SMITHVILLE missouri	**STAFF REPORT**
Date:	August 18, 2026
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Subject:	FY2027 Operating and CIP Budget
Staff Report:	Finance Department

FY2027 Recommended Budget by Fund

The FY2027 Recommended Budget includes total revenues of $31,768,245 supporting expenditures of $43,780,128.

The following chart outlines the FY2027 Recommended Budget by fund:

	2027 Projected Beginning Balance	2027 Recommended Revenues	2027 Recommended Expenditures	2027 Projected Ending Balance
General Fund	4,640,882	8,432,065	9,633,595	3,439,352
Combined Water/Wastewater Fund	15,686,448	14,379,020	24,092,102	5,973,367
Transportation Sales Tax Fund	97,239	2,049,941	2,837,000	(689,820)
Capital Improvement Sales Tax Fund	531,147	1,696,337	2,103,420	124,064
Park and Stormwater Sales Tax Fund	2,358,739	1,289,528	1,349,000	2,299,267
Public Safety Sales Tax Fund	172,532	800,000	769,579	202,953
Capital Projects Fund	177,380	-	-	177,380
Debt Service Fund	285,263	367,920	367,920	285,263
Sanitation Fund	133,783	1,018,006	1,003,898	147,891
Special Allocation Fund	2,954,004	932,794	792,862	3,093,935
Commons CID Fund	358,181	284,992	381,502	261,671
Fairview Crossing CID	9,849	14,007	3,750	20,106
Shops at Smithville CID	(16,079)	5,000	2,000	(13,079)
Vehicle and Equipment Replacement Fund	168,097	478,660	435,145	211,611
Donation Fund	56,359	15,100	-	71,459
Judicial Education Fund	1,432	-	1,100	332
DWI Recovery Fund	13,654	3,425	2,975	14,104
Police Training Fund	8,511	1,450	4,280	5,681
Grand Total	$ 27,637,420	$ 31,768,245	$ 43,780,128	$ 15,625,537

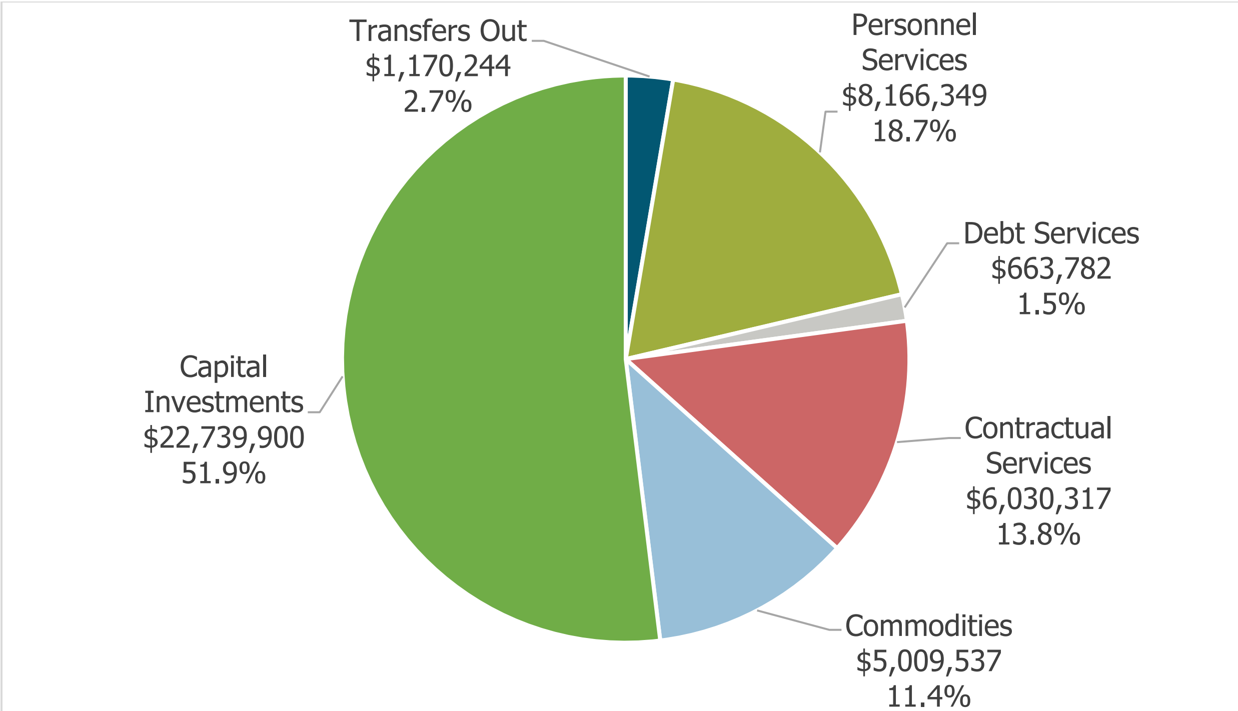
The recommended budget reflects the City's continued focus on maintaining core services while making significant investments in employee recruitment and retention, infrastructure and other capital improvement projects necessary to support current and future community needs.

The Recommended Budget anticipates:

- issuance of $6 million in Certificates of Participation (COP) debt supporting utility infrastructure
- $3,279,900 in grant funding supporting infrastructure projects, including:
    - Wayfinding Signage
    - Second Creek Sidewalks
    - Maple Lane Sidewalks
    - Richardson St / 169 Hwy Signal
    - 1st & Bridge St Round-a-bout
    - Riverwalk & Trail
- use of $12,011,883 in fund balance across all funds.

The FY2027 Recommended Budget incorporates several key assumptions related to anticipated increases in operating costs. Utility expenses for electricity, propane, and natural gas are projected to increase by approximately 4%, reflecting expected changes in energy and utility costs. Fuel expenditures are budgeted using a 10% increase, with an assumed average cost of approximately $3.90 per gallon. In addition, the budget includes a 15% increase in insurance costs to account for anticipated premium increases and market conditions.

The following chart presents the FY2027 Recommended Budget by major expenditure category, providing a high-level overview of how the City's resources are proposed to be allocated during the upcoming fiscal year.



A significant component of the FY2027 budget is the City's commitment to capital improvements. Capital Improvement Program (CIP) projects account for more than 50% of total City expenditures, demonstrating the substantial level of investment planned for FY2027. These investments are intended to address aging infrastructure, improve existing facilities and systems, enhance service delivery, and position the City for continued growth and development.

The budget also reflects a commitment to employee recruitment and retention, including contractual increases to police salaries averaging 3% as outlined in the officer and supervisory Collective Bargaining Agreements. Salary increases for non-represented employees range from 3.5% to 8.5% to keep job classifications market competitive. Enhancements to eliminate employee contribution not the LAGERS defined benefit pension plan are included. The total budget investment in enhancements to employee compensation and benefits is $394,938.

Of particular note is the increased investment in police services made possible by the April 2025 voter approval of the Public Safety Sales Tax. The FY2027 Budget reflects the first full year of collections of this tax and associated expenditures. The FY2027 Police Department expenditure budget is $3,947,602, reflecting the combined funding provided through the General Fund and Public Safety Sales Tax Fund. Of this total, $3,178,023 is supported by the General Fund, while $769,579 is funded through the Public Safety Sales Tax Fund

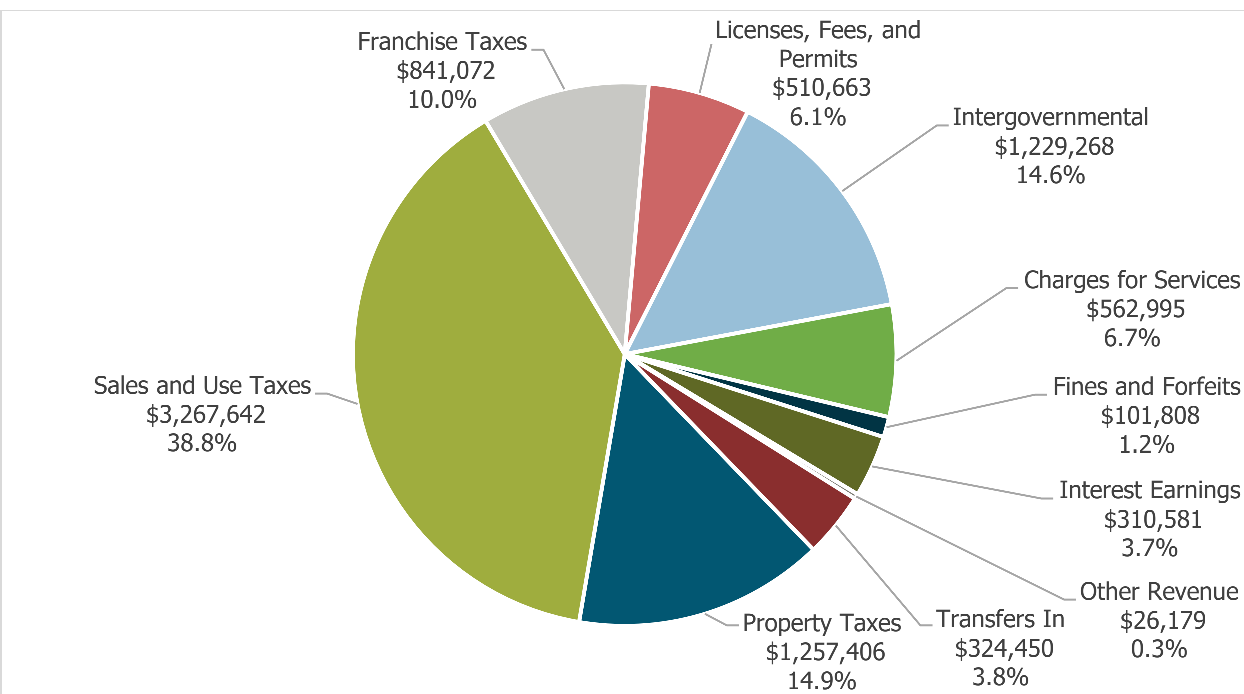
General Fund

Revenues

The following table identifies the top ten General Fund revenue categories included in the recommended FY2027 budget and highlights the primary sources contributing to the City's operating resources. The Intergovernmental Revenue item includes $600,000 in anticipated Wayfinding grant reimbursement.

General Fund Revenues	FY2025 Actual	FY2026 Adopted	FYE2026 Projected	FY2027 Recommended
Property Taxes	1,207,242	1,215,000	1,220,782	1,257,406
Sales and Use Taxes	2,920,320	2,878,671	3,172,468	3,267,642
Franchise Taxes	794,007	838,565	816,575	841,072
Licenses, Fees, and Permits	538,400	358,696	875,790	510,663
Intergovernmental	584,908	555,773	597,345	1,229,268
Charges for Services	587,975	479,271	598,623	562,995
Fines and Forfeits	74,143	112,000	98,843	101,808
Interest Earnings	840,785	222,684	301,535	310,581
Other Revenue	120,553	123,498	25,417	26,179
Transfers In	340,000	359,250	315,000	324,450
Total Revenues	**$ 8,008,334**	**$ 7,143,408**	**$ 8,022,378**	**$ 8,432,065**

As illustrated in the following chart, sales and use taxes and property taxes represent the City's largest revenue sources.

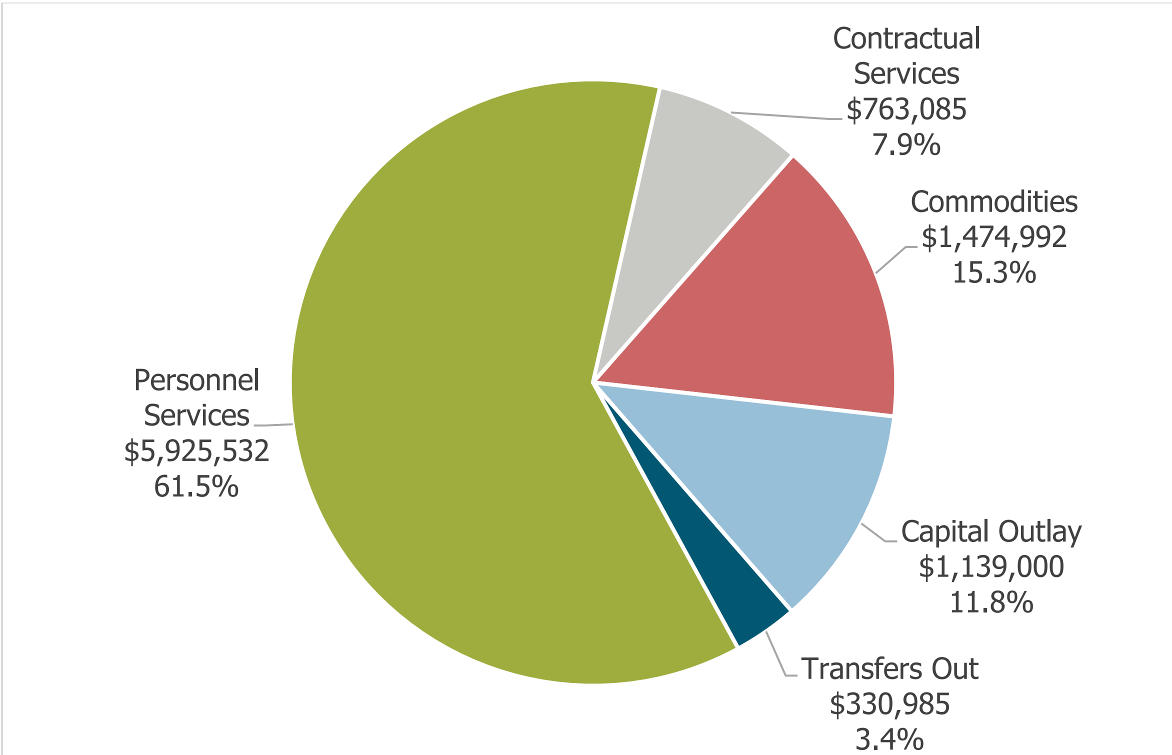


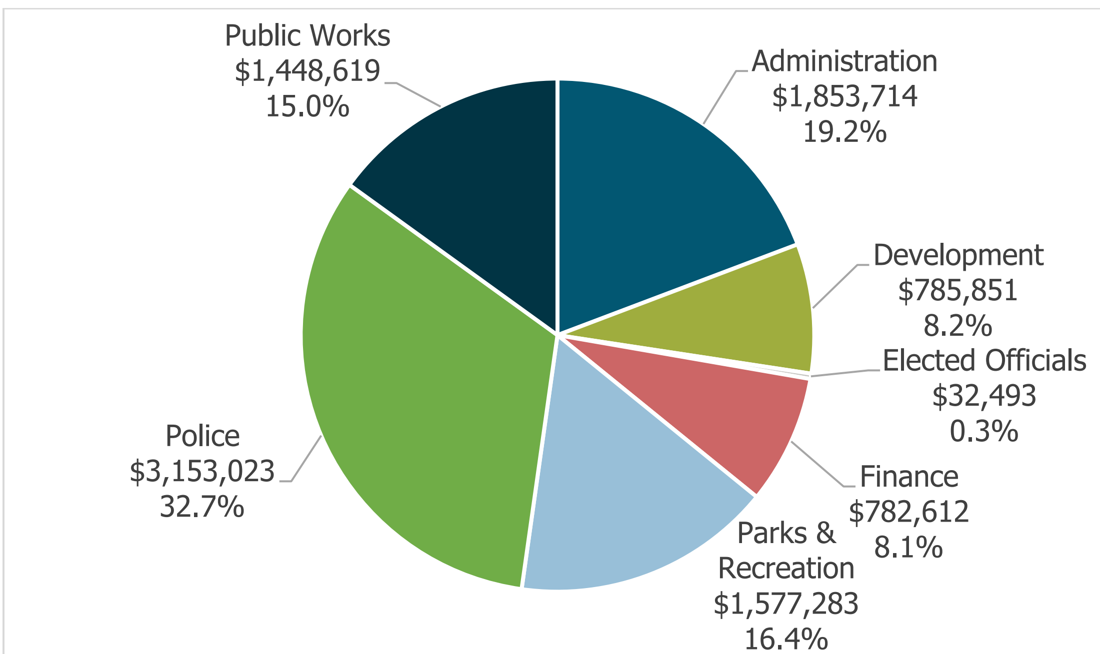
Recommended FY2027 General Fund Expenditure Summary
The Recommended FY2027 Budget totals approximately $9.6 million in expenditures to support personnel, ongoing operating requirements, transfers, and capital needs.

Personnel expenses account for approximately 61.5% of total General Fund expenditures. The remaining expenditures support operating and capital requirements.

Expense Category	Actual FY2025	FY2026 Adopted	FYE2026 Projected	FY2027 Recommended
Personnel Services	$ 4,962,712	$ 5,199,684	$ 5,224,576	$ 5,925,532
Contractual Services	$ 675,676	$ 749,118	$ 812,168	$ 763,085
Commodities	$ 1,135,844	$ 1,286,809	$ 1,472,830	$ 1,474,992
Capital Outlay	$ 211,291	$ 353,925	$ 389,925	$ 1,139,000
Transfers Out	$ 383,000	$ 333,000	$ 333,000	$ 330,985
Total	**$ 7,368,522**	**$ 7,922,536**	**$ 8,232,498**	**$ 9,633,595**

The following two charts provide a breakdown of the FY2027 General Fund expenditures. The first chart organizes expenditures by major category. The second chart presents expenditures by department.





The Recommend Budget includes $452,020 of new or expanded funding for equipment, technology, facility improvements and contractual services to support community goals.

The FY2027 Recommended General Fund Budget is projected to use $1,201,530 of fund balance. The use of fund balance is an intentional component of the FY2027 financial plan and allows the City to fund identified community needs without relying solely on current-year revenues. Maintaining a healthy reserve while strategically utilizing a portion of accumulated resources allows the City to balance fiscal responsibility with the need to invest in the community.

The following chart illustrates the net change in General Fund resources for FY2027.

	FY2025 Actuals	FYE2026 Projected	FY2027 Recommended
Beginning Fund Balance	**$ 4,211,190**	**$ 4,851,002**	**$ 4,640,882**
Total Revenues	**$ 8,008,334**	**$ 8,022,378**	**$ 8,432,065**
Total Expenses	**$ 7,368,522**	**$ 8,232,498**	**$ 9,633,595**
Net Change in Fund Balance	**$ 639,812**	**$ (210,120)**	**$ (1,201,530)**
Ending Fund Balance	**$ 4,851,002**	**$ 4,640,882**	**$ 3,439,352**

Public Safety Sales Tax

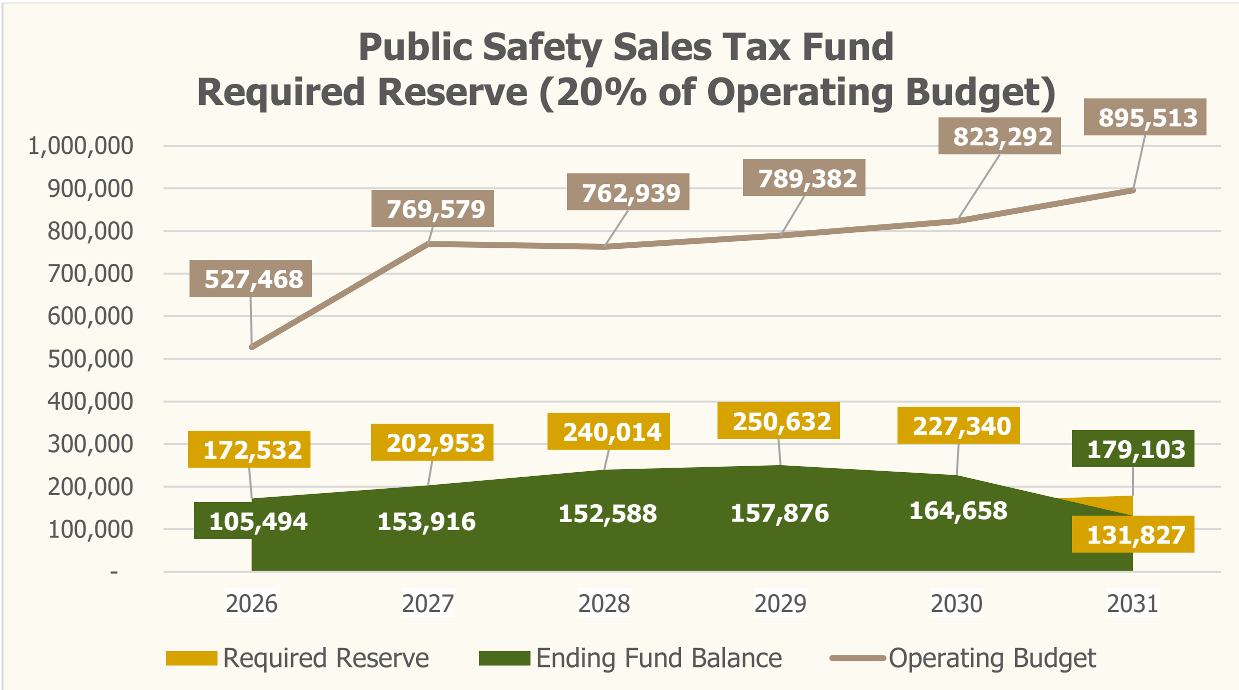
Public Safety Sales Tax collections began October 1, 2025. City communications identified increased compensation and benefits for officers, additional staffing and related equipment, and implementation of a full-time animal control program as key priorities.

The Public Safety Sales Tax expenditure budget totals almost $680,000.

Given the relatively limited historical fund data available for this revenue source, the recommended budget follows the City’s conservative budgeting approach and assumes annual revenues of $800,000, with no anticipated growth incorporated into the projection.

Staff will compare actual results to the budget throughout FY2027 and future fiscal years and will use that information to refine future revenue and expenditure projections. As additional historical data becomes available, the City will be better positioned to evaluate the sustainability of the revenue source and determine whether future budget assumptions should be adjusted.

The following cash flow analysis illustrates the projected financial trajectory of the fund and identifies the anticipated point at which the fund reaches the 20% reserve target.



Combined Water and Wastewater Systems Fund

The Combined Water and Wastewater Systems (CWWS) Fund supports the City's ongoing water and wastewater utility operations, including the operation and maintenance of existing infrastructure. The FY2027 recommended revenue budget for the Combined Water and Wastewater (CWWS) Fund totals $14,379,020, which includes $6,000,000 in anticipated Certificate of Participation (COP) proceeds.

Based on the recommendations of the 2026 Raftelis rate study and no rate increase in FY2026, the combined recommended water and wastewater rate increase for FY2027 is 19%. While the increase is significant, it reflects the level of investment necessary to maintain the City's utility infrastructure and implement the identified capital improvement program. The following chart illustrates the recommended 5-year rate adjustments as proposed in the rate study.

	FY27	FY28	FY29	FY30	FY31
Water Rate Increases	8.0%	8.0%	8.0%	8.0%	25.0%
Sewer Rate Increases	30.0%	15.0%	15.0%	8.0%	5.0%
Combined Increases	19.0%	11.8%	11.9%	8.0%	13.4%

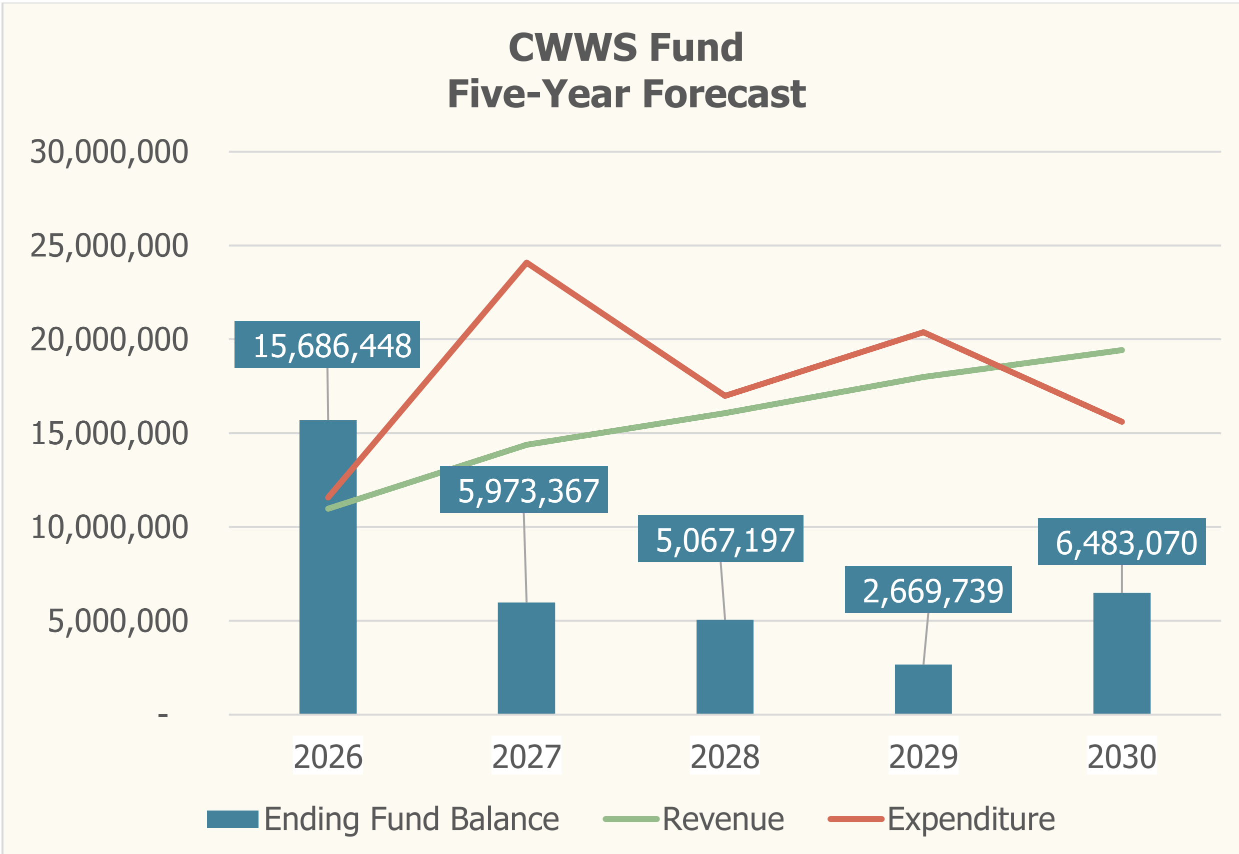
The recommended revenue structure is intended to provide sufficient resources to support ongoing utility operations, maintenance requirements, debt obligations, and the City's planned capital improvement program. The inclusion of COP proceeds provides an important source of financing for priority water and wastewater projects while allowing the City to address significant infrastructure needs without relying solely on current year operating revenues.

The Recommended FY2027 Budget reflects a significant level of capital investment anticipated within the water and wastewater system and the timing of expenditures associated with the City's capital improvement program.

	FY2025 Actuals	FYE2026 Projected	FY2027 Recommended
Beginning Fund Balance	**$ 7,575,144**	**$ 16,286,317**	**$ 15,686,448**
Total Revenues	**$ 16,214,440**	**$ 10,977,555**	**$ 14,379,020**
Total Expenses	**$ 7,503,267**	**$ 11,577,424**	**$ 24,092,102**
Net Change in Fund Balance	**$ 8,711,173**	**$ (599,869)**	**$ (9,713,082)**
Ending Fund Balance	**$ 16,286,317**	**$ 15,686,448**	**$ 5,973,366**

*Revenues for FY2025 includes COP issuance for the fiscal year.

The projected decline in reserves is primarily attributable to the substantial infrastructure needs identified through the City's long-term capital improvement plan and supported by the 2026 Raftelis rate study. The capital program includes projects necessary to maintain, replace, improve, and expand the utility system. While current utility revenues and planned financing provide resources to support the program in the near term, the magnitude of the identified improvements is expected to require additional financing as the capital program progresses.



The projection also reinforces the importance of the recommended utility rate structure and continued financial monitoring. Maintaining adequate utility revenues will be necessary to support ongoing operations and maintenance, meet debt service requirements, maintain appropriate reserves, and provide funding capacity for future capital improvements. Staff will continue to monitor cash flow, revenues, expenditures, project costs, and reserve levels throughout the forecast period and will make recommendations as additional information becomes available.

Recommended Five-Year CIP (FY2027–FY2031) – CWWS Fund

The five-year Combined Water and Wastewater (CWWS) Capital Improvement Plan (CIP) identifies the City's planned water and wastewater infrastructure investments through FY2031. The plan provides a long-term framework for addressing critical infrastructure needs, maintaining existing utility assets, improving system reliability and capacity, and preparing the utility system to meet future community demands.

The five-year CIP serves as an important planning tool for the CWWS Fund because many of the projects require significant financial resources and must be coordinated over multiple fiscal years. Establishing a multi-year plan allows the City to better anticipate funding requirements, evaluate project timing, coordinate debt financing, and make informed decisions regarding future utility rates and reserves.

The following two charts provide a detailed overview of the five-year capital program, with the first chart presenting the planned water projects and the second chart presenting the planned wastewater projects through FY2031. Together, the charts illustrate the scale and timing of the City's planned infrastructure investment and provide important context for the financial recommendations included in the FY2027 budget.

Capital Improvement Project (Water)	FY2027	FY2028	FY2029	FY2030	FY2031
Water Treatment Plant Annual Updates / Improvements	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Primary Clarifier and Primary Mix Chamber (Construction)	$ 588,700	$ -	$ -	$ -	$ -
High Service Pump Room Engineering	$ 110,000	$ -	$ -	$ -	$ -
High Service Pump Room construction	$ -	$ 583,000	$ -	$ -	$ -
Capacity Improvements (Engineering)	$ -	$ -	$ -	$ -	$ 5,638,000
Water Distribution System Annual Updates / Improvements	$ 50,000	$ 50,000	$ 50,000	$ 1,000,000	$ 1,000,000
Hwy 92, Commercial Ave to 169 Hwy (Construction)	$ 700,000	$ -	$ -	$ -	$ -
Maple Ln, Highway F to Maple Ln (Engineering)	$ 170,000	$ -	$ -	$ -	$ -
Maple Ln, Highway F to Maple Ln (Construction)	$ -	$ 845,000	$ -	$ -	$ -
Diamond Crest looping	$ 361,000	$ -	$ -	$ -	$ -
Raintree Ln to Pope Ln, turn to Hillcrest Dr (Engineering)	$ 200,000	$ -	$ -	$ -	$ -
Raintree Ln to Pope Ln, turn to Hillcrest Dr (Construction)	$ -	$ 1,036,000	$ -	$ -	$ -
Interconnect Mains at 144th St and 169 Hwy	$ 105,000	$ -	$ -	$ -	$ -
W Meadow from Hwy 169 to S Bridge Street, Fairway to Main St (Engineering)	$ -	$ 250,000	$ -	$ -	$ -
W Meadow from Hwy 169 to S Bridge Street, Fairway to Main St (Construction)	$ -	$ -	$ 1,028,000	$ -	$ -
169 Hwy, Highway 92 to Park Dr (Engineering)	$ 140,000	$ -	$ -	$ -	$ -
169 Hwy, Highway 92 to Park Dr (Construction)	$ -	$ 650,000	$ -	$ -	$ -
Tower Interconnect Armory Rd, 69 Hwy	$ -	$ 90,000	$ -	$ -	$ -
169 Hwy, Commercial to 144th St (Engineering)	$ 200,000	$ -	$ -	$ -	$ -
169 Hwy, Commercial to 144th St (Construction)	$ -	$ 1,097,000	$ -	$ -	$ -
Hwy F, East pope Ln to North Tower (Engineering)	$ -	$ 350,000	$ -	$ -	$ -
Hwy F, East pope Ln to North Tower (Construction)	$ -	$ -	$ 1,271,000	$ -	$ -
169 Hwy, 144th St to Southwest Tower (Engineering)	$ -	$ 300,000	$ -	$ -	$ -
169 Hwy, 144th St to Southwest Tower (Construction)	$ -	$ -	$ 1,003,000	$ -	$ -
New South Booster Pump Station (Engineering)	$ -	$ -	$ 700,000	$ -	$ -
New South Booster Pump Station (Construction)	$ -	$ -	$ -	$ 4,783,000	$ -
Advanced Metering Infrastructure	$ -	$ -	$ 1,500,000	$ -	$ -
Water Subtotal	**$ 2,724,700**	**$5,351,000**	**$ 5,652,000**	**$5,883,000**	**$6,738,000**

Capital Improvement Project (Wastewater)	FY2027	FY2028	FY2029	FY2030	FY2031
Wastewater Treatment Plant Phase 1 Improvements (Construction)	$ 5,333,000	$ -	$ -	$ -	$ -
Wastewater Treatment Plant Annual SBR Basin Cleaning	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
Wastewater Treatment Plant Annual Influent Pump Station Cleaning and Bypass	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000
Stonebridge Pump Station Replacement (Construction)	$ 1,700,000	$ -	$ -	$ -	$ -
Owens Branch Interceptor - Phase 1, Line 1 (Construction)	$ 4,169,000	$ -	$ -	$ -	$ -
Owens Branch Interceptor - Phase 1, Line 2 (Engineering)	$ -	$ 593,500	$ -	$ -	$ -
Upsize Existing Hills of Shannon Sewer from 8" to 12" (Engineering)	$ 300,000	$ -	$ -	$ -	$ -
Upsize Existing Hills of Shannon Sewer from 8" to 12" (Construction)	$ -	$ 1,736,000	$ -	$ -	$ -
Gravity Sewer Connections to Eliminate Platte Valley Bank and McDonalds Pump Stations (Engineering)	$ 100,000	$ -	$ -	$ -	$ -
Gravity Sewer Connections to Eliminate Platte Valley Bank and McDonalds Pump Stations (Construction)	$ -	$ 413,000	$ -	$ -	$ -
Owens Branch Interceptor - Phase 1, Line 2 (Construction)	$ -	$ -	$ 5,341,500	$ -	$ -
Cub Cadet Pump Station Replacement (Engineering)	$ -	$ 30,000	$ -	$ -	$ -
Cub Cadet Pump Station Replacement (Construction)	$ -	$ -	$ 214,000	$ -	$ -
Bridge Street Pump Station Generator (Engineering)	$ -	$ -	$ 70,000	$ -	$ -
Bridge Street Pump Station Generator (Construction)	$ -	$ -	$ -	$ 365,000	$ -
Annual Sanitary Sewer Rehabilitation	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Annual Pump Station Rehabilitation	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Wastewater Subtotal	**$12,117,000**	**$3,287,500**	**$ 6,140,500**	**$ 880,000**	**$ 515,000**

For FY2027, the recommended budget includes the use of $1,150,000 from the wastewater impact balance to fund engineering services associated with the Wastewater Treatment Plant Expansion. Utilizing these dedicated funds for the project helps align available resources with the infrastructure needs they are intended to support while reducing the reliance on other utility revenues or financing sources.

Capital Improvement Project Name	FY2027	FY2028	FY2029	FY2030	FY2031
Wastewater Treatment Plant Expansion (Engineering)	$ 1,150,000	$ -	$ -	$ -	$ -
Grand Total	**$1,150,000**	**$ -**	**$ -**	**$ -**	**$ -**

Transportation Sales Tax Fund – Five-Year CIP

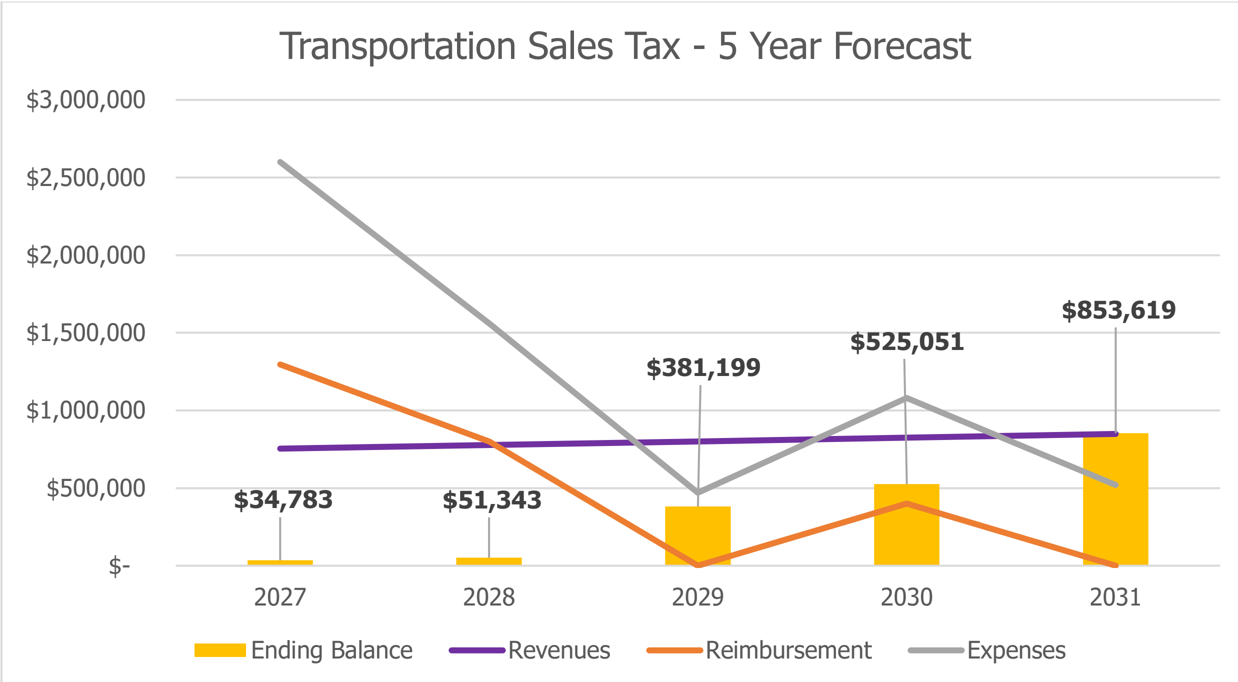
The Transportation Sales Tax Fund supports a broad range of transportation projects, including road maintenance, operations, and equipment, and major capital projects.

The proposed FY2027–FY2031 Transportation Sales Tax Fund Capital Improvement Plan (CIP) totals $3,734,000. These expenditures are supported by $4,002,777 in anticipated Transportation Sales Tax collections. The fund is supplemented by $2,496,000 in grants for the following projects:

- 1st & Bridge St Round-a-bout
- 144th St Bridge
- Hillcrest Bridge

The following two charts present the five-year transportation sales tax project list and projected fund balance.

Capital Improvement Project Name	FY2027	FY2028	FY2029	FY2030	FY2031
Annual Asphalt Overlay Program (Projects TBD)	$ -	$ 350,000	$ 400,000	$ 450,000	$ 450,000
Annual Residential Sidewalk Replacement Program	$ -	$ 60,000	$ 70,000	$ 70,000	$ 70,000
Dundee Overlay Project	$ 100,000	$ -	$ -	$ -	$ -
1st & Bridge St Round-A-Bout Construction	$ 2,500,000	$ -	$ -	$ -	$ -
1st & Bridge Street Round-A-Bout (MARC Reimbursement)	$ (1,296,000)	$ -	$ -	$ -	$ -
144th St Bridge (Engineering)	$ -	$ 150,000	$ -	$ -	$ -
144th St Bridge (Construction)	$ -	$ 1,000,000	$ -	$ -	$ -
144th St Bridge (MODOT Reimbursement)	$ -	$ (800,000)	$ -	$ -	$ -
Hillcrest Bridge (Engineering)	$ -	$ -	$ -	$ 60,000	$ -
Hillcrest Bridge (Construction)	$ -	$ -	$ -	$ 500,000	$ -
Hillcrest Bridge (MODOT Reimbursement)	$ -	$ -	$ -	$ (400,000)	$ -
Grand Total (Net Cost)	**$ 1,304,000**	**$ 760,000**	**$ 470,000**	**$ 680,000**	**$ 520,000**



Capital Improvement Sales Tax Fund – Five-Year CIP

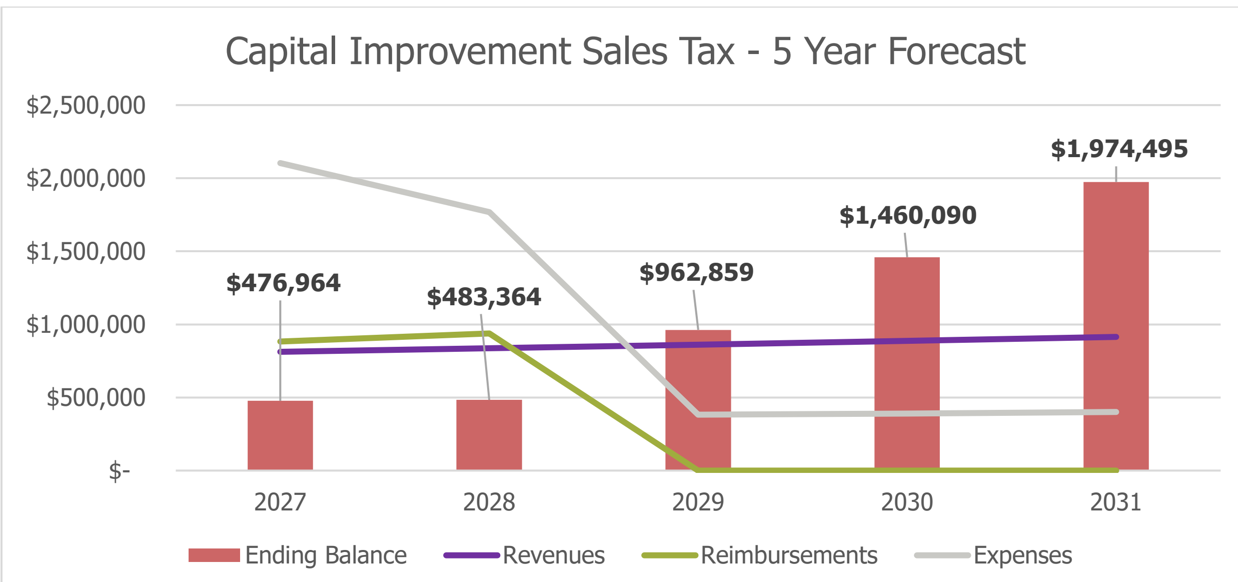
The Capital Improvement Sales Tax Fund serves two primary purposes. First, it provides transfers to the Debt Service Fund to support the payment of principal and interest associated with municipal bonds and other approved debt obligations which funded prior infrastructure improvements. Second, the fund directly supports engineering and construction of infrastructure projects to address priority capital needs and make long-term investments in the community.

The proposed FY2027–FY2031 Capital Improvement Sales Tax Fund Capital Improvement Plan (CIP) totals $3,222,890. These expenditures are supported by $4,313,338 in anticipated Transportation Sales Tax collections. The fund is supplemented by $1,821,910 in grants for the following projects:

- Second Creek Sidewalks
- Maple Lane Sidewalks

The following two charts present the five-year Capital Improvement sales tax project list and projected fund balance.

Capital Improvement Project Name	FY2027	FY2028	FY2029	FY2030	FY2031
Annual Transfer to Debt Service	$ 373,420	$ 376,420	$ 382,420	$ 390,540	$ 400,000
Second Creek Sidewalks (Engineering)	$ 10,000	$ -	$ -	$ -	$ -
Maple Lane Sidewalks (Engineering)	$ 20,000	$ -	$ -	$ -	$ -
Second Creek Bridge Sidewalks	$ 1,300,000	$ -	$ -	$ -	$ -
Second Creek Bridge Sidewalks (MARC Reimbursement)	$ (600,000)	$ -	$ -	$ -	$ -
Maple Lane Sidewalks (Construction)	$ 300,000	$ 300,000	$ -	$ -	$ -
Maple Lane Sidewalks (MARC Reimbursement)	$ (240,000)	$ (240,000)	$ -	$ -	$ -
Richardson St / 169 Signal (Engineering)	$ 100,000	$ -	$ -	$ -	$ -
Richardson St / 169 Signal (Engineering) MODOT 50% Cost Share	$ (43,900)	$ -	$ -	$ -	$ -
Richardson St / 169 Signal (Construction)	$ -	$ 1,092,000	$ -	$ -	$ -
Richardson St / 169 Signal (Construction) MODOT 50% Cost Share	$ -	$ (498,010)	$ -	$ -	$ -
Richardson St / 169 Signal (Construction) Developments Share	$ -	$ (200,000)	$ -	$ -	$ -
Grand Total (Net Cost)	**$ 1,219,520**	**$ 830,410**	**$ 382,420**	**$ 390,540**	**$ 400,000**



Park & Stormwater Sales Tax Fund – Five-Year CIP

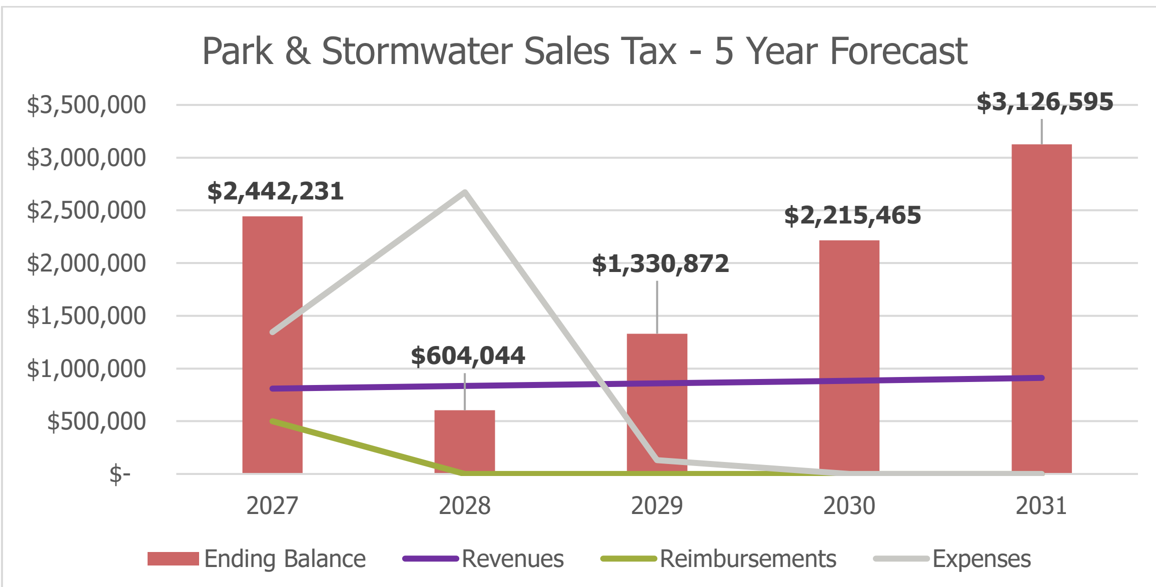
The Parks & Stormwater Sales Tax Fund provides resources to support stormwater control and capital improvements to local park amenities.

The proposed FY2027–FY2031 Parks & Stormwater Sales Tax Fund Capital Improvement Plan (CIP) totals $3,649,000. These expenditures are supported by $4,297,892 in anticipated Transportation Sales Tax collections. The fund is supplemented by $500,000 in grants for the following projects:

- Riverwalk & Trail

The following two charts present the five-year park & stormwater sales tax project list and projected fund balance.

Capital Improvement Project Name	FY2027	FY2028	FY2029	FY2030	FY2031
Smith's Fork Park Complex (Engineering & Design)	$ 320,000	$ 132,000	$ 132,000	$ -	$ -
Dundee Road Stormwater Improvements (Construction)	$ 200,000	$ -	$ -	$ -	$ -
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	$ -	$ -	$ -
Riverwalk Trail Construction	$ 700,000	$ -	$ -	$ -	$ -
Riverwalk & Trail (MARC Reimbursement)	$ (500,000)	$ -	$ -	$ -	$ -
Grand Total (Net Cost)	**$ 845,000**	**$ 2,672,000**	**$ 132,000**	**$ -**	**$ -**



Proposed Five-Year CIP – All Funds

Over the five-year period, the City is planning approximately $61,194,590 in capital investments, demonstrating a significant commitment to maintaining existing infrastructure, addressing identified capital needs, and investing in the community's long-term growth. The following chart depicts annual expenditures by fund.

Capital Improvement Projects - General Govt.	FY2027	FY2028	FY2029	FY2030	FY2031	Fund Total
General Fund	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
Transportation Sales Tax Fund	$ 1,304,000	$ 760,000	$ 470,000	$ 680,000	$ 520,000	$ 3,734,000
Capital Improvement Sales Tax Fund	$ 1,219,520	$ 830,410	$ 382,420	$ 390,540	$ 400,000	$ 3,222,890
Park & Stormwater Sales Tax Fund	$ 845,000	$ 2,672,000	$ 132,000	$ -	$ -	$ 3,649,000
Grand Total (Net Costs)	**$ 3,518,520**	**$ 4,262,410**	**$ 984,420**	**$1,070,540**	**$ 920,000**	**$ 10,755,890**

Capital Improvement Projects - CWWS	FY2027	FY2028	FY2029	FY2030	FY2031	Fund Total
Combined Water & Wastewater Fund - Non-Impact Projects	$ 14,841,700	$ 8,638,500	$ 11,792,500	$ 6,763,000	$ 7,253,000	$ 49,288,700
Combined Water & Wastewater Fund - Water Impact Projects	$ -	$ -	$ -	$ -	$ -	$ -
Combined Water & Wastewater Fund - Wastewater Impact Projects	$ 1,150,000	$ -	$ -	$ -	$ -	$ 1,150,000
Grand Total (Net Costs)	**$ 15,991,700**	**$ 8,638,500**	**$ 11,792,500**	**$6,763,000**	**$7,253,000**	**$ 50,438,700**

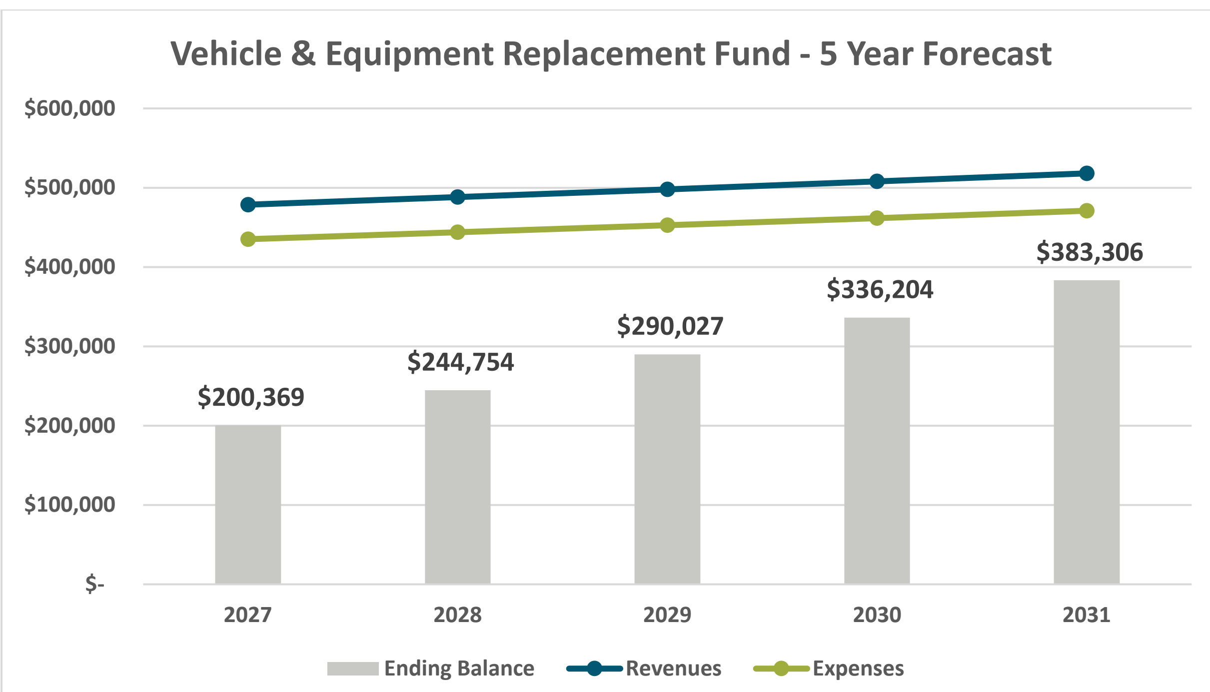
Annual Total	**$ 19,510,220**	**$ 12,900,910**	**$ 12,776,920**	**$7,833,540**	**$8,173,000**	

5 Year Grand Total for All Funds:	**$61,194,590**

Vehicle & Equipment Replacement Fund

The City currently leases 39 vehicles from Enterprise, with the associated lease costs distributed among the departments utilizing the vehicles. Over the next five years, the General Fund and Combined Water and Wastewater Systems Fund are projected to provide additional transfers to the Vehicle & Equipment Replacement Fund (VERF). These resources support the City's long-term fleet replacement needs. The goal is to increase the VERF fund balance by approximately $40,000–$50,000 annually to support future vehicle and equipment replacement needs.

The following cash flow projection illustrates the VERF's anticipated vehicle-related costs, annual funding requirements, and projected fund balance over the five-year planning period.

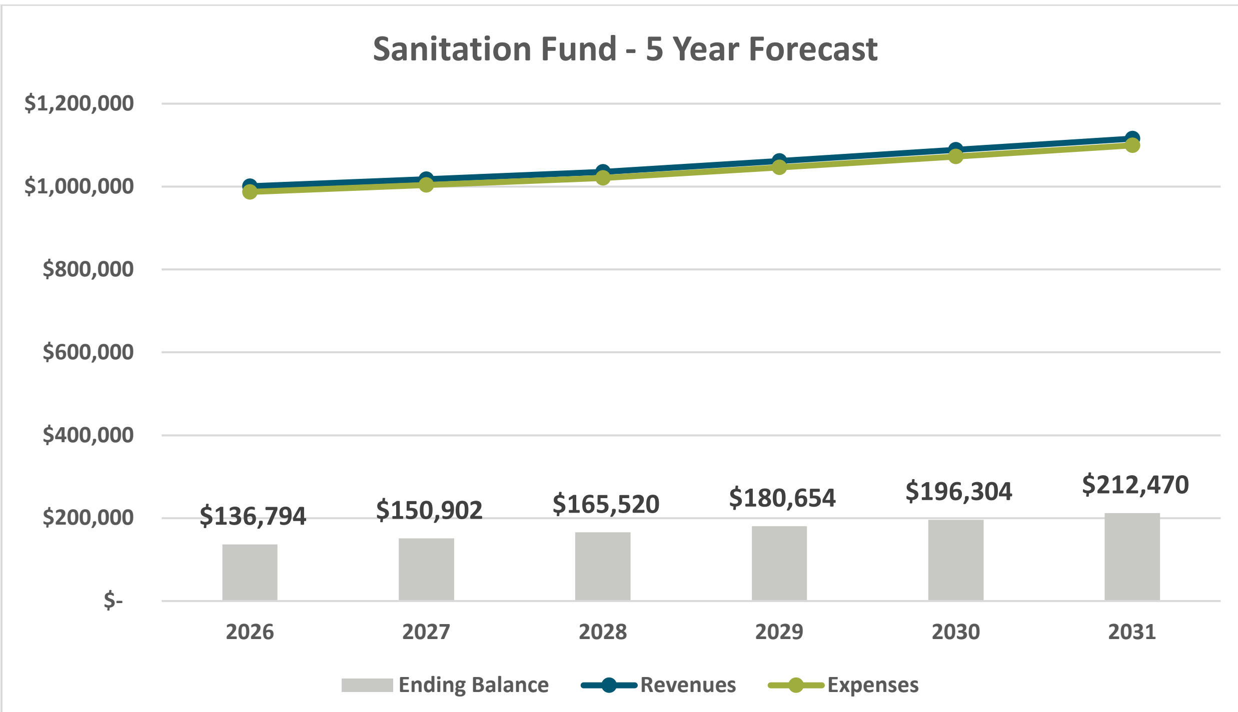


Sanitation Fund

The City contracts with GFL for solid waste collection services, serving just over 3,228 regular-rate accounts and 573 senior-rate accounts.

The Recommended FY2027 budget incorporates a contractual 1.7% increase in the regular trash rate. The senior rate reflects a 15% discount from the regular monthly rate.

The following chart illustrates the projected revenues, expenditures, and ending fund balance for the Solid Waste Fund over the next five years.



Conclusion

The FY2027 recommended budget reflects a continued commitment to financial stability, core municipal services, public safety, and long-term capital investment. The budget balances current operating needs with significant investments in infrastructure and community priorities while maintaining a conservative approach to revenue forecasting and expenditure management.