

CITY COMMISSION AGENDA

City Hall Commission Chambers

Monday, August 15, 2011

7:00 p.m.

MEETING #4859

CALL TO ORDER

ROLL CALL

INVOCATION by Pastor Jason Goetz of Dodge City Church of the Nazarene

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

1. Justice Assistance Grant
2. 2012 Budget Hearing

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 1, 2011
2. Approval of City Commission Special Meeting minutes, August 4, 2011
3. Appropriation Ordinance No. 16, August 15, 2011
4. Cereal Malt Beverage License
 - a. El Zarape of Dodge City, 1301 W. Wyatt Earp Blvd.

ORDINANCES & RESOLUTIONS

Ordinance No. 3521: An Ordinance Attesting to an Increase in Tax Revenues for the Budget Year 2012 for the City of Dodge City. Report by Director of Finance/City Clerk, Nannette Pogue.

UNFINISHED BUSINESS

NEW BUSINESS

1. Approval of Appointment to Dodge City Housing Authority Board. Report by Executive Director of Dodge City Housing Authority, Matt Brady.
2. Approval of Agreement with BNSF to replace/repair the railroad crossings at First Avenue and Fourth Avenue. Report by Director of Engineering, Ray Slattery.
3. Approval of 2012 Budget. Report by Director of Finance/City Clerk, Nannette Pogue.

OTHER BUSINESS

ADJOURNMENT

JUSTICE ASSISTANCE GRANT

Abstract

Applicant Name: Dodge City Police Department

Disparate Agency: Ford County Sheriff Department

Title of Project: Foreign language translator program

Project Goals for the Dodge City Police Department and the Ford County Sheriff Department:

1. Locate and identify translators for several foreign languages that are frequently spoken in the Dodge City, Ford County area. I would like to get five (5) Spanish translators, two (2) Somalian translators, two (2) Guatemalan translators and one (1) Asian translator.
2. Once identified have the translators available for officers and deputies to utilize.
3. Be able to offer payment to translators for services rendered.

Strategies:

1. Have translators help bridge the gap between our immigrant community and the Police / Sheriff Departments.
2. Aid Officers / Deputies when on calls with immigrants who don't speak English.
3. Help bridge the gap for under reported crimes involving our immigrant population.

Project Identifiers

1. Violence-Violent crime
2. Violence-Domestic violence
3. Violence-Family violence
4. Homicide
5. Human trafficking

CITY COMMISSION MINUTES

City Hall Commission Chambers

Monday, August 1, 2011

7:00 p.m.

MEETING #4856

CALL TO ORDER

ROLL CALL: Mayor Rick Sowers, Commissioners Kent Smoll, Jim Sherer, Michael Weece and Monte Broeckelman were present.

INVOCATION

PLEDGE OF ALLEGIANCE

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).

Greta Clark, Chairperson for the Cultural Relations Advisory Board, gave a report from the Board.

CONSENT CALENDAR

1. Approval of City Commission Work Session minutes, July 18, 2011
2. Approval of City Commission Meeting minutes, July 18, 2011
3. Appropriation Ordinance No. 15, August 1, 2011
4. Cereal Malt Beverage License
 - a. Speedy Stop, 2615 Gary Avenue
 - b. River Stop, 705 S. 14th Avenue

Commissioner Jim Sherer moved to approve the Consent Calendar as presented, seconded by Commissioner Michael Weece. The motion carried unanimously.

ORDINANCES & RESOLUTIONS

Ordinance No. 3519: Ordinance Amending Sections 9-111 of Article 1, Chapter IX of the Code of the City of Dodge City and Repealing Ordinance No. 3348, Assessing Costs for the Administration of Justice in the Municipal Court was approved on a motion by Commissioner Monte Broeckelman, seconded by Commissioner Kent Smoll. Motion carried unanimously.

Ordinance No. 3520: Ordinance Regulating Traffic Within the Corporate Limits of the City of Dodge City; Amending Specific Provisions Relating to Section 30 “Driving Under the Influence of Intoxicating Liquor or Drugs; Penalties of the Standard Traffic Ordinance for Kansas Cities, Edition 2010” was approved on a motion by Commissioner Kent Smoll, seconded by Commissioner Jim Sherer. Motion carried unanimously

UNFINISHED BUSINESS

NEW BUSINESS

1. Appointment of Robert Vinton to the Cultural Relations Advisory Board was approved on a motion by Commissioner Monte Broeckelman, seconded by Commissioner Kent Smoll. Motion carried unanimously.
2. A Bid from FlexFence Southwest in the amount of \$40,200 for portable outfield fencing for Legends Park was approved on a motion by Commissioner Jim Sherer, seconded by Commissioner Michael Weece. Motion carried unanimously.

OTHER BUSINESS

Ken Strobel, City Manager:

- EAS discussion will be held at a Special Meeting on Thursday, August 4th at 6:00 p.m.;
- It is the beginning of Dodge City Days;
- Special thanks to “Pooper Scoopers”...Cherise Tieben and family, Jane Longmeyer, Rick and Mitchell Sowers, and Kale Riekenberg;
- Thanks to Jane Longmeyer and her crew that collected litter; and
- Thank you to the Public for your participation.

Commissioner Michael Weece:

- This past week a room at the United Wireless Arena was named the Dalton Room for Jack Dalton;
- Thanks to all who make Dodge City Days a success; and
- Roundup Rodeo begins Wednesday night.

Commissioner Kent Smoll:

- Commented on the Truck Ordinance; and
- Community Involvement Award was given to Michael Weece at the Dodge City Days Kickoff.

Mayor Rick Sowers:

- Thanked the Fire Department and Staff for cleaning up Dodge City for Dodge City Days;
- Thanked Cherise, Jim Sherer and all for Mayor’s float;
- Have fun during Dodge City Days.

ADJOURNMENT: Commissioner Kent Smoll moved to adjourn the meeting; Commissioner Jim Sherer seconded the motion. The motion carried unanimously.

Rick Sowers, Mayor

ATTEST:

Nannette Pogue, City Clerk

**CITY COMMISSION
SPECIAL MEETING MINUTES**

City Hall Commission Chambers

Thursday, August 4, 2011

6:00 p.m.

MEETING #4857

CALL TO ORDER

ROLL CALL: Mayor Rick Sowers, Commissioners Kent Smoll, Jim Sherer, Michael Weece and Monte Broeckelman were present.

ORDINANCES & RESOLUTIONS

Resolution No. 2011-22: Resolution authorizing the approval of Real Estate and Bond Purchase Agreement was approved on a motion by Commissioner Kent Smoll, seconded by Commissioner Michael Weece. Motion carried 5-0.

NEW BUSINESS

1. Consideration of Essential Air Service (EAS) Recommendation. The following citizens spoke...
 - Jeff Thorpe representing Butler National & Partners, State Partners & Mariah Fund
 - Justin Swift, owner of Dodge House Hotel
 - Joe Bogner
 - Lauren Ashlock
 - Del Palten
 - Don Wiles
 - Richard Fleman, frequent flyer

Commissioner Monte Broeckelman moved to continue current service with Great Lakes Airlines, Commissioner Michael Weece seconded the motion. Motion carried 3-2. Commissioner Kent Smoll and Mayor Rick Sowers voted no.

EXECUTIVE SESSION

Commissioner Kent Smoll moved to adjourn to Executive Session to discuss Employer/Employee Negotiations not to exceed 30 minutes. Commissioner Monte Broeckelman seconded the motion, the motion carried unanimously.

At 7:55 p.m., the meeting was reconvened into Regular Session.

ADJOURNMENT: Commissioner Jim Sherer moved to adjourn the meeting; Commissioner Monte Broeckelman seconded the motion. The motion carried unanimously.

Rick Sowers, Mayor

ATTEST:

Nannette Pogue, City Clerk

**INDIVIDUAL/SOLE PROPRIETOR
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 checked="" type="checkbox"/> License to sell cereal malt beverages for consumption on the premises.	
<input type="checkbox"/> License to sell cereal malt beverages in original and unopened containers and not for consumption on the licenses premises.	

SECTION 2 – APPLICANT INFORMATION			
Kansas Sales Tax Registration Number (required): <u>004-800620627F-01</u>			
Name	Phone No.	Date of Birth	
<u>Alin A. Rodriguez</u>	<u>620-521-9097</u>	<u>1-26-81</u>	
Residence Street Address	City	Zip Code	
<u>2213 Grandview Dr. East</u>	<u>Garden City</u>	<u>67846</u>	
Applicant Spousal Information			
Spouse Name	Phone No.	Date of Birth	
<u>Miguel A. Rodriguez</u>	<u>620-521-3111</u>	<u>12-31-78</u>	
Residence Street Address	City	Zip Code	
<u>2213 Grandview Dr. East</u>	<u>Garden City</u>	<u>67846</u>	

SECTION 3 – LICENSED PREMISE			
Licensed Premise (Business Location)		Mailing Address	
DBA Name	Name	Name	
<u>El Zape de Dodge City KS</u>	<u>Inc</u>	<u>Same</u>	
Business Location Address	Address	Address	
<u>1301 W. Wyatt Earp Blvd.</u>	<u>Same.</u>	<u>Same.</u>	
City	State	City	State
<u>Dodge City</u>	<u>KS</u>	<u>Same.</u>	<u>Same.</u>
Business Phone No.	Zip	Zip	
<u>620-227-9992</u>	<u>67801</u>	<u>Same.</u>	
Business Location Owner Name(s)	<input type="checkbox"/> I own the proposed business location. <input checked="" type="checkbox"/> do not own the proposed business location.		
<u>Mike Casey-</u>			

SECTION 4 – APPLICANT QUALIFICATION	
I am a U.S. Citizen	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
I have been a resident of Kansas for at least one year prior to application.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
I have resided within the state of Kansas for <u>29</u> years.	
I am at least 21 years old.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Within 2 years immediately preceding the date of this application, neither I nor my spouse ¹ has been convicted of, released from incarceration for or released from probation or parole for any of the following crimes: (1) Any felony; (2) a crime involving moral turpitude; (3) drunkenness; (4) driving a motor vehicle while under the influence of alcohol (DUI); or (5) violation of any state or federal intoxicating liquor law.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
My spouse has previously held a CMB license.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
My spouse has never been convicted of one of the crimes mentioned above while licensed.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**INDIVIDUAL/SOLE PROPRIETOR
APPLICATION FOR LICENSE TO SELL CEREAL MALT BEVERAGES**
(This form prepared by the Attorney General's Office)

SECTION 5 – MANAGER OR AGENT QUALIFICATION			
My place of business will be conducted by a manager or agent.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, provide the following:			
Manager/Agent Name	Phone No.	Date of Birth	
Alina Rodriguez	620-521-5097	1-26-81	
Residence Street Address	City	Zip Code	
2213 Grandview Dr. East	Garden City	67846	
Manager or Agent Spousal Information			
Spouse Name	Phone No.	Date of Birth	
Miguel Rodriguez	620-521-3111	12-31-78	
Residence Street Address	City	Zip Code	
2213 Grandview Dr. East	Garden City	67846	
Qualification Statement			
My manager/agent and his/her spouse ² meets all of the qualifications in Section 4.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

I declare under penalty of perjury under the laws of the State of Kansas that the foregoing is true and correct. (K.S.A. 52-601)

SIGNATURE  DATE 8-1-11

FOR CITY/COUNTY OFFICE USE ONLY:			
<input checked="" type="checkbox"/>	License Fee Received Amount \$	<u>200⁰⁰</u>	Date <u>8-1-11</u>
(\$25 - \$50 for Off-Premise license or \$25-200 On-Premise license)			
<input checked="" type="checkbox"/>	\$25 CMB Stamp Fee Received Date	<u>8-1-11</u>	
<input type="checkbox"/>	Background Investigation	<input type="checkbox"/> Completed Date _____	<input type="checkbox"/> Qualified <input type="checkbox"/> Disqualified
<input type="checkbox"/>	New License Approved	Valid From Date _____ to _____	By: _____
<input type="checkbox"/>	License Renewed	Valid From Date _____ to _____	By: _____

A PHOTOCOPY OF THE COMPLETED FORM, TOGETHER WITH THE STAMP FEE REQUIRED BY K.S.A. 41-2702(e), MUST BE SUBMITTED WITH YOUR QUARTERLY REPORT (ABC-301) TO THE ALCOHOLIC BEVERAGE CONTROL, 915 SW HARRISON STREET ROOM 214, TOPEKA, KS 66625-3512.

¹ If renewal application, applicant's spouse not required to meet the no criminal history requirement. K.S.A. 41-2703(b)(9)
² Spouse not required to be U.S. citizen, Kansas resident or over 21 years of age. K.S.A. 41-2703(b)(9)



Memorandum

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

From: Nannette Pogue

Date: August 11, 2011

Subject: Budget Ordinance

Agenda Item: Ordinances and Resolutions

Recommendation: I recommend the approval of Ordinance No. 3521

Background: The State of Kansas requires an Ordinance be adopted by the City if tax revenues increase from the previous year. I have included the worksheet to determine if the tax has increased excluding the debt service levy. For the 2012 budget there was an increase in the amount of property tax that is required, so an Ordinance is required. That ordinance is attached and simply states that the Commission has scheduled a public hearing and has determined that in order to maintain the level of service provided, an increase in tax levy is necessary.

Justification: In order to maintain the level of service provided, the property tax required to fund the 2012 Budget increased from the 2011 Budget.

Financial Considerations: The mill levy of 50.947 is .957 more than the 49.990 assessed for the 2011 budget. The amount levied increased by \$151,075.

Purpose/Mission: Maintain quality of life.

Legal Considerations: Ordinance required by State Statute.

Attachments: Ordinance No. 3521 and computation sheet.

ORDINANCE NO. 3521

AN ORDINANCE ATTESTING TO AN INCREASE IN TAX REVENUES FOR THE BUDGET YEAR 2012 FOR THE CITY OF DODGE CITY.

WHEREAS, the City of Dodge City must continue to provide services to protect the health, safety, and welfare of the citizens of this community; and

WHEREAS, the cost of providing essential services to the citizens of this city continues to increase.

NOW THEREFORE, be it ordained by the Governing Body of the City of Dodge City:

Section 1. In accordance with state law, the City of Dodge City has scheduled a public hearing and has prepared the proposed budget necessary to fund city services from January 1, 2012 until December 31, 2012.

Section 2. After careful public deliberations, the governing body has determined that in order to maintain the public services that are essential for the citizens of this city, it will be necessary to budget property tax revenues in an amount exceeding the levy in the 2011 budget.

Section 3. This ordinance shall take effect after publication once in the official city newspaper.

Passed and approved by the Governing Body on this 15th day of August, 2012.

Mayor

ATTEST:

City Clerk

Computation to Determine Limit for 2012

	Amount of Levy
1. Total Tax Levy Amount in 2011 Budget	+ \$ <u>6,461,943</u>
2. Debt Service Levy in 2011 Budget	- \$ <u>1,738,960</u>
3. Tax Levy Excluding Debt Service	\$ <u>4,722,983</u>

2011 Valuation Information for Valuation Adjustments:

4. New Improvements for 2011:	+ <u>1,048,134</u>	
5. Increase in Personal Property for 2011:		
5a. Personal Property 2011	+ <u>6,670,511</u>	
5b. Personal Property 2010	- <u>7,450,394</u>	
5c. Increase in Personal Property (5a minus 5b)	+ <u>0</u>	
		(Use Only if > 0)
6. Valuation of annexed territory for 2011		
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 2011		<u>106,730</u>
8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7)		<u>1,154,864</u>
9. Total Estimated Valuation July 1, 2011	<u>129,801,963</u>	
10. Total Valuation less Valuation Adjustment (9 minus 8)		<u>128,647,099</u>
11. Factor for Increase (8 divided by 10)		<u>0.00898</u>
12. Amount of Increase (11 times 3)		+ \$ <u>42,398</u>
13. Maximum Tax Levy, excluding debt service, without an Ordinance (3 plus 12)		\$ <u>4,765,381</u>
14. Debt Service in this 2012 Budget		<u>1,719,096</u>
15. Maximum levy, including debt service, without an Ordinance (13 plus 14)		<u>6,484,477</u>

If the 2012 budget includes tax levies exceeding the total on line 15, you must adopt an ordinance to exceed this limit, publish the ordinance, and attach a copy of the published ordinance to this budget.



