

**Agenda  
For  
Joint City/County Commission Meeting  
Monday, October 13, 2014  
City Commissioners' Chambers  
City Hall  
6:00 PM**

**Meeting # 7975**

**CALL TO ORDER**

**County Commission Roll Call:** Chairman Boys

**City Commission Roll Call:** Mayor Delzeit

**Reports:**

1. Western State Bank Expo Update-Report by WSB Expo Manager-Danielle Crouch
2. Tourism Task Force Update-Report by Tourism Task Force Chairman-Duane Ross

**NEW BUSINESS:**

1. 2015 " Why Not Dodge" Sales Tax Budget-Report by Director of Finance-Nannette Pogue
2. Update on RFP for Design of Aquatics Park- Report by Director of Parks and Recreation-Paul Lewis
3. Update on United Wireless Arena RFQ-Report by Director of Parks and Recreation-Paul Lewis

**Upcoming Meetings:**

1. Tentative November 10, 2014- Joint Commission Meeting-City Commissioners Chambers , City Hall
2. December 8, 2014-Joint Commission Meeting-Rose Room, Ford County Government Center

**Adjournment**

September 18, 2014

MEMO

TO: Cherise Tieben, City Manager

FROM: Nannette Pogue, Finance Director/City Clerk

SUBJECT: 2015 Special Sales Tax Project Budget

In your packet of information is the Sales Tax Projects budget by summary. I will have the detailed budget available if any of the board members want to review it.

The Sales Tax Project Budget consists of 4 Funds:

1. Operating Fund – Which is the main fund that is broken down into five departments:
  - a. Field Sports
    1. Field Maintenance
    2. Concessions
    3. Administration (Tournament Contract)
  - b. Administration
  - c. Motor Sports
  - d. Special Events Center
  - e. Facilities Maintenance
2. Sales Tax Fund-Depreciation and Replacement
3. Sales Tax Fund-Organizational Funding
4. Debt Service Fund

#### **SALES TAX PROJECT – OPERATING FUND**

The revenue that funds the Sales Tax Fund is a ½ cent City Sales Tax and a ½ County Sales Tax. Projected revenue in the Sales Tax Project Fund for 2015 is \$5,850,000. Since the sales tax has increased only slightly for the 2014 year/2013 year to date, I have budgeted the same amount for 2015 as was collected in 2013, so the budgeted revenue is conservative. The other revenues that fund this budget are interest on idle funds, sign sponsorships, and athletic field sports revenue.

The total Field Sports Operations budget for 2014 is \$624,930. The Field Sports Operations budget includes the Field Maintenance, Concessions, and Administration (which is the contract with Southwest Sports).

### **Field Maintenance**

The field sports budget includes:

Personal Services	230,330
Contractual	104,250
Commodities	88,350
Capital Outlay	66,000

The Personal Services, Contractual and Commodities line items reflect normal operating costs and reflect no major changes or increases from the 2014 budget. The Capital Outlay are proposed requests by the department. The following items are included in the proposed capital outlay:

Painting at Legends Park - \$13,000  
St. Mary Painting Complex - \$10,000  
Paint Cavalier - \$20,000  
½ Ton Pickup - \$23,000

\$137,000 is requested by the department for soccer complex fence. This amount is moved to the Depreciation and Replacement Fund for further consideration by the CFAB.

### **Athletic Field Concessions**

There is no budgeted expenditure in 2014 for concessions. Proposals were solicited in 2012 and the contract for concessions at the baseball, softball and soccer fields was given to Southwest Sports. The contract arrangement is that they pay all expenses and retain all revenues, with an amount of \$6,000 remitted by them for the contract year.

### **Athletic Fields Administration**

There is budgeted \$136,000 for Athletic Fields Administration. This amount reflects the current contract with Southwest Sports Association which includes \$50,000 for the contract of promoting and holding tournaments at Legends Field, \$25,000 for a Super C Tournament and \$25,000 for the A's mini camps. An additional \$36,000 is being requested to have a similar contract for Soccer Tournaments. The soccer fields are being used constantly during the soccer season. We have the opportunity to host several soccer tournaments during the season.

