



Board of Aldermen Request for Action

MEETING DATE: 3/24/2026

DEPARTMENT: Finance

AGENDA ITEM: Bill No. 3103-26, FY2026 Budget Amendment No. 3 - 1st and 2nd Reading

REQUESTED BOARD ACTION

A motion to approve Bill No. 3103-26, amending the FY2026 Budget to add \$18,050 to the General Fund, \$48,849.30 to the Combined Water and Wastewater Fund expenditure budget, and \$183,578 to the Public Safety Sales Tax Fund. 1st and 2nd reading by title only.

SUMMARY

This Budget Amendment proposes increasing the expenditure budget by \$18,050 to the General Fund.

The FY2026 Budget originally allocated \$50,000 for Strategic Planning. However, this amount is insufficient to cover the full cost associated with the consultant selected to assist the City with this effort. After reviewing the proposals received, Berry, Dunn, McNeil & Parker, LLC was determined to have submitted the most qualified proposal and is recommended as the consultant for the project.

To ensure the full scope of the desired services, an amendment to the General Fund is required to allocate an additional \$18,050. This amendment will provide the necessary funding to cover the total cost associated with the Strategic Plan update contract.

This Budget Amendment proposes increasing the expenditure budget by \$48,849.30 to the Combined Water and Wastewater Fund.

In 1972, the City entered into a water storage contract, DACW41-73-C-0007, for drinking water purposes with the U.S. Army Corps (Corps) of Engineers from Smithville Lake. The agreement includes a cost to the City for the volume of water storage that the City requires and a proportionate share of the operations and maintenance costs necessary maintain the lake and dam.

Annually, the City pays the Corps approximately \$12,000 for water storage. The operations and maintenance costs vary depending on the projects the Corps has planned each year. The City is responsible for 0.536% of the total operations and maintenance costs. This percentage is based on the proportion of water-storage volume allocated to the City compared to the total available storage volume in Smithville Lake.

In December, the Corps advised the City that a Government Accountability Office (GAO) audit was recently completed. In this review, it was discovered that the last invoice sent to the City of Smithville was in September 2022, for FY 2019. The Corps bills are two (2) years in arrears, so the 2022 invoice was for Fiscal Year 2019.

Currently the City owes:

FY2020	\$11,134.07
FY2021	\$ 7,554.64
FY2022	\$16,683.53
FY2023	<u>\$13,477.06</u>
Total	\$48,849.30

This Budget Amendment proposes increasing the expenditure budget by \$183,578 to the Public Safety Sales Tax Fund.

When the FY2026 Public Safety Sales Tax budget was developed, it was anticipated that a budget amendment would be required following the union negotiations scheduled for March 2026. The FY2026 Budget does not include funding to cover the remaining costs associated with the 2026 collective bargaining agreements. The total additional funding required is \$183,578, which includes \$145,809 for the non-supervisory agreement and \$37,769 for the supervisory agreement negotiations.

An amendment to the Public Safety Sales Tax Fund in the amount of \$183,578 is necessary to cover the implementation of the new agreements.

PREVIOUS ACTION

N/A

POLICY ISSUE

N/A

FINANCIAL CONSIDERATIONS

The recommended changes use fund balance from the identified funds. Fund balance in each fund remains within required reserve levels.

ATTACHMENTS

- | | |
|---|-----------------------------------|
| <input checked="" type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input type="checkbox"/> Other: | |

AN ORDINANCE AMENDING THE FY2026 BUDGET TO ADD \$18,050 TO THE GENERAL FUND EXPENDITURE BUDGET, \$48,849.30 TO THE COMBINED WATER AND WASTEWATER FUND EXPENDITURE BUDGET AND \$183,578 TO THE PUBLIC SAFETY SALES TAX FUND EXPENDITURE BUDGET

WHEREAS, pursuant to Ordinance 3278-25, passed on October 21, 2025, the Board of Aldermen approved the fiscal year ending October 31, 2026, budget; and

WHEREAS, the FY2026 Budget originally allocated \$50,000 for Strategic Planning, which is insufficient to cover the cost of selected consultant; and

WHEREAS, an amendment to the General Fund is required to allocate \$18,050 for the project cost; and

WHEREAS, the City has a water supply contract with the U.S. Army Corps of Engineers (Corps) for Smithville Lake; and based on the City's proportionate water storage volume, the City is responsible for paying 0.536% of the operations and maintenance cost for Smithville Lake; and

WHEREAS, during a Government Accountability Office audit it was found that the Corps did not invoice the City since 2022 (for FY2019) and the City owes \$48,849.30 from the Combined Water and Wastewater Fund; and

WHEREAS, an amendment to the Combined Water and Wastewater Systems fund is required in the amount of \$48,849.30 for this payment; and

WHEREAS, the FY2026 Budget did not include funds to cover expenses related to union negotiations of \$183,578; \$145,809 for non-supervisory contract and \$37,769 for supervisory contract; and

WHEREAS, implementation of the new agreement for both units requires \$183,578; and

WHEREAS, an amendment to the Public Safety Sales Tax Fund is required in the amount of \$183,578.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI AS FOLLOWS:

THAT the fiscal year ending October 31, 2026, Budget is hereby amended to add:

- \$18,050 to the expenditure budget in the General Fund.

- \$48,849.30 to the expenditure budget in the Combined Water and Wastewater Fund.
- \$183,578 to the expenditure budget in the Public Safety Sales Tax Fund.

PASSED AND ADOPTED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Smithville, Missouri, the 24th day of March 2026.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

First Reading: 03/24/2026

Second Reading: 03/24/2026