SMITHVILLE BOARD OF ALDERMEN
WORK SESSION
August 18, 2026 5:30 p.m.
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley called the meeting to order at 5:30 p.m. A quorum of the Board was present: Marv Atkins, Kelly Kobylski, Melissa Wilson, Dan Hartman and Leeah Stone.

Staff present: Cynthia Wagner, Gina Pate, Matt Bond, Chief Lockridge, Jack Hendrix, Rick Welch, Matt Denton and Linda Drummond.

City Attorney present: Padraic Corcoran.

2. SRO Program Discussion

City Administrator Cynthia Wagner provided a brief background for the discussion this evening regarding the School Resource Officer (SRO) program. Staff explained that the current Memorandum of Understanding (MOU) with the school district remains in effect until October 31. She noted that staff recommended continuing SRO funding through the first semester while the City and school district work together on revisions to the agreement and determine the structure of the program.

The School District requested the Board continue to support and renew the SRO partnership. They noted that while the district has added four School Protection Officers (SPOs) and now has security personnel in every building, SPOs and SROs serve different roles. They noted the district views the SRO as providing unique benefits, including a direct connection to the police department, law enforcement authority, emergency response, safety planning input and law enforcement relationship-building with students and staff.

The School District outlined their broader school safety efforts, including safety drills, facility reviews conducted with law enforcement and emergency agencies, building-level safety teams, emergency operating plans, and ongoing security training. They explained that SPOs are retired law enforcement officers who receive extensive training but do not have the same authority or direct communications capabilities as an active police officer serving as an SRO.

The Board questioned how the SRO role has evolved, particularly noting a reduction in classroom instruction and educational presentations compared to previous years. Some expressed concern that the program's traditional educational and prevention functions, such as classroom visits, drug and alcohol awareness, and community outreach, appear to have diminished.

School officials responded that classroom presentations generally occur when requested and acknowledged there may be opportunities to create more formal programming going forward.

The Board stressed the desire to strengthen accountability, communication, and measurement within the program. The Board suggested including more clearly defined responsibilities, annual goals, regular reporting, increased classroom engagement, broader visibility across all school buildings, participation in behavioral threat assessment and focusing on more education on drug and alcohol prevention.

The Board questioned the SRO being primarily at the middle school and believed more students would benefit from police officers rotating at all the schools.

School administrators said that the dedicated SRO is important for the middle school students because of the influential ages of the students. The SRO's forms relationships with students and it is important for the visible police presence. They added that direct access to police resources and communication systems is also important, but they would be open to expanding the SRO's visibility throughout the district.

Board members noted that the issue was not about cost but about program performance and ensuring the students receive the benefits intended under the partnership.

City leaders acknowledged that past staffing shortages affected the program and explained that recent improvements within the police department, including additional supervisory capacity, create an opportunity to strengthen oversight, reporting, curriculum integration, and overall program effectiveness.

Throughout the discussion, both city and school representatives emphasized that communication between the organizations has generally been strong and collaborative. School leaders praised the police department's responsiveness and support, while city officials emphasized their commitment to improving the program and maintaining the partnership.

The Board directed staff to work with school administration jointly developing a revised MOU. The proposed revisions would focus on clearer expectations, stronger accountability measures, increased classroom and prevention activities, visibility across all district buildings, participation in safety and threat assessment efforts, measurable outcomes and regular reporting. The Board agreed to continue funding the SRO program through the 2026-2027 school year and asked for staff and school administration to draft an updated MOU and bring it forward for discussion in the coming months.

Smithville School District's Presentation

3. FY2026 9-Month Budget Update

Cynthia explained how the information provided supports development of the recommended fiscal yar 2027 budget. The City continues to use conservative revenue and expenditure projections, which historically results in year-end balances performing better than budgeted. The proposed 2027 budget continues focusing on infrastructure maintenance, high-quality services, and employee recruitment and retention

Finance Director Rick Welch first recognized Finance Analyst Britain Burnette for all his work helping to prepare the nine-month budget update and the FY2027 proposed budget.

Rick presented the nine-month budget update. He noted that since budget adoption, several amendments have been approved. The most resent reflecting the Board's direction to begin using portions of the City's reserve balances to address infrastructure and operational needs.

General Fund revenues are projected to exceed the original budgeted amount, driven largely by use tax collections, higher interest earnings and significant increase in building permit revenue. Property tax revenue is performing slightly above expectations despite the impact of the senior tax freeze, while sales tax growth has slowed somewhat but remains close to budget projections. Building permit revenue is expected to triple the original budget estimate, largely due to substantial development activity, particularly Project Rocketship. Staff noted that permit revenue comes in before most of the inspection work is done so inspection expenses will continue.

With revenues outperforming expectations, the General Fund is projected to end the fiscal year at approximately $613,000 better than originally budgeted. Instead of using over $800,000 in reserves as planned, staff now projects reserve usage of about $210,000. The General Fund reserve is expected to remain around 56%.

The Public Safety Sales Tax Fund reflects expenses associated with Police Department restructuring, including the addition of an additional captain. Staff also adjusted Animal Control projections to align with recruitment on hold until the additional Captain position is filled.

Within the Combined Water and Wastewater Fund (CWWS), revenues and expenditures remain generally on track. Grant funding associated with infrastructure projects was incorporated into projections, and some capital project expenditures were reduced because several projects will continue into the next fiscal year. Water and wastewater revenues are tracking near expectations, and staff expects revenues to finish slightly below the prior year's actual figures primarily due to no change in rates.

