

CITY COMMISSION MEETING AGENDA

City Hall Commission Chambers

Monday, August 17, 2015

7:00 p.m.

MEETING #5013

CALL TO ORDER

ROLL CALL

INVOCATION by Lt. Enrique Coreano of Salvation Army

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

2016 Budget

PETITIONS & PROCLAMATIONS

Loren Doll Day Proclamation

VISITORS (Limit of five minutes per individual and fifteen minutes per topic. Final action may be deferred until the next City Commission meeting unless an emergency situation does exist).

Update on Smoke Detectors-Report by Kevin Norton and Kevin Israel

CONSENT CALENDAR

1. Approval of City Commission Work Session Minutes, August 3, 2015;
2. Approval of City Commission Meeting Minutes, August 3, 2015;
3. Approval of Joint City/County Meeting Minutes, August 10, 2015;
4. Appropriation Ordinance No. 16, August 17, 2015;

ORDINANCES & RESOLUTIONS

Resolution No. 2015-20: A Resolution Designating an Additional Bank Account at Fidelity State Bank and Trust Company, Dodge City, Kansas and Authorizing Signers. Report by Finance Director/City Clerk, Nannette Pogue.

Resolution No. 2015-21: A Resolution that provides that a levy of property taxes to finance the 2016 budget for the City of Dodge City exceeding the amount levied to finance the 2015 budget. Report by Finance Director/City Clerk, Nannette Pogue.

UNFINISHED BUSINESS

NEW BUSINESS

1. Approval of 2016 Budget. Report by Finance Director/City Clerk, Nannette Pogue

OTHER BUSINESS

ADJOURNMENT

NOTICE OF BUDGET HEARING

The Governing Body of the City of Dodge City will meet on the 17th day of August, 2015 at 7:00 p.m. at the City Commission meeting room, 806 2nd Avenue for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of Ad Valorem Tax.

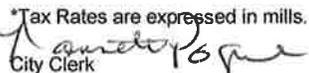
Detailed budget information is available at City Hall, 806 Second Avenue, and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2016 Expenditures and the Amount of current year estimate for 2015 Advalorem Tax establish the maximum limits of the 2016 budget. The Estimated Tax Rate is subject to change depending on final assessed valuation.

FUND	2014		2015		PROPOSED BUDGET FOR 2016		
	Prior Year Actual Expenditures	Actual Tax Rate	Current Year Estimate of Expenditures	Actual Tax Rate	Expenditures	Amount of 2015 Ad Valorem Tax	Est. Tax Rate
General Fund	13,805,462	25.697	14,678,757	25.282	16,770,443	4,017,799	26.327
Special Liability	585,844	4.756	847,200	3.377	847,900	445,794	2.921
Library	948,174	5.723	968,259	5.971	991,840	876,178	5.741
Library Employee Benefit	306,275	1.872	294,660	1.871	372,315	335,086	2.196
Bond and Interest	3,057,791	11.951	3,353,220	12.326	3,128,250	1,746,733	11.446
Capital Improvement Fund	605,156	2.065	612,000	2.056	388,600	343,691	2.252
Sales Tax - Special Projects	5,941,621		5,420,847		6,584,647		
ST Fund-Organization Funding	906,515		786,310		805,680		
Sales Tax Projects-Events Fund	9,315		0		0		
Special Events Center Constructio	204,369		0		0		
Sales Tax-Dep & Replacement	347,590		137,000		137,000		
SEC Revenue Bond Fund	2,526,696						
Depot	0		246,600		247,615		
Community Improvement District (29,354		0		0		
Rural Housing Incentive District (R	137,531		0		0		
Convention and Visitors	885,998		971,482		1,494,937		
Special Streets & Highways	776,635		804,230		828,005		
Special Parks & Recreation	90,000		90,000		90,000		
Special Alcohol & Drug	107,000		100,000		95,000		
Alcohol Drug & Safety Action	12,827		15,000		0		
Transient Guest Tax-2%	261,840		300,000		300,000		
Special Law Enforcement Trust	13,143						
All 4 Fun	103,576		100,000		100,000		
Underage Alcohol Abuse Program	3,251		15,000		15,000		
DARE	7,323		15,000		15,000		
Capital Equipment	535,566		470,790		454,276		
Grants	1,040,517						
Development & Growth Fund	889,843		750,000		850,000		
Roof & Vehicle Insurance Repair F	0						
Street Reconstruction Projects	3,285,828						
Water & Wastewater Utility Fund	10,774,616		11,089,943		11,076,500		
2008 Temp Notes-Water	37,375						
2003 WWTP & Wtrl Imp Debt Serv	1,337,175						
2009 Wastewater Treatment Plant	761,323						
Sanitation	1,771,745		2,154,717		2,213,700		
Drainage Utility	249,503		225,835		425,460		
Utilities Administration	0		0		0		
Transportation	379,465		321,360		389,840		
Medical Self Insurance	2,240,427		2,622,885		2,622,885		
Hoover	0						
Economic Development Revolving	1,961						
SMPC Trust	0		20,000		30,000		
TOTALS	54,978,630	52.064	47,411,095	50.883	51,274,893	7,765,280	50.883
Less Transfers:	9,976,954		6,422,955		6,968,996		
Net Expenditures	45,001,676		40,988,140		44,305,897		
Total Tax Levied	7,326,731		7,218,316		7,765,280		
Assessed Valuation	140,732,777		141,515,147		152,610,417		

	Outstanding Indebtedness, January 1,		
	2013	2014	2015
G.O. Bonds	41,165,000	43,640,000	40,780,000
Revenue Bonds	38,660,000	37,895,000	37,070,000
Temporary Notes	630,000	630,000	0
Lease Purch Princ	232,938	934,056	742,706
KDHE Loans	23,340,729	22,386,730	21,316,574
Total	104,028,667	105,485,786	99,909,280

*Tax Rates are expressed in mills.

 City Clerk

Proclamation

WHEREAS, Loren Doll became engaged in cattle feeding in 1961 when he and his father, Fred Doll, partnered with three Irsik brothers – Norb, Steve and Clarence – to construct and operate Ingalls Feed Yard. Over time, this feedyard grew from a one-time feeding capacity of 2,500 to a one-time feeding capacity of 40,000 head; and

WHEREAS, Doll became the managing partner and chief executive officer of Irsik and Doll in 1968. Under Doll's leadership, Irsik and Doll expanded its operations. Presently, the company operates seven commercial cattle feedyards in Western Kansas with a one-time feeding capacity of 215,000 head. Irsik and Doll also operates several grain facilities. The company is involved with several agricultural joint ventures which complements the operations; and

WHEREAS, Doll served as the managing Partner and CEO until 1989. Afterwards, Doll continued to provide leadership as a member of the board where he served until 2004. Doll oversaw the transition of the family-owned business from the first generation to the next and engaged outside professional management to guide Irsik and Doll during this transition. Second generation family members now serve as Irsik and Doll board members; and

WHEREAS, during his tenure, Doll was engaged in numerous civic activities. He served as mayor and as a member of the Ingalls School Board and also served on the Kansas Wheat Commission. As a young man, Loren briefly pursued a career as a professional baseball player in the Dodger organization. Doll still holds the Kansas high school record for most hits in a game (6) and the Dodge City High School record for highest batting average in a season (.524). Loren was inducted into the Dodge City High School "Ring of Honor" in the fall of 2014. Doll and his wife, Veleeta, reside in Dodge City where Doll continues to stay engaged in cattle feeding and other agricultural pursuits; and

WHEREAS, The Cattle Feeders Hall of Fame has been established to honor the exceptional, visionary men and women who have made lasting contributions to the U.S. cattle-feeding industry. On July 14, 2015, Loren Doll was one of two inductees inducted into the Cattle Feeders Hall of Fame for 2015 in Denver, Colorado.

NOW, THEREFORE, BE IT RESOLVED by the Mayor of the City of Dodge City, that a valued citizen has given pride to all citizens of our community and we congratulate him on this national recognition and his contributions to the cattle-feeding industry and proclaim Aug. 18 as

LOREN DOLL DAY

IN WITNESS WHEREOF, I have hereunto set my hand and caused the great seal of the City of Dodge City to be affixed, this 17th day of August, 2015.

Mayor

ATTEST

Nannette Pogue, City Clerk

CITY COMMISSION WORK SESSION MINUTES

City Hall Commission Chambers

Monday, August 3, 2015

6:30 p.m.

CALL TO ORDER

ROLL CALL: Mayor Joyce Warshaw, Commissioners, Kent Smoll, Jan Scoggins, Rick Sowers, Brian Delzeit.

The City Commission discussed the 2016 City of Dodge City Budget. Minor changes were made and the Finance Director will publish the public hearing date for the budget as August 17, 2015.

ADJOURNMENT was had on a motion by Commissioner Jan Scoggins, seconded by Commissioner Brian Delzeit. The motion carried unanimously.

Mayor, Joyce Warshaw

ATTEST:

Nannette Pogue, City Clerk

CITY COMMISSION MEETING MINUTES

City Hall Commission Chambers

Monday, August 3, 2015

7:00 p.m.

MEETING #5011

CALL TO ORDER

ROLL CALL – Mayor Joyce Warshaw, Commissioner Brian Delzeit, Rick Sowers, Jan Scoggins, and Kent Smoll

INVOCATION by Lt. Enrique Coreano of Salvation Army

PLEDGE OF ALLEGIANCE

PETITIONS & PROCLAMATIONS

Gus Crump Day Proclamation. Mayor Joyce Warshaw read the proclamation in honor of Gus Crump's 100th Birthday and outlined all that he had done for the Dodge City Community. He received a standing ovation for his dedication to the community and all his accomplishments during his 100 years.

VISITORS (Limit of five minutes per individual and fifteen minutes per topic. Final action may be deferred until the next City Commission meeting unless an emergency situation does exist).

Dan Schenkein, Chamber of Commerce – updated the City Commission on Dodge City Days 2015. Wanted to thank the City, volunteers, sponsors, etc. It was a stroke of genius on the part of the Mayor of Dodge City introducing the Governor as the Mayor of Kansas. Mr. Schenkein passed on to the Commission that many people mentioned the excitement about the water park opening next year. A Park Department employee sacrificed competition of wacky trike race to respond to an emergency in the park. He thanked the Police Department, Fire Department and all the other City Departments that provided the help needed to make Dodge City Days successful.

CONSENT CALENDAR

1. Approval of City Commission Meeting Minutes, July 20, 2015;
2. Appropriation Ordinance No. 15, August 3, 2015;
3. Cereal Malt Beverage Applications:
 - a. Super Gordas Tony, 605 S, 2nd Avenue
 - b. River Stop, 705 S. 14th Avenue
 - c. Spee-D-Stop, 2615 Gary Avenue;
4. Approve Change Order No. 1 for 2014 Drainage Improvements Projects.

Commissioner Rick Sowers moved to approve the Consent Calendar as presented; Commissioner Jan Scoggins seconded the motion. The motion carried unanimously.

Commissioner Kent Smoll moved to add a Public Hearing to the agenda regarding vacations of Park Street and Maple Street between 4th and 5th Avenues. Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

PUBLIC HEARING

Mayor Warshaw opened the public hearing. Nathan Littrell explained to the public about the request for vacations of Maple Street and Park Street between 4th and 5th Avenues. City Manager Cherise Tieben made additional comments. Mayor Joyce Warshaw closed the public hearing.

ORDINANCES & RESOLUTIONS

Commissioner Rick Sowers moved to table Ordinance No. 3610 and 3611. Commissioner Delzeit seconded the motion. The motion carried unanimously.

Ordinance No. 3610: An Ordinance vacating Park Street between 4th and 5th Avenue.

Ordinance No. 3611: An Ordinance vacating Maple Street between 4th and 5th Avenue.

OTHER BUSINESS

City Manager, Cherise Tieben:

- Thanked multiple organizations for the involvement in Dodge City Days 2015;
- On August 5th Tim Huelskamp will be at the Victory Electric for a town hall meeting;
- On September 3 the Dial Developers will be in town to meet with Commissioners individually.

Commissioner Jan Scoggins:

- Missed Dodge City Days, because she was attending her granddaughter's national kayaking competition. Liked the theme of Dodge City Days, a tribute to Fort Dodge;
- The Salvation Army is also celebrating 150 years.

Commissioner Rick Sowers:

- Thanked Dan Schenkein for giving a Dodge City Days update tonight to accommodate his presentation.

Commissioner Joyce Warshaw:

- Dodge City Days was a really good time. One of her visitors quotes, "this town is amazing, they liked all of the entertainment opportunities in Dodge City;
- Make sure everyone gets to school enrollment on Thursday, so they are able to choose the school they signed up for.

Commissioner Kent Smoll:

- Congratulated Dan Schenkein and the Chamber of Commerce for another very successful Dodge City Days. He thanked all of the volunteers, sponsors and others who helped out during Dodge City Days;
- Continued to thank Jane Longmeyer for her extraordinary cleanup efforts during Dodge City Days and all year long;
- Thanked Roundup for the very good and exciting rodeo;
- Commented on a visitor that he spoke with during Dodge City Days. They really appreciated the way they were treated by people and businesses during their stay and will be back next year;
- Shop local and shop often.

Mayor, Brian Delzeit:

- Huge thank you to the entire community for Dodge City Days. An enormous amount of time and resources was spent by individuals and businesses. A lot of things amaze me about Dodge City and one thing in particular is we work together.

ADJOURNMENT

Commissioner Jan Scoggins moved to adjourn the meeting; Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

Mayor, Joyce Warshaw

ATTEST:

Nannette Pogue, City Clerk

Joint City/County Commission Meeting Minutes
Monday, August 10, 2015
City Hall City Commissioners Chambers
6:00 PM
Meeting # 5012

CALL TO ORDER

Ford County: Chairman Danny Gillum, Commissioners Chris Boys and Shawn Tasset.

City of Dodge City: Mayor Joyce Warshaw, Commissioners Jan Scoggins, Brian Delzeit, Kent Smoll, Rick Sowers.

County Action: Commissioner Danny Gillum moved to amend the agenda by removing New Business item #3, Dodge City Raceway Park contract agreement. Commissioner Shawn Tasset seconded the motion. The motion carried unanimously.

City Action: Commissioner Brian Delzeit moved to amend the agenda by removing New Business item #3, Dodge City Raceway Park contract agreement. Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

REPORT:

1. Dodge City/Ford County Regional Aquatics Park Update was given by Director of Parks and Recreation-Paul Lewis

UNFINISHED BUSINESS:

1. Western State Bank Expo Center horse stalls project update was given by County Administrator Ed Elam. Ed Elam discussed the project saying the initial quotes for the project were \$560,000 - \$600,000. Ed Elam and Cherise Tieben talked about possible funding sources.

County Action: Commissioner Danny Gillum moved to approve: county funding in the amount of \$171,000, \$43,000 to be from unallocated 2015 organizational funding; and \$100,000 - \$115,000 from Sales Tax Project Fund reserves. Commissioner Chris Boys seconded the motion. The motion carried unanimously.

City Action: Commissioner Brian Delzeit moved to approve: \$171,000 city funding; \$43,000 to be from unallocated 2015 organizational funding; and \$100,000 - \$115,000 from Sales Tax Project Fund reserves. Commissioner Kent Smoll seconded the motion. The motion carried unanimously.

Troy Snook applauded the Commissions' action and asked to be included on the process of building the horse stalls.

NEW BUSINESS:

1. The five City Commissioners and 3 County Commissioners cast ballots to name the Dodge City/Ford County Regional Aquatics facility. The three contenders were: Cowboy Cove, Longbranch Lagoon and Wrangler Rapids. Longbranch Lagoon had 5 votes (Commissioners Delzeit, Tasset, Smoll, Warshaw and Gillum) and Wrangler Rapids had 3 votes (Commissioners Boys, Sowers and Scoggins). By a majority of ballots cast, the name for the Dodge City/Ford County Regional Aquatics facility will be Longbranch Lagoon.

2. Discussion was had on the appointment of CFAB Board Member to fill the unexpired term of Dr. Mladen Perak, whose term expires 1-1-2018.

County Action: Commissioner Danny Gillum moved to appoint Jeff Turner to the unexpired term on the CFAB. The motion was seconded by Commissioner Shawn Tasset. The motion carried unanimously.

City Action: Mayor Joyce Warshaw moved to appoint Jeff Turner to the unexpired term on the CFAB. The motion was seconded by Commissioner Kent Smoll. The motion carried unanimously.

UPCOMING MEETINGS:

1. Monday, November 9, 2015 6:00 pm -Joint Commission Meeting- City Commissioners Chambers City Hall.

ADJOURNMENT

County Action: Commissioner Chris Boys moved and Commissioner Danny Gillum seconded the motion to adjourn the meeting. The motion carried unanimously.

City Action: Commissioner Jan Scoggins moved and Commissioner Kent Smoll seconded the motion to adjourn the meeting. The motion carried unanimously.

Mayor

ATTEST:

Nannette Pogue, City Clerk

Memorandum

To: Cherise Tieben, City Manager
From: Nannette Pogue
Date: August 12, 2015
Subject: Resolution No. 2015-20
Agenda Item: Ordinances and Resolutions

Recommendation: I recommend the approval of Resolution No. 2015-20

Background: The City currently uses Fidelity State Bank as our official depository. We are opening a new account at Fidelity State Bank to accommodate the credit card receipts at the golf course. The resolution authorizes this account to be added and states that a proper signature card will accompany the resolution. The signers on the account are the regular signers: Cherise Tieben, Dot Sumaya and Nannette Pogue.

Justification: It is required by the bank to have City Commission authorization via a Resolution of the City.

Financial Considerations: None

Purpose/Mission: To promote open communications, honesty and integrity.

Legal Considerations: None

Attachments: Resolution No. 2015-20.

Resolution No. 2015-20

A Resolution Designating an Additional Bank Account at Fidelity State Bank and Trust Company, Dodge City, and Authorizing Signers

WHEREAS, the Governing Body has previously voted to designate The Fidelity State Bank and Trust Company, 510 N. Second Avenue, Dodge City, Kansas as an official depository for City funds

BE IT RESOLVED that the following account will be in addition to those accounts that have already been established by previous Resolution and are hereby authorized and all checks, drafts, notes or orders drawn against the stated accounts must be signed and shall be certified to The Fidelity State Bank and Trust Company, Dodge City, Kansas and no checks, drafts, notes or orders drawn against said accounts shall be valid unless signed as certified.

A. City of Dodge City, Credit Card Receipt Account – Account Number 108012

BE IT FURTHER RESOLVED that certification of persons authorized to sign on the above stated account shall be provided to The Fidelity State Bank and Trust Company, Dodge City, Kansas by the City Manager of Dodge City and the City Clerk.

BE IT FURTHER RESOLVED that this resolution shall continue to have effect until express written notice of its rescission or modification has been received by the Fidelity State Bank and Trust Company, Dodge City, Kansas.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its passage.

Adopted by the City Commission of the City of Dodge City this 17th day of August, 2015.

Mayor

ATTEST:

City Clerk

City of Dodge City

City of Dodge City
806 N. Second Ave.
67801

Phone: 620-225-8100
FAX: 620-225-8144
www.dodgecity.org

Memorandum

To: Cherise Tieben, City Manager
From: Nannette Pogue
Date: August 13, 2015
Subject: Resolution No. 2015-21
Agenda Item: Ordinances and Resolutions

Recommendation: I recommend the City Commission adopt Resolution No. 2015-21.

Background: House Bill 2042 was passed by the 2015 Kansas Legislature and impacts the annual budgeting process by amending K.S.A. 79-2925b. The bill allows local units of government to adjust the amount of property taxes levied over the previous year by the CPI for all urban consumers as published by the United States Department of labor for the preceding calendar year. Affective July 2, 2015, if the governing body of the municipality votes to approved a budget which includes an increase over the computed limit, a majority of the governing body must also approve a resolution and provide “notice” of that vote to be published in the official county newspaper.

While the 2016 proposed mill levy stayed the same as 2015, the computation shows that a resolution needs to be approved and a notice be published in the paper. The assessed valuation increased, so the amount of a mill increased as well. Also, the debt service levy is exempt from the calculations, but in the 2016 proposed budget the debt service levy actually decreased while the general fund levy increased. These are the reasons the resolution needs to be approved and notice published in relation to the amount of taxes levied in the 2016 budget.

Justification: Resolution No. 2015-21 is necessary per the new laws passed during the 2015 session of the Kansas Legislature regarding tax transparency.

Financial Considerations: none

Purpose/Mission: On-going improvement.

Legal Considerations: This resolution and subsequent notices satisfies legal consideration as it relates to the 2016 budget.

Attachments: Resolution No. 2015-21, computation and notice

RESOLUTION NO. 2015-21

Whereas, K.S.A. 79-2925b, as amended, provides that a levy of property taxes to finance the 2016 budget for the City of Dodge City exceeding the amount levied to finance the 2015 budget of the City of Dodge City, as adjusted to reflect changes in the Consumer Price Index for All Urban Consumers for calendar year 2014, be authorized by the adoption of a resolution by a majority vote of the governing body; and

Whereas, the City of Dodge City provides essential services for the health, safety and welfare of this community; and

Whereas, the cost of providing the essential services necessary to meet the needs of the citizens of the City of Dodge City continues to increase; and

Whereas, after careful public deliberations, the governing body has determined that in order to maintain public services that are essential to the citizens of this city, it will be necessary to budget property tax revenues in an amount exceeding the levy in the 2015 budget; and

NOW, THEREFORE, BE IT RESOLVED by the governing body of the City of Dodge City that a levy of property taxes in support of the 2016 budget exceeding the amount levied in 2015, as adjusted pursuant to K.S.A. 79-2925b, as amended, was required to meet the needs of the citizens and said budget is hereby approved.

Adopted this 17th day of August, 2015 by the governing body.

Mayor

ATTEST:

City Clerk

(Seal)

City of Dodge City

NOTICE OF VOTE

Published pursuant to K.S.A. 79-2925b as amended

In adopting the City of Dodge City's 2016 budget the governing body found it necessary to increase property taxes in an amount greater than the amount levied for the city's 2015 budget, adjusted by the 2014 consumer price index for all urban consumers. The budget and the resolution required by K.S.A. 79-2925b were approved by a majority vote of the governing body.

EXECUTIVE SUMMARY

2016 Budget

City of Dodge City

Submitted for the Governing Body's consideration and discussion is the proposed 2016 operating and capital budget for the City of Dodge City for the fiscal year beginning January 1, 2016. The budget proposal represents the ongoing commitment to manage the delicate balance between funding essential operations, providing for infrastructure investment, and maintaining a stable tax levy.

The proposed budget was developed with three primary objectives.

- 1). Continuation of our commitment to maintaining and improving our service delivery, through an emphasis on the importance of human resources.
- 2). Continuing our efforts to fund a Capital Improvement Program, and infrastructure programs in order to insure sound and viable City infrastructure, public works facilities, and overall service delivery capability.
- 3). Commit the resources needed to provide essential services for a growing community, as well as continue to provide programs and facilities that enhance quality of life for residents.

Budget Assumptions

During the budget preparation process we have made revenue forecasts based on national, state, and local economic trends, and state budget laws. Community needs, departmental program history, and general direction from the governing body were key factors used in projecting program costs for 2016. The budget as presented does not provide any increased services. It represents the same programming in the general fund as it did in 2015. Salary increases are also included.

Some assumptions used to develop this budget include:

- 1). The proposed budget requires a mill levy of 50.883 mills, which is the same as the 2015 levy of 50.883.
- 2). Assessed Valuation of \$152,610,417. This is a 7.84% increase over the 2014 assessed valuation of 141,515,147. In the previous years the City has been receiving approximately 210,000 of payment in lieu of taxes from National Beef. In 2015, the tax abatement for National Beef is finished so the improvements that were abated are fully on the tax rolls.
- 3). Delinquent ad valorem tax at a rate of 5%

- 4). Salary increase of 2.5% (1% in January and 1.5% in July)
- 5). Continue to restore funding for the Capital Improvement Program
- 6). Approximately 100% of equipment and vehicle depreciation in the general fund for funding the Municipal Equipment Replacement Program.
- 7). Health Insurance premiums will increase approximately 6% in 2016. Since we are self funded, the “premiums” are stated at how much we should be funding our self funded account taking into consideration all factors. The City had a healthy fund balance in the self insurance account beginning in 2015, so the funding from the General Fund and other funds that employees were paid from didn’t pay the entire stated premium amount. In 2016, the proposed budget is funding the amount of premiums that should have been funded in 2015. We will meet toward the end of the year, when we know for sure what the proposed “premiums” are and decide at that time whether the increases will be funded through the self insurance fund, passed on to employees or a combination thereof. The premiums funded from 2015 to 2016 in the General Fund amounted to an approximately \$294,000 increase.
- 8). Continued loss of demand transfer funds from the State of Kansas.
- 9) Interest income on idle funds continues to be non existent
- 10) The YMCA assumed the recreation programs for the City of Dodge City as of January 1, 2013. The programming revenue and expense for the recreation programs, Sheridan Activity Center, and the swimming pool were all deleted. The original agreement with the YMCA was that the YMCA would reimburse 75% of salary expenses the third year, which was up from 50% the second year and 25% the first year. 2016 will be year 4 of the agreement. YMCA has requested that the City continue to help fund the operations. In 2016 the proposed budget includes \$122,500 for operations plus \$10,000 for maintenance of buildings or equipment. This is approximately the same amount as was budgeted in 2015.

Property Tax Funds

The Funds reflected in this budget which are supported by property tax assessment include the General Fund, Special Liability Fund, Library and Library Employee Benefit Funds, Bond & Interest Fund and Capital Improvement Fund. All other funds are supported by Special Revenue or User Fees.

This budget is presented by fund, with the revenue being listed first and the expenditures listed next and summarized by category. Reports are available that lists all the line items included in each fund as well as detail of most of the line items.

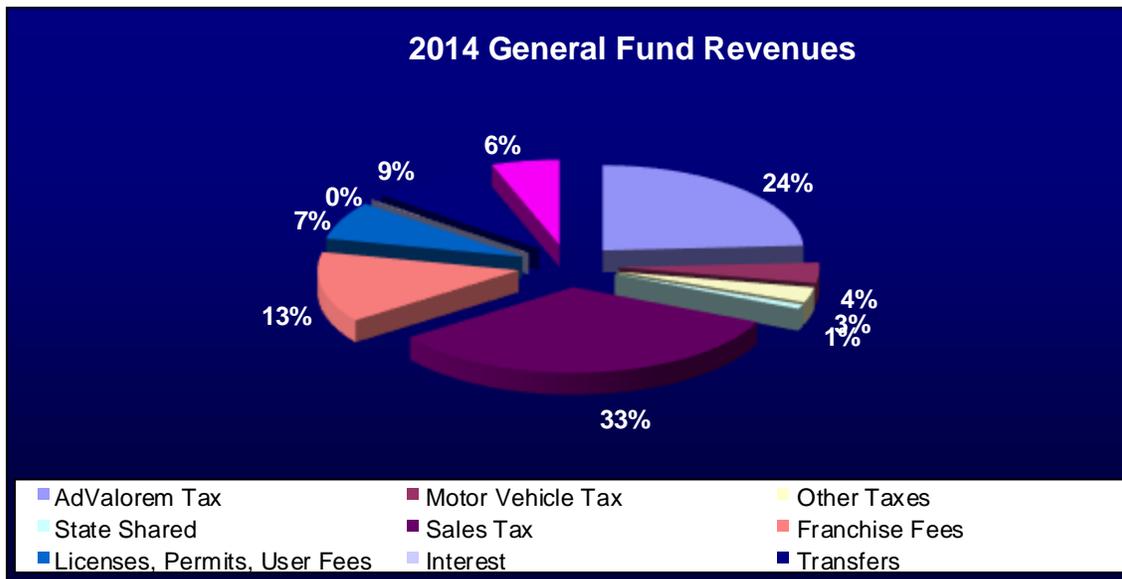
Revenue Projections

The sales tax revenue projection in 2015 is \$4,865,000 in the general fund. The same amount is projected as sales tax revenue in the Sales Tax Fund. This is the same as was budgeted for 2015. To date the sales tax is flat from where it was at the same time period in 2014. This revenue source continues to be strong, even though it has flattened out. Sales tax is one of the non-property tax funding sources that is of great importance to the City as it represents approximately 30% of the total revenue stream for the General Fund budget.

Interest income is not a major source of income as it has been in the past. The interest rates for idle public funds are under .10%. This remains the lowest that I have ever seen it in my years of public service.

Municipal Court fine revenue has continued to decrease or remain flat.

The following graph provides an overview of the 'General Fund Revenue Sources for the Budget Year 2014 (actual).



Cash Reserves

I have shown the Cash Reserve in the budget in the amount of 1,600,000. It is titled Transfer to Capital. This amount reflects 10.55% of the budgeted expenditures for 2016. At 2014 year end, the general fund cash balance was 2,612,123, which is 18.92% of the 2014 actual expenditures. The goal is to have 15 – 25% of the current year budgeted expenditures as cash reserve in the general fund.

Capital Improvement Program and Municipal Equipment Reserve Fund

Included in the 2016 Budget is the proposed Five-Year Capital Improvement Program. The items in this program have been prioritized by the City Department Heads. The requests recommended for 2016 total \$449,442.

The Municipal Equipment Reserve Fund is funded by the depreciation amount of the equipment (vehicles and other rolling equipment) in the general fund. This fund then supports the replacement or new equipment for departments in the general fund. The equipment in the other funds (Sales Tax Fund, Water, Sewer and Sanitation) are all listed in the Program, but funded in those individual funds. The Municipal Equipment Reserve Fund is being funded by \$434,096 depreciation in the proposed 2016 budget. This represents approximately 100% of the equipment depreciation in the general fund. There are purchases that are a high priority and mileage plus maintenance costs show that these purchases need to be made in 2016. At the end of 2014, the fund had approximately \$265,188 in it. It is budgeted to spend approximately \$300,000 in 2015 and proposed \$364,636 in 2016. We continue to evaluate the equipment regarding which equipment can be shared, the replacement schedules, etc. All of the department heads agree that it is important to continue funding the capital equipment fund at some level to maintain quality equipment.

Funding Considerations

The budget as submitted includes:

- 1) A 2.5% salary increase (1% in January and 1.5% in July) for full time personnel. The amount shown below reflects the salary increase plus the cost of increased benefits (social security and retirement)

	<u>Increase</u>
General Fund	153,500
Sales Tax Fund	2,622
Sales Tax Fund (Organizational Fund)	1,174
Convention and Visitors Fund	4,089
Special Streets Fund	4,192
Water Fund	9,182
Wastewater Fund	3,585
Sanitation Fund	11,452
Drainage Fund	925
Utilities Administration	6,911
Vehicle Maintenance	<u>1,624</u>
Totals	199,256

- 2) The health insurance increase in the general fund amounted to approximately \$294,000. There were slighter increases in the other funds because there are not as many employees.
- 3) An additional Engineering Technician position was budgeted in the Special Streets Fund. One of the Engineering positions we currently have is doing more Zoning Administration work, so that leaves a void in the engineering staff. Also an additional regular part-time zoo attendant was budgeted for.
- 4) Monies were included for continued succession planning.
- 5) The general fund includes funding for Amtrak commitment in the amount of \$12,500; \$10,000 for Southwest Kansas Business Development Center; increase match in Public Transportation of \$12,200; capital outlay for the replacement of AC unit in City Hall, carpet and furniture replacement in the day room at Fire Station #1, 4-wheeler at the airport, Hoover Pavilion floor refinishing, replacement of Hoover Pavilion doors and bunker repair at the golf course. These capital outlay items are all under \$25,000 so do not rise to the level of the Capital Improvement Program or the Capital Equipment Replacement Program.
- 6) There is continued funding of the Annual Bonus to employees.
- 7) The community promotions line item includes \$50,000. Requests to date exceed this amount, so the requests needs to either be cut down or the funding increased. The requests to date are the Cowboy Band at \$18,500, The Alley at \$24,000, Dodge City Festivals at \$10,000 (5,000 from General Fund and 5,000 from the CVB), the fireworks display at \$5,000, CASA at \$10,000, Big Brothers/Big Sisters at \$10,000, Wild West Heritage Foundation at \$500 or \$1,500 or \$5,000 or \$10,000, and Teachers Hall of Fame at \$25 or \$50 or \$100 or \$300 or \$500 or \$1,000.
- 8) The final payment of the All 4 Fun building is in at \$100,000,

Other considerations include:

- 1) The lottery money is estimated at approximately \$600,000 per year. The revenue is being recorded in a Growth and Development Fund to be used to support infrastructure projects. It is proposed to use \$450,000 in both 2015 and 2016 to fund the Bond & Interest Fund. We are also using some of this money for Star Bond Project expenses.
- 2) The construction department is included in the general fund and includes salaries, benefits and other small purchases. The department also operates as a building maintenance department. It is anticipated to charge back some of the expenses in this fund to individual departments.
- 3) Our cash position has improved over the past 2 years. We would like to maintain the cash position to be in a more positive position when issuing bonds.
- 4) The Water and Wastewater Fund was combined in 2013 to take advantage of the combined revenue and improve cash flow for operations, capital improvements and future debt payments. The debt payments for the New Water Reclamation Facility began in 2012 and are \$1,950,000 per year. Capital improvements in this fund have minimized. The revenues and expenditures will need to be watched very closely as not to create any deficit.

5) A new Sanitation truck is proposed for 2015.

Street GO Bond Program

The North Central Avenue widening projects has been approved in 2015, so bonds will need to be issued for this project and any other project that may be approved in 2015. For bonds issued in 2015, the first payment would be due in 2016. There is an additional payment of 300,000 budgeted in 2015 of which only \$55,000 will be used. So, this amount will be carried forward. In the proposed 2016 budget is new payments in the amount of \$365,000. In order to keep the mill levy down, \$450,000 of lottery money continues to be proposed to fund the principal and interest payments.

Library

The Dodge City Public Library submitted a budget proposal of \$991,840 for the general Library fund and \$372,315 for the Library Employee Benefit Fund for a total of \$1,364,155. Last year's approved budget was \$1,262,919. This request under the 6 mills for the General Library Fund. However, the Library Employee Benefit fund request is a 2.196 mill levy which is a .3250 mill levy increase over last year. The City Commission approved a mill levy cap of 6 mills for the Library General Fund in 2009.

Special Liability Fund

This funds the City's insurance premiums. This includes liability, property, workmen's compensation, airport liability, and police liability, and some miscellaneous liability and bonds. It is anticipated that the commercial property and liability premium will increase by approximately 6-8%. The increase for workmen's compensation may be somewhat higher. We will not know the exact increases until later in the year, but this budget has been increased to account for some increases we may experience.

Water and Wastewater Funds

The Water and Wastewater Funds were combined in 2012 as the Water and Wastewater Utility Fund. There are three divisions: the water division, the wastewater collection division and the wastewater treatment division.

The water division budget reflects the operating costs for the distribution of water to the customers, and some capital improvement projects.

The wastewater collection division budget reflects the operating costs for the collection of the wastewater and taking that wastewater south of town to the wastewater treatment plant or north to the new wastewater treatment facility.

The wastewater treatment division reflects the contract costs for the operation of both treatment plants. The City of Dodge City has a contract with OMI to operate both plants.

This budget also includes some operation costs not included in the contract and the debt service payment for the north wastewater treatment plant.

A revenue bond was issued for the improvements to the current wastewater treatment plant that included water wells and pumps in that area. These improvements were made in partnership with National Beef because of their expansion. As a result, National Beef pays 50% of the total bond payments for this project. This revenue bond was refinanced to General Obligation bonds in 2012 along with two temporary note issues for purchase of water rights and development of 4 water wells and a water loan outstanding. All debt payments are shown in this fund.

The transfer to the general fund is shown both in the water division and wastewater division budgets. The amount from the water division has not changed and needs to be looked at in the future.

Sales Tax Fund

The Sales Tax Fund is the “Why Not Dodge” projects that were voted on in 1997. This budget includes operating budgets for the Racetrack, Athletic Fields, administration costs, “organizational funding”, United Wireless Arena and Conference Center operating, and payments for the Revenue Bond issued in 2009 to fund the events center. Beginning in 2016, the Revenue Bond payments for the Regional Outdoor Aquatic Park and \$75,000 of operating for the park is also budgeted. The operation of the Special Events Center is at \$830,752 plus monies for the maintenance of the grounds. This budget will need to be considered and approved by the CFAB and approved by the City and County Commissions.

Development and Growth Fund

This is the fund that the expanded lottery tax is being deposited into. The City Commission agreed that these monies be used to fund infrastructure. There is a transfer being made into the Bond and Interest Fund to make bond payments. At this time, all outstanding general obligation bonds have been issued for street and other infrastructure improvements. Also, costs associated with the Star Bond Project are being paid from this fund.

Special Revenue Funds

There are several other funds listed that are not mentioned in this summary. As previously stated, all of the funds are shown separately and each revenue and expenditure source is listed.

If you have particular questions on any of these funds, please do not hesitate to contact Cherise or Nannette.

City of Dodge City

2016

Computation to Determine Limit for 2016

	Amount of Levy
1. Total tax levy amount in 2015 budget	+ \$ <u>7,218,316</u>
2. Debt service levy in 2015 budget	- \$ <u>1,748,625</u>
3. Tax levy excluding debt service	\$ <u>5,469,691</u>

2015 Valuation Information for Valuation Adjustments

4. New improvements for 2015:	+ <u>2,497,495</u>	
5. Increase in personal property for 2015:		
5a. Personal property 2015	+ <u>6,683,115</u>	
5b. Personal property 2014	- <u>4,292,704</u>	
5c. Increase in personal property (5a minus 5b)	+ <u>2,390,411</u>	
		(Use Only if > 0)
6. Valuation of annexed territory for 2015		
6a. Real estate	+ <u>0</u>	
6b. State assessed	+ <u>0</u>	
6c. New improvements	- <u>0</u>	
6d. Total adjustment (sum of 6a, 6b, and 6c)	+ <u>0</u>	
7. Valuation of property that has changed in use during 2015		<u>167,536</u>
8. Total valuation adjustment (sum of 4, 5c, 6d & 7)		<u>5,055,442</u>
9. Total estimated valuation July 1, 2015	<u>152,768,549</u>	
10. Total valuation less valuation adjustment (9 minus 8)		<u>147,713,107</u>
11. Factor for increase (8 divided by 10)		<u>0.03422</u>
12. Amount of increase (11 times 3)	+ \$	<u>187,199</u>
13. 2016 budget tax levy, excluding debt service, prior to CPI adjustment (3 plus 12)	\$	<u>5,656,890</u>
14. Debt service levy in this 2016 budget		<u>1,746,733</u>
15. 2016 budget tax levy, including debt service, prior to CPI adjustment (13 plus 14)		<u>7,403,623</u>
16. Consumer Price Index for all urban consumers for calendar year 2014		<u>1.60%</u>
17. Consumer Price Index adjustment (3 times 16)	\$	<u>87,515</u>
18. Maximum levy for budget year 2016, including debt service, not requiring 'notice of vote publication.' (15 plus 17)	\$	<u>7,491,138</u>

77,652,800

If the 2016 adopted budget includes a total property tax levy exceeding the dollar amount in line 18 you must publish notice of vote by the governing body to adopt such budget in the official county newspaper and attach a copy of the published notice to this budget.

In no event will published notice of the vote be required if the total budget year tax levy is \$1,000 or less.