



2026-2027 Budget

April 1, 2026

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2026-2027 Budget

I am pleased to submit the City of Odessa's operating budget for Fiscal Year 2026-27, which will begin on April 1, 2026.

This budget outlines the City's strategic plan for allocating resources to deliver essential services to the residents and businesses of Odessa. It reflects our ongoing commitment to fiscal responsibility, operational efficiency, and meeting the evolving needs of our community.

The total FY 2026-27 budget of \$23,693,699 reflects the City's commitment to serving our community by delivering high-quality essential services while maintaining responsible fiscal stewardship. This budget is designed to align resources with the priorities identified in the City's strategic plan, supporting programs and initiatives that enhance quality of life, promote public safety, strengthen infrastructure, and foster long-term community sustainability for both current and future residents.



Shawna Davis
City Administrator



New Major Initiatives

Downtown Sidewalks

Construction will begin on the long-term project to reconstruct the downtown sidewalks, marking an important milestone in an effort that has been several years in the making. This investment will play a key role in the revitalization and modernization of the City's downtown business corridor, improving accessibility, safety, and the overall experience for residents, visitors, and local businesses. The \$3,940,865 project will be funded through a combination of City cash reserves and MoDOT grant support.

Communication and Community Outreach

The FY 2026-27 budget prioritizes improved communication and community outreach efforts. The City will focus on enhancing transparency, increasing public access to information, and expanding engagement opportunities to better inform residents about services, projects, and community initiatives.

Economic Development

The City of Odessa is pursuing a strategic partnership with the Kansas City Area Development Council (KCADC) to strengthen and enhance local economic development efforts. KCADC brings extensive regional expertise in business recruitment, workforce alignment, marketing, and public-private collaboration. By leveraging KCADC's experience and regional networks, Odessa can better position itself to attract new investment, support business expansion, and increase job opportunities for residents.

This partnership will focus on improving Odessa's competitiveness within the broader Kansas City metropolitan area by enhancing site readiness, refining marketing strategies, and aligning workforce development initiatives with industry needs. Through collaboration, Odessa aims to expand its visibility to site selectors and prospective employers while reinforcing its role as a growth-ready community within the region.

The initiative supports the City's long-term goal of promoting sustainable economic growth, diversifying the local tax base, and strengthening Odessa's overall economic vitality.



Building Code Update

The City will update its building codes to the 2024 International Code Council (ICC) standards to ensure alignment with current safety requirements, construction best practices, and industry standards. The City is currently operating under the 2012 ICC codes, which are outdated and increasingly difficult to navigate. Adoption of the 2024 codes will modernize the regulatory framework, improve clarity and usability for contractors and staff, and promote safe, consistent, and resilient development within the community.

Timekeeping System

The FY 2026-27 budget includes the implementation of a digital timekeeping system for payroll purposes. This system will improve accuracy, streamline payroll processing, enhance reporting capabilities, and reduce administrative workload. The transition to digital timekeeping also strengthens internal controls and ensures consistent tracking of employee hours across departments.

Water Feasibility Study

Funding is included in the FY 2026-27 budget for a comprehensive water system study to evaluate current infrastructure and identify long-term strategies for the department. The study will support future planning efforts, help prioritize capital improvements, and ensure the City's water system remains reliable and sustainable as community needs continue to grow.

Uniform Development Code

This FY budget includes funding for an update to the City's Unified Development Code. This effort will help modernize and streamline development regulations, making them clearer, more consistent, and better aligned with current community needs. Updating the code will support responsible growth, encourage investment, and ensure future development contributes positively to the quality of life in Odessa.

New Major Initiatives



Ongoing Major Initiatives



Street Maintenance Building

The current Street Maintenance facility is outdated and deteriorating. To better support departmental operations, the City will construct a new building to house street department vehicles and equipment. The new facility will also include a break room and restroom amenities, providing much-needed improvements to employee working conditions and enhancing the overall functionality of the workspace.

Electric Rate Study

The FY 2026-27 budget includes completion of an electric rate study to evaluate current rate structures and ensure revenues adequately support system operations, maintenance, and future capital needs. The study will help promote long-term financial sustainability while maintaining fair and competitive rates for customers.

SE Wastewater Plant Feasibility Grant

The City is applying for grant funding to complete a comprehensive wastewater system analysis related to the potential decommissioning of the southeast wastewater treatment facility. The FY 2026-27 budget includes allocated funds to serve as the required local match in support of this grant application.

Electric System Analysis

The FY 2026-27 budget includes funding for an electric system analysis to evaluate current infrastructure, capacity, and long-term service needs. The study will help identify system improvements, support capital planning, and ensure the continued reliability and sustainability of electric services for the community.

