staff ask for patience during the implementation of the new system. She noted that we are excited to bring this to the community.

Alderman Russell asked if Gina and Linda would be the administrators for the website.

Gina said that she and Linda would have the admin access. Each department has a person that will be editing the content for their pages.

Cynthia noted that one key aspect staff has discussed regarding departmental editors is the editing process for content and ensuring it remains current. Staff has received training and some instruction on content management both yesterday and today, along with an overview of the entire system. Cynthia noted that as the year progresses and we encounter various segments of information, we anticipate having a more user-friendly interface for updating this data compared to what we currently use. This is an exciting development.

Gina explained that with the new website we have draft pages that we did not have with our existing provider where everything is updated automatically. Now we have the chance to gather additional feedback or conduct a more thorough internal review before content appears on the website. Therefore, this new feature will be beneficial for updating content. We will have the ability to make changes before it is necessary for the information to be published online.

Alderman Russell asked how long we would be able to access information from the current website.

Gina explained that the deadline is May 15, and we do not know what exactly will happen because we cannot get our current provider to respond back to us.

Cynthia added that staff had reached out multiple times in multiple ways by multiple people and have not received any response back.

4. Adjourn

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

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:40 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor