



Figure 1 - Downtown Smithville

## City of Smithville, Missouri

### Board of Aldermen - Work Session Agenda

6:30 p.m. Tuesday, September 23, 2025

### 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. FY2026 Budget Discussion
3. Adjourn



<b>Date:</b>	September 23, 2025
<b>Prepared By:</b>	Rick Welch, Finance Director
<b>Subject:</b>	FY2026 Budget

Over the last several months, the Board and staff have worked to develop a recommended FY2026 budget. The most recent discussion of budget priorities resulted in development of a draft budget. Staff has been working to develop a final document for Board approval in October and implementation with the fiscal year beginning November 1.

Since that discussion, staff has reviewed project status of all projects and identified multiple that will be carried over into FY2026. Additionally, the City has received word from the State Auditor's Office regarding a petition drive calling for an audit of the City. These items affect the development of the FY2026 Budget.

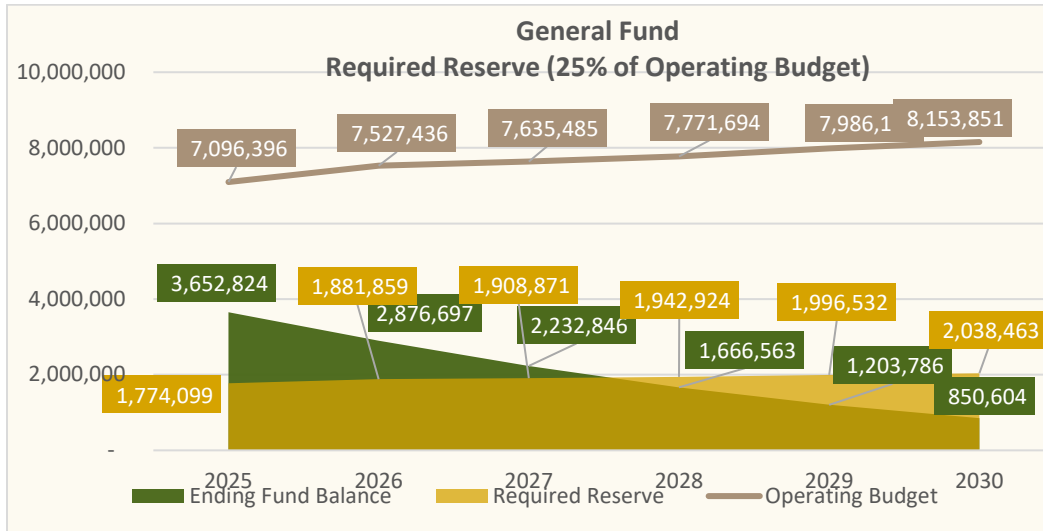
### ***General Fund***

Last week, we received formal notification by the Missouri State Auditor's Office that a petition drive to secure an audit by that office has been successful. A timeline for an audit has not been communicated. Based on discussions with the State Auditor's Office, it is staff's understanding that the petition language outlined an estimated cost of an audit to be between \$125,000 and \$150,000 and the responsibility of the City of Smithville. Final total costs could be less than or more than this estimate.

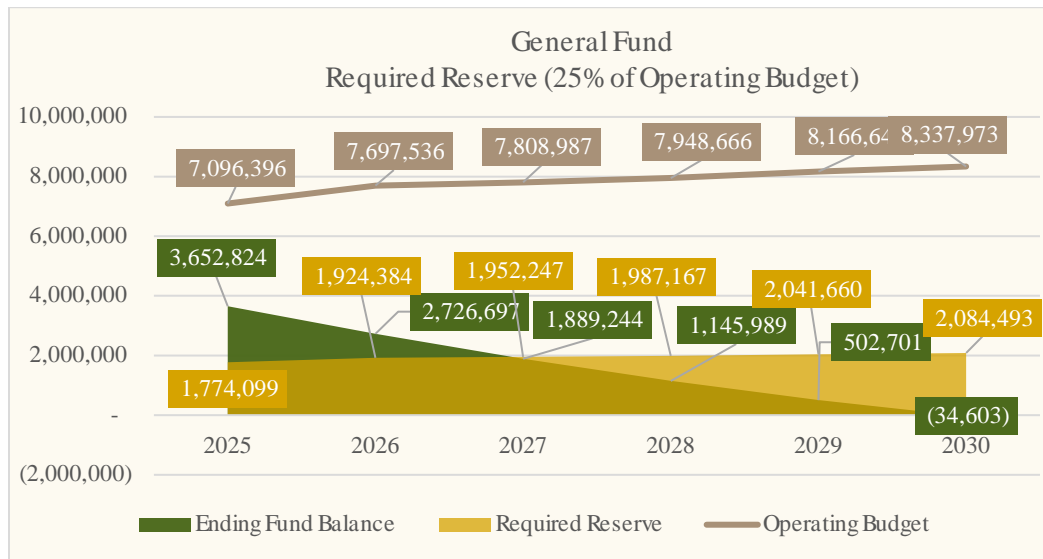
Budget discussions last month resulted in a Recommended General Fund Budget totaling \$7,922,536. This budget included the addition \$450,351 in funding for new positions and programs, employee pay and benefits enhancements and equipment replacement as outlined below:

GIS/IT Tech	\$ 41,729 (GF portion of costs)
Building and Facilities Manager	\$ 92,455
Employee Wellness Stipend	\$ 20,100
Employee Retirement Enhancement – LAGERS	\$ 70,067 (GF portion of costs)
Economic Development Funds – World Cup	\$ 40,000
Strategic Planning Process	\$ 50,000
Outside Agency Financial Assistance	\$ 25,000
Rapid Warning System	\$ 50,000
Mini Excavator	\$ 25,000
Walk Behind Saw	\$ 15,000
Golf Cart	\$ 15,000
Toolcat Bucket	<u>\$ 6,000</u>
	\$450,351

The Recommended Budget including these expenditures results in an ending fund balance of \$2,876,697. The impact of this fund balance on future reserves is depicted below.



If the expenditure budget were increased to reflect the highest cost estimate of \$150,000 for the state audit, the resulting fund balance would be \$2,726,697. The impact of this fund balance is depicted below.



Staff is requesting Board direction regarding the final development of the FY2026 General Fund Operating Budget.

### *Project Carryover*

While working to finalize FY2025 budget, staff has identified costs which will not be incurred in this fiscal year. Staff recommends the savings be identified and included in FY2025 fund balance, with outstanding costs to be budgeted in FY2026 in order to avoid amending the F2026 budget to reflect these projects.

The following projects have been identified to carry over into FY2026:

Project Name	Fund	2026 Total Cost	2026 Net Cost
144th Street Lift Station	CWWS	\$ 4,500,000	\$ 3,000,000
Maple Lane and Rivercrossing	CWWS	\$ 1,190,000	\$ 1,190,000
Stonebridge Lift Station and West Bypass (engineering)	CWWS	\$ 200,000	\$ 200,000
WIP Improvements	CWWS	\$ 200,000	\$ 200,000
Smith's Fork Force Main	CWWS	\$ 600,000	\$ 600,000
Church and Mill	CWWS	\$ 100,000	\$ 100,000
2nd Creek Bridge Sidewalks (engineering)	Capital Improvement Sales Tax	\$ 20,000	\$ 20,000
Riverwalk Park and Trail (engineering)	Capital Improvement Sales Tax	\$ 50,000	\$ 50,000
OK Trail	Park and Stormwater Sales Tax	\$ 281,000	\$ 97,000
Dundee Road Stormwater Improvements (construction)	Park and Stormwater Sales Tax	\$ 200,000	\$ 200,000
Forest Oaks Stormwater Improvements (construction)	Park and Stormwater Sales Tax	\$ 300,000	\$ 300,000
1st and Bridge Round a Bout (engineering)	Transportation Sales Tax	\$ 300,000	\$ 300,000
Asphalt Overlay (Commercial)	Transportation Sales Tax	\$ 300,000	\$ 300,000
Commerical Street Sidewalk	Transportation Sales Tax	\$ 840,000	\$ 128,000
Maple Lane and Rivercrossing	Water Impact Fees	\$ 700,000	\$ 700,000
		\$ 9,781,000	\$ 7,385,000

Of the total net cost for FY2026, \$3,200,000 is attributed to bonded projects funded through the recent COP Series 2025 issuance. This results in a net fiscal impact of \$4,185,000, spread across four funds and one impact fee account. While the City budgets projects with the expectation of completion within the fiscal year, delays or the scope and complexity of certain projects may necessitate extension across multiple fiscal years.

### *Combined Water and Wastewater System*

Total project costs of \$6,790,000 and net cost of \$5,290,000 will be carried forward to FY2026. Two projects, 144<sup>th</sup> Street Lift Station and Stonebridge Lift Station and West Bypass are bond projects with the COP Series 2025. Net impact excluding the bonded projects to the CWWS fund would be \$2,090,000.

Project Name	2026 Total Cost	2026 Net Cost
144th Street Lift Station	\$ 4,500,000	\$ 3,000,000
Maple Lane and Rivercrossing	\$ 1,190,000	\$ 1,190,000
Stonebridge Lift Station and West Bypass (engineering)	\$ 200,000	\$ 200,000
WIP Improvements	\$ 200,000	\$ 200,000
Smith's Fork Force Main	\$ 600,000	\$ 600,000
Church and Mill	\$ 100,000	\$ 100,000
	\$ 6,790,000	\$ 5,290,000

*Capital Improvement Sales Tax*

Total project costs of \$70,000 will be carried forward to FY2026.

Project Name	2026 Total Cost	2026 Net Cost
2nd Creek Bridge Sidewalks (engineering)	\$ 20,000	\$ 20,000
Riverwalk Park and Trail (engineering)	\$ 50,000	\$ 50,000
	\$ 70,000	\$ 70,000

*Park and Stormwater Sales Tax*

Total project costs of \$781,000 and net cost of \$597,000 will be carried forward to FY2026.

Project Name	2026 Total Cost	2026 Net Cost
OKTrail	\$ 281,000	\$ 97,000
Dundee Road Stormwater Improvements (construction)	\$ 200,000	\$ 200,000
Forest Oaks Stormwater Improvements (construction)	\$ 300,000	\$ 300,000
	\$ 781,000	\$ 597,000

*Transportation Sales Tax*

Total project costs of \$1,440,000 and net cost of \$728,000 will be carried forward to FY2026.

Project Name	2026 Total Cost	2026 Net Cost
1st and Bridge Round a Bout (engineering)	\$ 300,000	\$ 300,000
Asphalt Overlay (Commercial)	\$ 300,000	\$ 300,000
Commerical Street Sidewalk	\$ 840,000	\$ 128,000
	\$ 1,440,000	\$ 728,000

*Water Impact Fees Account*

Total project costs of \$700,000 will be carried forward to FY2026.

Project Name	2026 Total Cost	2026 Net Cost
Maple Lane and Rivercrossing	\$ 700,000	\$ 700,000
	\$ 700,000	\$ 700,000

**Requested Action**

Staff is seeking direction from the Board regarding final development of the FY2026 Operating Budget.