

SMITHVILLE BOARD OF ALDERMEN

WORK SESSION

June 6, 2023, 6:00 p.m.

City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 5:59 p.m. A quorum of the Board was present: Melissa Wilson, Ronald Russell, Marv Atkins, Dan Hartman and Dan Ulledahl. Leeah Shipley arrived at 6:05 p.m.

Staff present: Cynthia Wagner, Gina Pate, Chief Jason Lockridge, Stephen Larson, Mayra Toothman and Linda Drummond.

2. Retreat Follow-up

Cynthia Wagner, City Administrator, noted that there were a number of items for future budget discussion and staff wanted to go through a few of those items and share with the Board some of the information that staff has incorporated as we developed the budget. Some of the items discussed were requests made by departments and merit that were not funded. A significant amount of this discussion is to aid in the preparation and continuation of development of the draft budget.

Stephen Larson, Finance Director, went through the staff memo that outlined ways of addressing those issues as they pertain to the draft budget.

Staff Memo

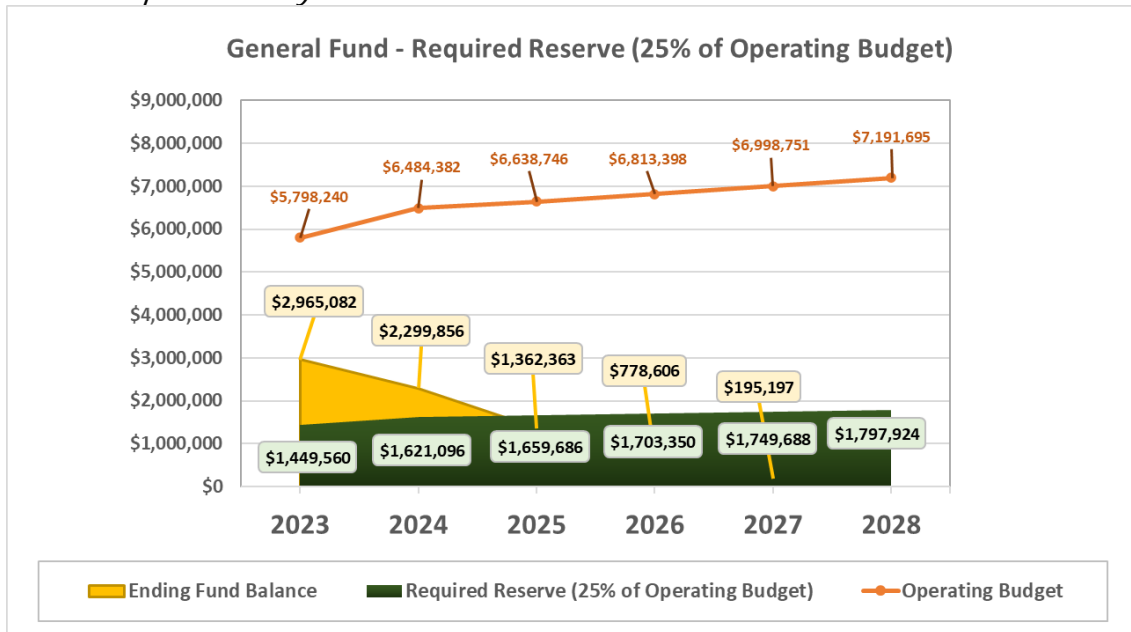
The Board of Aldermen held a budget planning retreat on May 17, 2023, and identified a path forward for the development of the FY2024 Budget. During the retreat, the Board prioritized the funding of several General Fund operational requests which will be outlined in this memo. These prioritized items include improvements to citizen education programming, wayfinding and tourism enhancements, and long-term equipment replacement programming.

The following items are now currently funded in the DRAFT FY2024 Budget.

- *Chamber of Commerce and City Agreement ----- \$10,000 (Annual Ongoing)*
- *Citizens Academy ----- \$2,500 (Annual Ongoing)*
- *City Attorney Fee Increase ----- \$21,000, Annual Ongoing)*
- *Downtown Wayfinding Signage & Installation ----- \$125,000 (Annual Ongoing)*
- *Annual Equipment Replacement Allocation ----- \$60,000 (Annual Ongoing)*
- *South Employment Overlay District In-House & Consultant --- \$12,500 (One-Time)*

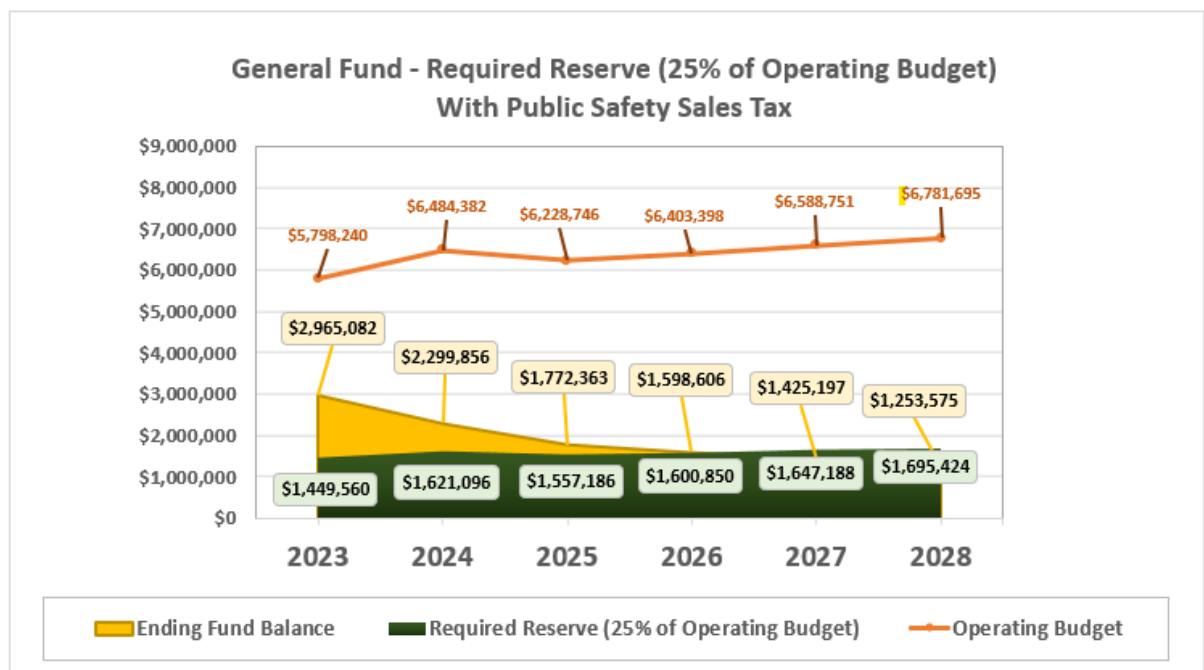
These budget additions do have an impact on the General Fund long range cash flow projections. As depicted in the following chart, using these updated expenditure

projections, ongoing cash flow is projected to decline and drops below the 25% reserve requirement by the end of FY2025.



Based on Board discussion and direction, alternative funding sources have been identified for several items which were discussed at the retreat, including police staffing needs and equipment upgrades, additional funding for street maintenance and sidewalk replacement.

If other sources were approved for funding, the resulting impact to General Fund Balance is depicted below in this cashflow chart shown below.



Cynthia clarified that some of the items have changed since the retreat. The south employment overlay district originally had been about \$30,000 cost it is now \$12,500 for the consultant only as Jack Hendrix, Development Director will be doing more of the work for the project in-house.

The amount for the Wayfinding signage and installation is a plug amount. The total for the Wayfinding signage is closer to a million dollars, but including \$125,000 in this budget allows an incremental approach to work through the Boards priorities over time. Cynthia noted that staff would also like to work to find partnerships with other organizations and community partners to help with the funding of this project.

Cynthia noted that some of the items discussed at the retreat were not funded but could possibly be funded with a public safety sales tax. Also not included were funds that are items that were funded in FY2023, notably the expanded overlay and sidewalk programs.

Cynthia explained that the fund balance chart is based on our current revenue estimates. Staff believes the estimates are somewhat conservative. There is a lot of development going on and staff is hopeful that we will see additional revenue growth.

Stephen added that the revenue from the marijuana sales tax is still unknown. Staff has plugged in some revenue for the FY2024 budget, but once the collection of the tax begins staff will have a better idea for that revenue.

Alderman Russell asked what the reason for the increase in the attorney fees.

Cynthia explained that staff has seen an increase in the need for discussion with attorneys. Also, our attorneys had approached staff about increasing their hourly rate. Currently they only charge the City \$150 an hour. She noted that it was something that staff would need to discuss with the Board if they would want to look at doing an RFQ for attorney services.

Alderman Russell noted that we went from a 40% fund balance down to 25% and in a matter of three years and now down below 25% projected 2025.

Stephen explained staff updated the cash flow with the items that were prioritized and there is a pretty severe drop in ending fund balance. He noted that is why staff included the public safety sales tax chart. It shows the positive effect it would have on the general fund balance by including some of the police expenditure in it.

Mayor Boley noted that the Board had voted to decrease the fund balance reserve from 40% to 25% last year but have not yet been below 40%.

Cynthia noted that we have, for the last several years, budgeted use of the fund balance to balance the budget. Typically, we have not had to use as much as was anticipated because revenues have come in better than anticipated and expenditures have also been less than anticipated. She explained that this is one of the things that we do want to monitor because over the last five years we have seen a significant amount of savings from salary expenditure because we have not been fully staffed. That is why we have the forecasting here to help look at where we are on those

expenditures and why on a monthly basis Stephen reviews the budget, and if it looks like we are getting too close we cut back on some things. There is an ongoing review of where we are that Financial health information and looking at the longer range.

3. Ballot Initiatives Discussion

Cyntha noted that the discussion at the retreat identified the need for additional or alternative funding sources. At the retreat in 2021 we looked at facility needs both from an operational standpoint and a public safety standpoint. Cynthia explained that we know that our needs for the public safety area are increasing whether we have a new facility or not. As a growing community we have needs for additional staffing and there has been a lot of discussion with regard to animal control.

Cynthia pointed out that for several years our local Representatives have taken to the General Assembly Bills that would allow us the authority to take a public safety sales tax to the voters. Senate Bill 186 (SB186) was approved in the General Assembly earlier this year and it awaits the Governor's signature. If the Governor signs the bill, it goes into effect. If he does not sign, the bill will go into effect August 28. If he vetoes the bill it will not go into effect. Staff has begun planning based on the assumption that SB186 will be approved. Staff will continue to monitor status of the bill.

Cynthia noted that at the retreat the Board indicated the desire to look at placing a half-cent sales tax on the November ballot if SB186 passed. It was also discussed that a half-cent sales tax would generate approximately \$700,000 in revenues on an annual basis if approved. She explained that staff would recommend that this fund the addition of two police officers as discussed and the priorities within the city as a whole are the addition of public safety personnel. There has also been a lot of conversation about implementation of an animal control program which would mean the creation of a full-time animal control position under the Police Department. That position could be funded through the sales tax. We could also incorporate the costs associated with fleet leasing for police vehicles and equipment replacement, everything from the upgrade of tasers to ongoing replacement of ballistic vests and other equipment.

Cynthia noted that SB186 does not require a sunset and because of the need for the addition of police officers, staff recommends that this be a non-sunsetting sales tax. The bill also requires that the level of funding provided for police at the time the bill is passed remain.

In order to move forward with a November election for a public safety sales tax we have to certify ballot language prior to the election the deadline of August 29. Staff recommends if the board wants to continue with this that we hold a special meeting on August 28 to approve or review as an emergency ordinance certifying ballot language to then be submitted the next day to Clay and Platte County Board of Election. If the Board wants to proceed we can also begin an education campaign.

Cynthia clarified that with a November election the City would not see revenues until March of 2024.

Alderman Russell asked if the \$700,000 in revenue is a year.

Cynthia said that was and that a one percent sales tax brings in about \$1.4 million a year.

Alderman Russell asked if it has to be a half-cent sales tax or could it be lower or higher.

Cynthia explained that half-cent is the maximum, but it could be below.

Alderman Hartman said as the City continues to grow the need for Police Officers also grows and will continue to put pressure on the budget. He said he believes it is a good idea to put it before the citizens for a vote. He said that the good thing about a sales tax is it is not just the citizens of Smithville that pay it, it is anyone that visits any of our stores. He asked if Smithville was still one of the municipalities with the lowest sales tax.

Mayor Boley said that we were. He also noted that we have been working on trying to be able to get the public safety sales tax for about five years. He explained that our police budget is over \$2 million and our property taxes just this last year was just over \$1 million so part of their budget already comes from sales tax.

Staff Memo

Public Safety Sales Tax

During this legislative session, SB186 passed in the General Assembly and awaits the Governor's signature. The bill allows the City of Smithville to place a half-cent public safety sales tax.