Several CWWS capital projects are complete or close to being complete. A few projects, including the Stonebridge Lift Station, will be carried forward into fiscal year 2027. Rick explained that some projects are complete but still awaiting the final billing, reimbursements or punch-list items.

Capital improvement, transportation, and parks sales tax funds are generally tracking close to budget. Some trail, sidewalk, and stormwater projects have been moved into FY2027 due to scheduling and construction timing. Transportation sales tax revenue is projected to come in below budget. Parks and stormwater revenues remain stable, and staff expects to receive the remaining grant reimbursements associated with completed trail projects before the end of the fiscal year.

The debt service fund continues operating as expected. The sanitation fund remains closely balanced with revenues and expenditures progressing in line with budget assumptions. The vehicle replacement fund also remains on track.

Rick noted that the City's financial position remains strong. Property taxes are slightly above projections, sales taxes are being closely monitored but remain relatively stable, use tax collections continue to exceed expectations, building permit revenues are significantly outperforming budget, and most capital projects are progressing as planned. Staff expects to finish fiscal year 2026 in a stronger position than originally budgeted while maintaining the required reserve balances and continuing to invest in infrastructure and organizational priorities.

The Board noted their appreciation for the report and requested staff to add the project completion metrics to future updates, particularly for larger capital projects, to better track construction progress and spending.

FY2026 9-Month Budget Update Presentation

4. Discussion FY2027 Operating Budget

Rick presented the proposed fiscal year 2027 budget. He noted the need for use of reserves and debt financing to address long-term infrastructure needs.

The proposed budget includes more than $31 million in revenues and nearly $44 million in expenditures across all funds. The largest portion of the budget is the combined water and wastewater fund, which exceeds $24 million and reflects the City's commitment to utility infrastructure improvements. Rick noted that the planned deficit between revenues and expenditures is intentional and reflects the Board's direction to use reserves for priority projects rather than continue accumulating large fund balances.

Capital investment remains the largest budget category at nearly $23 million, followed by personnel and services costs of approximately $8.1 million. Key assumptions include continued focus on employee recruitment and retention and infrastructure maintenance. New items included are a backup generator for City Hall facilities and a contract with the Institute for Building Technology and Safety (IBTS) to help support increased inspection demands associated with major development projects.

Rick noted that for the recommended amendments to the Schedule of Fees, Parks and Recreation has asked to raise the campground fees to mirror Clay County fees. The Board discussed adding campground discounts for seniors and military veterans and asked staff to determine whether the reservation system could accommodate such discounts. The Mayor noted that while water and sewer rate decisions require immediate action and notification to service providers, campground fees and discount could be discussed later because camping season does not begin until spring.

General Fund revenues continue to rely primarily on sales tax, use tax, property tax, and intergovernmental revenues from the Wayfinding grant reimbursement. Staff highlighted that revenues from the school district for the School Resource Officer program had not originally been included and indicated those revenues would be added based on Board direction to continue funding the program through the school year.

General Fund expenditures total approximately $9.6 million. Personnel costs account for about 61.5% of spending, which staff noted is consistent with similar communities. The police department remains the largest departmental expenditure. The budget also includes previously approved projects from the board retreat and major initiatives such as the city wayfinding program.

The budget proposes using approximately $1.2 million of General Fund reserves, reducing reserve levels from about 56% to roughly 36%, which remains above the City's minimum reserve policy. Staff stressed that this reflects a deliberate strategy to address deferred needs and infrastructure priorities identified by the board.

The Public Safety Sales Tax Fund will have its second full year of operation in 2027. Staff conservatively projected $800,000 in annual revenues and noted how the funds would support police personnel, equipment, training, animal control operations, and other public safety needs. The budget remains well above the minimum police funding level required by state law and includes approximately $3.9 million in total police-related expenditures when combining General Fund and Public Safety Sales Tax revenues.

For water and wastewater operations, staff reviewed the recently completed rate study and explained that future rate increases, and debt issuances will be driven by capital improvement projects. Utility projects remain heavily focused on wastewater infrastructure, with over $12 million in wastewater projects planned for 2027 and additional engineering work for the future treatment plant expansion. Water plant projects total approximately $2.7.

Transportation sales tax projects include the first roundabout and other transportation improvements. Board members expressed concern about maintaining annual street asphalt overlay programs while major construction projects are underway. Staff noted that they will continue pursuing outside funding opportunities and regional partnerships while using city crews for the work where possible.

The Capital improvement and parks and stormwater sales tax funds remain financially healthy. Major projects include the Second Creek sidewalk project, Riverwalk and Trail improvements, stormwater projects and continued planning for the Smith's Fork Park complex. Several projects originally budgeted in 2026 have been carried forward into 2027 due to timing and construction schedules.

Rick noted that the City has more than $61 million in capital projects planned over the next five years. These expenditures are long-term investments in aging infrastructure, including water, wastewater, transportation, and public facilities rather than short-term spending initiatives.

For the vehicle replacement fund (VERF), staff plans to expand to include the equipment replacement program which will help with long-term planning and budgeting.

The sanitation fund remains stable, with modest contractual rate increases secured through a multi-year agreement with the City's waste provider.

The Board noted that a second discussion for the FY2027 operating budget was not needed. The final revisions and the budget book, including SRO-related revenues and proposed fee adjustments will be presented to the Board before bringing the budget forward for formal consideration and adoption.

FY2027 Operating Budget Presentation

5. Adjourn

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

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared the work session adjourned at 7:34 p.m.

Linda Drummond

Linda Drummond, City Clerk

Damien Boley, Mayor