

CITY COMMISSION AGENDA

City Hall Commission Chambers

Tuesday, September 3, 2013

7:00 p.m.

MEETING #4933

CALL TO ORDER

ROLL CALL

INVOCATION: by Vernon Bogart of John 14 Fellowship

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

1. 2014 Budget Hearing

PETITIONS & PROCLAMATIONS

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).

CONSENT CALENDAR

1. Approval of City Commission Meeting Minutes, August 19, 2013
2. Approval of Joint City/County Meeting Minutes, August 22, 2013
3. Appropriation Ordinance No. 17, September 3, 2013;
4. Cereal Malt Beverage License Applications;
(a) Dillons Store, 1700 N. 14th Avenue
5. Approval of Change Order No. 1 for Concrete Reconstruction ST 1305

ORDINANCES & RESOLUTIONS

Resolution No. 2013-29: A Resolution affiliating Dodge City, Kansas with the Welcoming Cities and Counties Initiative. Report by Chairperson of the Cultural Relations Advisory Board, Greta Clark.

UNFINISHED BUSINESS

1. Approval of use of former TM Deal property, as a Multicultural Park; located at 3rd Avenue and Spruce Street. Report by Director of Parks & Recreation, Paul Lewis.

NEW BUSINESS

1. Appointment of League of Kansas Municipalities Delegates. Report by City Clerk/Director of Finance, Nannette Pogue.
2. Approval of 2014 Budget. Report by City Clerk/Director of Finance, Nannette Pogue.
3. Approval of 2012 Audited Financial Statements. Report by City Clerk/Director of Finance, Nannette Pogue.

OTHER BUSINESS

ADJOURNMENT

NOTICE OF BUDGET HEARING

The Governing Body of the City of Dodge City will meet on the 19th day of August, 2013, 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 2014 Expenditures and the Amount of current year estimate for 2013 Advalorem Tax establish the maximum limits of the 2014 budget. The Estimated Tax Rate is subject to change depending on final assessed valuation.

FUND	2012		2013		PROPOSED BUDGET FOR 2014		
	Prior Year Actual Expenditures	Actual Tax Rate	Current Year Estimate of Expenditures	Actual Tax Rate	Expenditures	Amount of 2013 Ad Valorem Tax	Est. Tax Rate
General Fund	13,742,751	23.496	13,918,376	30.486	15,855,450	3,616,308	25.577
Special Liability	694,007	4.845	872,825	3.685	914,995	669,265	4.734
Library	905,394	5.955	915,854	5.487	948,174	805,409	5.697
Library Employee Benefit	257,086	1.804	314,500	2.086	306,275	263,379	1.863
Building Fund	297,989	0.000	0	0.000	0	0	0.000
Bond and Interest	2,379,704	12.944	2,929,122	8.232	3,172,210	1,681,856	11.895
Capital Improvement Fund	555,611	1.936	485,000	1.851	531,020	290,514	2.055
Sales Tax - Special Projects	6,007,501		6,297,405		5,719,845		
ST Fund-Organization Funding	920,566		904,530		303,135		
Special Events Center Constructio	120,653		0		0		
Sales Tax-Dep & Replacement	7,682		1,748,000		0		
SEC Revenue Bond Fund	2,453,203						
Convention and Visitors	742,013		854,347		875,117		
Special Streets & Highways	518,023		714,805		889,780		
Special Parks & Recreation	181,019		90,000		90,000		
Special Alcohol & Drug	121,249		109,000		100,000		
Alcohol Drug & Safety Action	3,842		25,710		16,908		
Special Law Enforcement Trust	2,764						
All 4 Fun	33,399		35,000		75,000		
Underage Alcohol Abuse Program	5,493		15,000		15,000		
DARE	20,568		15,000		15,000		
Capital Equipment	462,227		531,150		470,790		
Grants	1,964,725						
Development & Growth Fund	605,516		950,000		950,000		
Street Reconstruction Projects	1,539,479						
Water & Wastewater Utility Fund	9,771,771		11,467,408		10,942,746		
2008 Temp Notes-Water	14,305						
2003 WWTP & Wtrl Imp Debt Ser	2,757,815						
2009 Wastewater Treatment Plant	2,712,990						
Sanitation	1,859,593		1,957,262		1,937,859		
Drainage Utility	106,024		177,260		428,625		
Utilities Administration	0		0		0		
Transportation	294,572		337,760		348,740		
Medical Self Insurance	2,151,614		2,275,300		2,200,000		
Hoover	0						
Economic Development Revolving	2,132						
SMPC Trust	0		20,000		30,000		
TOTALS	54,213,279	50.980	47,960,614	51.827	47,136,669	7,326,731	51.821
Less Transfers:	11,174,778		6,716,317		5,997,406		
Net Expenditures	43,038,501		41,244,297		41,139,263		
Total Tax Levied	6,613,021		7,006,277		7,326,731		
Assessed Valuation	129,801,963		135,191,105		141,386,354		