A half-cent sales tax is projected to generate approximately \$700,000 in revenues annually. It is recommended that, if approved, the tax proceeds, be used to fund:

- Addition of two police officers*
- Implementation of an animal control program*
- Vehicle leasing costs associated with police department fleet*
- Equipment upgrades and replacement*

Staff continues to monitor this bill. Three options currently exist for this bill: the Governor vetoes and it does not go into effect; the Governor signs, making it effective; the Governor takes no action, the bill becomes law effective August 28.

At the Retreat, the Governing Body directed staff to work on an Ordinance with language to call for an election on November 7, 2023. Certification of an election is required by Ordinance and must be submitted to Clay County by August 29.

Therefore, staff is developing ballot language for Board review in a Special Session on August 28, once the Bill becomes a law. Approval of the Ordinance would be required as an emergency with two readings at that meeting. If the Bill is vetoed, a special meeting would not be required.

GO Bond Issuance for Public Safety and Operations Facilities

The Board re-confirmed interest in taking a GO Bond Issue to the ballot to fund facility needs. As discussed at the Retreat, the City's current general purpose debt capacity is \$23.7 million. This amount is based on the assessed valuation of property within the city and changes annually in accordance with updates to the City's assessed valuation.

Current cost estimates for facility needs total \$23 million for the following:

- *Police Facility (\$18.5 million)*
- *Animal Control Facility added to Police Facility Project (\$500,000)*
- *Public Works/Parks Operations (\$3.5 million)*
- *Renovation of current City Hall space occupied by Police following construction of new facility (\$500,000)*

Current estimates are that a mill levy to support a general-purpose debt issuance would total between 0.55 cents and 0.60 cents per 1 dollar of assessed valuation.

The Board discussed a desire for a ballot question in April related to issuance of bonds. Certification of ballot language for an April 2024 election would be required in January 2024.

¼-cent Sales Tax for Streets and Sidewalks

When reviewing ongoing infrastructure concerns, the Board has identified an ongoing need for additional funds for street maintenance and funding for a sidewalk gap and replacement program. Additional authority for general purpose sales tax exists and the Board indicated a desire to place a ¼-cent sales tax on the April 2024 ballot for these purposes. A ¼-cent sales tax is estimated to generate approximately \$350,000 in revenues annually.

Cynthia noted that also at the retreat the Board and staff discussed facility needs, both public safety and public works. She explained that information concerning those facilities was presented January of 2022 and since then costs have gone up on construction. The current estimated cost for a police department facility is about \$18.5 million.

In discussions with animal control and the expansion of the water treatment plant and the effect on the existing animal pound, staff is recommending that the Board look at the addition of a separate standing animal control facility to be co-located with the police department facility. Doing this would add about \$500,000 to the Police Department facility project.

Cynthia noted that the expansion of the water treatment plant also necessitated the relocation of the Street Maintenance division of the Public Works Department. Staff is recommending based on discussion with the Board, a co-located operations facility at Smith's Fork Park for park and street maintenance. The current estimate is \$3.5 million for administrative office space and a storage location for vehicles that need to be protected. The public works administrative office space would then be located at City Hall on the Police Department side of the building.

Cynthia explained that there have been discussion with the Corps of Engineers about use of part of the Litton Center for administrative functions of Parks and Public Works. This may become more of a cost and timing issue with discussions and negotiations with the Corps.

Staff has identified \$23 million for funding public safety and operational facility needs. The funds necessary to support the debt service for debt issuance for such expenditures could not support a sales tax. Staff has looked at a mill levy to support a general-purpose debt issue that would total between 55 and 60 cents per \$100 assessed valuation. This would be a bond issuance much like any other significant public investment. Cynthia noted that the discussion of the Board at the retreat was to have this placed on the ballot in April 2024. Certification for that ballot language would have to happen in January. Cynthia explained that a bond cannot go on the November ballot because of the timing of assessment and setting the tax rates.

Cynthia highlighted that we are capped at a portion of our assessed valuation that can be issued for debt. We currently have a debt levy limit which current is capped at \$23.7 million.

Cynthia noted that this year in the budget there are additional funds to help boost expenditures for infrastructure for street overlay and sidewalk improvements. These are one-time expenditures and not included in the draft FY2024 budget. At the retreat the Board also discussed taking a quarter cent sales tax for streets and sidewalks to the voters in April 2024 with a ten-year sunset. That would provide about \$350,000 in revenues to continue those improvements.

