

**SMITHVILLE BOARD OF ALDERMEN
WORK SESSION**

August 6, 2024 5:30 p.m.
City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 5:30 p.m. A quorum of the Board was present: Melissa Wilson, Marv Atkins, Dan Hartman, Kelly Kobylski and Leeah Shipley. Ron Russell joined the meeting at 5:31 p.m.

Staff present: Cynthia Wagner, Gina Pate, Chuck Soules, Chief Lockridge, Jack Hendrix, Rick Welch and Linda Drummond.

Economic Development Committee present: Alicia Neth, Pat Luce, Adam Royds, Carol Noecker, John Wallace and Erika Winston. Steve Langley joined the meeting at 5:46 p.m.

2. Board of Aldermen and Economic Development Committee Joint Discussion

Gina Pate, Assistant City Administrator, provided a brief background on what the Economic Development Committee have been working on. She noted that over the past year the Economic Development Committee (EDC) has reviewed the City's Strategic Plan and Comprehensive Plan to look over goals and priorities that they wanted to focus on. They focused on the Strength in Business and Economic Development Pillar which is a key area in both plans. They have assigned different areas of interest through marketing, tourism and also industrial development by having committee members looking at where industrial areas are able to be developed in Smithville. They have had many discussions about goals, and they are here tonight to talk about some of the actions and accomplishments that they have had so far. The committee is seeking any feedback from the Board on whether they should be working on anything else.

Alicia Neth, Economic Development Committee Chair, summarized some of their accomplishments so far. They have discussed murals for downtown, hosted the MU Extension who gave them guidance and a toolkit to use that they turned over to the Smithville Main Street District. They prioritized updating the City's Economic Development page on the website with more information. They provided brochures campers at Smith's Fork Campground with a QR code that takes them to the landing page on the City's website to help drive them to the local amenities. The City has partnered with the Chamber of Commerce to host lunch and learns. The City is currently scheduling the South Employment Overlay District engagement meeting which is really exciting.

Alicia noted that they have their upcoming goals, a creative marketing campaign strategy for tourism and development, review the need of personnel or a vendor to provide marketing services for the City, review opportunities to leverage the lake for economic development, explore Short Term Rentals (STR) visitor data and the website development to continue to make it a one stop shop for tourism and development. Alicia noted that the EDC was looking for a little more guidance if

there is anything that they should be working on in the short and long-term in addition to our upcoming goals and action items. They also wanted to get the Board of Aldermen's vision over the next two to 10 years so they can make sure that they are focusing on the same thing that Board sees for the City in the future.

Adam Royds noted that Alicia spoke about marketing strategy and at the next EDC meeting he is going to bring up leveraging the immigrant business owners and find out if they know people interested in the World Cup. He explained that he had already spoken with the owners of Donut Palace to see if they knew of anyone that might be going to the World Cup and they knew of two. Adam noted that the EDC will need to decide whether they want to do a targeted or a broad-based marketing campaign or if they want to try to actually target certain demographics to bring them over for the World Cup.

Mayor Boley noted that he has a briefing on August 3 on the World Cup. He noted that it is something we should be focusing on for the short-term. He explained that we should think of ways that the region will be leveraging the World Cup because they will be thinking transportation. We should be thinking about a place for people to get on the interim transit, such as the school or Smithville Market Place. Somewhere people will be able to park to and get on the interim transit here.

Alderman Hartman, also a member of the EDC, noted that they were trying to align and measure through the Comprehensive Plan is the metrics. He said that one of the items they will be discussing is a software program that would allow them to have some metrics measured.

Gina explained that they have been looking into the company Placer AI. It is similar to Replica but instead of replicating the data it is actually real time. She believes there might be a 48-hour delay for us to see the data on our dashboard. It would give us the opportunity to really drill down into individual businesses of what kind of demographics, where people are coming from to visit Smithville, where they are staying, are they going to other places. We would have the ability to make a geo area and could map Main Street District, we could map other business districts throughout Smithville, we could do the lake and capture more out of City limit data. To be able to help drive people into Smithville to visit places and other amenities. It would help us get more specific in the categories. Replica's included gas stations and grocery stores in the same category as retail and that did not give us a clear picture of actual retail data. Placer AI will be a lot more granular and useful for EDC and the City in general. Gina noted that you can also view traffic patterns which will be helpful for potential grant applications in the future. It will provide how people are coming to Smithville and why.

Alderman Hartman noted that he heard a statistic that by the time a 13-year-old today has used their cell phone there is over 78 million data points on that 13-year-old. He noted that this is now just part of our life.

Gina added the disclaimer that the Placer AI is all aggregate, so we do not see anyone's individual information.

Mayor Boley noted that when we set the direction for the Strategic Plan six years ago it was with data driven decision making. Mayor Boley added that he appreciated them serving on the EDC. He noted that EDC and the Parks and Recreation Committee are advisory to the Board of Aldermen and the advice the committees provide is valuable. He said that he does appreciate having joint meetings. Mayor Boley noted that it is getting close to updating the Strategic and Comprehensive Plans and asked that the committee start thinking about who to pull into those conversations. He explained that it is a citizen-based Strategic Plan and not the Board of Aldermen and we need to invite as many residents, schools and civic groups to participate.

Adam noted that as we are coming up on the review of the Strategic and Comprehensive Plans there are parts that definitely need to be redone.

Mayor Boley explained that it is not a review it will be writing a new one.

Adam said that the Smithville Main Street District identified the need to change the idea of a downtown oasis. They found that is way too subjective because everyone's idea of an oasis is different.

Mayor Boley noted that the defined area of the oasis is the area between Heritage Park and the dam and maintaining that area natural. He explained that it is the community oasis and not the downtown oasis.

Adam suggested using something other than oasis.

Mayor Boley noted that oasis was the term accepted by the community present five years ago during the strategic planning process.

Mayor Boley asked if the checklists and the format of the Strategic and Comprehensive Plans helped provide the EDC with a road map.

Gina noted that one of the things that the EDC discussed were the longer-term priorities. She asked if the Board wanted them to start working on them now and focus on those as a higher priority or work through the shorter-term priorities first.

Mayor Boley noted that the Planning and Zoning Commission has done a good job of working on the longer-term priorities. He suggested the community art, the business retention visits, focusing on community education and community engagement would be priority for the EDC.

Alicia noted that they had a good meeting with two of the higher ups of Meritas (St. Luke's) here in Smithville to discuss their future thoughts on the Emergency Room (ER) that is no longer being used. She said that they suggested to them using that space as an urgent care facility. They also gave them Carol Noecker's information and suggested working with the High School to get some type of lab tech classes in that space.