	Outstanding Indebtedness, January 1,		
	2011	2012	2013
G.O. Bonds	21,365,000	19,340,000	41,165,000
Revenue Bonds	56,095,000	54,475,000	38,660,000
Temporary Notes	6,765,000	8,445,000	630,000
Lease Purch Princ	0	307,207	232,938
KDHE Loans	14,349,974	23,710,764	23,340,729
Total	98,574,974	106,277,971	104,028,667

*Tax Rates are expressed in mills.

City Clerk

CITY COMMISSION MEETING MINUTES

City Hall Commission Chambers

Monday, August 19, 2013

7:00 p.m.

MEETING #4930

CALL TO ORDER

ROLL CALL: Mayor Kent Smoll, Commissioners, Jim Lembright, Joyce Warshaw, Rick Sowers, and Brian Delzeit.

INVOCATION by Rev. Lance Carrithers of First United Methodist Church

PLEDGE OF ALLEGIANCE

PETITIONS & PROCLAMATIONS

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).

John Bogner representing Western Beverage and Dodge City Days Chairman thanked the City for everything they helped with during Dodge City Days. Attendance was increased on most of the events. Held multiple events in the park and wanted to thank all the Park & Recreation Staff. Thanked City for upgrades in the electricity in the park and thanks to all Public Works for preparing Dodge City for Dodge City Days.

Lisa Dameron representative of Aquatics Task Force – Pleased with work that Waters Edge has done; wants to be united with the Community and work with City and County Commissioners.

Dawn Meridith, wants an event to be organized in Dodge City for National Pitbull Awareness Day.

CONSENT CALENDAR

1. Approval of City Commission Work Session Minutes, August 5, 2013;
2. Approval of City Commission Meeting Minutes, August 5, 2013;
3. Appropriation Ordinance No. 16, August 19, 2013;
4. Approval of Grant Agreement with KDOT for Public Transportation Services. Report by Director of Parks & Recreation, Paul Lewis.

Commissioner Jim Lembright moved to approve the Consent Calendar with changes to minutes of August 5, 2013 as presented; Commissioner Brian Delzeit seconded the motion. The motion carried unanimously.

ORDINANCES & RESOLUTIONS

Ordinance No. 3570: An Ordinance Regulating Traffic Within the Corporate Limits of the City of Dodge City, Kansas; Incorporating by Reference the “Standard Traffic Ordinance for Kansas Cities, Edition 2013” and Repealing Ordinance No. 3543 was approved on a motion by Commissioner Brian Delzeit; motion was seconded by Commissioner Joyce Warshaw. The motion carried unanimously.

Ordinance No. 3571: An Ordinance Regulating Public Offenses within the Corporate Limits of the City of Dodge City, Kansas; Incorporating by Reference the “Uniform Public Offense Code for Kansas Cities, Edition 2013” and Repealing Ordinance No. 3544 was approved on a motion by Commissioner Brian Delzeit; motion was seconded by Commissioner Joyce Warsaw. The motion carried unanimously

UNFINISHED BUSINESS**NEW BUSINESS**

1. Commissioner Rick Sowers moved to place the approval of the 2014 Budget for the Agenda on September 3 so that proper notification can be given to the Public. Commissioner Jim Lembright seconded the motion. The motion carried unanimously.
2. Approval of the Memorandum of Understanding with Interfaith Housing and the Abandoned Housing Program to rehabilitate the property at 1102 Iron Road; and approved the Mayor to sign the agreement when it is completed, was approved on a motion by Commissioner Rick Sowers, motion was seconded by Commissioner Joyce Warshaw. The motion carried unanimously.
3. YMCA’s planned program fee increase for Fundays programming was approved on a motion by Commissioner Joyce Warshaw; motion was seconded by Commissioner Brian Delzeit. The motion carried unanimously.
4. The Engineering Services for Wildlife Hazard Assessment at the Dodge City Municipal Airport with Burns & McDonnell in the amount of \$99,500 with the City’s match at 5% was approved on a motion by Commissioner Jim Lembright; motion was seconded by Commissioner Joyce Warshaw. The motion carried unanimously.
5. Modified Funding Sources for Airport Parking Lot with the City’s match being \$146,727.65 was approved on a motion by Commissioner Brian Delzeit; motion was seconded by Commissioner Jim Lembright. The motion carried unanimously.
6. The Bid from Klotz Sand Co. Inc. in the amount of \$304,208.00 for 2013 Trail Street Asphalt Mill and Overlay was approved on a motion by Rick Sowers; seconded by Joyce Warshaw. The motion carried unanimously.

OTHER BUSINESS

Assistant City Manager, Cherise Tieben:

- August 21 at 6:00 p.m., dinner with Venuworks Corporate Staff;
- August 22 - Joint City/County Commission Meeting;
- August 26 – A Luncheon hosted by Rotary and Chamber of Commerce featuring the Dean of KU School of Business from 11:30 a.m. – 1:00 p.m., who would like to attend.
- October 4 – SKC Meeting in Garden City;
- October 12 – 14 – LKM Meeting in Overland Park;
- Received a letter today from FEMA postponing the Levy Project.

Commissioner, Joyce Warshaw:

- Exciting day in USD 443, Ipad initiative – Children will start on Wednesday, August 21st.

Commissioner, Rick Sowers:

- Sales Tax Report up. Thanked all the people in Dodge City in the retail environment.

Commissioner, Brian Delzeit;

- On behalf of the City; Thanked John Bogner as Chairman of Dodge City Days.

Mayor, Kent Smoll:

- August 27 – Governor Sam Brownback will be in town;
- Encourage citizens to shop local.

ADJOURNMENT

Commissioner Brian Delzeit moved to adjourn the meeting; Commissioner Rick Sowers seconded the motion. The motion carried unanimously.

JOINT CITY/COUNTY COMMISSION MEETING MINUTES

Ford County Rose Room
Thursday, August 22, 2013
5:30 P.M.
Meeting #4931

WELCOME - Chairman King and Mayor Smoll

ROLL CALL

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

Ford County: Chairman Jerry King, Commissioners Danny Gillum and Chris Boys. All present along with Ed Elam, County Administrator, Sharon Seibel, County Clerk and Glen Kerbs, County Attorney.

VENUE WORKS REQUEST TO EXTEND MANAGEMENT AGREEMENT

Steve Peters, President of Venue Works, Inc.

City Action: Commissioner Brian Delzeit moved to table and remove item from Agenda. Tabled the review of proposed CFAB Budget and Amendment recommendations for 2014. Commissioner Joyce Warshaw seconded the motion. Motion carried unanimously.

County Action: Chairman Jerry King moved to table and to remove item from Agenda. Tabled the review of proposed CFAB Budget and Amendment recommendations for 2014. Commissioner Danny Gillum seconded the motion. The motion carried unanimously.

APPOINTMENT TO FILL CFAB VACANCY - Chairman King and Mayor Smoll

City Action: Commissioner Joyce Warshaw moved to appoint Bill Turley to an unexpired term to the CFAB, Commissioner Brian Delzeit seconded the motion. The motion carried unanimously.

County Action: Chairman Jerry King moved to appoint Bill Turley to the CFAB, Commissioner Chris Boys seconded the motion. The motion carried unanimously.

ADOPTION OF ENTERTAINMENT FUND POLICY – Glen Kerbs

City Action: Commissioner Jim Lembright moved to approve Entertainment Fund Policy. Commissioner Brian Delzeit seconded the motion. Motion carried unanimously.

County Action: Commissioner Danny Gillum moved to approve Entertainment Fund Policy. Commissioner Chris Boys seconded the motion. Motion carried unanimously.
Page 2 Joint City/County Commission Minutes August 22, 2013

City Action: City Resolution No. 2013-27, A Resolution to propose to the CFAB that an Aquatic Facility be approved as a Why Not Dodge Project. Commissioner Jim Lembright moved to approve, seconded by Commissioner Joyce Warshaw. Motion carried unanimously.

CityAction: City Resolution No. 2013-28, A Resolution to make Santa Fe Depot a Why Not Dodge Project was approved on a motion by Commissioner Rick Sowers, seconded by Commissioner Brian Delzeit. Motion carried unanimously.

ADJOURNMENT

City Action: Commissioner Rick Sowers moved and Commissioner Brian Delzeit seconded the motion to adjourn the meeting. The motion carried unanimously.

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

E. Kent Smoll, Mayor

ATTEST:

Nannette Pogue, City Clerk

CORPORATE APPLICATION FOR LICENSE TO SELL CEREAL MALT BEVERAGES

(This form has been prepared by the Attorney General's Office)

City or County of Dodge City

SECTION 1 – LICENSE TYPE	
Check One: <input type="checkbox"/> New License <input checked="" type="checkbox"/> Renew License	
Check One:	
<input type="checkbox"/> License to sell cereal malt beverages for consumption on the premises.	
<input checked="" type="checkbox"/> License to sell cereal malt beverages in original and unopened containers and not for consumption on the licensed premises.	

SECTION 2 – APPLICANT INFORMATION			
Kansas Sales Tax Registration Number (required): 0044801956590F01			
Name of Corporation Dillon Stores, Div. of Dillon Companies Inc		Principal Place of Business 2700 E. 4th., P.O. Box 1608	
Corporation Street Address 2700 E. 4th., P.O. Box 1608		Corporation City Hutchinson	State KS
		Zip Code 67501	
Date of Incorporation 05/13/21		Articles of Incorporation are on file with the Secretary of State. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Resident Agent Name		Phone No.	
Residence Street Address		City	State
		Zip Code	

SECTION 3 – LICENSED PREMISE			
Licensed Premise (Business Location)		Mailing Address	
DBA Name Dillons #1		Name Kroger Business License, Tax Department	
Business Location Address 1700 N. 14th Street		Address 2620 Elm Hill Pike, P.O. Box 305103	
City Dodge City	State KS	City Nashville	State TN
Zip 67801		Zip 37230-5103	
Business Phone No. 620-225-6130		<input checked="" type="checkbox"/> Applicant owns the proposed business location. <input type="checkbox"/> Applicant does not own the proposed business location.	
Business Location Owner Name(s)			

SECTION 4 – OFFICERS, DIRECTORS, STOCKHOLDERS OWNING 25% OR MORE OF STOCK			
List each person and their spouse, if applicable. Attach additional pages if necessary.			
Name see attached sheet, no one owns more than 25%		Position	
Residence Street Address		City	State
		Zip Code	
Date of Birth			
Spouse Name		Position	
Residence Street Address		City	State
		Zip Code	
Date of Birth			
Name		Position	
Residence Street Address		City	State
		Zip Code	
Date of Birth			
Spouse Name		Position	
Residence Street Address		City	State
		Zip Code	
Age			
Name		Position	
Residence Street Address		City	State
		Zip Code	
Date of Birth			
Spouse Name		Position	
Residence Street Address		City	State
		Zip Code	
Age			

Memorandum

To: City Manager
Assistant City Manager
City Commissioners
From: Ray Slattery, ~~AF~~
Director of Engineering Services
Date: August 22, 2013
Subject: Concrete Street Reconstruction
ST1305
Agenda Item: Consent Calendar

Recommendation: Approve change order 1 of Concrete Street Reconstruction

Background: Concrete Street Reconstruction was approved by Commission on July 1, 2013

Justification: Unclassified Excavation & 7" PCC Pavement – The additional 13 S.Y. for both of these bid items represent actual field measurements. The reconstruction was extended 3.65' to remove some damage on existing panels at the Gardner Ave. end of the job.

Fly-Ash Sub-Grade Preparation – The additional 51 S.Y. represents actual field measurements. As mentioned above, the project was extended. The Sub-Grade Preparation under the Pavement and Curb & Gutter was therefore increased.

Sub-Grade Repair – The additional 150 C.Y. represent actual field measurements. The reason for this over run was that the existing Sub-Grade along the south curb-line needed to be removed and replaced. Pavement of the existing street in this area was basically non-existent and water had made it way into the Sub-Grade.

Remove & Replace Curb & Gutter – The additional 18 L.F. represents actual field measurements. As mentioned above, the project was extended, additional curb & gutter was replaced on the east end of the project along with a section in front of the inlet.

Financial Considerations: Change Order 1 is for an increase of \$6,108.50

Purpose/Mission: One of the City's core values in Ongoing Improvements. With the construction of these improvements the City is preparing for the community's future and providing new possibilities for current and future citizens of our community.

Legal Considerations: N/A

Attachments: Change Order 1 and Change Order 1 description

CHANGE ORDER #1

Concrete Street Reconstruction Spruce St. – Gardner Ave. to Westlawn Dr. ST 1305

ITEM:

DESCRIPTION:

Unclassified Excavation & 7" PCC Pavement – The additional 13 S.Y. for both of these bid items represent actual field measurements. The reconstruction was extended 3.65' to remove some damage on existing panels at the Gardner Ave. end of the job.

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Memorandum

*To: City Manager
City Commissioners*
From: Jane Longmeyer
Date: August 26, 2013
Subject: Welcoming Cities
Agenda Item: Resolution

Recommendation: Adopt Resolution No. to join the national Welcoming Cities & Counties initiative.

Background: The Cultural Relations Advisory Board was created in 2010 to advise the City Commission related to or affecting minority communities within Dodge City and to act as a resource for intercultural awareness, education and celebration among all people. The Board has partnered with the Public Library in a Building Common Ground grant that provided for five different activities to encourage intercultural awareness. The Board has also created a program called Community Engagement Partnership Program in which four evenings are spent with participants meeting with various community leadership. The second session is due to begin Sept. 24th.

Justification: The Welcoming Cities and Counties program recognizes the benefit of supporting immigrant-friendly, welcoming environments in which all community members can fully contribute and participate. Welcoming America is convening members of Welcoming Cities and Counties to share promising practices with each other and help the nation learn from their local level innovations that support economic development and create vibrant global communities that are great places to live, work and do business. By affiliation, the Cultural Relations Advisory Board will have access to other communities' programs and success stories through member webinars and networking.

Financial Considerations: None - there is no affiliation fee.

Purpose/Mission: A welcoming community not only supports immigrants directly, but helps long-time residents understand, contribute to and benefit from immigrant integration.

Legal Considerations: None.

Attachments: Resolution joining the Welcoming Cities and Counties initiative.

RESOLUTION NO. 2013-29

**A RESOLUTION AFFILIATING DODGE CITY, KANSAS, WITH THE
WELCOMING CITIES AND COUNTIES INITIATIVE**

WHEREAS, Dodge City has long been recognized as a hospitable and welcoming place where people, families and institutions thrive and the contributions of all are celebrated and valued; and

WHEREAS, residents of Dodge City live up to the highest American values of acceptance and equality and treat newcomers with decency and respect, creating a vibrant, livable community for all; and

WHEREAS, Dodge City is committed to continue building a welcoming and neighborly atmosphere in our community, where all are welcome, accepted and integrated; and

WHEREAS, policies that negate opportunities for contributions to our community in the fullest capacity hinder Dodge City's prosperity and compromises our commitment to the American values here stated; and

WHEREAS, community efforts that promote understanding and collaboration between our native-born and foreign-born community members are crucial in encouraging and preserving Dodge City's welcoming environment; and

WHEREAS, fostering a welcoming environment for all individuals, regardless of race, ethnicity or place of origin, enhances Dodge City's cultural fabric, economic growth, global competitiveness and overall prosperity for current and future generations; and

WHEREAS, Dodge City is pleased to join the Welcoming Cities & Counties initiative to help unite our community and ensure that all are welcome.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Dodge City, Kansas, do hereby recognize Dodge City as a member of the Welcoming Cities and Counties initiative and support the Cultural Relations Advisory Board in their work to act as a resource for intercultural awareness, education and celebration among all Dodge City residents.

ADOPTED by the Governing Body of the City of Dodge City, Kansas, this 3rd day of September, 2013.

E. Kent Smoll, Mayor

ATTEST:

Nannette Pogue, City Clerk



Parks & Recreation

806 N. Second Ave.
PO Box 880
Dodge City, KS 67801

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

Memorandum

To: City Manager
Assistant City Manager
City Commissioners

From: Paul Lewis, Parks & Recreation Director 

Date: August 30, 2013

Subject: Dodge City Arts Council Request

Agenda Item: Unfinished Business

Recommendation: City staff has reviewed the proposed concept for a multicultural park at 3rd Ave. and Spruce and determined it to be appropriate to designate the property for that purpose if the Commission so chooses.

Background: At a previous meeting, Summer Bates representing the Dodge City Area Arts Council asked the Commission to designate the former T.M. Deal site on 3rd Ave as a multicultural park. The Commission then directed staff to review the request and report back.

Parks and Rec staff has worked with Ms. Bates to develop the proposed park concept. City staff were asked to review the compatibility of the proposed usage against other existing master plans and land use studies. Finally there is no existing commercial interest in the site at this time.

Justification: The Multicultural Park concept provides an additional amenity that can encourage visitors and tourists into the downtown core area. It makes use of a vacant open area and provides an attractive multifunction space compatible with the goals of the Dodge City Main Street program.

Financial Considerations: Under the Arts Council's proposed arrangement, they are seeking grant funding and other revenue sources to pay for the development costs of the park. Ongoing maintenance would be a partnership between the Arts Council and the City. The Arts Council will be responsible for maintenance and upkeep of the Hopper statues that are part of this concept along with other art amenities that are included. The City would be responsible for grounds maintenance and landscaping. City crews currently maintain the grounds and the additional landscaping would not be of any concern.

Purpose/Mission: This project is consistent with the City's core value of Ongoing Improvement.

Legal Considerations: N/A

Attachments: Multicultural Park Concept Plan

MULTI CULTURAL PARK

DODGE CITY, KANSAS

NORTH

SPRUCE STREET

VINE STREET

3RD AVENUE

BRICK COLUMNS WITH
ORNAMENTAL FENCING

ORNAMENTAL
TREES

ARTIST DISPLAY AREA
SHADE TREES
LANDSCAPE
BERMS

MURAL WALL
SCULPTURES

SHADE SAILS

PRELIMINARY CONCEPT PLAN

AUGUST 5TH, 2013

SMH
CONSULTANTS



Memorandum

*To: Ken Strobel, City Manager
Cherise Tieben, Assistant City Manager*

From: Nannette Pogue

Date: August 29, 2013

*Subject: Appointment of Kansas League of Municipalities Voting
Delegates*

Agenda Item: New Business

Recommendation: I recommend the City Commission appoint four voting and four alternate voting delegates to vote at the Kansas League of Municipalities Annual Business Meeting.

Background: State law provides that the governing body of each member city of the League of Kansas Municipalities may elect city delegates from among the city's officers to represent the city in the conduct and management of the affairs of the League. Voting delegates are qualified to vote by having his or her name registered with the executive director of the League.

Justification: Based on our population, the City of Dodge City is entitled to four votes at the annual meeting.

Financial Considerations: None

Purpose/Mission: To have input on City policy at the State level..

Legal Considerations: None

Attachments: Letter from League

Memorandum

*To: Ken Strobel, City Manager
Cherise Tieben, Assistant City Manager*

From: Nannette Pogue

Date: September 3, 2013

Subject: Approval of 2014 Budget

Agenda Item: New Business

Recommendation: I recommend the approval of the 2014 Proposed Budget.

Background: The budget was presented to the City Commission on August 5th. The publication was published in the Dodge City Daily Globe on August 20th. The publication set the maximum expenditure and mill levy amounts for each fund of the City of Dodge City. The publication stated the public hearing will be held on September 3rd at the regular City Commission meeting.

The budget as published includes a mill levy of 51.821.

Justification: Annually, the City Commission adopts a budget for the subsequent year. The State of Kansas requires that this budget is filed with the County Clerk by August 25th of each year. To accomplish this requirement, we have prepared and presented this budget for approval by the City Commission.

Financial Considerations: The annual expenditures set for the 2014 budget year.

Purpose/Mission: To fund essential operations of the City of Dodge City, provide for infrastructure investment and maintain a stabled tax levy.

Legal Considerations: Satisfies State requirements to adopt an annual budget

Attachments: Updated Executive Summary for the 2014 budget, a copy of the Notice of Budget Hearing.

EXECUTIVE SUMMARY

2014 Budget

City of Dodge City

Submitted for the Governing Body's consideration and discussion are the proposed 2014 operating and capital budget for the City of Dodge City for the fiscal year beginning January 1, 2014. 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 2014. The budget as presented does not provide any increased services. It represents the same programming in the general fund as it did in 2013. Salary increases are also included.

Some assumptions used to develop this budget include:

- 1). The proposed budget requires a mill levy of 51.821 mills, which is flat from the 2013 levy of 51.827
- 2). Assessed Valuation of \$141,386,354. This is a 4.58% increase from 2013. In 2013, the increase was 4.15% over 2012. The impact of the machinery and equipment abatement for industry as a result of State of Kansas changes in taxation law has slowed. Dodge City has seen residential growth, mostly in the Rural Housing Incentive Districts. The assessed valuation increases are due to the commercial annexations, commercial growth and increased values.
- 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). No increase in Health Insurance premiums for 2014.
- 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 City will continue to fund the full time employee's salaries and the second year; YMCA will reimburse 50% of those expenses, which is up from 25% the first year. Money was budgeted for maintenance, and continues to result in a reduction of expenses in the general fund.

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.

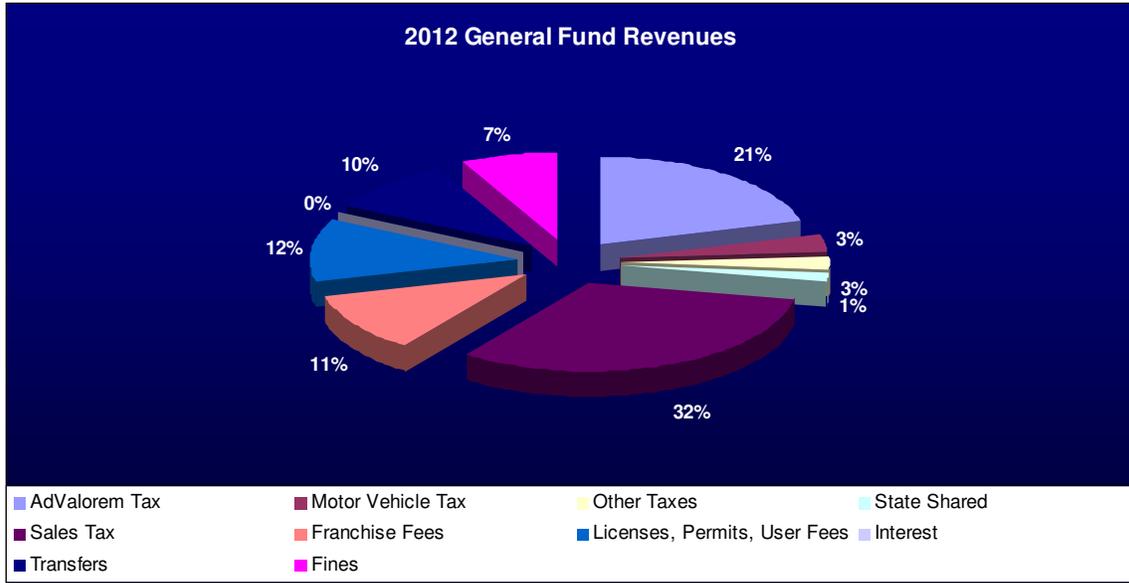
Revenue Projections

The sales tax revenue projection in 2013 is \$4,747,000 in the general fund. The same amount is projected as sales tax revenue in the Sales Tax Fund. This is a 2.5% increase over 2012 actual. To date, 2013 sales tax receipts are 2.6% ahead of the same time period in 2012. This revenue source continues to be strong. 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 had continues to decrease.

The following graph provides an overview of the 'General Fund Revenue Sources for the Budget Year 2012 (actual).



Cash Reserves

I have shown the Cash Reserve in the budget in the amount of 1,500,000. It is titled Transfer to Capital. This amount reflects 10.7% of the budgeted expenditures for 2013. The goal is to have 15 – 25% of the current year budgeted expenditures as cash reserve in the general fund.

Capital Improvement Program, Municipal Equipment Reserve Fund and Building Fund

Included in the 2014 Budget is the proposed Five-Year Capital Improvement Program. This will include any building projects that were previously funded by the Building Fund which is now combined with the Capital Improvement Fund. The items in this program have been prioritized by the City Department Heads. The requests recommended for 2014 total \$470,560.

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 \$444,981 depreciation in the proposed 2014 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 2014. At the end of 2012, the fund had approximately \$361,046 in it. It is budgeted to spend approximately \$460,550 in 2013 and proposed \$483,786 in 2014. An additional fire truck was purchased in 2013 and was financed by a lease purchase agreement. 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	140,131
Sales Tax Fund	2,615
Sales Tax Fund (Organizational Fund)	963
Special Liability Fund	636
Convention and Visitors Fund	3,898
Special Streets Fund	3,527
Water Fund	9,725
Wastewater Fund	3,725
Sanitation Fund	10,190
Drainage Fund	762
Utilities Administration	5,332
Vehicle Maintenance	<u>1,553</u>
Totals	185,791

- 2) The health insurance was placed with Blue Cross/Blue Shield in 2010. When the health insurance was bid and placed with BC/BS, the first year increase was minimal. Currently employees have 3 options for health insurance. Two of the options are fully paid for by the City. The third option, if chosen by the employee requires an employee contribution. Our experience in 2010 and 2011 was extremely good and we received a rebate. Our experience in 2012 was good, so there was a slight decrease in the employee premiums. In 2013, the experience has increased and the best guess is a 4-7% increase in premiums for 2014. We have not budgeted for this increase in the operating funds because there are adequate reserves in the Medical Insurance Fund to cover any increases.

- 3) No additional positions have been budgeted. There are some positions that had been funded in administration that will not be filled at this time or have not been budgeted. The duties have been assumed by other employees.
- 4) In the general fund, there were very few increases from last year. Utility and motor fuel costs have increased drastically over the last 2 years.
- 5) There is continued funding of the Health Savings Account and the Annual Bonus to employees.
- 6) The community promotions line item includes \$50,000. Requests to date are the Cowboy Band at \$18,500, The Alley at \$10,000, Dodge City Festivals at \$10,000, and the fireworks display at \$5,000, CASA at \$10,000 and Ford County Kids Count at \$25,000.
- 7) All 4 Fun building payment is in at \$75,000.

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 2013 and 2014 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) In 2013, we are projected to be in a better cash position than we have been in the previous 3 years.
- 4) The Water and Wastewater Fund is 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) Capital improvements in the Sanitation Fund have been delayed as well to replenish cash in this fund.

Street GO Bond Program

As of this date, we only have authorized some small projects to bond for in 2013, in an amount of approximate \$1,000,000. Trail Street from 2nd to 14th, along with some right of way acquisition money will be bonded for later in the year. The temporary notes for Candletree #5 will mature in 2014 and bonds will need to be issued for that project. Other temporary notes projects may come up in the next few months, but none are on the drawing board yet. Any bonds issued in 2013, the first payments are due in 2014. Any bonds issued in 2014, the first payment due will be in 2015. In the proposed 2014 budget is new payments in the amount of \$610,000. In order to keep the mill levy down,

\$450,000 of lottery money is proposed to fund the principal and interest payments in 2014.

Library

The Dodge City Public Library submitted a budget proposal of \$948,174 for the general Library fund and \$306,275 for the Library Employee Benefit Fund for a total of \$1,254,449. Last year's approved budget was \$1,230,354. This request is under the 6 mills for the General Library Fund. 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 workmen's compensation, commercial property and liability premium will increase by 15-25%. 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. Salary that had previously been budgeted in the City Manager's Department in the General Fund is being budgeted from this fund to account for any emphasis on workmen's comp and other insurance issues.

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 Magouirk Conference Center and Civic Center operating, and payments for the Revenue Bond issued in 2009 to fund the events center. The budget as presented is completed for the operation of the racetrack, athletic fields and administration costs. The operation of the Special Events Center is at \$565,000 plus monies for the maintenance of the grounds. The date for presentation of the Special Events Center budget by VenuWorks is not clarified in the management agreement, but October 15 has been talked about. 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 Ken, Cherise or Nannette.

Memorandum

*To: Ken Strobel, City Manager
Cherise Tieben, Assistant City Manager*

From: Nannette Pogue

Date August 29, 2013

Subject: Approval of 2012 Audited Financial Statements

Agenda Item New Business

Recommendation: I recommend the City Commission formally accept the 2012 Audited Financial Statements

Background: The 2012 audited financial statements will be presented by John Hendrickson of Kennedy and McKee at the work session prior to the regular meeting. They will go through the highlights and give the City Commission a chance to ask any questions.

Justification: Annually the City is required to have their financial statements audited.

Financial Considerations: none

Purpose/Mission: We strive for high service standards

Legal Considerations: None

Attachments: A hard copy of the audit will be available to each of the City Commissioners. The scanned version will be on the share file.