Alderman Wilson said that she understands that the bond issuance can not go on the November ballot and asked for it could go on the August primary ballot. She believes it would have a higher voter turnout.

Cynthia said that it could.

Alderman Russell asked if he was correct in his figures that for a \$300,000 home you would have a \$1,650 tax increase.

Mayor Boley explained it would only be \$165, but a \$300,000 house would not be assessed at \$300,000.

Cynthia explained that this would only be for city tax. Based on the .4126 a \$250,000 assessed value home would be \$295 with the add on of the property tax increase it would add approximately \$250.

Alderman Hartman agrees that it might be better to put this on the August primary ballot. He asked about the delay in the revenues start and construction.

Mayor Boley said it would not delay it at all because it would still be January the following year before the revenues would start.

Cynthia noted that staff will continue to monitor SB186 and keep the Board posted on any changes.

4. Wayfinding Signage Priorities and Funding

Gina Pate, Assistant City Administrator, noted that at the Board retreat it was discussed focusing on the downtown as the first phase of the wayfinding signage. In working with the committee came the need for signage for every public attraction/location that

someone could go to in the City of Smithville. Gina explained that this is basically a master plan of every possible sign that could go in Smithville and why it is such a high dollar amount.

Gina explained that she went through the plan for all the downtown signage which included directional signage, entryway signage, etc. and based off of that list the total was \$281,000. She then looked at doing different phases for the downtown area such as downtown historic entryway signs and of each of the four entryway signs, so people have a sense of arrival.

Gina noted that we would also be looking at partnerships to help fund the signage. The Main Street District has applied for a \$50,000 grant through T-Mobile. That grant is due at the end of June, and it takes approximately 60 days to find out if they receive it.

Gina explained that if we do just the historic downtown and the pedestrian kiosk as the first phase the cost would be around \$100,000 for the FY2024 budget. Then in the FY2025 budget we could do the directional signage or a primary entrance sign for the City. She noted that this was up to the Board and what their priorities were.

Alderman Wilson asked if the downtown signage would include pole signage so they would be done at the same time and not have the possibility of the next year the materials not matching.

Gina explained that the point of this plan is to make it as specific as possible and why staff want the Board to adopt the plan to have the same signage or as close as possible.

Staff Memo

Background

As discussed at the Board of Aldermen Budget Retreat that took place on May 17, funding will need to be identified in the Capital Improvement Plan for the installation and fabrication of the Wayfinding Signage in the FY2024 Budget and/or future years.

Comprehensive Plan Alignment

BE.1.1 Enhance Downtown's connection to HWY 169 through wayfinding and gateway placemaking elements such as enhanced signage near the intersection of Main Street and HWY 169.

Budget Considerations

During the Wayfinding Signage and Design Guideline project, the committee worked to identify all possible signage for public places in Smithville. The guidelines include a master list of possible signage, and based on discussion from the Board Retreat, staff has focused initially on the downtown placemaking signs, directional signage to downtown, and a pedestrian kiosk.

Staff continue to work with Smithville Main Street on grant opportunities for signage. Another funding alternative is partnering with outside entities that are included on the signage. For example, some directional signage is to the High School and Elementary Schools.

Based on the Location Plans created by KMA Design, there are several different types of signs for directional and entrances.

Including all these considerations, the total estimated amount is approximately \$281,000. The estimate includes installation cost considerations for each sign. The signage includes the following:

- Downtown Entrance Signs: 4
- Vehicular Directional – 6" Cap Height – Double Panel: 6
- Vehicular Directional – 4" Cap Height – Double Panel: 2
- Vehicular Directional 4" Cap Height – 12
- Pedestrian Kiosk – 1

Staff have identified the locations of the signage on the attached maps. This prioritized approach can be phased further into multiple years based on board feedback. A consideration to include is that the entryway signage should be in place prior (or at the same time) as directional signage, so visitors experience a sense of arrival and know that they have reached their destination. Staff recommends prioritizing the downtown entrance signs during the first phase of the project.

Cost Estimates

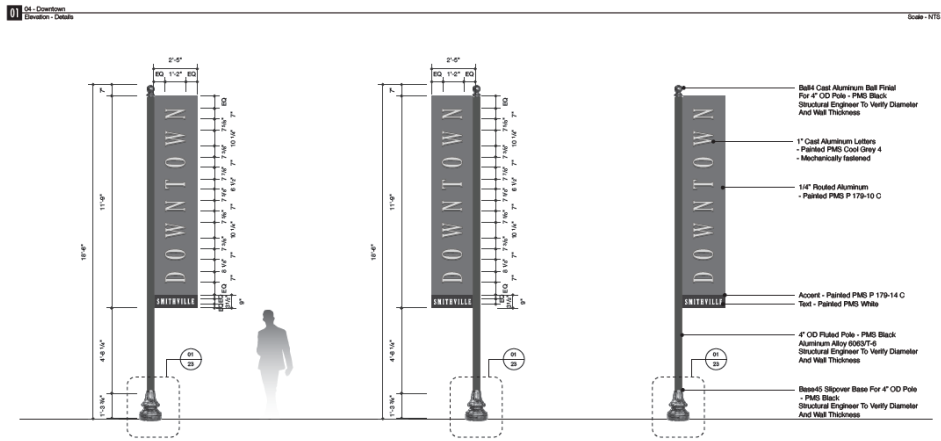
The sign type color on this cost estimate coordinates with the attached location plan documents.

Cost Estimate			Downtown Priority	
Sign Type	Description	Unit Cost	Sign Count	Extended Cost
01	Primary Entrance	\$52,844.12		\$0.00
02	Secondary Entrance	\$81,338.00		\$0.00
03	Tertiary Entrance	\$13,726.51		\$0.00
04	Historic Downtown	\$13,726.51	4	\$70,029.08
05	Vehicular Directional - 6" Cap Height	\$7,023.95		\$0.00
05.1	Vehicular Directional - 6" Cap Height - Double Panel	\$10,975.50	6	\$88,537.56
05.2	Vehicular Directional - 4" Cap Height	\$4,819.44	12	\$57,833.28
05.3	Vehicular Directional - 4" Cap Height - Double Panel	\$6,944.30	2	\$21,450.12
06	Parking Directional	\$4,402.20		\$0.00
07	Destination Identification	\$4,402.20		\$0.00
07.1	Destination Identification - With Tenant Panels	\$4,402.20		\$0.00
07.2	Destination Identification - LED Message Center - 6mm	\$79,262.00		\$0.00
07.3	Destination Identification - Wall Mounted	\$591.13		\$0.00
08	Pedestrian Kiosk	\$13,711.72	1	\$17,492.48
08.2	Pedestrian Trailhead	\$579.33		\$0.00
			Subtotal	\$255,342.52
			Contingency	\$25,534.25
			Total	\$280,876.77

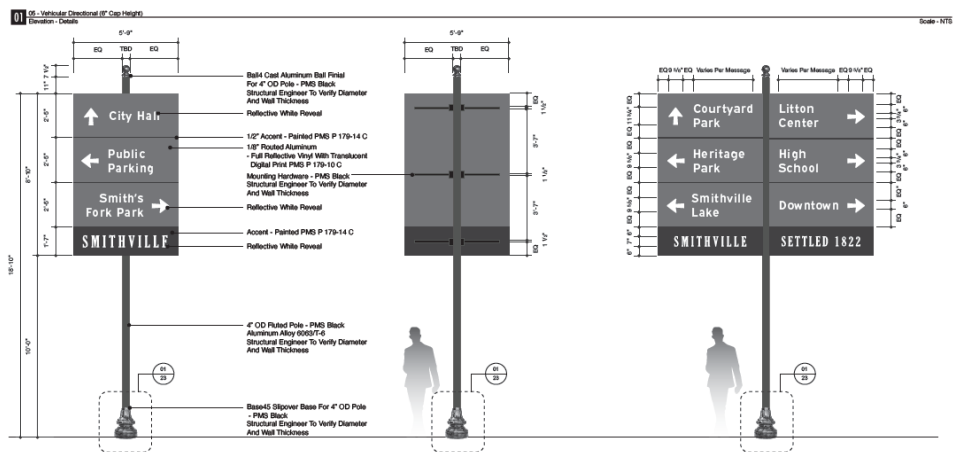
Gina noted that the recommendation for the first phase is for the downtown signage and the second phase the downtown directional signage to ensure they will all be the

same. She also explained that the directional signage will have other locations and facilities such as the schools and the lake listed on them.