## **Sales Tax Project Administration**

The Administration Division includes Administrative costs, legal fees and other, organizational funding, and debt service.

Included in the Administration budget is \$150,000 for City Administration costs. The budget for legal fees and other contractual costs is \$25,300. The organizational funding account is budgeted at \$710,000. The actual amount will need to be formally approved by the CFAB and City/County Commissions at a later date. \$2,572,000 is budgeted for debt. This reflects the amount of payments for the bonds issued to fund the Special Events Center. \$345,000 is budgeted to transfer into the Depreciation and Replacement Fund.

## **Special Events Center**

\$760,000 is budgeted for the operating costs of the Special Events Center. The United Wireless Arena and Magouirk Conference Center budget is being reviewed by City staff and the United Wireless Arena staff. The new Executive Director, Chris Ragland began employment last week and hasn't yet had a chance to review this budget. In addition to the operations budget an additional \$150,500 is being proposed for capital improvements. This capital will need to be considered by the CFAB. In addition to the operations of the Special Events Center \$40,000 is proposed for insurance for the United Wireless Arena and Conference Center and \$5,600 is budgeted for electricity for an LED sign.

The capital items being requested by the United Wireless Arena are:

- Parking lot surveillance - \$10,000
- Facility surveillance - \$10,000
- Drapes/blinds in conference center - \$7,500
- Replace/adjust door frames due to building settling - \$4,000
- Cover downspouts around building 10 @ 1200 - \$12,000
- Upgrade/overhaul BCS systems control - \$5,000
- Ice cream freezer-concessions stands - \$2,000
- 2 section freezer in kitchen - \$10,500
- Popcorn popper for concessions - \$5,500
- Increase/replace skating inventory & update rack systems - \$2,000
- Smokers poles 20 @ 250 - \$1,500
- Bike Rack – 1,500
- Snow Blower(s) - \$2,500
- Replace computers & server - \$8,000
- Replace wireless access points 36 @ 500 - \$18,000
- Replace Micros System with bypass mobile – food and beverage software - \$49,000

## **Racetrack**

The Dodge City Raceway Park budget is at \$299,100. This includes a contract with USAC to conduct major events and local shows (approximately 16) in the amount of \$200,000. It also includes: temporary position during the racing season to take care of buildings and grounds; insurance; utilities; maintenance contract on the elevator; lawn care; building maintenance; event clean up; and capital projects. Capital outlay is budgeted at \$6,000 to purchase either a gator or mower, if needed for grounds maintenance

## **Facilities Maintenance**

This was a new department that was added in 2011. It was found that the contracts with the operators of the facilities focused on the operation and maintenance of the facilities. The maintenance of the grounds is outside of those contracts, so we felt it was necessary to put resources into maintaining the landscaping and parking lots. This budget includes labor and materials necessary to maintain the grounds at the Special Events Center and is in the amount of \$26,450.

## **SALES TAX FUND-DEPRECIATION AND REPLACEMENT**

In early 2010, the CFAB and City and County Commissions approved the establishment of a Depreciation and Replacement Fund for the Sales Tax Projects. The initial transfer into this fund was \$2,500,000, with an annual transfer of \$750,000. This Depreciation and Replacement Fund was set up to replace and/or improve all of the assets that were funded by the sales tax. As the discussion progressed regarding additional projects, several questions were asked as to whether or not the amount being transferred into this account was too much. We then reviewed the list of assets that were being depreciated and determined whether or not they would be replaced or if insurance would take care of the costs, or if they were completely wiped out, would they even be rebuilt or replaced. Toward that end, we took out all of the equipment, deciding when they needed replaced they would be paid for from the operating funds. We determined which parts of the buildings or complexes would actually need to be replaced or upgraded once they were worn out. After all of the items were reviewed, it was determined by staff that a more comfortable level would be at \$345,000 annually, so that is the amount being proposed to be transferred in 2015 from the Special Sales Tax Projects Fund to the Depreciation and Replacement Fund. The depreciation includes only the projects that were previously funded by the Special Sales Tax. Any additional projects that are added would result in an increase to this fund.

The one project that is being proposed to be paid from this fund in 2015 is fence for soccer field complex. The proposed amount of this project is \$137,000.

## **SALES TAX FUND-ORGANIZATIONAL FUNDING**

The Interlocal Agreement has a provision that up to 15% of the sales tax collected can be transferred into a special fund. The receipt and expenditure of these funds are a separate process which action by CFAB and the City and County Commissions approves the amount of money transferred into this fund. Applications are accepted and approved as to the amount of money spent on individual projects. The amount proposed to be transferred in 2015 is 710,000.

## **SEC REVENUE BOND FUND**

This is a non budgeted fund and it accounts for the bond reserve that is required as the result of issuing 40,300,000 of revenue bonds. It also accounts for a monthly transfer from the operating fund and funds the interest and principal payments on the bonds when they are due.

I have included a graph which shows the outstanding amount of revenue bonds each year through 2033 as well as a graph that shows the payments due each year.

There are no payments budgeted for a Revenue Bond payment for the Water Park at this point, because it appears that the bond will not be issued until 2015 so the first payment will not be made until 2016.

## **GENERAL INFORMATION**

The 2015 budget was built matching some of the discussions and spreadsheets that have been worked on to be able to include additional projects into this fund, specifically the water park. In order to accomplish this and have room for additional funding, we had to limit the operational funding, decrease capital funding items and review and decrease the amount transferred to the Depreciation and Replacement Fund.

If you have questions or wish additional information, please let me know.

## SALES TAX FUND - SPECIAL PROJECTS

Fund Source: 1/2% City Sales Tax; 1/2% County Sales Tax.

Guidelines: On June 10, 1997, the voters went to the polls to approve a 1/2% Citywide Sales Tax and a 1/2% Countywide Sales Tax to fund Civic Center upgrades to air-conditioning and electrical, softball facilities and complex, a motor sports track, a special events center and other projects. 1/4% City and 1/4% County sales tax went into effect on October 1, 1997. The additional 1/4% City tax was added to fund these projects in January 2000, and the additional 1/4% County tax was added in June, 1999. Currently this fund is being funded at the full 1/2% City and 1/2% County Sales Taxes.

SALES TAX - SPECIAL PROJECTS	2013 Actual	2014 Budget or Estimate	2015 Budget
<i>Unreserved Fund Balance, January 1</i>	3,683,617	3,115,914	3,530,109
<b>Revenues:</b>			
Sales Tax	4,687,602	4,500,000	4,690,000
Sales Tax	1,174,914	1,100,000	1,160,000
Interest Income	1,815	5,000	5,000
Concessions	1,000	6,000	6,000
Field Rental	6,775	5,000	7,000
Other Athletic Field Inc	0	7,000	7,000
Sign Sponsorships	3,200	7,000	3,500
Transfer from General Fund	0	0	0
RV Space Rental at Racetrack	375		
Sale of Scrap	0		
<b>TOTAL RECEIPTS</b>	<b>5,875,681</b>	<b>5,630,000</b>	<b>5,878,500</b>
<b>RESOURCES AVAILABLE</b>	<b>9,559,298</b>	<b>8,745,914</b>	<b>9,408,609</b>
<b>Expenditures</b>			
<b>FIELD SPORTS</b>			
<b>FIELD MAINTENANCE</b>			
Personal Services	212,453	227,185	230,330
Adj current salaries mid year + proposed raise			
Contractual	114,883	98,250	104,250
Commodities	99,148	85,350	88,350
Capital Outlay	<u>26,918</u>	<u>15,000</u>	<u>66,000</u>
Total - Field Maintenance	453,402	425,785	488,930
<b>CONCESSIONS</b>			
Personal Services	0	0	0
Contractual	98	0	0
Commodities	<u>163</u>	<u>0</u>	<u>0</u>
Total - Concessions	261	0	0
<b>ADMINISTRATION</b>			
Personal Services	0	0	0
Contractual	100,000	136,000	136,000
Commodities	<u>0</u>	<u>0</u>	<u>0</u>
Total - Administration	100,000	136,000	136,000
<b>TOTAL FIELD SPORTS OPERATIONS</b>	<b>553,663</b>	<b>561,785</b>	<b>624,930</b>

<b>ADMINISTRATION</b>			
Personal Services	0	0	0
Contractual	847,561	375,400	885,300
Commodities	142	300	300
Payment for Expo Center	342,000	0	0
Transfer for Administrative Services	0		
Transfer to Depreciation & Replacement Fund	750,000	750,000	345,000
Series A & B - Debt Service	2,528,881	2,530,000	2,570,000
Other Payments	<u>300</u>	<u>2,000</u>	<u>2,000</u>
<b>TOTAL - ADMINISTRATION</b>	<b>4,468,884</b>	<b>3,657,700</b>	<b>3,802,600</b>
<b>MOTOR SPORTS</b>			
Personal Services	11,206	6,480	10,800
Contractual	256,565	301,700	268,300
Commodities	6,330	19,500	14,000
Capital Outlay	4,600	31,000	6,000
Concessions	0	0	0
Reimbursed Expense	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL - MOTOR SPORTS OPERATIONS</b>	<b>278,701</b>	<b>358,680</b>	<b>299,100</b>
<b>SPECIAL EVENTS CENTERS</b>			
Contractual	1,126,410	610,600	760,000
Insurance & Electrical	108		45,600
Capital Outlay	<u>0</u>	<u>0</u>	<u>150,500</u>
<b>TOTAL - SPECIAL EVENTS CENTER</b>	<b>1,126,518</b>	<b>610,600</b>	<b>956,100</b>
<b>SALES TAX PROJECTS-FACILITIES MAINTENANCE</b>			
Personal Services	10,211	16,740	16,150
Contractual	0	500	500
Commodities	<u>5,407</u>	<u>9,800</u>	<u>9,800</u>
<b>TOTAL-FACILITIES MAINTENANCE</b>	<b>15,618</b>	<b>27,040</b>	<b>26,450</b>
<b>TOTAL EXPENDITURES</b>	<b>6,443,384</b>	<b>5,215,805</b>	<b>5,709,180</b>
<i>Unreserved Fund Balance, December 31</i>	<i>3,115,914</i>	<i>3,530,109</i>	<i>3,699,429</i>

**SALES TAX FUND-DEPRECIATION & REPLACEMENT**

<b>Sales Tax Fund-Depreciation &amp; Replacement</b>	<b>2013 Actual</b>	<b>2014 Budget or Estimate</b>	<b>2015 Budget</b>
<i>Unreserved Fund Balance, January 1</i>	3,958,774	4,648,774	5,048,774
Revenues:			
Transfer from Other Funds	750,000	750,000	345,000
<b>TOTAL RECEIPTS</b>	<b>750,000</b>	<b>750,000</b>	<b>345,000</b>
<b>RESOURCES AVAILABLE</b>	<b>4,708,774</b>	<b>5,398,774</b>	<b>5,393,774</b>
Expenditures:			
Capital Outlay	60,000	350,000	137,000
<b>TOTAL EXPENDITURES</b>	<b>60,000</b>	<b>350,000</b>	<b>137,000</b>
<i>Unreserved Fund Balance, December 31</i>	4,648,774	5,048,774	5,256,774

**ST FUND - ORGANIZATIONAL FUNDING**

<b>ST - ORGANIZATIONAL FUNDING</b>	<b>2013 Actual</b>	<b>2014 Budget or Estimate</b>	<b>2015 Budget</b>
<i>Unreserved Fund Balance, January 1</i>	193,520	257,653	321,518
Revenues:			
Non-Govt Grants	15,000		
Sale of Labor and Material	1,015		
Transfer from CVB		67,000	72,310
Transfer from Other Funds	631,862	300,000	710,000
<b>TOTAL RECEIPTS</b>	<b>647,877</b>	<b>367,000</b>	<b>782,310</b>
<b>RESOURCES AVAILABLE</b>	<b>841,397</b>	<b>624,653</b>	<b>1,103,828</b>
Expenditures			
Personal Services	63,080	63,235	72,310
Adj current salaries mid year + proposed raise			
Contractual	452,440	235,900	710,000
Commodities	68,224	4,000	4,000
<b>TOTAL EXPENDITURES</b>	<b>583,744</b>	<b>303,135</b>	<b>786,310</b>
<i>Unreserved Fund Balance, December 31</i>	257,653	321,518	317,518

**Sales Tax Projects-Events Fund**

<b>Sales Tax Projects-Events Fund</b>	<b>2013 Actual</b>	<b>2014 Budget or Estimate</b>	<b>2015 Budget</b>
<i>Unreserved Fund Balance, January 1</i>	0	139,381	
Revenues:			
Contributions & Donations			
Transfer from Other Funds	225,000		
<b>TOTAL RECEIPTS</b>	<b>225,000</b>	<b>0</b>	<b>0</b>
<b>RESOURCES AVAILABLE</b>	<b>225,000</b>		
Expenditures			
Contractual	85,619		0
Capital Expenditures	0		
<b>TOTAL EXPENDITURES</b>	<b>85,619</b>	<b>0</b>	<b>0</b>
<i>Unreserved Fund Balance, December 31</i>	139,381		

## SPECIAL EVENTS CENTER CONSTRUCTION

Special Events Center Construction	2013 Actual	2014 Budget or Estimate	2015 Budget
<i>Unreserved Fund Balance, January 1</i>	204,369	204,406	
Revenues:			
Interest	37		
Transfer from Other Funds	0		
<b>TOTAL RECEIPTS</b>	<b>37</b>	<b>0</b>	<b>0</b>
<b>RESOURCES AVAILABLE</b>	<b>204,406</b>		
Expenditures			
Capital Expenditures	0		0
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Unreserved Fund Balance, December 31</i>	204,406		

## DEBT SERVICE ACCOUNT

### ACCOUNT DESCRIPTION

In June of 1998, two series of Revenue Bonds were issued to fund the construction of projects voted on by the citizens of Dodge City. Series A was issued in the amount of \$6,000,000 was issued to fund the construction of a fourplex softball complex, updates to the Cavalier Field baseball complex located behind Sheridan Activity Center, construction of soccer fields, addition of air-conditioning and mechanical and other updates to the Civic Center and updates to other baseball/softball fields in the community. Construction is complete on all of these projects. The Series A Revenue Bonds were paid off early when the new revenue bonds to fund the Special Events Center were issued.

Construction of the Motor Sports Complex was completed in 2000 and the bonds issued for financing the project were paid off in 2008.

New Revenue Bonds were issued in 2009 to fund the Special Events Center. The Revenue Bond was issued in the amount of \$40,300,000. A reserve fund and debt service fund was required to be set up.

This account services the payment of annual principal and interest payments for those revenue bonds.

SEC Revenue Bond Fund	2013 Actual	2014 Budget or Estimate	2015 Budget
<i>Reserve for Debt Service</i>	799,893	845,932	
<i>Bond Reserve</i>	3,412,500	3,412,500	
Revenues:		Non Budgeted Fund	
Investment Earnings	8,161		
Transfer from Other Funds	2,528,881		
<b>TOTAL RECEIPTS</b>	<b>2,537,042</b>	<b>0</b>	<b>0</b>
<b>RESOURCES AVAILABLE</b>	<b>6,749,435</b>		
Expenditures			
Debt - Principal	765,000		
Debt-Interest	1,725,703		
Debt Service Fees	300		
<b>TOTAL EXPENDITURES</b>	<b>2,491,003</b>	<b>0</b>	<b>0</b>
<i>Reserved Fund Balance, December 31</i>	4,258,432		

The graphs depict the annual payments as well as the outstanding bond amounts in future years.