Alderman Atkins asked if there has been any discussion on the airport redevelopment.

Mayor Boley clarified that the airport redevelopment is the \$3 billion bond issue that Kansas City passed not an airport here in Smithville.

Gina noted that they have discussed doing marketing at the airport. She said that the marketing campaign that they will begin working on will help with that.

Alderman Atkins asked if they had thought about the school kids providing the art on a rotating basis.

Carol Noecker noted that the students providing the art had been a big part of their conversation, whether to pay an artist or bring in the high schoolers in. She said that there is an art teacher at the High School that has been trained on how to do a client project with students and is interested in doing a project. Carol noted that they are hoping to be able to get something going this year.

Adam explained that they were discussing having the students create the art, but the Missouri Extension told them they need to pay artists. He said that they preferred that they do a call for artists. Adam explained that they are going off of their recommendation since they have been working with them and they gave them the toolkit. The Missouri Extension said that they needed to get public feedback, so Adam went to Hot Summer Nights and surveyed some of the people attending. He had four or five statements about the lake, the theme "Lake Life", public art, do you agree or disagree. He had 17 participate last weekend and they were all in agreement. Adam noted that so far a "Lake Life" themed mural is surveying well. He will be doing the survey through the month of August, then collating the data and sending it to Elena at Missouri Extension and then seeing what they need to do next. They hope to have something ready to begin by next spring.

Carol explained that since the students would be doing this during the school year they are thinking of doing something that can be installed either inside or outside, even partnering with local businesses. Maybe doing something in pieces so they can do the work and then can install it.

Alderman Russell asked if they had considered asking for feedback from the brochure placed at Smith's Fork Campground, such as asking people for feedback on what places they visited while here, what they thought the City should have that they would enjoy.

Gina noted that she liked the idea of getting feedback from the visitors.

Steve Langley noted that he understood the Missouri Extension wanting the funding the art but would like to see the students incorporated also.

Alicia noted that they had definitely touched on using both artist and students at their meetings for the mural.

Mayor Boley asked what acreage amount was needed for a truck stop.

John Wallace explained it was generally eight to twelve acres depending on how many fueling stations.

Alicia said that having a truck stop would be beneficial especially during harvest season.

John explained that what people do not realize is the amount of volume that these types of stations can do. He said that it is not uncommon for a single location to do \$70 to \$100 million a year in retail and would be a large tax contributor to the city.

Alderman Hartman noted that we are up to 12 or more STR's in Smithville and a lot of those individuals shop and dine locally. He said it is because we do not have a large hotel. Alderman Hartman suggested gathering the data, such as Air DNA, or talking to management companies that do that. He said that information would be important because there is some economic vitality there.

Gina noted that she had a meeting with a property management group for short term rentals and they shared with her more information about why people are staying in Airbnb's. Surprisingly, a lot are visiting family or going to a specific event or for work. Gina said that she was surprised to hear to most of the people staying at the STR's were not coming here for the lake. Gina noted that after talking to them we have discussed doing a business catalog, so she will work with Erika Winston at the Chamber to put a booklet together to put in the STR's that lists things to do in Smithville that would just stay at the property to help get those visitors to visit our amenities.

Adam asked if there was any way to gather data to find out the demand of the STR's and use that to see if there is a demand for a hotel.

Mayor Boley explained that we do not have a tax incentive for a hotel. Developers can go three miles down the road and get tax incentives. We do not have the available land that is zoned for it or the infrastructure for it. Hotels use a lot of water and sewer and right now the City does not have enough sewer capacity for a hotel.

Adam asked if the EDC should even be thinking about a hotel for the longer term and instead focus more on the STR's.

Mayor Boley said maybe focus more on the campground. Think about whether to focus more on the glamping crowd or the workforce crowd.

Adam noted that this was good information for EDC, and they can start focusing more on the campground, STR's and the possibility of tiny homes. John noted that there is a fairly large amount of land near the water tower south and west of town.

Mayor Boley asked if he were referring to the South Overlay District that is a conceptual plan to say what we would like to see in that area. It is not an area that

is ready to be developed. He explained that we need the plan in place and that will take time.

Alderman Wilson suggested that EDC consider marketing the STR's at the golf course. She said that the golf course gets a lot of calls when they bring in these golfers that come in for a long weekend asking where they can stay. She suggested putting marketing information about things to do here locally at the golf course.

Mayor Boley asked Gina to get the golf course the QR code that they use at the campground.

Gina explained that she is ordering more and will be putting them out twice a year so they will be refreshed with the seasons. She said she will reach out to the golf course.

Cynthia thanked the EDC for all their efforts and for taking the time to meet with the Board this evening.

3. Discussion of Combined Water and Wastewater Fund

Rick Welch, Finance Director, presented the FY2025 proposed utility rate adjustments.

Utility Rate Adjustment – Review Process

June 2024 – Utility Rate Model Update

July 2024 – Staff Review

August 2024 – Review with Board of Aldermen

October 2024 – Approval of Utility Rate Adjustments

Developing the Combined Water and Wastewater (CWWS) Fund Budget

Utility rate adjustments are necessary to fund the following items:

- Ongoing Water & Sewer “Pay-As-You-Go” (Cash Funded) Capital Improvement Projects Recommended from Water and Wastewater Master Plans.
- Future Water & Sewer Debt Financed Projects (WTP & WWTP Plant Expansion Projects) Recommended from Water and Wastewater Master Plans.
- Increased Expenses for Operational Maintenance and Repairs for the CWWS System.
- Equipment Upgrades (Water Master Plant Update, Wastewater Master Plant Update and Plant Renewal, Sewer Jetter Machine, Wet Well Wizard, and Chemical Building Lighting and Windows Replacement).

Five Year CIP – CWWS Fund

Capital Improvement Project Name	FY 2025	FY 2026	FY 2027	FY2028	FY2029
West Bypass of the 144th Street Lift Station (Construction)	\$2,200,000	-	-	-	-
144 th Street Lift Station (Construction)	\$100,000	-	-	-	-
144 th Street Lift Station Federal Earmark	-\$1,500,000				
Smith's Fork Force Main (Construction)	\$600,000	-	-	-	-
Owens Branch Gravity Line Phase #1, Line #1 (Engineering)	\$200,000	-	-	-	-
Maple Ave & River Crossing (12" Waterline) (50% of Construction)	\$700,000	-	-	-	-
Stonebridge Lift Station (Engineering)	\$30,000	-	-	-	-
Stonebridge Lift Station (Construction With SSD Cost Sharing)	\$1,300,000	-	-	-	-
Water Plant Improvements (Construction)	\$1,400,000	-	-	-	-
McDonalds/Central Bank Lift Station (Engineering)	\$100,000	-	-	-	-
Grand Total (Net Cost)	\$5,130,000	\$0	\$0	\$0	\$0

Five Year CIP – CWWS Fund - continued

Capital Improvement Project Name	FY 2025	FY 2026	FY 2027	FY2028	FY2029
Interconnect Mains at 144 th /169 Highway/Major Mall (S2, Construction)	-	\$55,000	-	-	-
Highway 92 & Commercial Waterline (Engineering)	-	\$150,000	-	-	-
Smith's Fork Park Waterline (Construction)	-	\$170,000	-	-	-
Owens Branch Gravity Line Phase #1, Line #1 (Construction)	-	\$1,150,000	-	-	-
Highway 92 & Commercial Waterline (Construction)	-	\$300,000	-	-	-
Owens Branch Gravity Line Phase #1 and #3, Line #2 (Engineering)	-	\$1,000,000	-	-	-
McDonalds/Central Bank Lift Station (Construction)	-	\$500,000	-	-	-
Grand Total (Net Cost)	\$5,130,000	\$3,325,000	\$0	\$0	\$0

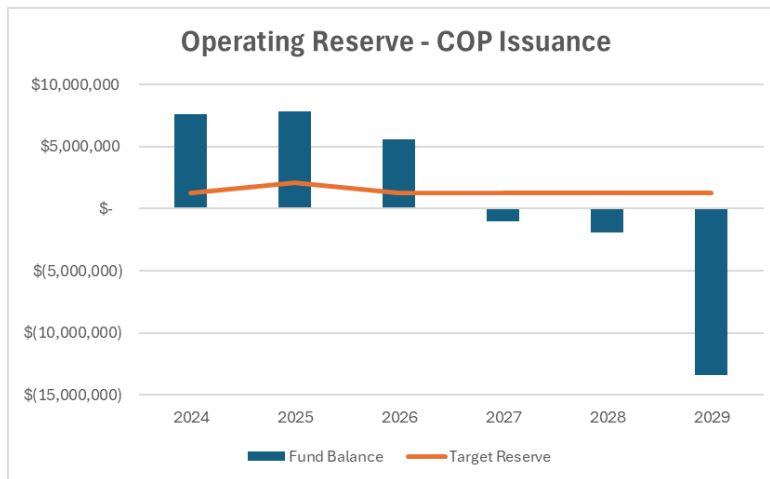
Five Year CIP – CWWS Fund – continued

Capital Improvement Project Name	FY 2025	FY 2026	FY 2027	FY2028	FY2029
Owens Branch Gravity Line Phase #1, Line #3 (Construction)	-	-	\$2,000,000	-	-
Wastewater Treatment Plant Expansion (Engineering)	-	-	\$1,050,000	-	-
Owens Branch Gravity Line Phase #1, Line #2 (Construction)	-	-	\$2,500,000	-	-
Water Plant Expansion (Engineering)	-	-	\$2,100,000	-	-
Additional Water and Wastewater Project Funding	-	-	-	\$2,000,000	-
Wastewater Treatment Plant Expansion (Construction)	-	-	-	-	\$3,000,000
Water Plant Expansion, Phase I (Construction)	-	-	-	-	\$7,500,000
Additional Water and Wastewater Project Funding	-	-	-	-	\$2,000,000
Grand Total (Net Cost)	\$5,130,000	\$3,325,000	\$7,650,000	\$2,000,000	\$12,500,000

* Projects with a **GREEN** background are new to the 5 Year CIP.

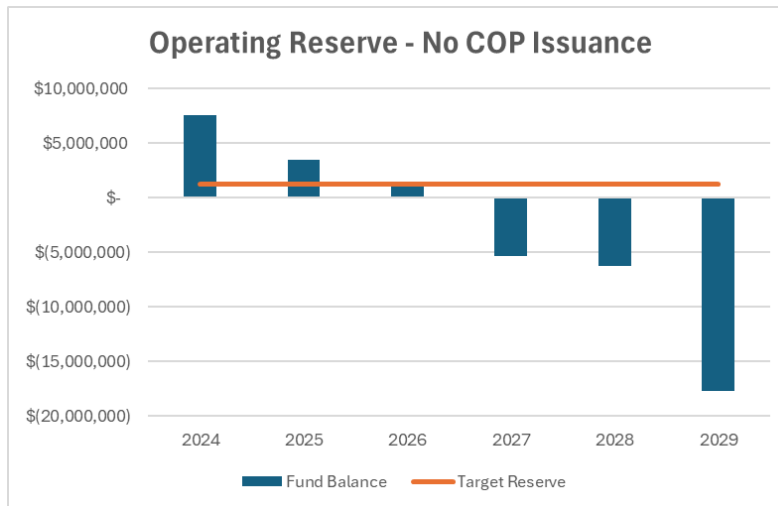
Projects with a **RED** background expenditures past the 5 Year CIP.

CWWS Cashflow – COP Issuance
No Rate Increase



Cashflow with issuance of COP debt, but no rate increase helps maintain a fund balance above the target reserve until FY27. Model does not include an annual rate adjustment of 15% to both water and wastewater, which was recommended in the rate study.

CWWS Cashflow – COP Issuance No Rate Increase



Cashflow without issuance of COP debt and no rate increase helps maintain a fund balance above the target reserve through FY25. Model does not include an annual rate adjustment of 15% to both water and wastewater, which was recommended in the rate study.

Proposed Changes – Water Fixed Rates

Water Rates	FY2024	FY2025 (Proposed)
Monthly Water Fixed Charge (3/4" and 1" Residential Meter)	\$14.70 / Month	\$16.91 / Month
<i>Senior</i> Monthly Water Fixed Charge (3/4" and 1" Residential Meter)	\$12.50 / Month	\$14.38 / Month*

15% Proposed Increase on the Monthly Water Fixed Charge.

*Senior Rate reflects a 15% discount from the regular rate.

Proposed Changes – Water Volume Rates

Water Rates	FY2024 (Current)	FY2025 (Proposed)
Monthly Water Volume Charge	\$10.40 Per 1,000 Gallons Used	\$11.96 Per 1,000 Gallons Used
Wholesale Water Rate	\$6.21 Per 1,000 Gallons Used	\$7.14 Per 1,000 Gallons Used

15% Proposed Increase on the Monthly Water Volume Charge (Including Wholesale Rate at Which Water is Sold to PWSD #8

Proposed Changes – Wastewater Fixed Rates

Wastewater Rate	FY2024 (Current)	FY2025 (Proposed)
Monthly Wastewater Fixed Charge (3/4" and 1" Residential Meter)	\$21.19 / Month	\$24.37 / Month
<i>Senior</i> Monthly Wastewater Fixed Charge (3/4" and 1" Residential Meter)	\$18.01 / Month	\$20.71 / Month*

15% Proposed Increase on the Monthly Wastewater Fixed Charge

*Senior Rate reflects a 15% discount from the regular rate.

Proposed Changes – Wastewater Fixed Rates

Wastewater Rate	FY2024 (Current)	FY2025 (Proposed)
Monthly Wastewater Fixed Charge (3/4" and 1" Residential Meter)	\$21.19 / Month	\$24.37 / Month
<i>Senior</i> Monthly Wastewater Fixed Charge (3/4" and 1" Residential Meter)	\$18.01 / Month	\$20.71 / Month*

15% Proposed Increase on the Monthly Wastewater Fixed Charge

*Senior Rate reflects a 15% discount from the regular rate.

Proposed Changes – Wastewater Volume Rates

Wastewater Rate	FY2024 (Current)	FY2025 (Proposed)
Monthly Wastewater Volume Charge	\$8.84 Per 1,000 Gallons Used	\$10.17 Per 1,000 Gallons Used

15% Proposed Increase on the Monthly Wastewater Volume Charge

Proposed Changes – Water Fixed Rates

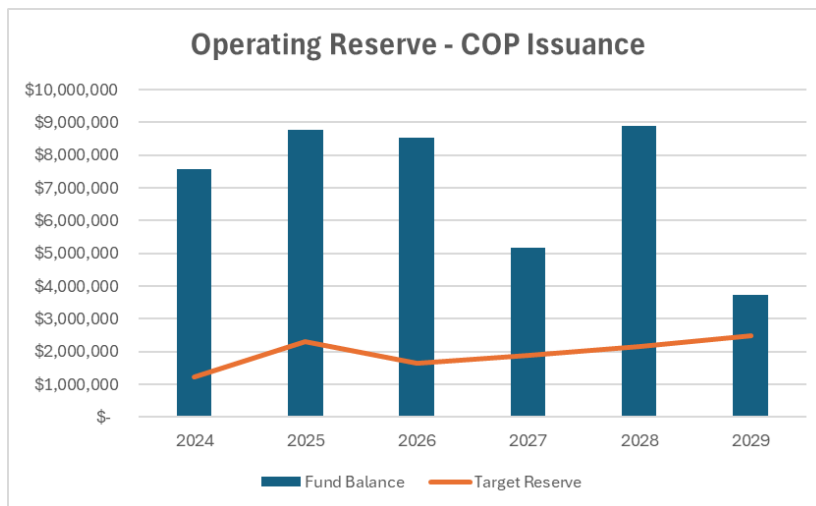
Non-Resident (Outside City Limit) Customers	FY2024	FY2025 (Proposed)
Sewer Only (Outside City Limit) Customers	\$81.68	\$92.61
Water Only (Outside City Limit) Customers	\$22.05 / Month + \$15.60 / 1,000 Gallons	\$25.37 / Month + \$17.94 / 1,000 Gallons
Water Only (Outside City Limit) Customers – Senior Discount	\$18.74 / Monthly + \$15.60 / Gallons	\$21.56 / Monthly + \$17.94 / Gallons

This Rate is Set By City Ordinance No. 3208-23, Section 705.040.

Ricked explained that these are the fixed charges and the fixed based on volume charges.

Cynthia noted that the fixed charges apply to all utility accounts.

CWWS Cashflow – Rate Increase and COP Issuance



Cashflow with proposed rate increase and COP issuance helps maintain a fund balance well above the target reserve of 20% of operating revenues.

Model assumes ongoing rate adjustments of 15%, per rate study, for water and wastewater rates each year.

Alderman Wilson asked how the CIP projects flow if the privatization does happen.

Rick explained that currently we have the CIP projects prioritized based on the needs that have to happen. He noted that we have to operate as if we are not going to privatize.

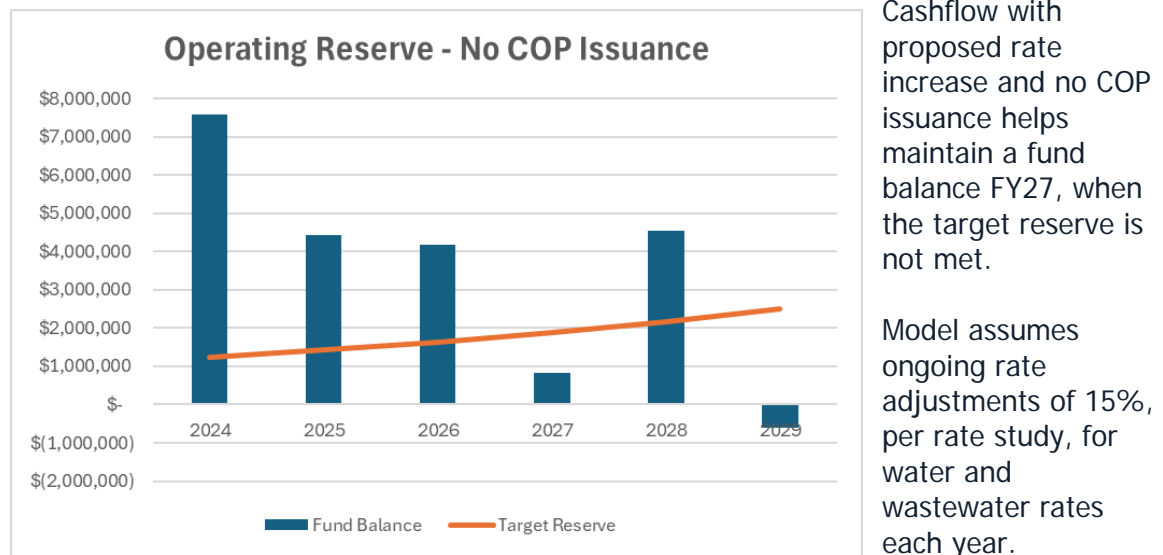
Cynthia explained that the CIP projects presented here are the priority projects based on cash flow. She noted that we know that we have significant needs and costly expansions that are necessary to the system in order to provide services and also ongoing maintenance costs. Cynthia explained that one of the reasons we are reviewing privatization as a possibility is to help with that cash flow. Another reason is because in 2018, when we initiated the utility rate study and every year since we

have been looking at double digit increases to take care of and finance those enhancements to the system and also the ongoing maintenance. Cynthia added that she wanted everyone to understand that our water and wastewater utilities are funded through user charges. She noted that one of the things that has helped us is the grant and federal funding that we have applied for and received. There are no tax dollars (sales or property taxes) that support the utilities. Exactly zero Smithville tax dollars go into the water and wastewater funds.

Alderman Hartman appreciated Cynthia reiterating that and added that businesses pay a higher amount and if they are a new business they have to pay impact fees.

Cynthia added that not only new businesses, but also new larger volume service pay the impact fees. Residential areas we look at the impact to the system and those fees are included as part of the calculus. Cynthia explained that we have not used the impact fees collected we have saved them because they need to be used for the expansion of the system based on the impact of those new systems.

CWWS Cashflow – Rate Increase and No COP Issuance



Mayor Boley noted that as we have looked at this over the last five years we have always had a dip that we have never actually hit because bill come in late, projects are delayed, interest rates, etc. He said that yes this is hypothetical, but we have never gotten close.

Cynthia added that two years ago we were seeing a dip and were looking at the COP issuance for the 144th Street project since then that project has change in scope and now has that federal earmark funding that helps us with cash flow. Cynthia noted that we are not saying that we will not need the issuance of COP later, this just saves us the debt costs of issuance of COPs right now. This is a fund that staff continues to watch and monitor.

Mayor Boley noted that we also had the same scenario when we did the raw water pump station and the sewer improvements at Smith's Fork. We were going to have

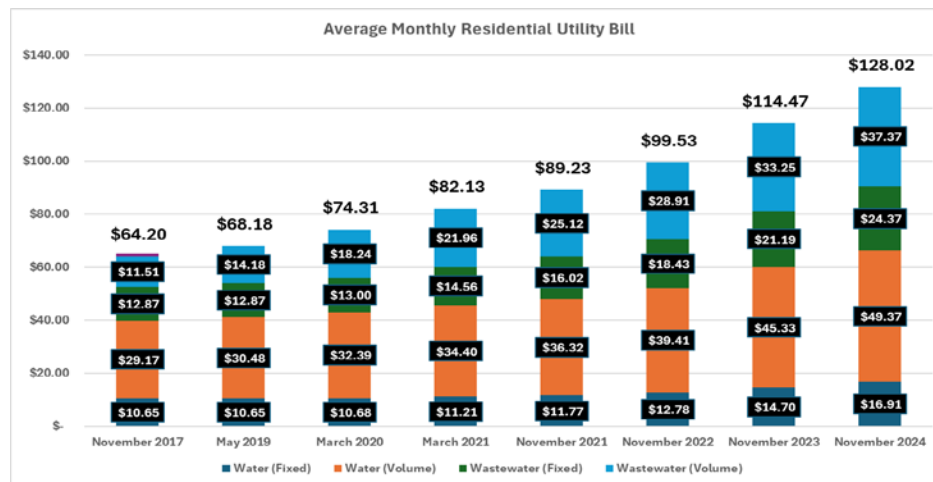
to do the issuance of COPs but did not have to because we received federal funding. He noted that staff works hard to obtain grant funding but there is no guarantee we will receive them.

Cynthia noted that this is also based on the assumption of significant rate increases and to maintain the system that is what is required.

Mayor Boley noted that over the past few years the cost of materials and chemicals has gone up significantly.

Cynthia added that the cost of engineering and design continues to go up as well.

Average Monthly Utility Bill Water and Wastewater Only

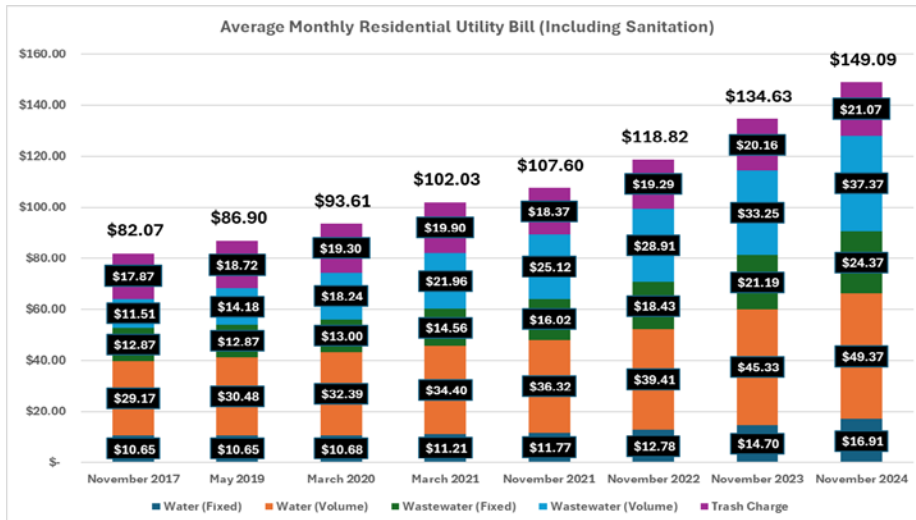


Water Usage
Assumption:
4,128
Gallons.

Wastewater
Usage
Assumption:
3,675
Gallons.

Mayor Boley noted that when we did the rate study the Board wanted to focus on usage charges because they wanted to encourage conservation of water to not have to expand the system.

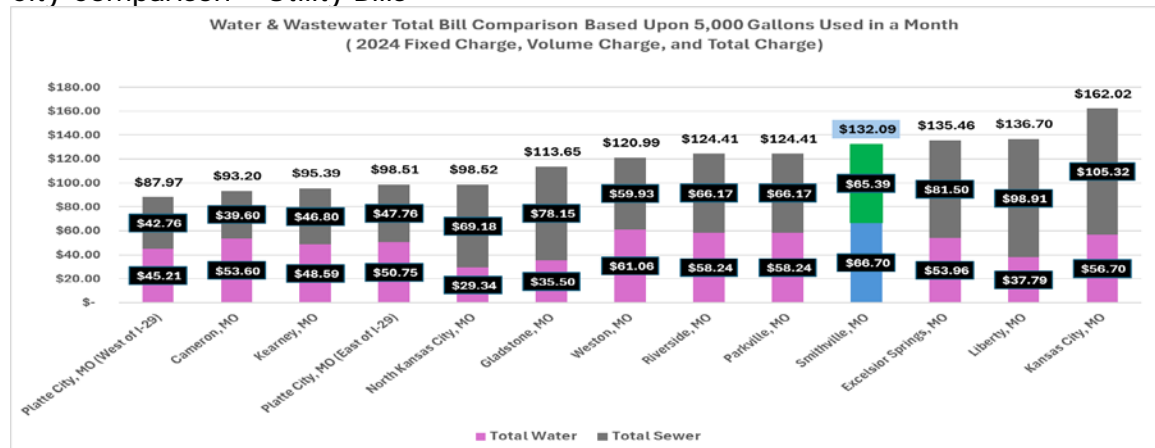
Average Monthly Utility Bill Including Trash



Water Usage
Assumption:
4,128 Gallons.

Wastewater
Usage
Assumption:
3,675 Gallons.

City Comparison – Utility Bills



Alderman Russell asked why our wastewater was so high.

Cynthia explained that this is all based on the same amount of usage 5,000 gallons.

Rick explained that on the chart the top color is sewer, and the bottom color is water.

Alderman Wilson asked how many of the cities used in this comparison have their own water and wastewater facilities.

Rick said that there is probably a third to fifty percent that do.

Alderman Wilson noted that it would be nice to know how many cities have their own as we do the comparison of keeping our system inhouse versus selling it.

FY2025 Budget Process Schedule

- FY2025 Operating Budget and 5 Year CIP Review: 1st Discussion (August 20)

- FY2025 Operating Budget and 5 Year CIP Review: 2nd Discussion - If Needed (September 3)
- Public Hearing for Sewer Rates as Required by Missouri State Statute (October 1)
- FY2025 Operating Budget on 1st Reading (October 1)
- Adopt Water & Wastewater Utility Rates by Board Resolution (October 15)
- Adopt the FY2025 Operating and Capital Budget on 2nd Reading (October 15)

Alderman Hartman noted that if you use it you have to pay for it.

Alderman Russell said that he understands the rising cost of everything and inflation, but the increase of rates is a sore subject. He noted that the capital projects is a primary driver of the proposed rate adjustment. Alderman Russell believes that there are several capital projects that we could look at pushing further out and scale back to spending only \$3 million a year on projects and not doing the 15% rate increase.

Rick asked if he was suggesting that the capital improvement projects be capped at \$3 million a year for 2025, 2026, 2027 and 2028.

Alderman Russell said yes, and he know that the projects change in priority, but to look at what projects could be pushed out further and not have to raise the rates.

Alderman Wilson explained that part of the reason we are having to do the rate increases now is because of exactly what Alderman Russell is suggesting: pushing projects out further. Alderman Wilson explained that has been done for the last 20 years that she has lived here and why we are in the situation that we are in now. She said she did not know that it would be a good thing to push projects out further.

Alderman Russell said that since he has lived here that is what he has heard. That the City pushed out everything and did not fix anything and that is what has gotten us where we are today. He said that we need to see what needs fixed now and fix it right not just using a band-aid. He said he would just like the Board to look at where we could cut back on the capital improvement projects.

Rick explained that staff is constantly looking at this. This is a fluid project listing that we are working with and if we can do that we will definitely look at doing it. Rick noted that right now these priorities are immediate and the \$5.5 million for 2025 is where we stand.

Cynthia explained that we have moved projects and continue to review them. She noted that when the master plans were done the wastewater treatment plant expansion was to start in 2025/2026 and we continue to push those out. Cynthia noted that we have to be realistic, and we need to continue to serve the needs of the community. She explained that the CIP is not just about the growth. The CIP is also about the maintenance of the system. This year we have spent a significant amount on enhancements to the water treatment plant just so we can keep it functional. The older the systems are, the more expensive it is to maintain them.

Mayor Boley noted that this is all about the growth from the end of the 1980's until the beginning of the 2010's when they built the 33 pump stations that have caused the problems we have now.

Chuck Soules, Public Works Director, noted that the four big projects, 144th Street pump station is needed because we are reaching capacity at Hills of Shannon that will provide capacity for anything to the south. When Chuck first started with the City, Forest Oaks project was supposed to be starting but it cannot until the 144th Street Pump Station gets in. We put in the new pump station at Smith's Fork and now we need a new force main there because we have a four-inch line that only has a minimal amount of sewage pumping out of it and we have to get it replaced before it plugs up. At the river crossing there is one feed the north end of town and we need to get another water line across the river to make sure that we have a safe continuous volume of water going north and the School District is depending on the Stonebridge Lift Station. Chuck said that these are the projects scheduled for next year that are pushing the expenses up and they were supposed to begin this year but were pushed. Chuck explained that the water and wastewater plant expansion is more population driven. The wastewater plant is in good shape, and we are making the improvements needed to the water plant this year. We will continue to watch population growth to see when those expansions are needed.

Alderman Hartman noted that cost and availability of construction materials and engineering continues to go up. He said that he absolutely understands where Alderman Russell is coming from and would like to delay these projects. Alderman Hartman said that in delaying the projects now the cost of the materials and engineering could also be more than they are now. He said that there is no way to beat inflation.

Cynthia noted that staff does not want to bring 15% annual increases to the Board. She said that this is the most responsible way of moving forward so we are not digging a deeper hole.

Alderman Hartman said that staff will continue to crunch the numbers, and the Board will have to make those tough decisions that are not easy to make.

Cynthia noted that staff has and will continue to work very hard to try to secure federal funding for projects to help to push back the need for issuing COP's.

4. Discussion Schedule of Fees

Rick Welch, Finance Director, presented the FY2025 proposed changes to the Schedule of Fees.

Schedule of Fees – Review Process

June 2024 – Fee Comparison Research

July 2024 – Staff Review

August 2024 – Review with Board of Aldermen

October 2024 – Approval of Schedule of Fees

Administration Department

Occupational Licenses	FY2024	FY2025 (Proposed)
Annual Fee	\$50 (\$0 to \$100,000) \$75 (\$100,000.01 to \$150,000) \$100 (\$150,000.01 and Over)	\$75

Rick noted that we need to change the verbiage in the current Ordinance for this change.

Jack Hendrix, Development Director, explained that staff is looking for direction from the Board on a couple of issues with this Ordinance. The first is Section 610.020 is the license's required provision in our code.

Section 610.020 Licenses Required — Fees To Be Paid.

Every person, firm or corporation who shall maintain, operate or conduct any of the businesses or trades listed in Section 610.130 or exercise any of the privileges specified in this Section shall obtain a license to do so and pay the license fee or tax prescribed in Section 610.130. All license taxes or fees required in this Section shall be due and payable on the first day of December of each year and shall be delinquent on the 31st day of December each year. A late payment fee equal to ten percent (10%) of the required fee shall also be required for all payments received after the due date and shall additionally accrue additional penalties in the amount of one percent (1%) per month for each month or part thereof for payments received after such fees become delinquent.

Jack noted that the next one is Section 610.030 term of license and prorating of those fees.

Section 610.030 Terms Of Licenses — Prorating Of Fees.

The regular license period for the City of Smithville is from December 1 through November 30 of the following year and when any person shall apply for a new license or a renewal of an existing license from the City and the remaining period for which the business may be operated shall be less than twelve (12) months, the license fee shall be as follows: If such license shall run more than one (1) month and less than six (6) months, then the license fee charged shall be one-half (1/2) the license fee charged for the full twelve (12) months. If such period be more than six (6) months and less than nine (9) months, then the license fee charged shall be three-fourths (3/4) of the license fee charged for the full twelve (12) months. If such period is for more than nine (9) months, then the license fee shall be the same as for twelve (12) months.

Jack explained that there is language inside the Ordinance is language that was added sometime in the 2000's that says, "any person shall apply for a new license or a renewal of an existing license". He noted that little addition effectively means that every bit of the previous section on late fees goes away, and it encourages people to not renew their licenses until after 90 days. That not only allows them not to pay the late fees it allows them to pay less. This then triggers the City to have to go out and do enforcement, which could potentially mean shutting down businesses.

Jack explained that in order to correct this scenario and restore the late fees provision would be to delete that language.

Mayor Boley asked if the language might have been added for seasonal businesses.

Jack said that he could not find anything in the minutes that explained why this language was added.

Cynthia noted that one of the reason that staff would like to clean up the language is because we are not really enforcing it at this time because it is hard to enforce. The recommendations that staff is bringing forward is more grounded in reality.

Mayor Boley noted that state statute language changed for home-based businesses and also for businesses that do not have customers that come in.

Jack explained that we have a list of those approved businesses.

Mayor Boley explained that if you have multiple LLC's because you have multiple rental properties you do not have to have multiple business licenses.

Jack explained that you can have one business being issued the license, but they could have multiple DBA's underneath it is doing the same type of business.

Jack asked for direction from the Board on whether they would delete the renewal language, delete the other provision related to late fees or something that the Board would like to come up with. Jack explained that the simplest solution would be to delete the renewal. He noted that one of the reasons why this is important is because we are in the process of upgrading to the content manager software that will require us to update all of our applications. This information will need to go into the forms to make them easier to understand.

Cynthia clarified that the content manager software is an upgrade to our financial software. This will give us the ability to have online applications and online renewals. Staff is working on implementation of business licenses this year.

Mayor Boley noted that one of the things that we struggle with is people getting their mail so it would be nice to have this capability.

Alderman Wilson said that it sounded like the cleanest thing would be to remove the section that Jack is suggesting.

Alderman Hartman added that he concurs with Alderman Wilson.

Jack noted that another item that will need to be changed is the cost contained in the Ordinance and he suggested that be cleaned up by saying "per the schedule of fees as approved by the Board of Aldermen".

Police Department

Hourly Services	FY2024	FY2025 (Proposed)
Sergeant Hourly Services – 4 Hours Minimum	N/A	\$80

- Hour minimum excludes the School Districts, not the rate.
- Sergeant is mandatory when officer needs of 5 or more are required.

Rick noted that at this time Festiville is the only event that this would affect.

Chief Lockridge noted that this is just for larger events. Right now, the only one that we have is Festiville, but he said that he could see in the near future having more events of this size where we will need five or more officers on scene and the need for a sergeant onsite to actually manage everything. Chief explained that Festiville started requesting a sergeant's presence about three years ago.

Alderman Wilson asked if the \$80 was an hour and if it was the norm for the region.

Chief Lockridge said that it was \$80 an hour. He explained that was building off the same calculation was use for the officers and extrapolate it in conjunction with the sergeant's wage.

Cynthia explained that Hancock allows us to charge our costs not what is comparable.

Development Department

Zoning	FY2024	FY2025 (Proposed)
Rezoning - Residential	\$250	\$250
Rezoning – All Others	\$250	\$250
Site Plan Review Application	\$250	\$250
Conditional Use Permit	\$500 + Individual Projection Requirements	\$500 + Individual Projection Requirements

No change – Added to Schedule of Fees

Multiphase Subdivisions	FY2024	FY2025 (Proposed)
Minor Plats	\$25	\$35
Single-Phase Subdivisions	\$350 + \$2.00 / Lot	\$500

Mayor Boley asked if the changes to these were for the staff time and then for the subdivision making it easier with a flat fee.

Jack explained that for the rezoning there are actually two rates, and it is not what we are charging. The charge for residential is \$125 and staff spends about \$250 in man hours, so we are proposing a \$250 fee. Jack explained that for the site plan review we charge \$75 and staff spends \$250 worth of time.

Alderman Russell asked what we are charging now if not the \$250.

Jack said the correct current charge is:

Rezoning - Residential	\$125
Rezoning – All Others	\$175
Site Plan Review Application	\$75

Conditional Use Permit - a deposit and then pay for the individual projections

Jack explained that the minor plat is a fairly simple review but more than \$25 staff time. The subdivision prices are going up based on the average of staff time.

Alderman Wilson asked if all of rezoning is going to be \$250, will it be necessary to break them out or can they all be grouped together as rezoning.

Jack explained that rezoning was listed like that was because it does have the different fees now and he did not catch the mistake.

Alderman Wilson asked that once approved it would just be rezoning \$250.

Jack said it would.

Parks and Recreation Department

Youth Recreation Program Fees	FY2024	FY2025 (Proposed)
Little Hoopster League	N/A	\$55 / Child
Adult Recreation Program Fees	FY2024	FY2025 (Proposed)
Gravel Grinder Bike Race – All Lengths	Fee Set on Annual Basis	Removed
Pickle Ball	N/A	Fee Set on Annual Basis

Adult Non-Sport Programming	N/A	Fee Set on Annual Basis
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Parks and Recreation Department (continued)

Event Application Fee & Staffing Service Fee	FY2024	FY2025 (Proposed)
Parade Fee (Paid By Parade Organizer)*	\$100 / Parade + \$200 Damage Deposit	\$100 / Parade + \$200 Damage Deposit

* Parade and special event fees are waived for the Smithville R-II School District and Smithville Main Street District.

The \$200 damage deposit must still be paid for all parade applicants.

Previously stated: Parade fees are waived for parades organized by the Smithville R-II School District. The \$200 damage deposit must still be paid for all parade applicants (including the School).

Alderman Russell asked if there Gravel Grinder was not going to be held any longer.

Mayor Boley noted that it would no longer be an event put on by the City.

Facility Rental Discounts	FY2024	FY2025 (Proposed)
City Employee Rental (facilities and programs)	50% Discount + Required Deposit	50% Discount + Required Deposit

Previously Stated: City Employee Rental (Senior Center, Shelters, Green Spaces: During Non-Peak Rental Times)

Finance Department

Services Fees and Charges	FY2024	FY2025 (Proposed)
Online Credit Card Processing Fee	2.50% + \$1.25	2.50% + \$1.25

Public Works (Utilities)

Other Impact / Connection Fees	FY2024	FY2025 (Proposed)
Stonebridge Connection Fee	N/A	\$3,900 Per GPM (total, no additional sewer impact fees)

Alderman Russell asked for an explanation of this.

Chuck explained that the existing customers in the drainage basin of the Stonebridge Lift Station are going to have sewer service when we hook it back up. The undeveloped lots will be paying their share based on the gallons per minutes of how they develop. For instance, if it is a restaurant they will pay a little than if it is a house. Chuck does not believe there are any homes slated for that area. Chuck explained that they figured how much it was costing to build the lift station, how much per gallon and then calculated the capacity. He added that the School District is participating in it because they will be connecting to it, so staff will bring forward an MOU with the School District that they will pay \$100,000 for their connection to the lift station.

Alderman Russell asked if it was a one-time fee.

Chuck said it will be a one-time sewer impact fee but there will still be water impact fees.

Water Services	Water Services	Utility Billing Services Deposit
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Heading Change Only

Stormwater Fees & Miscellaneous Fees	FY2024	FY2025 (Proposed)
Stormwater (Sump Pump) Service Charge	\$20 / Month	\$20 / Month

Descriptive Change Only

Rick explained that if someone has a sump pump that is hooked to the sewer they are charged this fee. If someone has a sump pump and it discharged into the yard there is no charge. If a customer has the stormwater service charge on their bill and knows that it is being discharged into the yard they can contact the City and have it inspected to have the fee removed.

Mayor Boley asked if we could do something to get the remainder of the sump pumps that are connected to our sewer removed.

Chuck explained that there was a big move in the utility world with the NRDS permits coming around to give customers time to have their sump pumps checked to make sure they were not connected to the sewer. He said it was his understanding that Smithville had already checked the residents of the people that would let them verify whether their sump pumps were connected or not.

Alderman Hartman asked if we could send letters to the remaining customers that have not had there resident checked for the sump pump reminding them they should and could have that fee removed from their bill.

Cynthia noted that staff will work on a “Did You Know” to get the information out.

Residential Water Fees	FY2024	FY2025 (Proposed)
Water Meter Service Charge (3/4" Meter)	\$14.70	\$16.91
Water Meter Service Charge (3/4" Meter) – Senior Rate	\$12.50	\$14.38
Water Usage Rate	\$10.40 / 1,000 Gallons	\$11.96 / 1,000 Gallons

Residential Wastewater Fees	FY2024	FY2025 (Proposed)
Wastewater Meter Service Charge (3/4" Meter)	\$21.19	\$24.37
Wastewater Meter Service Charge (3/4" Meter) – Senior Rate	\$18.01	\$20.71
Wastewater Usage Rate	\$8.84 / 1,000 Gallons	\$10.17 / 1,000 Gallons

Commercial Water Fees	FY2024	FY2025 (Proposed)
Water Meter Service Charge (3/4" Meter)	\$14.70	\$16.91
Water Usage Rate	\$10.40 / 1,000 Gallons	\$11.96 / 1,000 Gallons

Commercial Wastewater Fees	FY2024	FY2025 (Proposed)
Wastewater Meter Service Charge (3/4" Meter)	\$21.19	\$24.37
Wastewater Usage Rate	\$8.84 / 1,000 Gallons	\$10.17 / 1,000 Gallons

Non-Resident (Outside City Limit) Customers	FY2024	FY2025 (Proposed)
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Sewer Only (Outside City Limit) Customers	\$81.68	\$92.61
Water Only (Outside City Limit) Customers	\$22.05 / Monthly + \$15.60 / Gallons	\$25.37 / Monthly + \$17.94 / Gallons
Water Only (Outside City Limit) Customers – Senior Discount	\$18.74 / Monthly + \$15.60 / Gallons	\$21.56 / Monthly + \$17.94 / Gallons

This Rate is Set By City Ordinance No. 3208-23, Section 705.040.

Sanitation Fees

Trash & Recycling Fees	FY2024	FY2025 (Proposed)
Regular Residential Trash & Recycling	\$20.16	\$21.07
Regular Residential Trash & Recycling – Senior Discount	\$16.40	\$17.91

Rick explained that the sanitation fee also covers the Household Hazardous Waste events, bulky item pick-ups, E-waste events and the City's customer service.

Cynthia noted that taxes do not support sanitation rates. She explained that there are three components for the sanitation bill. One is the contract the City has with GFL, one is the Household Hazardous Waste through MARC that allows our residents to participate at no cost throughout the metropolitan area and the third is to maintain a fund balance to continue to have sufficient funds in that fund to be able to pay GFL for the additional services that they provide the City.

Mayor Boley noted that the reality is there is a few residents that do not pay their bills but we still have to pay GFL every month.

Ron asked how much the Household Hazardous Waste fee is.

Rick explained that it is based on \$1.13 per capita per person. He said that he went back over the last few years and MARC has not raised the rate more than two or three percent.

Alderman Russell asked if there was a discount for seniors for the Household Hazardous Waste.

Mayor Boley explained that the Household Hazardous Waste charges were per capita the number of household is not taken into consideration.

Rick noted that the senior discount is 15% less than the standard regular rate for sanitation services.

Cynthia explained that the City does not get a senior rate from GFL we get a contractual amount. Staff works GFL to come up with the rate then figure the 15% discounted rate for the senior rate.

Cynthia also explained the charge for the Household Hazardous Waste is based on a per capita basis on just the population of the City of Smithville. It does not matter if you are a senior or not. It is calculated as part of our overall cost to develop the rate.

Cynthia noted that staff is working with GFL for additional cardboard recycling bins at more sites which will also be included in the sanitation fee.

FY2025 Budget Process Schedule

- FY2025 Operating Budget and 5 Year CIP Review: 1st Discussion (August 20)
- FY2025 Operating Budget and 5 Year CIP Review: 2nd Discussion - If Needed (September 3)
- Public Hearing for Sewer Rates as Required by Missouri State Statute (October 1)
- FY2025 Operating Budget on 1st Reading (October 1)
- Adopt Water & Wastewater Utility Rates by Board Resolution (October 15)
- Adopt the FY2025 Operating Budget on 2nd Reading (October 15)

Cynthia noted that this is the final piece information and providing work session information for development of the budget that staff will be bringing forward to the Board for discussion at the August 20 work session.

5. Adjourn

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

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 7:21 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor