

# **JOINT CITY/COUNTY COMMISSION MEETING AGENDA**

City Hall Commission Chambers

Monday, Nov 21, 2022

6:00 p.m.

MEETING #5230

**Public is welcome although seats are limited for social distancing; or you can view as follows:**

1. Watch live on our Facebook page at [www.facebook.com/cityofdodgecity](http://www.facebook.com/cityofdodgecity)
2. Or watch it on our Vimeo page at [www.vimeo.com/cityofdodgecity](http://www.vimeo.com/cityofdodgecity).

The meeting will be archived on both sites to be viewed after the live video has ended.

## **CALL TO ORDER**

## **ROLL CALL**

## **EXECUTIVE SESSION**

Privileged Consultation with Attorney/Client Matters

## **NEW BUSINESS**

1. Approval of 2023 Sales Tax Budget. Report by Nicole May, Finance Director.
2. Dodge City Raceway Park (DCRP) Operator/Promoter Recommendation -Report by City Manager Nick Hernandez.

## **ADJOURNMENT**

November 2, 2022

MEMO

TO: CFAB Members

FROM: Nicole May, Finance Director

SUBJECT: 2023 Special Sales Tax Project Budget

The Sales Tax Project Budget consists of 4 Funds:

1. Operating Fund – Which is the main fund that is broken down into six departments:
  - a. Field Sports
    1. Field Maintenance
    2. Concessions
    3. Tournament
  - b. Administration
  - c. Motor Sports
  - d. Special Events Center
  - e. Facilities Maintenance
  - f. Outdoor Regional Aquatics Facilities
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 2023 is \$7,982,500. This is higher than what was budgeted for 2022 and slightly higher than actual collections for 2021, so far for 2022 sales tax collections are 11% greater than last year. There is also \$405,000 in revenues budgeted from the concessions, admissions and programming at the outdoor aquatics park. 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 2023 is \$680,400. The Field Sports Operations budget includes the Field Maintenance, Concessions, and Tournaments.

## **Field Maintenance**

The field sports budget includes:

Personal Services	\$260,300
Contractual	\$113,050
Commodities	\$88,000
Capital Outlay	\$25,200

The Personal Services, Contractual and Commodities line items reflect normal operating costs and reflect changes or increases in insurance and chemicals from the 2022 budget.

## **Concessions**

For 2023 a new concessions agreement will be put out for RFP due to the current operator terminating the current contract.

## **Athletic Fields Tournaments**

The tournament director position is budgeted at \$68,350 including salaries and benefits. There is also \$125,500 budgeted for Athletic Fields Tournaments. This amount includes \$25,000 for the A's mini camps plus \$80,000 for tournament umpires contract labor.

## **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 \$5,300. The organizational funding account is budgeted at \$710,000. This \$710,000 is split \$300,000 to the City and \$300,000 to the County and then \$110,000 for Organizational Funding. The actual amount will need to be formally approved by the CFAB and City/County Commissions at a later date. \$3,473,633 is budgeted for debt. This reflects \$2,781,250 for the bonds issued to fund the Special Events Center and \$692,383 for the bonds issued to fund the aquatics facility.

## **Special Events Center**

\$900,000 is budgeted for the operating costs of the Special Events Center, \$15,000 for the arena football team and \$20,000 for the Soccer team and \$5,000 for a hockey event. In addition to the operations budget an additional \$77,500 is being proposed for capital improvements. In addition to the operations of the Special Events Center \$60,000 is proposed for insurance for the United Wireless Arena and Conference Center and \$4,000 is budgeted for electricity for an LED sign.

The Business Plan for the United Wireless Arena for 2023 is also included in your packet.

### **Racetrack**

The Dodge City Raceway Park budget is \$400,000. This includes an amount to contract with a promoter to conduct major events and local shows (approximately 12) in an amount not to exceed \$300,000. It also includes temporary position during the racing season to take care of buildings and grounds; insurance; utilities; maintenance contract on the elevator; building maintenance; event clean up; and capital projects. Some maintenance items included in the proposed budget are plumbing and electric maintenance and rock for drainage control.

### **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 \$57,273. For 2023, there is a full-time position budgeted that will be shared with Athletic Field Maintenance.

### **Outdoor Regional Aquatics Facilities**

\$778,500 is budgeted for the operating costs of the Regional Aquatics Park. This amount takes into consideration the City operating the facility for 2023. Included in this amount are personnel cost of \$450,000 which include a full-time manager, a seasonal assistant manager, a maintenance technician that would be shared with the Parks department and also other season position such as lifeguards, concessions and admissions. Contractual services in the amount of \$140,000 and commodities in the amount of \$178,500.

### **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. Due to the addition of the aquatics park this amount was increased to \$645,000 in 2018. Due to the addition of the turf at the Legends complex this amount has been increased to \$705,000. Due to budget constraints there were some years that transfers were not made. For 2021 there was \$425,000 transferred. It is anticipated to be able to transfer \$400,000 in 2022 and \$450,000 for 2023. 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.

### **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, 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 2023 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 revenue bonds for the events center and the aquatics facility. 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 2035 as well as a graph that shows the payments due each year.

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.

<b>SALES TAX - SPECIAL PROJECTS</b>	<b>2021 Actual</b>	<b>2022 Estimate</b>	<b>2023 Budget</b>
Unreserved Fund Balance, January 1	310,804	626,248	265,623
Revenues:			
Sales Tax	5,569,764	5,004,435	6,000,000
Sales Tax	1,516,486	1,392,621	1,500,000
Interest Income	417	1,000	1,500
Concessions	6,807	12,000	12,000
Field Rental	8,425	10,000	8,000
Other Athletic Field Inc	49,571	103,000	50,000
Sports Commission	17,683	0	0
Aquatics Park Revenue	330,028	480,000	405,000
Contributions & Donations	3,600	3,000	3,000
Sale of Scrap	2,775	3,000	3,000
<b>TOTAL RECEIPTS</b>	<b>7,505,556</b>	<b>7,009,056</b>	<b>7,982,500</b>
RESOURCES AVAILABLE	7,816,360	7,635,304	8,248,123
Expenditures:			
<b>FIELD SPORTS</b>			
<b>FIELD MAINTENANCE</b>			
Personal Services	219,822	273,915	260,300
Contractual	118,783	112,250	113,050
Commodities	70,991	85,700	88,000
Capital Outlay	0	0	25,200
Total - Field Maintenance	409,596	471,865	486,550
<b>TOURNAMENTS</b>			
Personal Services	53,938	69,569	68,350
Contractual	101,773	107,500	115,500
Commodities	224	10,000	10,000
Total - Tournaments	155,935	187,069	193,850
<b>TOTAL FIELD SPORTS OPERATIONS</b>	<b>565,531</b>	<b>658,934</b>	<b>680,400</b>

<b>ADMINISTRATION</b>			
Contractual	860,000	865,300	865,300
Commodities	0	0	
Payment for Expo Center	0	0	
Aquatics Park (to be reimbursed)		0	
Transfer to Depreciation & Replacement Fund	425,000	400,000	450,000
Series A & B - Debt Service (SEC-2009)	0	0	0
Series A 2015 - Debt Service (Water Park)	600,930	691,200	692,383
Series A 2016	2,612,075	2,696,847	2,781,250
Transfer to Event Fund	100,000	80,000	100,000
Other Payments	2,558	2,800	2,800
<b>TOTAL - ADMINISTRATION</b>	<b>4,600,563</b>	<b>4,736,147</b>	<b>4,891,733</b>
<b>MOTOR SPORTS</b>			
Personal Services	3,711	10,800	10,800
Contractual	407,865	318,900	300,000
Commodities	32,142	12,000	25,000
Capital Outlay	16,631	41,000	64,200
Concessions	0	0	0
Reimbursed Expense	0	0	0
<b>TOTAL - MOTOR SPORTS OPERATIONS</b>	<b>460,349</b>	<b>382,700</b>	<b>400,000</b>
<b>SPECIAL EVENTS CENTERS</b>			
Contractual	825,744	895,500	940,000
Commodities	2,561	160	2,500
Insurance & Electrical	43,574	44,000	64,000
Capital Outlay	125,267	20,000	77,500
<b>TOTAL - SPECIAL EVENTS CENTER</b>	<b>997,146</b>	<b>959,660</b>	<b>1,084,000</b>
<b>SALES TAX PROJECTS-FACILITIES MAINTENANCE</b>			
Personal Services	4,143	14,040	49,473
Contractual	2,509	0	0
Commodities	1,717	7,300	7,800
<b>TOTAL-FACILITIES MAINTENANCE</b>	<b>8,369</b>	<b>21,340</b>	<b>57,273</b>
<b>OUTDOOR REGIONAL AQUATICS FACILITY</b>			
Personnel	0	0	450,000
Contractual	503,702	588,400	140,000
Insurance	9,996	10,000	10,000
Commodities	37,607	12,500	178,500
Capital Outlay	6,849	0	0
<b>TOTAL-OUTDOOR REGIONAL AQUATICS FACIL</b>	<b>558,154</b>	<b>610,900</b>	<b>778,500</b>
<b>TOTAL EXPENDITURES</b>	<b>7,190,112</b>	<b>7,369,681</b>	<b>7,891,906</b>
Unreserved Fund Balance, December 31	626,248	265,623	356,217

## SALES TAX FUND-DEPRECIATION & REPLACEMENT

Sales Tax Fund-Depreciation & Replacement	2021 Actual	2022 Estimate	2023 Budget
Unreserved Fund Balance, January 1	1,080,398	1,317,518	1,697,518
Revenues:			
Transfer from Other Funds	481,269	400,000	450,000
<b>TOTAL RECEIPTS</b>	<b>481,269</b>	<b>400,000</b>	<b>450,000</b>
RESOURCES AVAILABLE	1,561,667	1,717,518	2,147,518
Expenditures:			
Capital Outlay	244,149	20,000	200,000
<b>TOTAL EXPENDITURES</b>	<b>244,149</b>	<b>20,000</b>	<b>200,000</b>
Unreserved Fund Balance, December 31	1,317,518	1,697,518	1,947,518

## ST FUND - ORGANIZATIONAL FUNDING

ST - ORGANIZATIONAL FUNDING	2021 Actual	2022 Estimate	2023 Budget
Unreserved Fund Balance, January 1	265,403	287,778	384,578
Revenues:			
Non-Govt Grants	0	0	0
Sale of Labor and Material	0	0	0
Transfer from General Fund	0	0	0
Transfer from Other Funds	710,000	710,000	710,000
<b>TOTAL RECEIPTS</b>	<b>710,000</b>	<b>710,000</b>	<b>710,000</b>
RESOURCES AVAILABLE	975,403	997,778	1,094,578
Expenditures:			
Personal Services	0	0	0
Contractual	684,677	612,200	712,200
Commodities	2,948	1,000	1,000
Capital Outlay	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>687,625</b>	<b>613,200</b>	<b>713,200</b>
Unreserved Fund Balance, December 31	287,778	384,578	381,378

## Sales Tax Projects-Events Fund

Sales Tax Projects-Events Fund	2021 Actual	2022 Estimate	2023 Budget
Unreserved Fund Balance, January 1	55,048	14,128	14,128
Revenues:			
Contributions & Donations	0	80,000	100,000
Transfer from Other Funds	100,000	0	0
<b>TOTAL RECEIPTS</b>	<b>100,000</b>	<b>80,000</b>	<b>100,000</b>
RESOURCES AVAILABLE	155,048	94,128	114,128
Expenditures:			
Contractual	140,920	80,000	100,000
Capital Expenditures	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>140,920</b>	<b>80,000</b>	<b>100,000</b>
Unreserved Fund Balance, December 31	14,128	14,128	14,128

## DEBT SERVICE ACCOUNT

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.

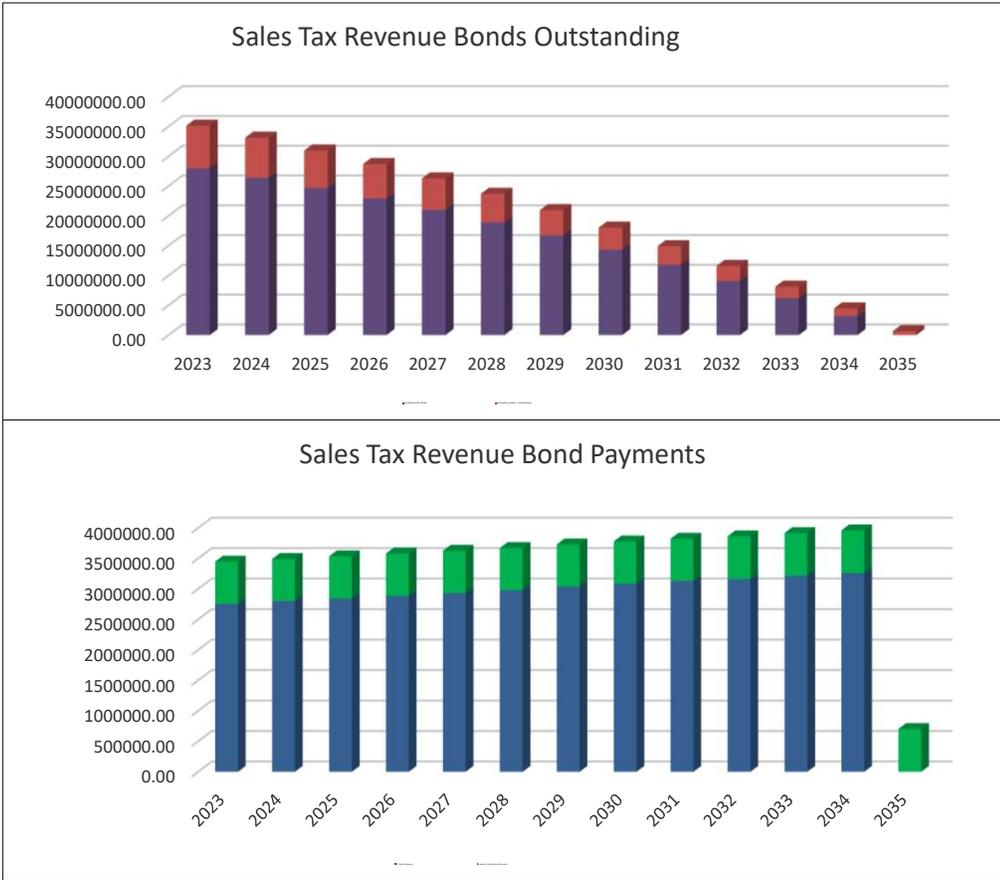
Construction of the Motor Sports Complex was completed in 2000 and the bonds issued for financing the project were paid off in 2008.

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.

SEC Revenue Bond Fund	2021 Actual	2022 Estimate	2023 Budget
Reserve for Debt Service	945,229	1,021,969	
Bond Reserve	3,740,400	3,313,548	
Revenues:			
Investment Earnings	-75,821	NON-BUDGETED	NON-BUDGETED
Other Financing	0	FUND	FUND
Transfer from Other Funds	2,611,802		
<b>TOTAL RECEIPTS</b>	<b>2,535,981</b>		
<b>RESOURCES AVAILABLE</b>	<b>7,221,610</b>		
Expenditures:			
Debt - Principal	1,415,000		
Debt-Interest	1,246,093		
Transfers out	225,000		
<b>TOTAL EXPENDITURES</b>	<b>2,886,093</b>		
Reserved Fund Balance, December 31	4,335,517		

Water Park Revenue Bond Fund	2021 Actual	2022 Estimate	2023 Budget
Reserve for Debt Service	252,133	467,753	
Bond Reserve	747,248	670,819	
Revenues:			
Investment Earnings	-3,112	NON-BUDGETED	NON-BUDGETED
Transfer from Other Funds (for Debt Serv Pm	826,203	FUND	FUND
Transfer from Other Funds (for Reserve Fund	0		
<b>TOTAL RECEIPTS</b>	<b>823,091</b>		
<b>RESOURCES AVAILABLE</b>	<b>1,822,472</b>		
Expenditures:			
Debt - Principal	405,000		
Debt-Interest	278,900		
Debt Service Fees	0		
<b>TOTAL EXPENDITURES</b>	<b>683,900</b>		
Reserved Fund Balance, December 31	1,138,572		

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





# Memorandum

**To:** City of Dodge City Commission & Ford County Commission

**From:** Community Facility Advisory Board (CFAB)

**Date:** November 21, 2022

**Subject:** CFAB Recommendation to negotiate an agreement with Outlaw Productions to operate/promote the Dodge City Raceway Park

**Agenda Item:** New Business

---

**Recommendation:** CFAB recommends authorization for City Manager and County Administrator to negotiate an agreement with Outlaw Productions for the operation/promotion of the Dodge City Raceway Park for the 2023 & 2024 season. The agreement will be subject to review and approval by City and County legal counsel.

**Background:** On September 14, 2022, the City of Dodge City issued a request for qualifications for an operator/promoter of the DCRP following direction from the Joint Commissions to put the project out to bid. Proposals were due by 5:00 pm on September 28<sup>th</sup>. Four proposals were submitted, and three firms were interviewed. The selection committee was made up of representatives from the City, County, CFAB and VenuWorks. The First round of interviews was held in person on October 7<sup>th</sup> and the second round October 26. At the conclusion of the interview process, the selection committee recommended selecting Outlaw Productions as operator/promoter for the DCRP. In addition, to the selection process, the City's due diligence included a background check. Then, on Thursday, November 17, CFAB recommended that the City and County Commissions approve the City Manager and the County Administrator to negotiate the agreement with Outlaw Productions for the operation/promotion of the DCRP. The agreement would be subject to review and approval by the City and County Attorneys.

**Justification:** Outlaw Productions is owned and operated by Kyle Fetters of Jetmore, Kansas. He started his racing career in 2001 at the Jetmore Motor Complex where he served as a Pit Steward and later the Director of Competition. Then, in 2004, he began to work full time at the DCRP as the Director of Operations and Tech Official. He worked at the DCRP for three seasons before taking a position with the United Rebel Sprint Series in 2007. Kyler worked for 14 years with URSS. He has also worked as the track promoter for the Rush County Speedway and most recently the WaKeeney Speedway. Kyler is also a local business owner in Jetmore, Kansas. He also serves on the City Council, City of Jetmore Housing Authority, and the Steve King Foundation Board.

In addition, Kirk Berkley will be contracting with Outlaw Productions and overseeing the maintenance of the dirt track. Kirk previously owned and promoted 1-44 Speedway in Oklahoma City and was recognized for his maintenance of the dirt track. Currently he runs Berkley Racing Unlimited. He and his spouse built, own and promote 81 Raceway in Minco, Oklahoma. His track prep equipment available for use at the DCRP.

**Proposed Schedule and Promotional Plan:** The schedule and marketing plan will specify classes and include not less than three major racing events, ten local IMCA sanctioned racing events and six short track events. Any change to the schedule must have prior written consent by the City Manager, County Administrator, or their designees. Additional events may be added at any time by the Operator but will not be subsidized by the City unless a separate written agreement has been negotiated.

**Financial Considerations:** The subsidy for all events, major and local will not exceed \$276,000. The Operator will provide the City all attendance, car count, and financial information on the first business day following a race during race season and prior to the final subsidy payment. The first subsidy payment of the next racing season will not be disbursed prior to receipt of the attendance, car count and financial information being received for the previous year

**Legal Considerations:** The agreement will be subject to review and approval by both City and County Legal Counsel.

**CFAB Options:**

1. Approve
2. Disapprove
3. Table for further discussion