



City of Smithville, Missouri

Board of Aldermen - Work Session Agenda

Thursday, February 20, 2025

**This Meeting is Rescheduled to 6:00 p.m. Tuesday, February 25
Due to Emergency Facility Issues**

6:00 p.m. – City Hall Council Chambers and Via Videoconference

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

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

- 1. Call to Order**

- 2. Discussion of Utility Projects Financing**

- 3. Discussion of 3-Month Budget Review and CIP Update**
 - [3-Month Budget Presentation](#)

- 4. Adjourn**

Join Zoom Meeting

<https://us02web.zoom.us/j/81041641067>

Meeting ID: 810 4164 1067

Passcode: **736053**



	STAFF REPORT
Date:	February 13, 2025
Prepared By:	Cynthia Wagner, City Administrator
Subject:	Combined Water and Wastewater Systems Fund Project and Financing Overview

At the February 20 Work Session, staff will present information relating to the Combined Water and Wastewater Systems (CWWS) Fund. This presentation is anticipated to serve as the beginning point for significant conversation regarding upcoming investment in the utility infrastructure of the City of Smithville.

The Water Master Plan was completed June 1, 2018. The Wastewater Master Plan was completed in January of 2021. These plans identify significant needs in facility and maintenance investment and guide development of the Capital Improvement Plan (CIP).

Attached is a summary of projects included in the 2025-2029 CIP as well as a general summary of additional projects anticipated over the course of the next several years. This incorporates master plan recommendations and takes into consideration growth and development patterns in the community. Staff will review these projects with the Board during the work session.

As summarized in the second attachment, over the next eight to 10 years, approximately \$70 million in utility investment is recommended. Staff has worked with our financial and bond advisors in reviewing the projects and cash flow in order to develop a recommended plan for financing these projects. This plan will be presented on Thursday, along with an overview of the financing tools available to Smithville to complete these projects. Staff will be looking for direction from the Board regarding this financing strategy.

CWWS Capital Improvement Projects

Project name	Accomplishes	Estimated Net Cost to CWWS	Timeline	Impact
West Bypass 144th Lift Station	The project is needed for capacity improvements in the southern portion of Smithville and will allow staff to decommission lift stations that are under capacity.	\$3,000,000	Out to bid, with construction anticipated to begin late spring/early summer 2025	Capacity and System Integrity
Stonebridge Lift Station	The project is needed for capacity improvements in the southern portion of Smithville and will allow staff to decommission lift stations that are under capacity. New school bus barn has limited service.	\$1,530,000	Bid Spring 2025, with construction anticipated mid-to late summer 2025	Capacity and System Integrity
River Crossing - 12-inch Waterline	This project is needed to ensure adequate water supply north of the Little Platte River. Currently, there is only one 8" main across the river and this improvement will provide additional capacity and reliability.	\$1,10,000	Bid Spring 2025, with construction anticipated mid-to late summer 2025	Capacity and System Integrity
Smith Fork Force Main	The new pump station at Smith Forks identified the 4" force main was restricted. This project will provide continued service and increased capacity in north Smithville.	\$700,000	Bid Spring 2025, with construction anticipated mid-to late summer 2025	Capacity and System Integrity
Owens Branch Gravity Line	This multi-phased sanitary sewer gravity line project will provide additional capacity to the north end of town and enable removal of some lift stations	\$6,850,000	Multi-phased, design beginning 2025 and construction	Residential Capacity

			beginning in 2026	
Wastewater Treatment Plant Facility Plan	Identifies existing plant systems and preliminary design for DNR permitting of WWTP expansion.	150,000	2025	System Capacity
Water Treatment Plant Improvements	Maintenance and improvements to existing facility.	\$1,430,000	2025	System Integrity and Plant Maintenance
Smith's Fork Park Waterline	Replace existing waterline serving Smith's Fork Park	\$170,000	2026	System Integrity
Highway 92 & Commercial Street Waterline	This water line connection is crucial to ensure that the newly relocated booster station has an adequate water supply.	\$450,000	2026	System Integrity
McDonalds / Central Bank Lift Station	This project will help the City eliminate two costly sewer pump stations, McDonald's, and Central Bank lift stations	\$730,000	Design 2025 Construction 2026	System Integrity
Tower to Major Mall 8" Water line	The connection will accommodate the expected growth south of 92 Highway, and provides additional water supply for the southwest water tower	\$205,000	Design 2026; construct 2027	Capacity and System Integrity
Day Care Lift Station	Project is not currently in the CIP, but is a system efficiency need once the Stonebridge station is decommissioned.	\$450,000	2027	System Efficiency
Water Plant Expansion	Plant expansion for growth and taste and odor control	\$15,000,000	Design will begin in 2027 with construction anticipated in 2029	System Capacity

Wastewater Plant Expansion	Plant expansion to accommodate growth	\$4,000,000	Design will begin in 2027 with construction anticipated in 2029	Capacity and System Enhancement
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- Timing of expansion projects will depend upon population growth in the community.
- All financial estimates account for future funding needed for projects that have not yet been identified to address community growth and utility needs.

**City of Smithville
CWWS Projected Cash Flow
February 2025**

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Cash	\$ 7,725,820	\$ 11,068,796	\$ 4,315,569	\$ 4,259,313	\$ 2,726,787	\$ 618,870	\$ (1,826,285)	\$ (2,294,523)	\$ (660,496)
Revenue *	7,143,660	7,679,435	8,255,392	8,874,546	9,495,765	10,160,468	10,871,701	11,632,720	12,447,011
<i>Debt Issuance</i>	<i>7,000,000</i>	<i>-</i>	<i>8,000,000</i>	<i>-</i>	<i>13,000,000</i>	<i>13,000,000</i>	<i>7,000,000</i>	<i>5,000,000</i>	<i>-</i>
Expense **	10,800,684	14,432,662	16,311,648	10,407,073	24,603,682	25,605,623	18,339,939	14,998,694	20,439,554
End Cash	\$ 11,068,796	\$ 4,315,569	\$ 4,259,313	\$ 2,726,787	\$ 618,870	\$ (1,826,285)	\$ (2,294,523)	\$ (660,496)	\$ (8,653,040)
Required Reserve	1,186,323	1,281,179	1,451,097	1,513,273	1,728,663	1,909,012	2,041,189	2,159,765	2,239,120
Major Project Outlay (projected)	4,210,000	7,315,000	8,250,000	2,000,000	15,000,000	15,000,000	7,000,000	3,000,000	8,000,000

Total 9 Year Outlay \$ 69,775,000

Additional COP \$ 15,000,000

Revenue Bonds 38,000,000

Total Planned Financing \$ 53,000,000

* Revenue assumes an annual increase

** Expense projections include an annual operational inflation increase, current and future debt payments, and current major projected project costs

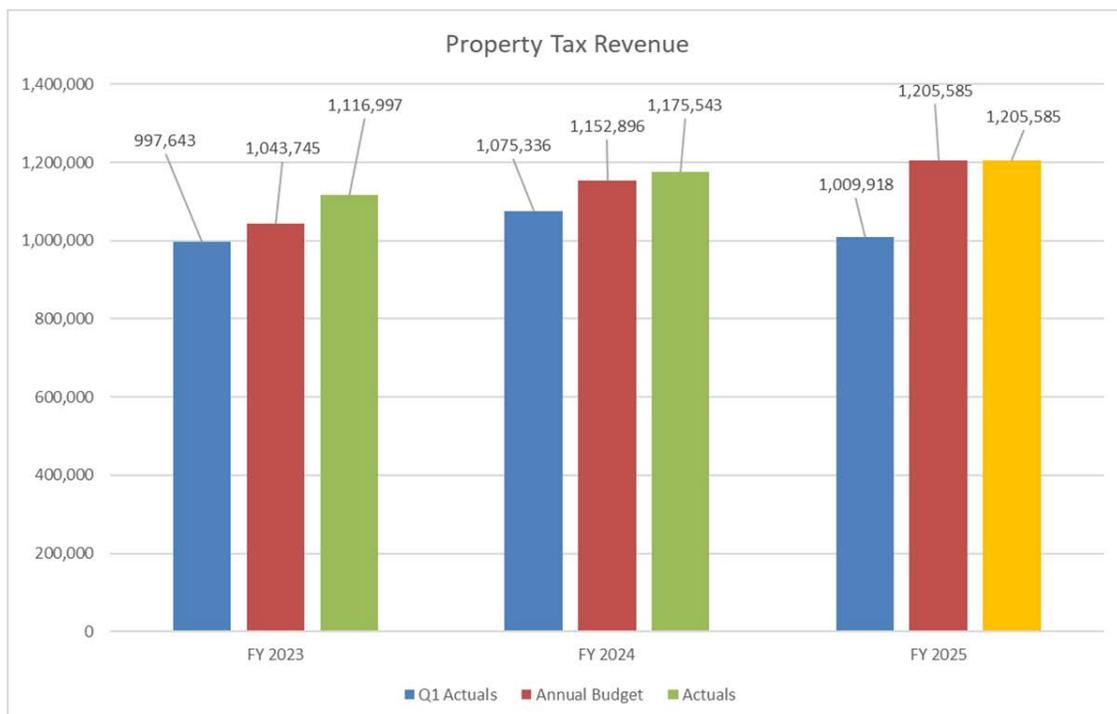
	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #8ebf4d; color: white; padding: 5px 10px; font-weight: bold;">STAFF</div> <div style="background-color: #005a8c; color: white; padding: 5px 10px; font-weight: bold;">REPORT</div> </div>
Date:	February 20, 2025
Prepared By:	Rick Welch, Finance Director
Subject:	FY2025 1 st Quarter Fiscal Update
Staff Report:	Finance Department

Q1 FY2025 – General Fund Budget Performance

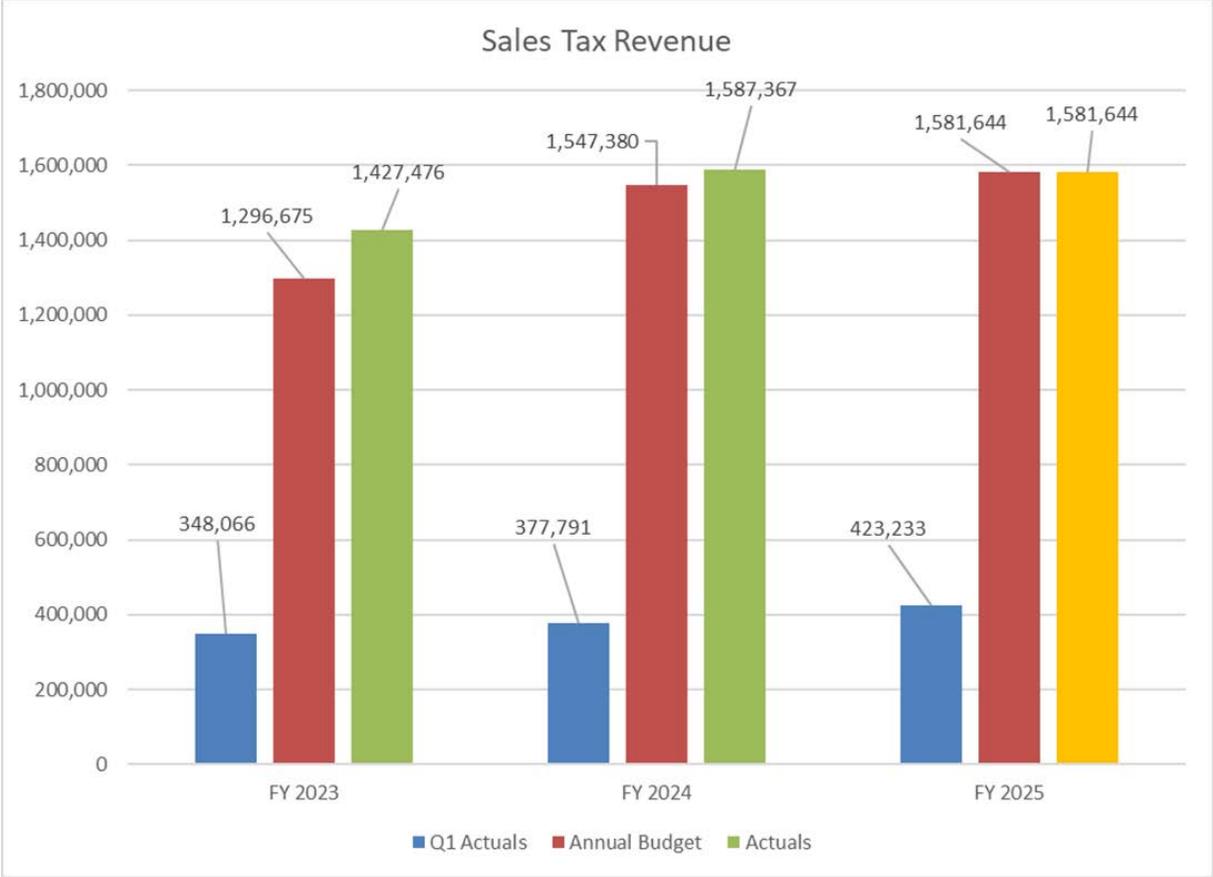
Revenue Highlights

Through the first 3 months of the FY2024 Budget, the City's revenues have performed well, and expenditures are tracking close to budget. Currently, General Fund revenues are projected at an amount of \$6,840,899 with a budgeted amount of \$6,737,986. General Fund expenditures are projected at \$7,547,496 with a budgeted amount of \$7,547,496. FY2025 projections are shown in orange below.

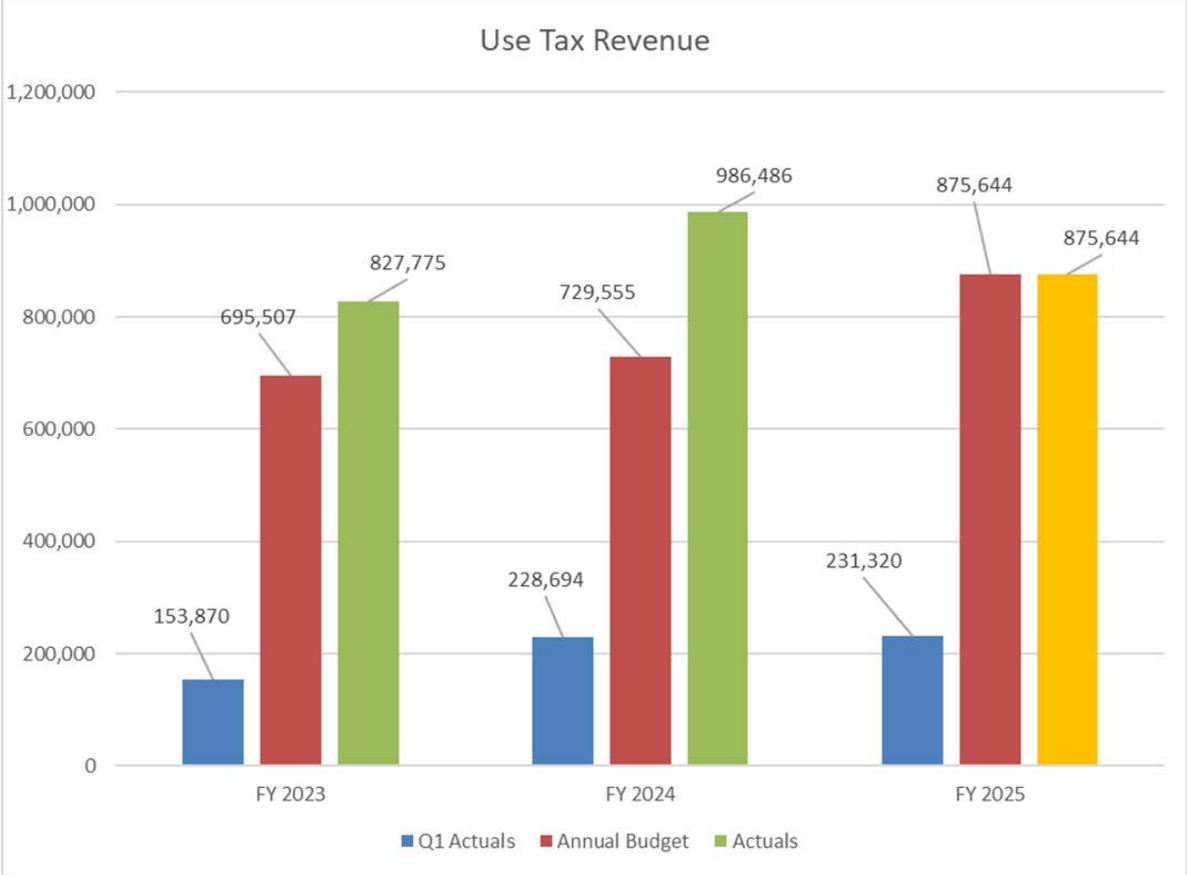
Property Tax has continued to rise over the past 5 years. Property tax recognized a 5.24% increase in growth from FY2023 to FY2024. Property tax is expected to reach the budgeted amount of \$1,205,585.



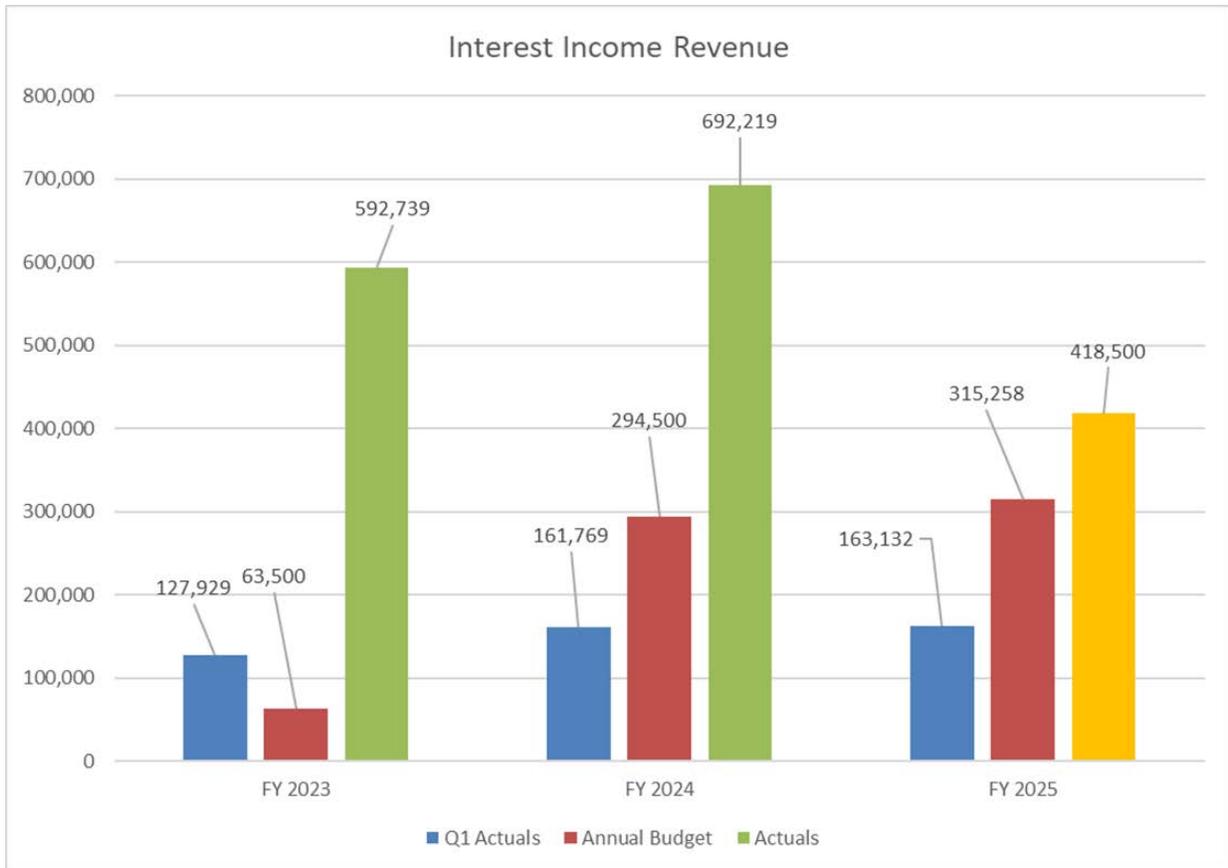
Sales tax has also continued to rise over the past 5 years as the Smithville local economy has continued to grow. Sales tax recognized a strong 11.2% increase in growth from FY2023 to FY2024. Sales tax is expected at the budgeted amount of \$1,581,644, a slight decrease from FY2024 actual due to a projected tightening economy.



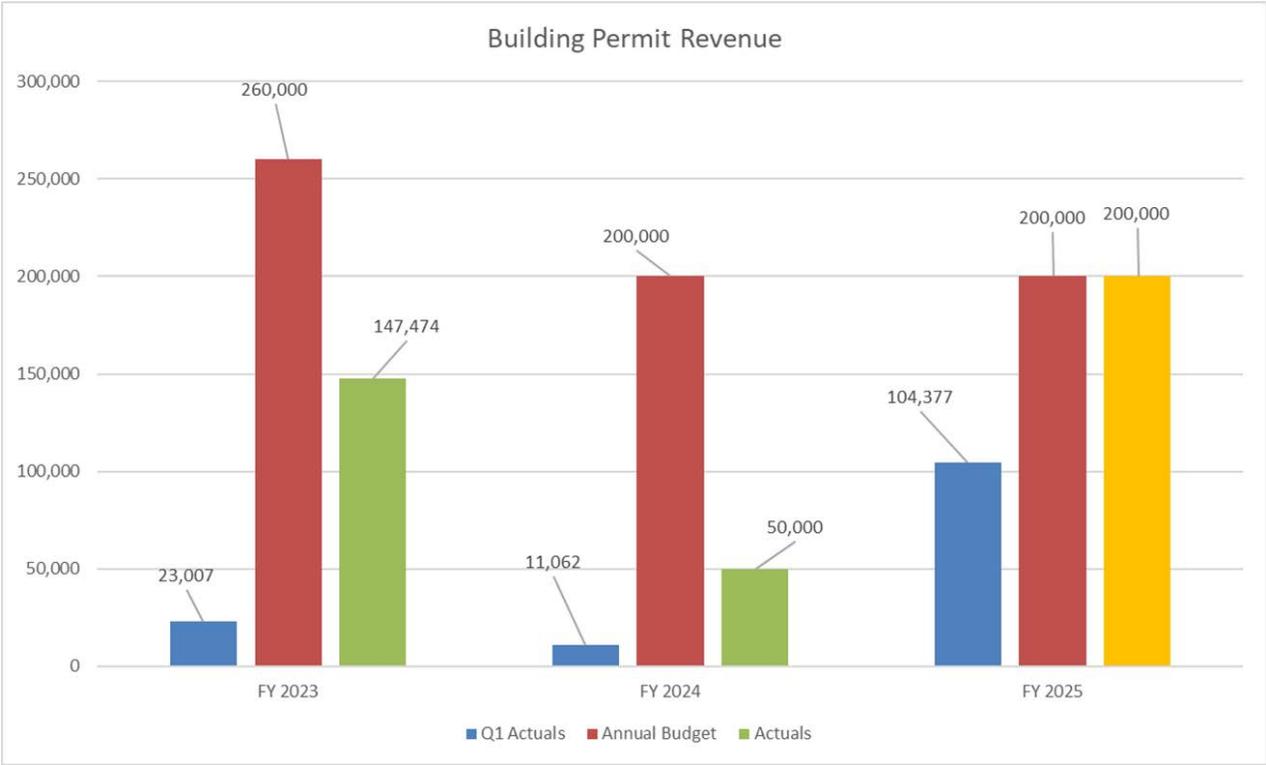
Use tax has also continued to rise over the past 5 years as consumers move to online purchasing. Use tax recognized a 19.2% increase in growth from FY2023 to FY2024. The City believes that this growth is unsustainable and has budgeted \$875,644 for FY2025, representing a 5.79% 2-year increase from FY2023 to FY2025.



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 Fed officials would cut rates five times. After three rate cuts, Fed officials have recently noted there is no hurry to make additional cut rates, resulting in a projected interest income revenue higher than FY2025 budgeted. Staff will continue to monitor these earnings and the positive impact they have on the General Fund.



Building permits have been strong during 1st quarter. Both residential and commercial permits in the Fairview Crossings district have driven the FY2025 income above 52% of the annual budget within the 1st quarter. Even when weather conditions traditionally hamper Q1 permit revenue. Staff will monitor permit revenue and adjust budget revenue as deemed necessary in 2nd or 3rd quarter 2025.



Expenditure Highlights

The majority of General Fund expenditures are allocated to salaries and benefits. As of January 2025, the City only has three vacancies between the police and utility departments. At present, it is projected that General Fund expenditures will remain consistent with the budgeted amounts for the year.

In addition to salaries and benefits, other key expenditures impacting the General Fund include costs for materials and services, grants, and capital expenses. The City is closely monitoring the fluctuating costs of commodities and is actively seeking new grant opportunities to help offset expenses and support ongoing initiatives. The change in economic policy could have a considerable impact to general expenses.

Q1 FY2025 – Combined Water and Wastewater Fund Budget Performance

The CWWS Fund has shown consistent growth, primarily driven by the recent implementation of 15% water and wastewater rate adjustments for the FY2025. These rate adjustments have helped drive a steady growth in the fund's balance, preparing the fund for the start of several high-cost projects. As of now, both water and wastewater revenues are aligning with initial budget.

The FY2025 marks the beginning of numerous projects that will initiate the planned comprehensive, multi-year strategy aimed at upgrading and expanding the City's infrastructure and overall capacity. These projects are designed to enhance the City's long-term sustainability and functionality, addressing both current needs and future growth. Throughout the project timelines, continuous monitoring will be in place to ensure that priorities are maintained, while adjustments are made as necessary to accommodate rising costs, shifting market conditions, or evolving community needs. The City has initiated discussions on issuing debt to fund the necessary costs of the comprehensive plan. These discussions will be ongoing over the next few years to ensure that the debt issuance aligns with the needs of the planned projects.

Special Sales Tax Funds

The City utilizes special sales tax funds to support projects that align with the specific objectives of each fund. These funds are essential to the comprehensive plan, offering financial resources for maintenance and upgrades throughout the City. Below is a brief overview of the three primary special sales tax funds—the Capital Improvement Sales Tax Fund, Transportation Sales Tax Fund, and Park and Stormwater Sales Tax Fund—highlighting their status as of the first quarter of FY2025.

- *Capital Improvement Sales Tax Fund:* Sales tax revenue is expected to align with budget as 1st quarter revenue is \$196,112 with a budgeted sales tax amount of \$783,132. Projected projects expected to start or complete in FY2025 include Riverwalk & Trail engineering, 2nd Creek Sidewalks engineering, Downtown Streetscape Phase III, 1st Street and Bridge Round-A-Bout engineering. Downtown Streetscape Phase III includes a reimbursement of \$1,488,000 from MoDOT. 2nd Creek Sidewalks construction and Riverwalk & Trail construction, both of which have significant MARC reimbursements totaling \$1,080,000, are now scheduled to start in FY2026. The MARC reimbursements will follow the projects into FY2026.
- *Transportation Sales Tax Fund:* Sales tax revenue is expected to align with budget as 1st quarter revenue is \$181,209 with a budgeted sales tax amount of \$758,624. The City completes the mill and overlay annual maintenance program and annual sidewalk program through this fund. Two other budgeted projects for FY2025 will be completed, Commercial Street Sidewalks construction and 1st & Bridge Street

Round-A-Bout engineering. Commercial Street Sidewalks construction includes a MARC reimbursement of \$800,000, or 80% of contract amount.

Under the new leadership of Street Superintendent Anthony Glenn, the City is exploring the possibility of handling certain street maintenance projects in-house rather than outsourcing them to a third party. A future budget amendment to adjust operational maintenance costs in the Transportation Sales Tax Fund is expected to be presented to the Board soon. At this time, an additional budget request of \$70,000 is anticipated.

- *Park & Stormwater Sales Tax:* Sales tax revenue is expected to align with budget as 1st quarter revenue is \$196,156 with a budgeted sales tax amount of \$781,294. Three projects in this fund are projected to be completed in FY2025. OK Railroad Trail – Phase I construction, Dundee Road Stormwater Improvements engineering and Dundee Road Stormwater Improvements construction. OK Railroad Trail – Phase I has been awarded a grant reimbursement of \$184,000. The Riverwalk & Trail construction project, cost shared with the Capital Improvement Sales Tax Fund, is now scheduled to start in FY2026.



Date:	February 13, 2025
Prepared By:	Charles Soules, Director of Public Works
Subject:	Transportation Sales Tax Budget Amendment

Street Division Services and Budget Amendment Proposal

The Street Division provides a comprehensive range of services, including street maintenance (pothole repairs, crack sealing, curb repairs, concrete and asphalt patching), street sweeping, snow removal, storm sewer maintenance and repair, ditch and waterway clearing, and right-of-way mowing.

Under the leadership of newly appointed Street Superintendent Anthony Glenn, an ambitious and forward-thinking work plan has been developed. The focus of this plan is to enhance the durability of asphalt patches and pothole repairs, as well as to expand concrete repairs to streets, including curb and gutter repair and replacement. Implementation of this plan requires amendment to the FY2025 Budget adding \$70,000 in expenditures to the Transportation Sales Tax Fund. Staff anticipates bringing that Budget Amendment forward for Board action at the March Board meetings.

Proposed Equipment Acquisition

To further improve the efficiency and quality of street repairs, the Street Division is requesting the acquisition of a hot box for asphalt street repair. Currently, asphalt is spread using the bucket of a skid steer or the blade from a grader for larger areas. The proposed hot box would attach to the skid steer, enabling a more even and consistent application of asphalt across larger surface areas. This equipment is estimated to cost approximately \$10,000 and is not currently included in the 2025 budget.

Improved street surface repairs will result in longer-lasting repairs, enhanced rideability, and increased street longevity. The adopted 2025 budget currently allocates \$20,000 for asphalt and crack seal materials. Following review, staff currently estimates that this amount needs to be increased to \$40,000 to accommodate the planned repair efforts.

Concrete Repair and Replacement:

In addition to the asphalt repairs, the work plan includes a significant focus on curb and gutter repair and replacement, as well as concrete pavement patching. The adopted 2025 budget includes only \$12,000 for concrete repairs, but an increase to \$30,000 is being requested to cover the additional concrete work planned.

Building and Facility Repairs

The 2025 budget currently allocates only \$1,000 for building and facility repairs and maintenance. Staff is requesting an additional \$14,500.

Recently, the crew room, office, and restroom were renovated by staff to create a functional space for staff breaks, training, and division meetings. The total cost of these renovations, including furnishings, was approximately \$7,500.

Additionally, there is a need for a covered material storage area for AB-3, a base material used for road subgrade and street excavation backfill (e.g., for water main breaks). Currently, this material is not stored on-site, requiring staff to travel to the quarry to retrieve it. A new, covered storage area is needed to keep the AB-3 dry, as it absorbs water and becomes difficult to use when wet. The estimated cost for this storage area is approximately \$5,000.

The salt storage bins have also deteriorated over time, with the rear wall pushed out. Repairs to the existing salt storage bin are estimated at \$3,000.

Street Sweeping Disposal

As part of our MS-4 permit requirements, the Street Division is responsible for completing street sweeping activities. Historically, street sweepings have been piled at the street division, creating a significant accumulation of material that contains oils and greases from vehicles. This material must be properly disposed of at a landfill. The estimated cost for hauling this material to the landfill, including landfill fees, is \$7,500. After reviewing several vendors, Huntley Disposal in Smithville has provided the most competitive pricing and service. Staff is requesting an increase of \$7,500 to the professional services account to cover this cost.

Hazardous Sidewalk Replacement Program

We also plan to bring the Hazardous Sidewalk Replacement Program back in-house. This cost-share program with adjacent property owners was contracted out for the past two years. The Street Division is now prepared to manage the program internally, which will allow us to extend the reach of the program. A smaller bid will be required for ADA ramps, as these must meet specific requirements. This program is already funded, and the 2025 plan will continue the work initiated in 2024 in the Harborview area.

A summary of these requested changes is outlined on the next page.

Summary:	2025 Budget	Requested increase	TOTAL
Repairs and Maintenance – BLDG	\$1,000	\$14,500	\$15,500
Capital Purchases Equipment	\$6,959 Skid steer lease	\$10,000	\$16,959
Repairs and Maintenance – STREET			
Concrete Repairs	\$12,000	\$18,000	\$30,000
Asphalt / Crack Seal Repairs	\$20,000	\$20,000	\$40,000
Professional Services	<u>\$40,000 Engineering</u>	<u>\$7,500</u>	<u>\$47,500</u>
TOTAL	\$79,959	\$70,000	\$149,959