407 E. BEND AVE.
DODGE CITY, KANSAS 67801
PHONE: 620-225-1965
FAX: 620-225-1462



BOARD OF COMMISSIONERS

Mrs. Mary Virginia Winter
Mr. C. Duane Ross
Mr. Robert Marshall
Mrs. Celia Enriquez
Mr. Leland Kincaid

Mr. Matthew A. Brady
Executive Director
Mr. Brent R. Schraeder
Operations Manager Sec. 8
Mr. Kirt Province
Operations Manager Public Housing

August 9, 2011

Commissioners of the City of Dodge City, Kansas

Dear Commissioners,

Due to health concerns, Mrs. Mary Virginia Winter has been forced to resign her Board position with the Dodge City Housing Authority.

The remaining members of the Board of Commissioners of the Housing Authority of Dodge City would like to recommend appointment of Mrs. Sarah Doll-Heeke to complete Mrs. Winter's unexpired term.

Mrs. Doll-Heeke is an attorney in Dodge City and the Board believes she would be a very valuable addition to our Board of Commissioners during these legally challenging times.

Thank you in advance for your consideration of this matter.

Sincerely,

Matt Brady (on behalf of the Board of Commissioners of the DCHA)

Memorandum

To: City Commissioners
From: Ray Slattery
Date: 08-12-11
Subject: Railroad Crossing Repair
Agenda Item: New Business

Recommendation: Authorize staff to enter into negotiations and sign the appropriate agreements with BNSF railroad to replace/repair the railroad crossings at First Ave. and Fourth Ave.

Background: Staff has been working with BNSF railroad to encourage a sustainable non-temporary type repair of the crossings at First Ave. and Fourth Ave.. Similar negotiations and agreements were reached in the repair of the 14th Ave. crossing several years ago.

Justification: The negotiated repairs would basically provide a new rail intersection and pedestrian crossing at these sites as well.

Financial Considerations: BNSF railroad proposes to share (50/50) in the expenses to repair the crossings at the level desired by Staff and the Commission. The shared agreement again will be similar to the agreement reached regarding the 14th Ave. crossing. Adequate funds will be available through savings provided on other projects.

Purpose/Mission: In a collaborative effort with BNSF we will be striving to attain the high standards expected by our community.

Legal Considerations: Legal Counsel will review and provide final authorization for the agreement.

Attachments: NA

Memorandum

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

From: Nannette Pogue

Date: August 11, 2011

Subject: Approval of 2012 Budget

Agenda Item New Business

Recommendation: I recommend the approval of the 2012 Proposed Budget.

Background: The budget was presented to the City Commission on August 1. The publication was published in the Dodge City Daily Globe on August 6. 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 August 15th at the regular City Commission meeting.

The original draft budget and the published budget included a mill levy of 52.309. The budget that is being proposed for approval includes a mill levy of 50.947. The changes from the original budget presentation was a slight increase in revenue (\$48,000) in the Bond and Interest Fund which decreased the mill levy required for that fund slightly; and in the General Fund, the transfer to Municipal Equipment Reserve Fund was decreased from \$250,000 to \$120,000. This resulted in an overall decrease of the budget allowing the mill levy required to decrease.

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 2012 budget year.

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

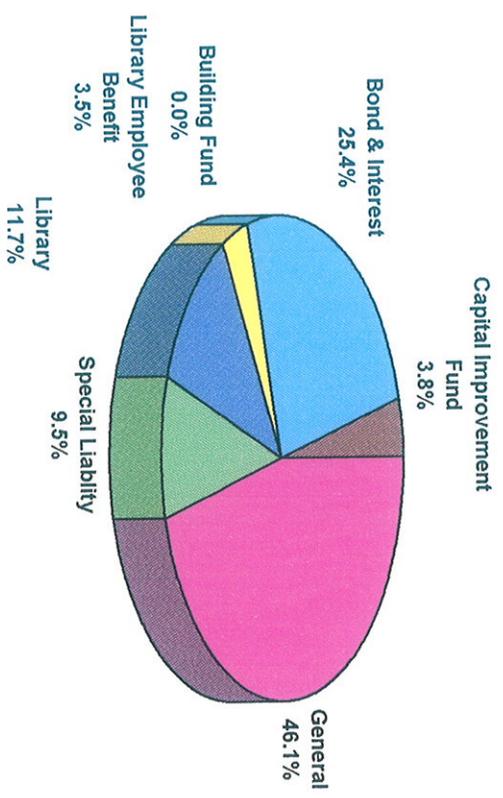
Legal Considerations: Satisfies State requirements to adopt an annual budget

Attachments: Updated Executive Summary for the 2012 budget and an updated Summary of the Mill Levy associated with the 2012 budget.

	2010		2011		2012 BUDGET		Est. Rate	
	Expenditures	Actual Rate	Budget or Expenditures	Amount of Levy	Actual Rate	Expenditure		Amount to be Levied
General	13,876,971	22.404	13,508,183	3,156,324	24.416	14,596,534	3,047,982	23.482
Special Liability	713,946	3.016	745,835	336,527	2.604	865,355	628,407	4.841
Library	855,506	5.591	898,506	776,866	6.010	905,394	772,426	5.951
Library Employee Benefit	246,151	1.731	219,446	183,717	1.422	257,086	234,017	1.803
Building Fund	55,929	0.390	572,932	0	0.000	0	0	0.000
Bond & Interest	2,743,867	15.248	3,048,100	1,738,960	13.452	2,814,650	1,679,096	12.936
Capital Improvement Fund	73,268	1.525	520,000	269,550	2.086	850,000	251,093	1.934
Totals	18,565,638	49.905	19,513,002	6,461,944	49.990	20,289,019	6,613,019	50.947

2012 Ordinance of Property Taxes

Valuation for 1997 Levy	95,067,263
Valuation of 1999 Levy	101,746,673
Valuation of 2000 Levy	104,949,816
Valuation of 2001 Levy	109,721,222
Valuation of 2002 Levy	114,217,971
Valuation of 2003 Levy	115,872,760
Valuation of 2004 Levy	126,020,694
Valuation of 2005 Levy	122,191,155
Valuation of 2006 Levy	123,516,577
Valuation of 2007 Levy	123,894,297
Valuation of 2008 Levy	122,541,541
Valuation of 2009 Levy	124,113,321
Valuation of 2010 Levy	129,274,265
Valuation of 2011 Levy	129,801,963



EXECUTIVE SUMMARY

2012 Budget

City of Dodge City

Submitted for the Governing Body's consideration and discussion is the proposed 2012 operating and capital budget for the City of Dodge City for the fiscal year beginning January 1, 2012. 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 2012. The budget as presented does not provide any increased services. It represents the same programming as it did in 2011, and with the exception of scheduled salary increases, the same funding level.

Some assumptions used to develop this budget include:

- 1). The proposed budget requires a mill levy of 50.947 mills, which is a .957 mill levy increase over the 2011 mill levy of 49.990
- 2). Assessed Valuation of \$129,801,963. This is a .41% increase from 2011. In 2011, the increase was 4.32%. The impact of the machinery and equipment abatement for industry as a result of State of Kansas changes in taxation laws, has slowed. Many communities are experiencing a decline in assessed valuation because of the housing market and economy. Dodge City has not experienced this decline, but with the exception of adding the Casino valuation in 2010 for the 2011 budget year, the assessed valuation has been flat.

- 3). Delinquent ad valorem tax at a rate of 5%
- 4). Salary increase of 2.5%
- 5). Partially restore funding for the Capital Improvement Program
- 6). \$120,000 funding for the Municipal Equipment Replacement Program.
- 7). No increase in Health Insurance premiums for 2012.
- 8). Continued loss of demand transfer funds from the State of Kansas.

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. A section has also been added that shows a description of each department along with the staffing levels and historical funding levels.

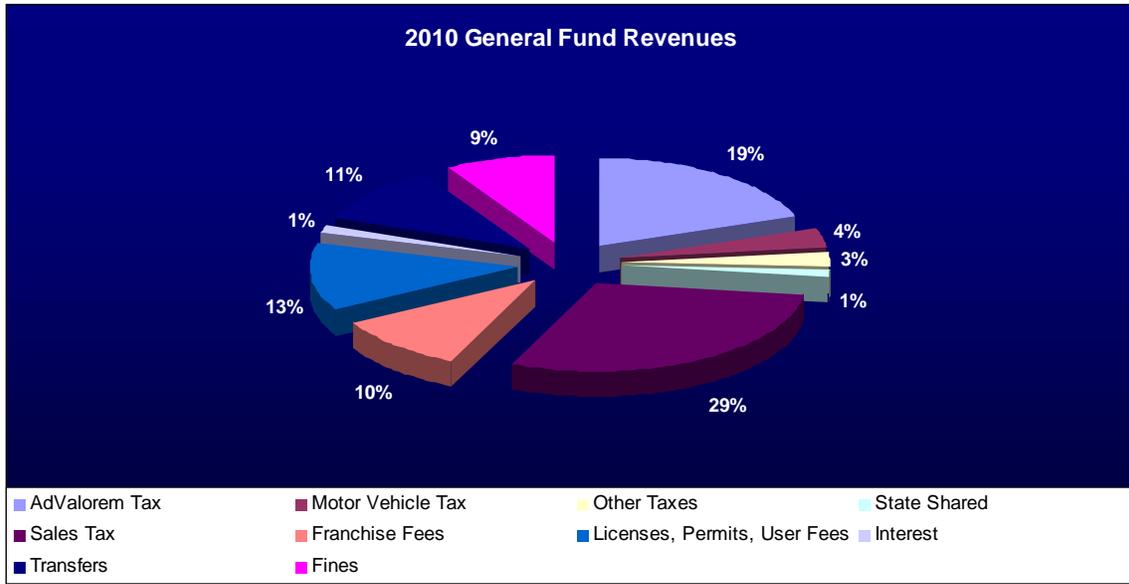
Revenue Projections

The sales tax revenue projection in 2011 is \$4,300,000. This is a 7% increase over 2010 actual. Since we have been experiencing a 9-10% increase over last year, the projection should hold. The 2012 projection in sales tax remains flat. 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. For 201 budget purposes the sales tax projection is at \$4,348,500. (This does not include the Why Not Dodge sales tax which is dealt with separately).

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 is the lowest that I have ever seen it in my years of public service.

Municipal Court fine revenue had continued to grow at a steady pace, but has reached a plateau and has declined in the last 2-3 years

The following graph provides an overview of the ‘General Fund Revenue Sources for the Budget Year 2010 (actual).



Cash Reserves

I have shown the Cash Reserve in the budget. It is titled Transferred to Capital. This amount reflects 4% of the budgeted expenditures for 2011.

Capital Improvement Program, Municipal Equipment Reserve Fund and Building Fund

Included in the 2012 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 2012 total \$223,930

The Building Fund was started as a method to fund building projects. In the past this has funded payments for the City Hall, Golf Course Club House and the Depot. It had been expected that this would be a partial source of funding for a consolidated Public Works Shop. This fund has not yet had the opportunity to accumulate enough to fund future projects. Because we have continued cutting the mill levy amount in this fund and the expenditures were very similar to the Capital Improvement Funds, these 2 funds are being combined in 2011. All building projects are competing with other capital improvement projects for funding.

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 \$120,000 depreciation in the proposed 2012 budget. There are purchases that are a high priority and mileage plus maintenance costs show that these purchases need to be made in 2012. Currently the fund has approximately \$1,100,000 in it. It is budgeted to spend \$643,000 in 2011 and proposed \$466,150 in 2012. In 2011 a priority funding was the new fire truck. This was financed through a lease purchase agreement as not to deplete the fund. In 2011 there is no funding allocated for depreciation expense. In 2012, \$120,000 is budgeted from the General Fund for a depreciation transfer. Because of the continued increased operating costs in the general fund, it is difficult to fund the depreciation transfers into the Capital Equipment Fund. We continue to evaluate the equipment, which of this 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

To accomplish the budget proposal as submitted, the revenues were projected based on historic, economic and other factors. We then figured a salary increase of 2.5%. The department heads were then asked to create their budget using the same amounts as 2011 for the contractual and commodity line items. There are no additional positions requested. There are some positions that are authorized, but remain vacant and will remain vacant until the cash position can be replenished. Outlined below are what is included in this budget.

What is included:

- 1) A 2.5% salary increase 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	188,500
Sales Tax Fund	4,800
Convention and Visitors Fund	3,940
Special Streets Fund	4,550
Water Fund	13,960
Wastewater Fund	4,880
Sanitation Fund	15,610
Drainage Fund	990
Utilities Administration	6,820
Vehicle Maintenance	<u>2,130</u>
Totals	246,180

- 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 was extremely good and we received a rebate. 2011 is looking good for our experience as well. For these reasons, it is anticipated that there will be no increase in health insurance premiums.
- 3) There are no position changes included in this budget.
- 4) Programs in all of the departments remained level.
- 5) There were no increases in the contractual and commodity line items from the 2011 budget.
- 6) There is continued funding of the Health Savings Account and the Annual Bonus to employees.
- 7) 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, CASA at \$8,000, Crisis Center at \$4,000 and the fireworks display at \$5,000. This request totals \$55,500.
- 8) All 4 Fun remains funded at a subsidy of \$30,000 (building payment).

Other considerations include:

- 1) The depreciation amount transferred from the General Fund is \$250,000.
- 2) The reserve for the general fund is at 4%.
- 3) The lottery money was estimated at approximately \$600,000 per year. The revenue is being recorded in a Growth and Development Fund to be used to support street infrastructure projects. It is proposed to use \$450,000 in 2011 and \$300,000 in 2011 to fund the Bond & Interest Fund.
- 4) The construction department is included in the general fund and includes salaries, benefits and other small purchases. The department will also operate as a building maintenance department. It is anticipated to charge back some of the expenses in this fund to individual departments.
- 5) Positions remain vacant in the general fund. Expenditures that are not essential to the operation are being postponed.
- 6) The debt payments for the New Water Reclamation Facility will begin in 2012. All capital improvements in this fund have been cut. The revenues and expenditures will need to be watched closely as not to create any deficit.
- 7) Capital improvements in the Sanitation Fund have been delayed as well to replenish cash in this fund.

We continue to reevaluate the 2011 budget and make every effort to reduce expenditures where we can.

Street GO Bond Program

In 2012, there will be some temporary notes come due that were issued in 2010 for street projects and special assessment projects. The special assessment projects and street projects planned for 2011 will also be funded through temporary notes. General Obligation Bonds will need to be issued in 2012 to refinance these notes as well as any new debt issued for Street Projects. The first debt payment for bonds issued in 2012 will be in 2013. In order to keep the mill levy down, \$300,000 of lottery money is proposed to fund the principal and interest payments in 2012.

Library

The Dodge City Public Library submitted a budget proposal of \$905,394 for the general Library fund and \$257,086 for the Library Employee Benefit Fund for a total of \$1,162,480. Last year's approved budget was \$1,117,952. 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. The Workmen's Compensation premium will increase slightly and we will experience a substantial increase in the liability and property premiums. An employee that had been budgeted in the City Manager's Department in the General Fund is being paid from this fund, as their primary emphasis will be on workmen's comp and other insurance issues.

Water and Wastewater Funds

The Water Fund budget reflects the operating costs for the distribution of water to the customers, payments of current bonds and some capital improvement projects.

The Wastewater Fund budget reflects the operating costs for the collection of the wastewater and taking that wastewater south of town to the wastewater treatment plant. The City of Dodge City has a contract with OMI to operate that 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. The Water fund is responsible for 30% of the remaining payment and the Wastewater Fund is responsible for 70% of the remaining payment.

Two temporary note issues have been made to fund water system improvements. One issue was for \$2,265,000 and one for \$3,315,000. These were for the purchase of water rights and development of 4 water wells. Both of these temporary notes will mature in 2012.

Construction of the wastewater treatment plant north of Dodge City began early in 2010. The City received a low interest loan from KDH&E to fund this construction. We launched a rate increase in 2010 and one in 2011. We will have another rate increase next year in anticipation of the loan repayments. We will begin to make payments on the loan in 2012.

Sales Tax Fund

The Sales Tax Fund funds 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 and Civic Center operating, and payments for the Revenue Bond issued in 2009 to fund the events center.

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.

The 2012 budget is once again a challenge. Costs continue to rise, so we must continually ensure that the services we are providing are the services the community needs and is willing to fund.

If you have any questions or wish additional information, please do not hesitate to contact us.