9th Street Infrastructure Improvements

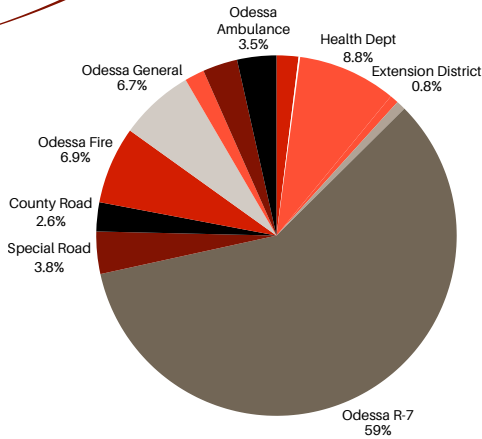
The City is in the final stages of a major water and wastewater improvement program in the southwest portion of town, commonly known as the 9th Street Project. This infrastructure investment was funded using federal ARPA dollars to support long-term system upgrades and community growth.



Tax Revenue Distribution

Property Tax Revenue

The total real property tax levy is 8.3125, with the majority of revenues distributed to overlapping local taxing jurisdictions. The largest share is allocated to the Odessa R-7 School District, which receives 4.7285, or nearly 57% of the total levy. Additional significant portions support countywide public services such as the Health Department, Fire Protection, Ambulance Services, and road districts.



Only a small portion of the overall property tax levy is distributed directly to the City of Odessa. The City's share includes the Odessa General Fund at 0.5364 and Odessa Parks at 0.1416, together totaling 0.6780, or approximately 8% of the total levy. This highlights that while property taxes support many essential regional services, the City receives a relatively modest share for general municipal operations and parks programming.

Sales Tax Revenue

Odessa's total sales tax includes state, county, and city portions.

Missouri: 4.225%

Lafayette County: 2.250%

City of Odessa: 2.500%

The City's 2.5% sales tax is allocated as follows:

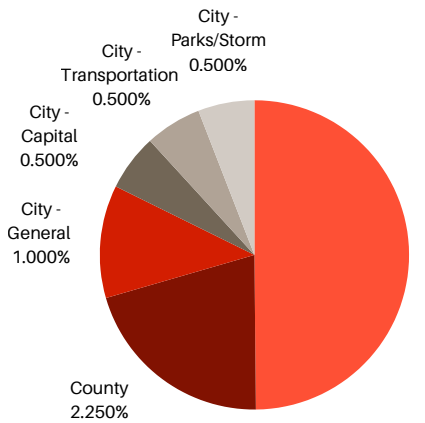
1.0% - General Fund (public safety and city operations)

0.5% - Capital Improvements (infrastructure and facilities)

0.5% - Transportation (street maintenance and improvements)

0.5% - Parks/Stormwater (parks and drainage projects)

This structure supports essential services while investing in infrastructure and community amenities.



Total = 8.975%

Sales Tax Rate Breakdown

STATE OF MISSOURI	4.225%
LAFAYETTE COUNTY	
ODESSA - GENERAL FUND 1% of sales tax goes to the City's primary fund and is used for a variety of operations such as police, admin, street operations, etc.	
ODESSA - CAPITAL IMPROVEMENT FUND 5% of sales tax goes to capital projects needed to maintain the City's infrastructure for police, admin, streets, and parks.	
ODESSA - TRANSPORTATION FUND 5% of sales tax goes directly to the annual street overlay program and if any other transportation related projects.	
ODESSA - PARKS/STORMWATER 5% of sales tax goes to the Parks and Recreation Fund to pay for capital such as the pool debt and management needs.	

Odessa = 2.5%



The City of Odessa uses a fund-based accounting system to ensure financial transparency and accountability. Each fund is established to track revenues and expenditures for specific services and purposes, helping ensure that resources are used appropriately and in accordance with legal or policy requirements. The City's major operating and capital funds include the following:



General Fund

The primary operating fund of the City, supporting essential services such as public safety, administration, street maintenance, and general community programs.

ARPA Fund

The ARPA Fund accounts for federal relief dollars received through the American Rescue Plan Act. Funds are restricted to eligible one-time projects and are budgeted separately to ensure compliance and transparency.

Electric Fund

Accounts for the operation, maintenance, and improvement of the City's electric utility services, including infrastructure and service delivery.

Water Fund

Supports the City's water utility operations, including water production, distribution, system maintenance, and capital improvements.

Wastewater Fund

Provides for the collection, treatment, and disposal of wastewater, ensuring compliance with environmental regulations and maintaining system reliability.

Parks Fund

Used to support the ongoing operations and maintenance of City parks, recreational facilities, and related community services.

Parks Development Fund

Dedicated to the planning, development, and improvement of new and existing park facilities through capital projects and long-term investments.

Capital Improvement Fund

Accounts for major infrastructure and facility projects that enhance the City's long-term assets, such as buildings, streets, and public improvements.

Transportation Fund

Supports transportation-related projects and programs, including street improvements, traffic infrastructure, and mobility enhancements throughout the community.

2026-27 Budget Summary

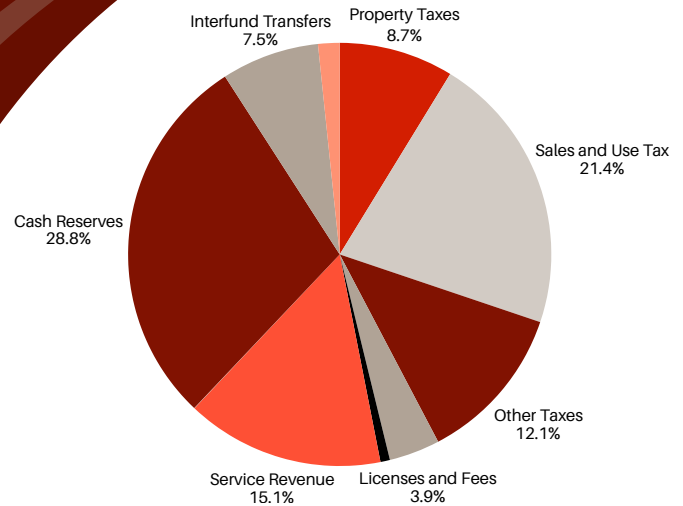
The proposed FY 2026-27 total budget is \$23,706,554 an overall increase of \$1,609,000 (7.28%) compared to the FY 2025-26 adopted budget. The following pages provide a detailed breakdown of revenues and expenditures for each individual fund.



	2025-26 Budget	2026-27 Proposed	Percent of Change
General Fund	4,354,693	5,641,307	29.55%
ARPA Fund	1,636,170	500,000	-69.44%
Electric Fund	6,906,610	7,380,822	6.87%
Water Fund	2,133,063	2,278,509	6.82%
Waste Water Fund	2,286,389	2,399,796	4.96%
Parks Fund	732,791	774,785	5.73%
Parks Development Fund	25,000	36,300	45.20%
Capital Improvements Fund	974,606	946,126	-2.92%
Transportation Fund	3,048,231	3,736,054	22.56%
Total Budget By Fund	22,097,553	23,693,699	7.22%

General Fund Revenue

	2025-26 Budget	2026-27 Proposed	Percent of Change
Property Taxes	420,269	493,500	17.42%
Sales and Use Tax	1,173,339	1,209,189	3.06%
Other Taxes	670,093	683,387	1.98%
Licenses and Fees	129,050	219,350	69.97%
Fines and Costs	40,900	40,900	0.00%
Service Revenue	819,672	853,828	4.17%
Grants / Financing	300	1,300	333.33%
Cash Reserves	600,009	1,625,611	170.93%
Interfund Transfers	420,286	421,642	0.32%
Misc Income	80,775	92,600	14.64%
Revenue Total	4,354,693	5,641,307	29.55%



The proposed FY 2026–27 General Fund revenue budget totals \$5,641,307 representing an increase of \$1,286,614 (29.55%) compared to the FY 2025–26 adopted budget of \$4,354,693. This increase is largely attributable to the planned use of available cash reserves for the Downtown Sidewalk Project, along with moderate growth across several recurring revenue categories.

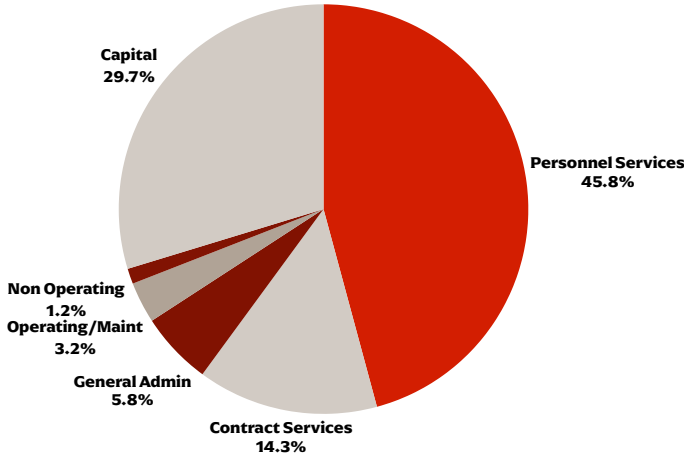
Property tax revenue is projected at \$493,500, an increase of \$73,231 (17.42%), reflecting continued growth in taxable valuations. Sales and Use Tax, the City’s largest ongoing revenue source, is budgeted at \$1,209,189, up \$35,850 (3.06%), indicating stable economic activity. Other tax revenues are expected to total \$683,387, a modest increase of \$13,294 (1.98%).

Licenses and fees are projected to increase to \$219,350, reflecting anticipated activity levels and updated fee collections. Service revenue is estimated at \$853,828, up 4.17%, while fines and costs remain flat at \$40,900. Interfund transfers total \$421,642, consistent with prior year allocations, and miscellaneous income is projected at \$92,600.

Grant revenue and other financing sources are not included in the proposed budget.

Overall, excluding the use of cash reserves, the City’s core revenue streams reflect steady and sustainable growth, supporting continued service delivery and financial stability.

General Fund Expenses



	2025-26 Budget	2026-27 Proposed	Percent of Change
Personnel Services	2,470,619	2,583,596	4.57%
Contract Services	705,862	805,179	14.07%
General Admin	323,650	324,570	0.28%
Operating/Maint	183,315	183,340	0.01%
Non Operating	38,301	68,500	78.85%
Capital	632,946	1,676,121	164.81%
General Fund Total Expenses	4,354,693	5,641,307	29.55%

The proposed FY 2026-27 General Fund expenditure budget totals \$5,641,307, representing an increase of \$1,286,614 (29.55%) over the FY 2025-26 adopted budget of \$4,354,693. The increase is primarily driven by the Downtown Sidewalk Project and personnel-related costs, along with moderate increases in contracted services and non-operating expenditures.

Capital expenditures are budgeted at \$1,676,121, an increase of \$1,043,175 from the prior year. This funding is primarily dedicated to the Downtown Sidewalk Project, a planned infrastructure investment aimed at improving accessibility, pedestrian safety, and overall downtown streetscape conditions.

Personnel Services, the largest operating category, total \$2,583,596, an increase of \$112,977 (4.57%), attributable to compensation adjustments, benefits, and staffing costs necessary to maintain service levels.

Contract Services are projected at \$805,179, up \$99,317 (14.07%), reflecting contractual cost adjustments and expanded service needs.

General Administration remains stable at \$324,570, consistent with the prior year. Operating and Maintenance expenditures total \$183,340, essentially flat compared to FY 2025-26.

Non-Operating expenditures are budgeted at \$68,500, reflecting increased allocations for contingencies, debt service, or other non-recurring obligations.

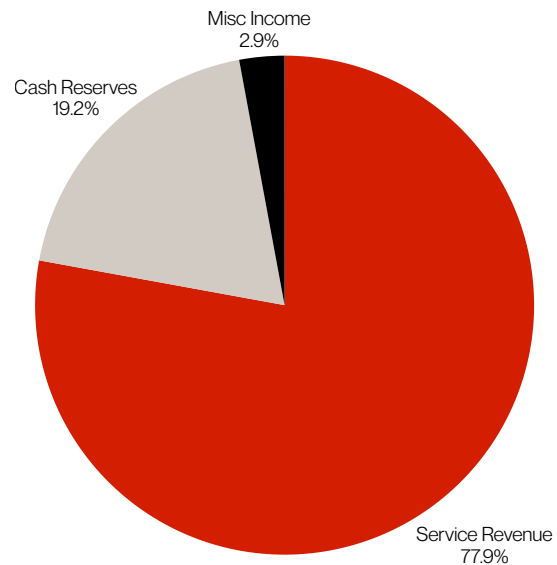
Overall, the proposed expenditure plan prioritizes strategic infrastructure improvements in the downtown area while maintaining core services and supporting organizational sustainability within the General Fund.

Electric Fund Revenue

Electric revenues for FY 2026-27 are projected at \$7,380,822, an increase of 6.87% over the FY 2025-26 budget of \$6,906,610.

Service revenue, derived primarily from energy sales, remains the largest source of Electric Fund revenue and is projected to increase modestly by 0.67%, reflecting stable demand. Electric rates will remain unchanged from the prior year. The City is currently conducting an electric rate study to evaluate and establish rates for future years.

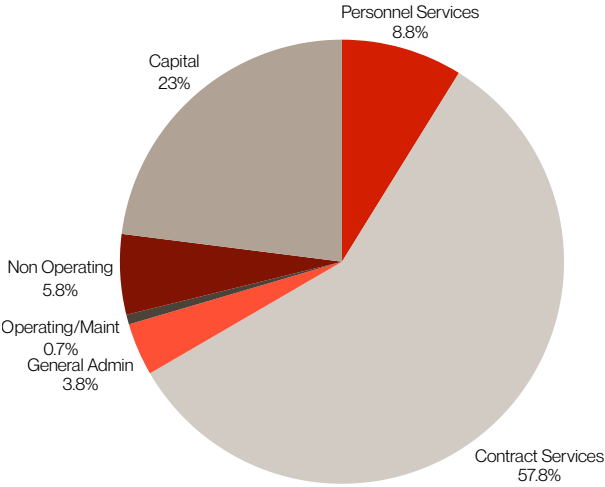
<i>Electric Revenue</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>	<i>Percent of change</i>
Service Revenue	5,709,153	5,747,653	0.67%
Cash Reserves	1,118,207	1,417,769	26.79%
Misc Income	79,250	215,400	2.92%
Electric Total Revenue	6,906,610	7,380,822	6.87%



Miscellaneous income is expected to increase due to the redistribution of funds to generate additional interest earnings and revisions to the development fee schedule designed to improve efficiency in development projects.

A transfer from cash reserves will be utilized to support infrastructure improvements, including the completion of the downtown sidewalk electrical project.

Electric Fund Expenses



Total Electric Fund expenditures for FY 2026-27 are proposed at \$7,380,822, an increase of 6.87% over the FY 2025-26 budget of \$6,906,610.

Personnel Services are projected to decrease by 2.58%, reflecting staffing adjustments and alignment of benefit costs.

Contract Services, the largest expenditure category, are budgeted to increase by 2.75%, primarily due to anticipated contractual cost adjustments and ongoing operational support requirements.

General Administrative costs reflect adjustments to shared service allocations to more accurately represent service demands.

Operating and Maintenance expenses are projected to decrease slightly by 3.67%, reflecting continued cost management efforts.

Non-Operating expenditures remain stable, with a modest increase of 1.06%.

Capital expenditures increase by 19.14% and include the purchase of a new bucket truck, upgrades to existing infrastructure, and implementation of recommendations identified in the system analysis study. These investments support system reliability, operational efficiency, and long-term infrastructure sustainability.

Overall, the proposed budget maintains a focus on reliable electric service delivery, infrastructure investment, and sound financial management.



<i>Electric Expense</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>	<i>Percent of change</i>
Personnel Services	668,789	651,524	-2.58%
Contract Services	4,151,160	4,265,408	2.75%
General Admin	180,638	282,600	56.45%
Operating/Maint	54,500	52,500	-3.67%
Non Operating	426,734	431,241	1.06%
Capital	1,424,790	1,697,550	19.14%
Electric Total Expense	6,906,610	7,380,822	6.87%

Water Fund Revenue

Water revenues for FY 2026-27 are projected at \$2,279,509, an increase of 6.82% from the FY 2025-26 budget of \$2,133,063.

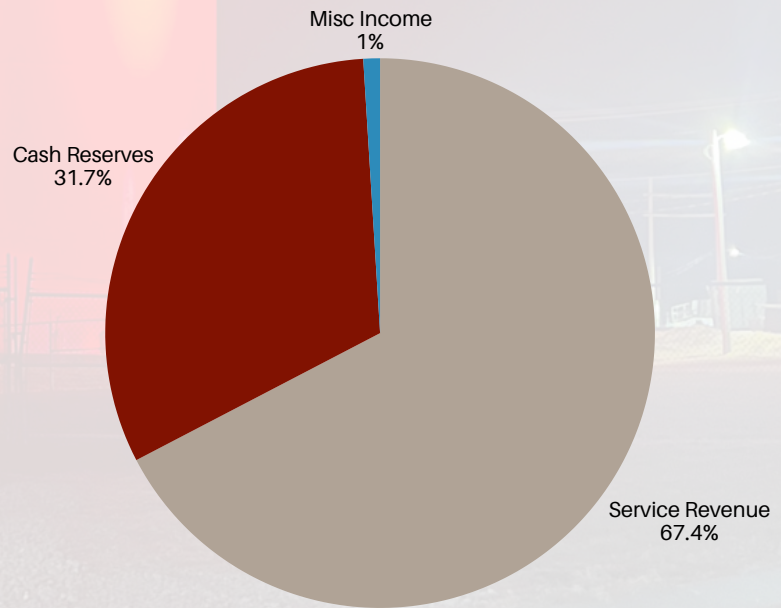
Service revenue, derived primarily from water sales and customer usage charges, is projected to increase by 5.13%, reflecting stable demand and continued service needs.

The increase in total water revenues is largely attributed to the use of cash reserves, which are budgeted at \$727,825. This increase will assist with capital improvements and the completion of the 9th Street Project.

Miscellaneous income remains unchanged.

Overall, the proposed water revenue budget supports continued utility operations while maintaining responsible financial planning and reserve management.

<i>Water Revenue</i>	2025-26 Budget	2026-27 Proposed	Percent of change
Service Revenue	1,472,686	1,548,184	5.13%
Cash Reserves	653,977	727,825	11.29%
Misc Income	6,400	22,500	-60.94%
Electric Total Revenue	2,133,063	2,278,509	6.82%



Water Fund Expenses

Total Water Fund expenditures for FY 2026-27 are proposed at \$2,278,509, an increase of 6.82% from the FY 2025-26 budget of \$2,133,063.

Personnel Services are projected to increase by 4.65%, reflecting staffing and benefit cost alignment along with a 3% Cost of Living increase.

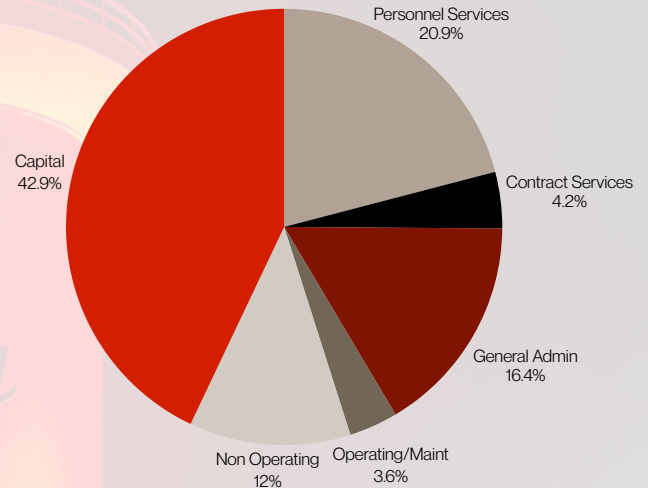
Contract Services decrease by 32.46%, primarily due to the City no longer absorbing the costs of credit card processing fees, along with the completion or scaling back of contracted services and project-related work budgeted in the prior year.

General Administrative costs increase by 11.91%, attributable to higher utility expenses, postage, and departmental supply costs, as well as adjustments to shared service allocations.

Operating and Maintenance expenses increase by 20.49%, supporting ongoing system upkeep and operational needs.

Non-Operating expenditures increase by 22.16%, primarily due to principal payments beginning in FY 2026-27 for the 2017 bond issuance, along with other required debt service and non-operational financial obligations.

Capital expenditures increase by 7.33%, primarily due to the anticipated completion of the 9th Street Water Project in the prior year. The FY 2026-27 capital budget includes funding for a system analysis and feasibility study to help determine future infrastructure needs and evaluate long-term service approaches.



<i>Water Expense</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>	<i>Percent of Change</i>
Personnel Services	455,796	477,003	4.65%
Contract Services	140,961	95,208	-32.46%
General Admin	332,939	372,600	11.91%
Operating/Maint	68,473	82,500	20.49%
Non Operating	223,276	272,748	22.16%
Capital	911,618	978,450	7.33%
Water Total Expense	2,133,063	2,278,509	6.82%

Wastewater Fund Revenue

Wastewater revenues for FY 2026-27 are projected at \$2,399,786, an increase of 4.96% over the FY 2025-26 budget of \$2,286,390.

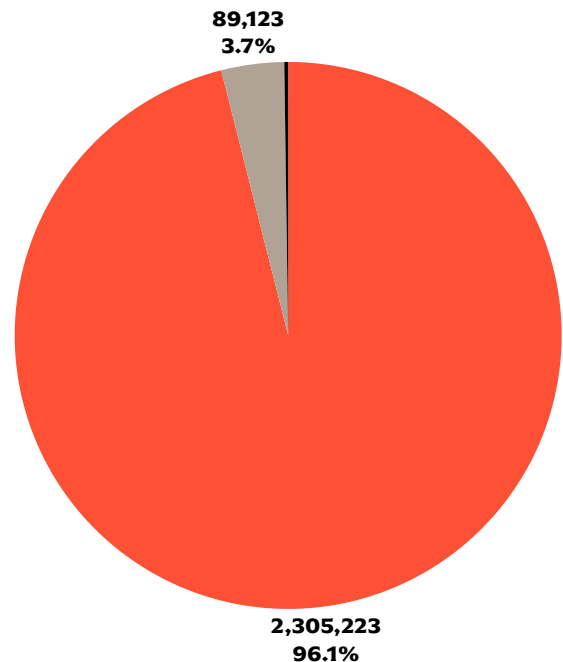
Service revenue, derived primarily from wastewater usage charges, remains the largest funding source and is projected to increase by 2.19%. A significant portion of this increase is attributable to modifications to the fee schedule and continued demand for additional wastewater taps, in addition to stable customer usage.

Cash reserves are budgeted to increase by 273.76% to support ongoing financial stability and future operational requirements. This percentage of increase seems significant due to low reserve usage during the past fiscal year. However, the increase amount is only \$63,278.

Miscellaneous income is projected to decrease by 18.49%, primarily due to declining interest earnings associated with the 2014 and 2015 bond funds as those balances continue to decrease.

Overall, the proposed wastewater revenue budget supports continued utility operations while maintaining responsible financial planning and long-term sustainability.

Revenue	2025-26 Budget	2026-27 Proposed	Percent of change
Service Revenue	2,255,859	2,305,223	2.19%
Cash Reserves	23,845	89,123	273.76%
Misc Income	6,686	5,450	-18.49%
Wastewater Total Revenue	2,286,390	2,399,786	4.96%



Total Wastewater Fund expenditures for FY 2026–27 are proposed at \$2,399,796 an increase of \$113,407 (4.96%) over the FY 2025–26 adopted budget.

Key expenditure changes include:

- Personnel Services increase by \$17,661 (4.26%), reflecting standard wage adjustments and staffing-related costs necessary to support wastewater operations.
- Operating and Maintenance rises by \$7,738 (8.99%), due to higher anticipated costs for system upkeep, repairs, and ongoing operational needs.
- Capital Outlay increases by \$122,855 (12.92%) and includes funding for a comprehensive system analysis study, which will be used in conjunction with grant funding to evaluate the potential decommissioning of the southeast wastewater treatment plant and long-term system improvements.

Other categories remain relatively stable:

- General Administration increases slightly by \$4,366 (1.43%), reflecting routine administrative cost growth.
- Non-Operating expenses decrease modestly by \$5,382 (-1.16%), remaining consistent year over year.

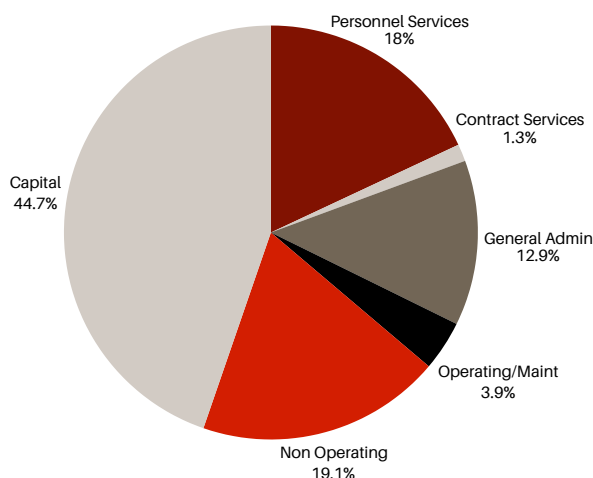
A notable reduction occurs in:

- Contract Services decrease by \$38,091 (-57.69%), primarily because the City will no longer be absorbing card processing fees in FY 2026–27.

Overall, the FY 2026–27 Wastewater budget maintains stable operational growth while strategically investing in long-term infrastructure planning and system sustainability.

Wastewater Fund Expenses

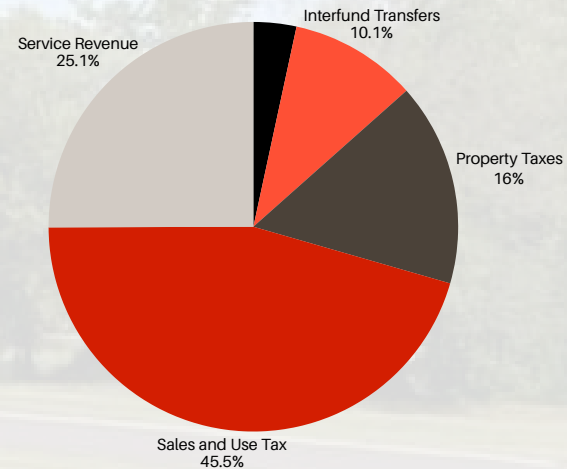
Wastewater Expense	2025-26 Budget	2026-27 Proposed	Percent of change
Personnel Services	414,270	432,931	4.26%
Contract Services	66,031	32,200	-51.24%
General Admin	305,559	309,925	1.43%
Operating/Maint	86,050	93,788	8.99%
Non Operating	463,834	458,452	-1.16%
Capital	950,645	1,073,500	12.92%
Wastewater Total Expense	2,286,389	2,399,796	4.96%



Parks Fund Revenue

The Park Fund is organized into multiple operational divisions, including Parks, Swimming Pool, Parks Programs, and Parks Concessions. Each workgroup supports a distinct component of the City's parks and recreation services, ensuring effective management, programming, and maintenance of recreational facilities and community amenities.

	2025-26 Budget	2026-27 Proposed	Percent of change
Cash Reserves	10,056	26,218	160.72%
Interfund Transfers	80,405	77,905	-3.11%
Property Taxes	102,830	124,152	20.74%
Sales and Use Tax	345,500	352,410	2.00%
Service Revenue	194,000	194,100	0.05%
Parks Fund Total Revenue	732,791	774,785	5.73%



Total Park Fund revenues for FY 2026-27 are proposed at \$774,785, an increase of \$41,995 (5.73%) over the FY 2025-26 adopted budget.

The overall increase is primarily driven by:

Property Taxes, projected to rise \$21,323 (20.74%), largely due to new home construction and increased overall property valuations.

Cash Reserves, increasing by \$16,162 (160.72%), primarily to help fund planned pool repair and maintenance projects.

Sales and Use Tax, growing modestly by \$6,910 (2.00%), reflecting continued stable local economic activity.

Service Revenue remains substantially flat at \$194,100.

A decrease in Interfund Transfers of \$2,500 (-3.11%) partially offsets the increases.

Overall, the Park Fund reflects steady revenue growth, supported by rising property values and the strategic use of reserves for critical facility improvements.

Parks Fund Expenses

Total Park Fund expenditures for FY 2026-27 are proposed at \$774,785, an increase of \$41,994 (5.73%) over the FY 2025-26 adopted budget.

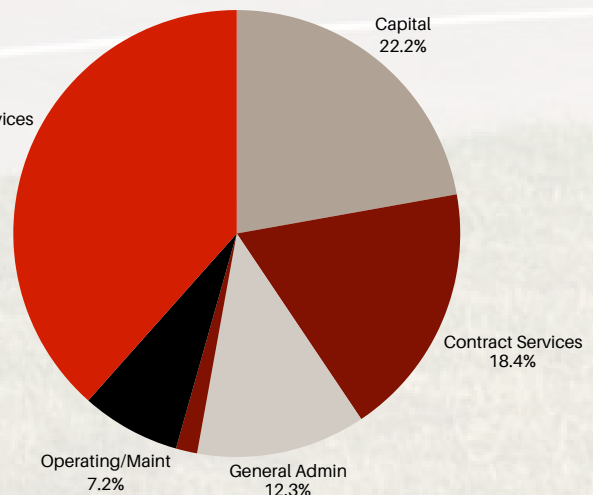
The overall increase reflects adjustments across several expenditure categories:

- Operating and Maintenance costs increase by \$23,000 (70.44%), primarily due to the replacement of pipes at the municipal swimming pool, along with routine facility maintenance and upkeep of park amenities.
- Personnel Services increase by \$10,272 (3.57%), representing standard wage adjustments and staffing-related costs.
- General Administration rises \$6,102 (6.89%), primarily due to higher participation in youth sports programs, resulting in increased administrative support and program coordination needs.
- Contract Services increase \$5,985 (4.38%), reflecting contracted programming, services, and specialized support.

	2025-26 Budget	2026-27 Proposed	Percent of change
Capital	175,720	171,994	-2.12%
Contract Services	136,660	142,645	4.38%
General Admin	88,592	94,964	7.19%
Non Operating	11,579	11,941	3.13%
Operating/Maint	32,650	55,650	70.44%
Personnel Services	287,590	297,862	3.57%
Park Fund Total Expense	732,791	774,785	5.73%

- Non-Operating expenses increase slightly by \$362 (3.13%), remaining relatively stable year over year.

These increases are partially offset by a slight decrease in Capital expenditures of \$3,726 (-2.12%), indicating a modest reduction in planned capital purchases compared to the prior year.



Overall, the FY 2026-27 budget prioritizes necessary infrastructure repairs and growing youth programming participation while maintaining consistent park operations and services.

Park Development Fund

When new subdivisions are developed in Odessa, developers are required to contribute toward the community's park system. This requirement may be met either by dedicating greenspace within the subdivision or by providing a per-lot contribution to the Park Development Fund.

Revenues deposited into the Park Development Fund are restricted for park improvements located outside the Dyer Park footprint. The Park Board has intentionally built this fund over time to support future expansion and enhancement of park amenities.

Current long-term planning efforts include the development of a new playground at Phillips Park, which is a key priority identified for use of these dedicated funds.

<i>Park Development Fund</i>	2025-26 Budget	2026-27 Proposed
License and Fees	25,000	-
Interfund Transfers	-	36,300
<hr/>		
Park Development Fund Revenue Total	25,000	36,300
Operating/Maint	25,000	36,300
<hr/>		
Park Development Fund Expense Total:	25,000	36,300



Capital Improvement Fund

Capital Improvement Fund Revenue	2025-26 Budget	2026-27 Proposed	Percent of change
Sales and Use Tax	345,500	352,410	2.00%
Grants and Financing	350,190	-	-100.00%
Interfund Transfers	278,916	593,716	112.87%
Capital Improvement Fund Total Revenue	974,606	946,126	-2.92%
Capital Improvement Fund Expenses			
Contract Services	1,875	1,265	-32.53%
Operating/Maint	669,450	350,000	-47.72%
Capital	303,281	594,861	96.14%
Capital Improvement Fund Total Expenses	974,606	946,126	-2.92%

The Capital Improvement Fund is supported by the capital improvements sales tax, interest earnings, and any applicable grant or loan proceeds. The fund is used to finance projects identified in the City's Capital Improvement Plan, as attached to this document, as well as to meet capital-related debt obligations, including the 2019 Series asset replacement debt and the City Hall lease.

Transportation Fund



<i>Transportation Fund Revenue</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>	<i>Percent of change</i>
Sales and Use Tax	345,500	352,410	2.00%
Grants and Financing	773,565	323,503	-58.18%
Interfund Transfers	1,929,166	3,060,141	58.63%
Transportation Fund Total Revenue	3,048,231	3,736,054	22.56%

The Transportation Fund is primarily supported by proceeds from the transportation sales tax. These revenues are used each year to implement the Street Improvements Plan included in this document.

The FY 2026–27 budget also includes transfers from reserves to support the downtown sidewalk project and other planned street improvements. In addition, the City is receiving MoDOT grant funding to assist with sidewalk improvements, helping leverage local funds for expanded infrastructure investment.

<i>Transportation Fund Expenses</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>	<i>Percent of change</i>
Contract Services	1,875	1,265	-32.53%
Operating/Maint	25,600	46,855	83.03%
Capital	3,020,756	3,687,934	22.09%
Transportation Fund Total Expenses	3,048,231	3,736,054	22.56%



ARPA Fund



The American Rescue Plan Act (ARPA), a federal pandemic relief program enacted in 2021, provided funding to local governments to support economic recovery and invest in critical infrastructure. The City allocated a portion of its ARPA funds to address long-standing water and sewer infrastructure needs.

Two key infrastructure improvements were identified through this funding initiative. The first project involved the extension of the 9th Street water line, which is intended to improve water pressure and ensure adequate water supply for current residents as well as future development in the area.

The second component focused on sewer system upgrades in the southwest quadrant of the city, addressing aging infrastructure and improving system capacity and reliability.

Construction activities for these improvements are substantially complete. However, final completion of the project has been delayed pending railroad right-of-way permissions, which are required to finalize certain portions of the work. Once these approvals are secured, the remaining project elements will be completed and the improvements will be fully operational.

These infrastructure investments will enhance system reliability, support future growth, and ensure the City continues to provide safe and efficient water and wastewater services to residents and businesses.

<i>ARPA Revenue</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>
Transfer from Reserve Fund	1,074,867	0
Transfer from Water Fund	537,458	450,000
Transfer from Wastewater Fund	23,845	50,000
Interest Income	4,595	0
Total Revenue	1,636,170	500,000

<i>ARPA Expenses</i>	<i>2025-26 Budget</i>	<i>2026-27 Proposed</i>
Other Professional Services	116,000	25,000
ARPA Water/Wastewater Project	1,520,170	475,000
Total Expenses	1,636,170	500,000