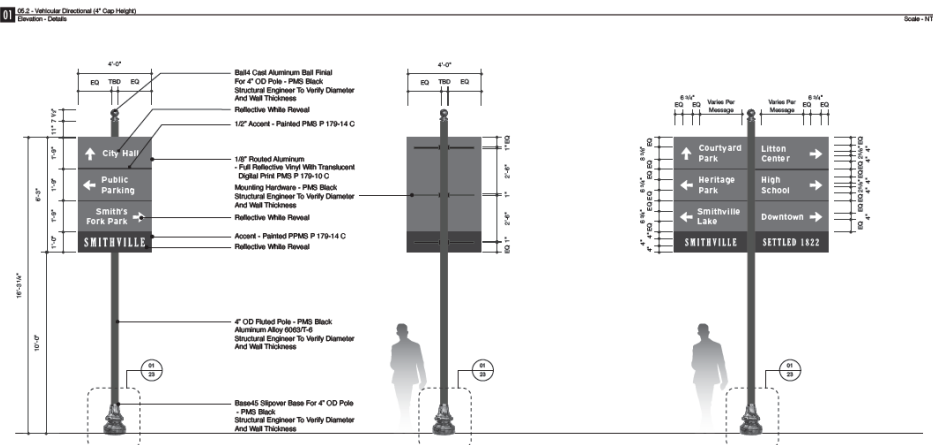
Downtown Entrance Signage



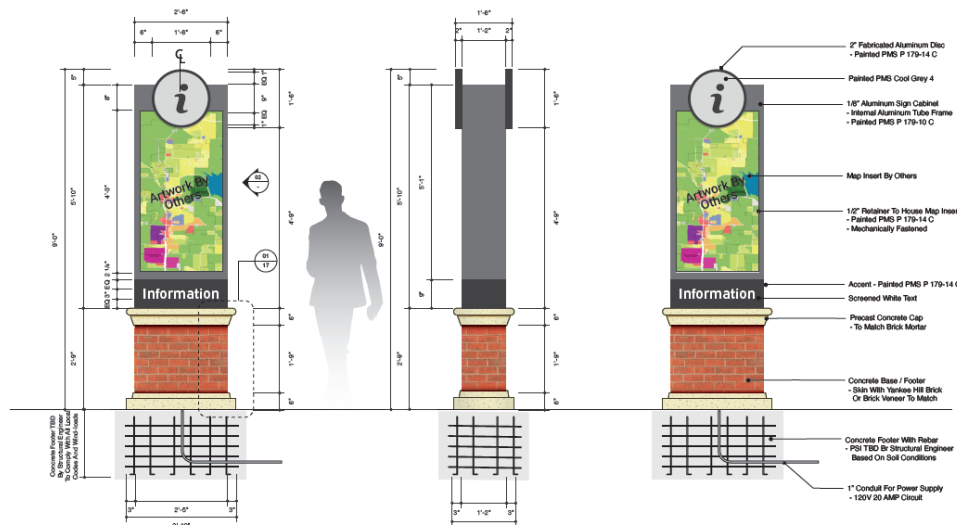
Vehicular Directional (6" Cap Height)



Vehicular Directional (4" Cap Height)



Pedestrian Kiosk



Cynthia explained that the directional signage for historic downtown would be the four signs at the cost of \$70,029.08. If we also did the six 6" vehicular directional signage at the cost of \$88,537.56 it would put us over the \$125,000. If we were to do all of the signage it would be \$281,000.

Cynthia noted that staff is looking for direction from the Board as to their priority. She explained that the total cost of all the signage would be \$281,000 and staff has only plugged in \$125,000 into the FY2024 budget. She asked what phase the Board would like to see done first and if the \$125,000 for the first phase meets their approval.

Alderman Atkins asked if it would be doing the historic downtown signage and the 6" vehicular directional signage in the first phase.

Mayor Boley suggested the historic downtown and the kiosk.

Alderman Ulledahl asked if there was any funding in Streetscape III to help fund this.

Cynthia explained that the figures are already over budget for Streetscape III.

Alderman Wilson asked if the Main Street District receives the grant for \$50,000 could we then go back and look at also putting in the 6" vehicular directional signage.

Cynthia noted that with the grant it would increase the signage funding to \$175,000.

Mayor Boley noted that if they do not receive the grant we will only spend the \$70,029.08 and \$17,492.48. He said to budget the \$100,000 for FY2024 and if we get the grant we can raise it to \$150,000.

Cynthia noted that at the next work session we will begin FY2024 budget discussion beginning with the capital improvement plan.

5. Adjourn

Alderman Ulledahl moved to adjourn. Alderman Atkins seconded the motion.

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:41 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor