

CITY COMMISSION AGENDA

City Hall Commission Chambers

Monday, August 20, 2012

7:00 p.m.

MEETING #4896

CALL TO ORDER

ROLL CALL

INVOCATION by Rev. Darrell Hendrickson of the First Church of God

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

1. 2013 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 Work Session minutes, August 6, 2012;
2. Approval of City Commission Meeting minutes, August 6, 2012;
3. Appropriation Ordinance No. 16, August 20, 2012;
4. Cereal Malt Beverage Licenses
 - a. Riverstop, 705 South 14th Avenue
 - b. Spee-D Stop, 2615 Gary Avenue

ORDINANCES & RESOLUTIONS

Resolution No. 2012-27: A Resolution in Support of an Application for Funding Through the Moderate Income Housing Program Offered Through the Kansas Housing Resources Corporation to be Utilized for the Development of Multi-Family Rental Housing in the Vicinity of 6th Avenue and Cedar Ridge Street, Dodge City, Kansas. Report by Special Projects Asst./Housing of Economic Development Corporation, Leslie Lomas.

Resolution No. 2012-28: A Resolution in Support of an Application for Funding Through the Moderate Income Housing Program Offered Through the Kansas Housing Resources Corporation to be Utilized for the Abandoned Housing Program in Dodge City, Kansas. Report by Special Projects Asst./Housing of Economic Development Corporation, Leslie Lomas.

UNFINISHED BUSINESS

NEW BUSINESS

1. Approval of 2013 Budget. Report by City Clerk/Director of Finance, Nannette Pogue.
2. Appointment of City Commissioner to replace Commissioner Michael Weece.
3. Report on All 4 Fun Usage. Report by Director of Parks & Recreation, Paul Lewis.

EXECUTIVE SESSION

Discussion of Non-Elected Personnel

OTHER BUSINESS

ADJOURNMENT

CITY COMMISSION WORK SESSION MINUTES

City Hall Commission Chambers

Monday, August 6, 2012

6:00 p.m.

MEETING #4893

ROLL CALL: Mayor Rick Sowers, Commissioners Michael Weece, and Kent Smoll were present. Commissioners Brian Delzeit and Jim Sherer were absent.

WORK SESSION

1. Expansion of Recycling Services was presented by Assistant Superintendent of Public Works, Corey Keller.
2. 2013 Budget was presented by City Clerk/Director of Finance, Nannette Pogue, along with discussion of the same.

Rick Sowers, Mayor

ATTEST:

Nannette Pogue, City Clerk

CITY COMMISSION MINUTES

City Hall Commission Chambers

Monday, August 6, 2012

7:00 p.m.

MEETING #4894

CALL TO ORDER

ROLL CALL: Mayor Rick Sowers, Commissioners Kent Smoll, Michael Weece, and Brian Delzeit were present. Commissioner Jim Sherer was absent.

INVOCATION: by Rev. Virgil Winkler of the Ford County Jail Ministry

PLEDGE OF ALLEGIANCE

CONSENT CALENDAR

1. Approval of City Commission Meeting minutes, July 16, 2012;
2. Appropriation Ordinance No. 15, August 6, 2012;
3. Cereal Malt Beverage Licenses
 - a. Love's Travel Stop #58, 1108 W. Wyatt Earp
 - b. Lucky Stop, 510 E. Wyatt Earp
4. Approval of Motion to Temporarily Allow Consumption of Alcoholic Beverages at Eisenhower Park

Commissioner Michael Weece moved to approve the Consent Calendar as presented, seconded by Commissioner Kent Smoll. The motion carried 4-0.

ORDINANCES & RESOLUTIONS

Ordinance No. 3543: Commissioner Brian Delzeit moved to approve 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 2012" and Repealing Ordinance No. 3523. Commissioner Michael Weece seconded the motion. Motion passed 4-0.

Ordinance No. 3544: Commissioner Brian Delzeit moved to approve 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 2012" and Repealing Ordinance No. 3424 and Ordinance No. 3531. Commissioner Michael Weece seconded the motion. Motion passed 4-0.

Ordinance No. 3545: Commissioner Kent Smoll moved to approve an Ordinance of the City of Dodge City, Kansas Amending the Official Zoning Map of the City, Changing Lot 1 & 2, Block 1 and Lot 1 & 2, Block 2, Allphin Addition No. 2 From R-S, Residential Suburban to C-2, Commercial Highway. Commissioner Michael Weece seconded the motion. Motion passed 4-0.

UNFINISHED BUSINESS

NEW BUSINESS

1. Commissioner Brian Delzeit moved to approve the Bid for 14th Avenue (Wyatt Earp Blvd to Spruce Street) Reconstruction from J-A-G Construction Company, in the amount of \$219,239.28. Commissioner Michael Weece seconded the motion. Motion passed 4-0.
2. Report given by Director of Parks & Recreation, Paul Lewis, regarding usage of the All 4 Fun facility. Discussion was held regarding the same. Vernon Bogart spoke regarding the usage. Commissioners directed Staff to get further information and report back.

OTHER BUSINESS

Cherise Tieben, Assistant City Manager:

- Plastic bag ban update;
- IHOP is the project at 14th Avenue & Wyatt Earp;
- USDA had a slight set back;
- Looking for dates for Southwest Kansas Coalition Meeting; and
- American Idol will be in Dodge City sometime in August.

Commissioner Michael Weece:

- Commented on Volunteers and Dodge City Days.

Mayor, Rick Sower:

- Enjoyed meal with Mayor Brewer and others;
- Thanked Staff who helped with Mayors float; and
- Congratulations on a successful Dodge City Days.

Commissioner Kent Smoll:

- Congratulations to Dodge City Chamber and Dodge City Roundup for a successful Dodge City Days.

Commissioner Brian Delzeit:

- Inquired as to date for public fireworks display.

ADJOURNMENT: Commissioner Kent Smoll moved to adjourn the meeting; Commissioner Michael Weece seconded the motion. The motion carried 4-0.

Rick Sowers, Mayor

ATTEST:

Nannette Pogue, City Clerk

Memorandum

To: City Commissioners
From: Leslie Lomas, Special Projects Asst./Housing
for Economic Development Corp.
Date: Friday, August 17, 2012
Subject: Resolution in Support of Application for
Funding Through MIH Program
Agenda Item: Ordinances & Resolutions

Recommendation: Staff recommends the approval of Resolution No. 2012-27 which indicates the City of Dodge City's support of the Overland Property Group's application to the Kansas Housing Resources Corporation (KHRC) for funding through the Moderate Income Housing (MIH) Program.

Background: In April of 2008, the City and County received the CHAT report which provided our community with a housing needs and analysis. The report showed that our community housing needs were substantial. The report also indicated that there was a need for housing on many different income levels.

The MIH Program allows applicants to apply for loans or grants for infrastructure necessary to support housing or actual housing development of moderate income housing in rural areas.

Justification: Housing continues to be a constant challenge in the Dodge City/Ford County area. The approval of this Resolution will allow the developer to apply for funding through the MIH program offered through the KHRC for development of housing targeted towards moderate income units.

Financial Considerations: None at this time.

Purpose/Mission: This resolution will assist Staff in supporting a developer who is working to bring much needed housing opportunities to our community, therefore, improving the quality of life for our citizens.

Legal Considerations: None.

Attachments: Resolution No. 2012-27

RESOLUTION NO. 2012-27

A RESOLUTION IN SUPPORT OF AN APPLICATION FOR FUNDING THROUGH THE MODERATE INCOME HOUSING PROGRAM OFFERED THROUGH THE KANSAS HOUSING RESOURCES CORPORATION TO BE UTILIZED FOR THE DEVELOPMENT OF MULTI-FAMILY RENTAL HOUSING IN THE VICINITY OF 6TH AVENUE AND CEDAR RIDGE STREET, DODGE CITY, KANSAS.

WHEREAS, the City of Dodge City, Kansas has received a request by Overland Property Group, LLC reflecting their desire to submit a Moderate Income Housing application in partnership with the City of Dodge City, Kansas;

WHEREAS, the application is prepared and ready to be filed with the Kansas Housing Resources Corporation for the development of multi-family housing to be located in the vicinity of 6th Avenue and Cedar Ridge Street, Dodge City, Kansas.

WHEREAS, this housing development will contain up to sixteen (16) total housing units;

WHEREAS, six (6) of the units will be targeted towards moderate income and ten (10) will be unlimited market rate units;

WHEREAS, the development will be new construction;

WHEREAS, if awarded, the grant funds would fill the gap in financing necessary to complete the project;

WHEREAS, the City of Dodge City, Kansas completed a CHAT Report (Community Housing Assessment) in 2008 which indicates the continued need for renter occupied housing;

WHEREAS, the CHAT Report also indicated the need in all ranges of renter occupied housing with pricing ranges for low, affordable and moderate market rate categories;

NOW THEREFORE BE IT RESOLVED, that the Governing Body of the City of Dodge City by adoption of this Resolution indicates their support, approval, coordination and partnership with Overland Property Group LLC and their application for grant funding to the Kansas Housing Resources Corporation through the Kansas Moderate Income Housing Program for the aforesaid housing project in the amount of four hundred thousand dollars (\$400,000.00).

ADOPTED BY THE GOVERNING BODY AND APPROVED BY THE MAYOR, this day of the 20th of August, 2012.

City of Dodge City, KS

ATTEST:

Rick Sowers, Mayor

Nannette Pogue, City Clerk

Memorandum

To: City Commissioners
From: Leslie Lomas, Special Projects Asst./Housing
for Economic Development Corp.
Date: Friday, August 17, 2012
Subject: Resolution in Support of Application for
Funding Through MIH Program
Agenda Item: Ordinances & Resolutions

Recommendation: Staff recommends the approval of Resolution No. 2012-28 which indicates the City of Dodge City's support of the Interfaith Housing Services' application to the Kansas Housing Resources Corporation (KHRC) for funding through the Moderate Income Housing (MIH) Program.

Background: In April of 2008, the City and County received the CHAT report which provided our community with a housing needs and analysis. The report showed that our community housing needs were substantial. The report also indicated that there was a need for housing on many different income levels.

The MIH Program allows applicants to apply for loans or grants for infrastructure necessary to support housing or actual housing development of moderate income housing in rural areas.

Justification: Housing continues to be a constant challenge in the Dodge City/Ford County area. The approval of this Resolution will allow the developer to apply for funding through the MIH program offered through the KHRC for development of housing targeted towards moderate income units.

Financial Considerations: None at this time.

Purpose/Mission: This resolution will assist Staff in supporting a developer who is working to bring much needed housing opportunities to our community, therefore, improving the quality of life for our citizens.

Legal Considerations: None.

Attachments: Resolution No. 2012-28

RESOLUTION NO. 2012-28

A RESOLUTION IN SUPPORT OF AN APPLICATION FOR FUNDING THROUGH THE MODERATE INCOME HOUSING PROGRAM OFFERED THROUGH THE KANSAS HOUSING RESOURCES CORPORATION TO BE UTILIZED FOR THE ABANDONED HOUSING PROGRAM IN DODGE CITY, KANSAS.

WHEREAS, the City of Dodge City, Kansas has received a request by Interfaith Housing Services reflecting their desire to submit a Moderate Income Housing application in partnership with the City of Dodge City, Kansas;

WHEREAS, the application is prepared and ready to be filed with the Kansas Housing Resources Corporation for the Abandoned Housing Program Interfaith Housing Services is developing in partnership with the City of Dodge City and Dodge City Community College in Dodge City, Kansas.

WHEREAS, if awarded, the grant funds would be used to match the funds of \$50,000 the City of Dodge City has already budgeted in 2013, which effectively doubles the fund amount in order to complete the project;

WHEREAS, the City of Dodge City, Kansas completed a CHAT Report (Community Housing Assessment) in 2008 which indicates the continued need for owner and renter occupied housing;

WHEREAS, the CHAT Report also indicated the need in all ranges of renter occupied housing with pricing ranges for low, affordable and moderate market rate categories;

NOW THEREFORE BE IT RESOLVED, that the Governing Body of the City of Dodge City by adoption of this Resolution indicates their support, approval, coordination and partnership with Interfaith Housing Services and their application for grant funding to the Kansas Housing Resources Corporation through the Kansas Moderate Income Housing Program for the aforesaid housing project in the amount of one hundred thousand dollars (\$100,000.00).

ADOPTED BY THE GOVERNING BODY AND APPROVED BY THE MAYOR, this day of the 20th of August, 2012.

City of Dodge City, KS

ATTEST:

Rick Sowers, Mayor

Nannette Pogue, City Clerk

Memorandum

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

From: Nannette Pogue

Date: August 16, 2012

Subject: Approval of 2013 Budget

Agenda Item New Business

Recommendation: I recommend the approval of the 2013 Proposed Budget.

Background: The budget was presented to the City Commission on August 6. The publication was published in the Dodge City Daily Globe on August 10. 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 20th at the regular City Commission meeting.

The original draft budget and the published budget included a mill levy of 51.657.

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 2013 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: Executive Summary for the 2013 budget and the budget summary that was published in the Dodge City Daily Globe.

EXECUTIVE SUMMARY

2013 Budget

City of Dodge City

Submitted for the Governing Body's consideration and discussion is the proposed 2013 operating and capital budget for the City of Dodge City for the fiscal year beginning January 1, 2013. 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 2013. The budget as presented does not provide any increased services. It represents the same programming in the general fund as it did in 2012, with the exception of adjustments made for the Recreation Program which is expected to be turned over to the YMCA on January 1, 2013. Salary increases are also included.

Some assumptions used to develop this budget include:

- 1). The proposed budget requires a mill levy of 51.657 mills, which is a .677 mill levy increase over the 2012 mill levy of 50.980
- 2). Assessed Valuation of \$135,631,100. This is a 4.49% increase from 2012. In 2012, the increase was .41% over 2011. 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 some residential growth, mostly in the Rural Housing Incentive Districts. The assessed valuation increases are probably due to the commercial annexations and we anticipated additional commercial growth in the near future.

- 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 50% of equipment and vehicle depreciation in the general fund for funding the Municipal Equipment Replacement Program.
- 7). No increase in Health Insurance premiums for 2013.
- 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 will assume 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 first year, YMCA will reimburse 25% of those expenses. This resulted 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. A section has also been added that shows a description of each department along with the staffing levels and historical funding levels.

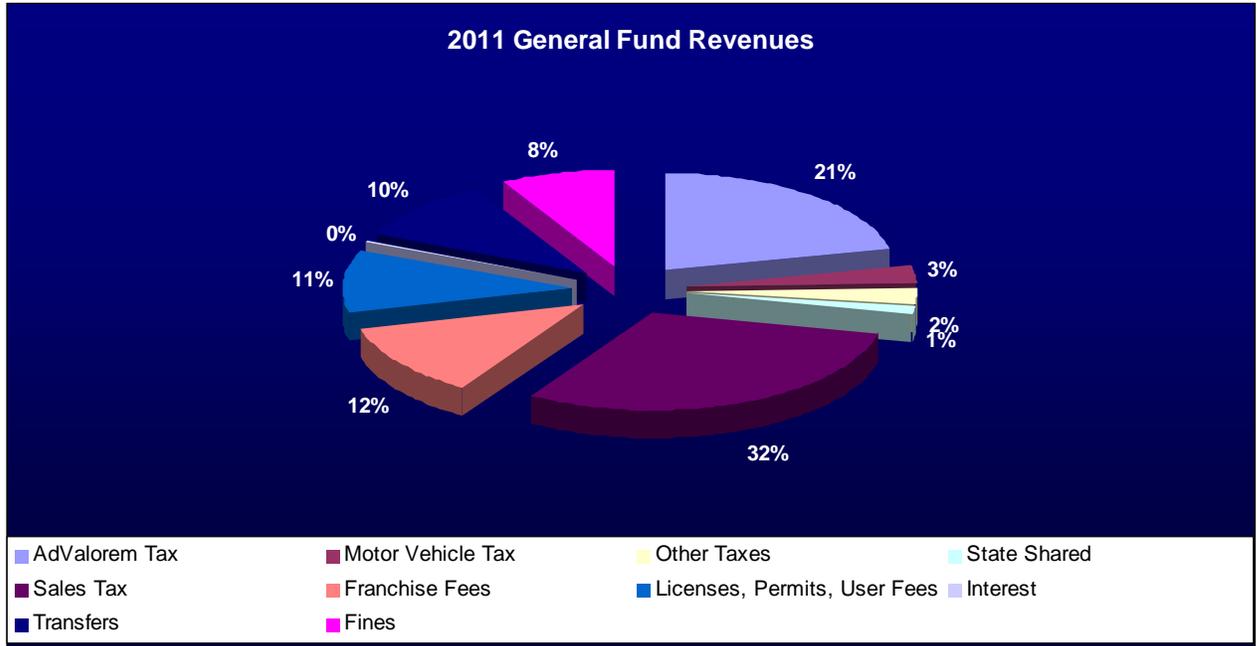
Revenue Projections

The sales tax revenue projection in 2013 is \$4,500,000 in the general fund. The same amount is projected as sales tax revenue in the Sales Tax Fund. This is a 3% increase over 2011 actual. To date, 2012 sales tax receipts are 5% ahead of the same time period in 2011. 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 .15%. This remains 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.

The following graph provides an overview of the ‘General Fund Revenue Sources for the Budget Year 2011 (actual).



Cash Reserves

I have shown the Cash Reserve in the budget in the amount of 1,000,000. It is titled Transfer to Capital. This amount reflects 7.14% of the budgeted expenditures for 2012. 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 2013 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 2013 total \$438,550.

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 \$208,962 depreciation in the proposed 2013 budget. This represents approximately 50% 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 2013. Currently the fund has approximately \$706,000 in it. It is budgeted to spend approximately \$466,150 in 2012 and proposed \$578,230 in 2013. A fire truck is on the list for 2013. It is proposed that this be financed through a lease purchase agreement as not to deplete the fund. 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	133,465
Sales Tax Fund	2,713
Sales Tax Fund (Organizational Fund)	947
Special Liability Fund	1,115
Convention and Visitors Fund	4,456
Special Streets Fund	3,391
Water Fund	10,055
Wastewater Fund	3,605
Sanitation Fund	11,829
Drainage Fund	740
Utilities Administration	5,113
Vehicle Maintenance	<u>1,587</u>
Totals	179,016

- 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 remains good. For these reasons, it is anticipated that there will be no increase in health insurance premiums and if there is, there are adequate reserves in the Medical Insurance Fund to cover any increases.

- 3) An employee has been added in the Development Services Department, a Building Inspection/Code Enforcement officer. This additional employee is proposed because of the increased building and code enforcement activity. The Convention and Visitors Department was restructured during 2011 which resulted in an additional position. The additional position carries to 2012.
- 4) In the general fund, there were very few increases from last year. The budget was increased for utility and motor fuel because both costs have increased drastically over the last 2 years. The Public Works Department was the most notable increase in electric costs because of the street lights.
- 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. I expect requests from the Crisis Center and CASA as we have in the past..
- 7) All 4 Fun remains funded at a subsidy of \$30,000 (building payment).

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 \$300,000 in 2012 and \$450,000 in 2013 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 will also operate as a building maintenance department. It is anticipated to charge back some of the expenses in this fund to individual departments.
- 3) Positions remain vacant in the general fund. Expenditures that are not essential to the operation are being postponed.
- 4) The Water and Wastewater Fund was combined in 2012 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.

We continue to reevaluate the 2012 budget and make every effort to reduce expenditures where we can.

Street GO Bond Program

In 2012 we financed some temporary notes that came due as well as refinanced some existing bonds. Toward the end of the year we will need to issue some additional temporary notes for Candletree 5 special assessments and possibly Comanche. Some of the major street projects that will be considered in 2013 are Comanche and Trail Street. The Engineering Department will also present some smaller street projects. I anticipate the special assessment projects will continue. For all of these projects, either General Obligation Bonds or temporary notes will need to be issued to finance these projects. The first debt payment for bonds issued in 2013 will be in 2014. In order to keep the mill levy down, \$450,000 of lottery money is proposed to fund the principal and interest payments in 2013.

Library

The Dodge City Public Library submitted a budget proposal of \$915,854 for the general Library fund and \$314,500 for the Library Employee Benefit Fund for a total of \$1,230,354. Last year's approved budget was \$1,162,480. 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 and liability premium will increase. We will not know the exact increases until later in the year, but this budget has been increased to account for any increases we may experience. An employee that had previously 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 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 in 2012. Two temporary note issues for purchase of water rights and development of 4 water wells were refinanced by General Obligation Bonds in 2012. A Water Loan outstanding was also refinanced. 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 administration budget includes the maximum 15% transfer for organizational funding, the debt payments for the special event center and the payment for the County’s Expo Center that was agreed to by both Commissions. The operation of the Special Events Center and Civic Center include the same amount as 2012. 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.

The 2013 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.

NOTICE OF BUDGET HEARING

The Governing Body of the City of Dodge City will meet on the 20th day of August, 2012, 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 2013 Expenditures and the Amount of current year estimate for 2012 Advalorem Tax establish the maximum limits of the 2013 budget. The Estimated Tax Rate is subject to change depending on final assessed valuation.

FUND	2011		2012		PROPOSED BUDGET FOR 2013		
	Prior Year Actual Expenditures	Actual Tax Rate	Current Year Estimate of Expenditures	Actual Tax Rate	Expenditures	Amount of 2012 Ad Valorem Tax	Est. Tax Rate
General Fund	13,985,863	24.416	13,996,534	23.496	14,908,436	4,121,437	30.387
Special Liability	507,986	2.604	789,000	4.845	912,825	498,132	3.673
Library	898,506	6.010	905,394	5.955	915,854	741,735	5.469
Library Employee Benefit	219,446	1.422	257,086	1.804	314,500	281,926	2.079
Building Fund	209,137	0.000	482,561	0.000	0	0	0.000
Bond and Interest	2,767,312	13.452	2,582,650	12.944	3,007,000	1,112,859	8.205
Capital Improvement Fund	146,045	2.086	850,000	1.936	562,000	250,188	1.845
Sales Tax - Special Projects	8,945,317		6,017,865		6,297,405		
ST Fund-Organization Funding	639,622		889,670		915,130		
Special Events Center Construction	4,770,556		0		0		
Sales Tax-Dep & Replacement	0		1,748,000		0		
SEC Revenue Bond Fund	2,418,453						
Convention and Visitors	832,327		763,147		854,347		
Special Streets & Highways	757,240		709,755		714,805		
Special Parks & Recreation	170,000		90,000		90,000		
Special Alcohol & Drug	111,618		100,000		109,000		
Alcohol Drug & Safety Action	22,149		20,000		25,710		
Special Law Enforcement Trust	7,000						
All 4 Fun	45,942		30,000		35,000		
Underage Alcohol Abuse Program	6,439		15,000		15,000		
DARE	9,410		15,000		15,000		
Capital Equipment	412,591		547,300		531,150		
Grants	465,959						
Development & Growth Fund	450,000		800,000		950,000		
Street Reconstruction Projects	1,449,039						
Water & Wastewater Utility Fund	9,519,657		10,653,724		11,467,408		
2008 Temp Notes-Water	147,660						
2003 WWTP & Wtrl Imp Debt Serv.	1,655,299						
2009 Wastewater Treatment Plant	8,615,418						
Sanitation	1,703,887		1,848,223		1,957,262		
Drainage Utility	667,430		266,420		177,260		
Utilities Administration	0		0		0		
Transportation	325,312		265,790		337,760		
Medical Self Insurance	2,384,314		2,430,000		2,275,300		
Hoover	0						
Economic Development Revolving	1,360						
SMPC Trust	110,000		20,000		30,000		
TOTALS	65,378,294	49.990	47,093,119	50.980	47,418,152	7,006,277	51.657
Less Transfers:	12,879,738		7,275,898		6,716,317		
Net Expenditures	52,498,556		39,817,221		40,701,835		
Total Tax Levied	6,461,944		6,613,021		7,006,277		
Assessed Valuation	129,274,265		129,801,963		135,631,100		
Outstanding Indebtedness, January 1,							
	2010	2011	2012				
G.O. Bonds	23,335,000	21,365,000	19,340,000				
Revenue Bonds	57,315,000	56,095,000	54,475,000				
Temporary Notes	5,580,000	6,765,000	8,445,000				
Lease Purch Princ	0	0	307,207				
KDHE Loans	2,912,090	14,349,974	23,710,764				
Total	89,142,090	98,574,974	106,277,971				

*Tax Rates are expressed in mills.

Nannette Pogue
City Clerk



City of Dodge City

PO Box 880 • Dodge City KS 67801 • Phone: 620/225-8160 • Fax: 620/225-8184

Memorandum

To: Ken Strobel, City Manager
From: Paul Lewis, Parks & Recreation Director
cc: Cherise Tieben, Asst. City Manager
Date: August 15, 2012
Subject: All-4-Fun Utilization

A handwritten signature in black ink, appearing to be "P. Lewis", is located to the right of the memorandum header.

BACKGROUND

The City purchased the All-4-Fun property in December of 2006 with the intent of continuing operations as a family entertainment center after the original owners made the decision not to re-open the previous year. The property and equipment was purchased at a combined cost of \$500,000 with a \$10,000 initial payment and \$30,000 annual payments during a three year option period. At the end of the option, the City was required to either pay the remaining balance or the property reverted to the original owner.

The option period has been extended on two occasions and is now set to expire December 31, 2013. As of this date, the City has made a total of \$180,000 in payments and the balance due to complete the purchase is \$320,000.

PAST OPERATIONS

From 2007 until 2010, the facility was operated by Recreation staff and enjoyed moderate success from a participant perspective but was never able to meet financial objectives. Following the 2010 season, the decision was made not to open in 2011.

Then in May of last year, staff received information from a couple of different individuals they might be interested in operating the facility. Based on that interest, staff published an RFP soliciting anyone who might be interested in leasing the facility. A group out of Wichita with previous experience in the fun center business responded and ultimately contracted to operate and maintain the facility. After operating for the 2011 season, the group decided not to continue with their contract and the facility has remained closed for 2012.

SITE OPTIONS

The primary structure on the site is a 10,000 s.f. metal building consisting primarily of a large open space plus office/administrative space, a concession and dining area, restrooms, and other miscellaneous space. The building is fully heated and cooled and has restrooms sized to handle the occupancy load the fun center can generate. The dining area is based on a concession menu and has adequate storage and prep space but does not include the fixtures necessary for a commercial kitchen.

Over the last several months, City staff has worked to determine other possible uses for the site and have identified the following:

- Gymnastics/Cheerleading Center
- City Recycling Headquarters
- Fleet Maintenance Facility
- Public Transportation Headquarters

In the last few days, the City received an inquiry regarding another potential use for at least a portion of the building. That came from the Friendship Feast organization that is looking for a permanent home as their present site is no longer available to them after this month.

POTENTIAL BUILDING USES

Following is a synopsis of key elements for each alternative:

- **Gymnastics/Cheerleading Center:** The Recreation Division runs programs for cheerleading and gymnastics instruction. The program has over 230 kids registered and currently generates \$77,000 annually in fees, 70% of which is paid to the instructors and the remainder retained by the City.

Presently the programs are housed in the chapel at Hennessy. It is a space they've outgrown and they are now running mats down halls and through doors and different use areas are conflicting with each other. The building also is deficient in meeting life safety codes for this type of assembly and the program needs to locate to an appropriate facility.

The All-4-Fun building provides much needed space and can be used as is with no significant alterations. The Ball-O-City and Bowlingo activities would have to be dismantled and/or salvaged out but once that occurs, the space is ready for the programs existing equipment to be relocated to the new site. The fees retained by the City could be used to meet some portion of the annual utility costs for the building which in the past have amounted to approximately \$23,000.

- **City Recycling Headquarters:** Public works is looking for new space for the recycling program. Presently they don't have adequate storage capacity and are forced to sell received materials at times when the market is down or when storing product until a full load was achieved would be more profitable.

If utilized as a recycling center, public works staff anticipates gutting the interior of the building and removing the mini-golf and go-kart features. Improvements would construct loading docks and a new driveway access. Some of that work could be performed by staff over time but some projects would be contracted. Constructing the driveway and loading docks and installing new overhead doors on the south face of the building are estimated to cost in excess of \$100,000.

- **Fleet Maintenance Facility:** Fleet Maintenance is also looking to acquire a more appropriate site for their operations. Similar to the Recycling operation, Fleet Maintenance could use the large open space for servicing and maintaining vehicles and other equipment. Adequate driveway access would have to be provided along with overhead doors. The interior floor might also need to be strengthened to accommodate the large vehicles and heavy equipment

being serviced. Mechanical and electric modifications might also be necessary. Again some of the demo work could be provided in house but constructing the drives and doors, etc. would probably be contracted as well as the mechanical/electrical work.

- **Public Transportation Headquarters:** Public transportation services have expanded significantly and have outgrown available space in the park shop. Additional space is needed to store busses and to serve as a home base for drivers. As the system develops including potentially fixed route service, a location is needed for a transfer station as well as to house administrative functions.

To serve Public Transportation would involve removing the kart and mini-golf features on the site and adding driveway access and overhead doors. Again those costs would be in the \$100,000 range but if approved by KDOT, grant funds would provide 80% of the capital costs and the City matching 20%.

- **Friendship Feast:** The group providing the Friendship Feast program has approached the City about the possibility of utilizing the dining/concession area of the facility for their meal program. Currently they're serving about 100 meals per day but they are losing access to their site and to date have not been able to find another suitable location.

The dining area will accommodate their program but the concession area requires modifications. It was originally constructed as a concession facility so there is adequate storage, a triple sink, hand wash sink and plenty of power. However it was not intended as a commercial kitchen and in order to meet code requirements, vent hood and fire suppression equipment and grease interceptors would have to be installed. Also a fire rated separation wall would have to be provided between the kitchen/dining area and any other functions housed in the building.

The cost of these improvements is not known at this time but the Friendship Feast steering committee is researching the potential for raising funds to meet improvement costs. Their program would not require exclusive use of the facility. Although it would require compromise, the meal program is not incompatible with the Cheer/Gymnastics program or with the Public Transportation utilization of the building.

CONCLUSION

This information is intended to provide a brief synopsis of the potential uses for the All-4-Fun building and assist staff and the governing body in determining a future purpose for the site. The building is in excellent condition and with varying degrees of improvement, would provide long term benefits to the community.

I will be happy to provide any additional information if necessary or answer any questions you might have.