EL DORADO
KANSAS

EL DORADO CITY COMMISSION - WORK SESSION AGENDA
CITY HALL – 220 E. FIRST AVENUE
February 14, 2024 - 5:00 PM

Work Session Discussion Items:

a. BG Stadium Financing
b. Strategic Plan
c. Capital Project Criteria

Regular Agenda Preview:

a. Items to be Placed on the Consent Agenda
    i. Meeting Minutes
b. Items to be Placed on the Regular Agenda
c. Items to be Placed on the Land Bank Consent Agenda
d. Executive Session

Reports:

a. City Commission Reports
b. City Manager Report

TO: City Commission
FROM:
SUBJ: BG Stadium Financing
DATE: February 14, 2024

Background:
The Educational Facilities Authority of Butler County (EFABC) is the partnership between Butler Community College, USD 490, and the City that owns and operates BG Products Veterans Stadium. These entities have determined that the turf and track at the stadium have reached their useful life and need to be replaced. The EFABC was not created with the authority to issue debt to finance capital improvements when it was established in 2010. The EFABC estimates that the improvements will cost $1.1 million.

Butler Community College and USD 490 prefer to have the track and turf replaced before the start of the 2024 Fall football season. This schedule will require a decision on financing soon so that the selected contractor may procure materials and begin the installation processes without delay. The EFABC anticipates construction beginning in mid-May with completion on or before August 1. The EFABC is presently soliciting proposals from turf and track vendors to meet this schedule.

Attachments:

Policy Issue:
Should the City authorize the issuance of its General Obligation bonds to finance capital improvements at BG Products Veterans Stadium?

Fiscal Impact:
The turf and track replacement at the stadium is estimated to cost $1.1 million. The Butler Community College Foundation is currently holding $417,245 on behalf of the EFABC. This funding is available for the long-term maintenance needs of the stadium, although it is not enough money to cover the estimated cost of these projects. The EFABC has secured private contributions and sponsorships equal to $992,500 that are pledged over ten years. The amount pledged and in reserve equals $1.4 million. The EFABC requires a method of financing the improvements since the pledged funds will come to the EFABC over the next few years. The three entities are not expected to contribute directly to this project based on the estimated cost and the identified revenue sources.

The City may authorize the issuance of its General Obligation (G.O.) debt to finance these improvements. G.O. bonds are backed by the full faith and credit of the City, meaning that the City pledges to cover any shortfall in revenues to make up the difference between available revenue and debt service payments. Legally, this means the City pledges to increase property taxes to cover any shortfall in revenue to avoid a default on a debt service payment. The pledged funds are committed by private individuals and organizations that will likely pay their commitments. Even so, the City Commission needs to understand the potential risk that could arise if these pledges are not received promptly. The City may have to cover the debt service payment before receiving pledged funds or increase taxes if pledges are unable to be collected for some reason. Ultimately, the City is liable for the timely payment of its debt obligations in the case of City-issued G.O. bonds.

Trade-offs:
In 2022, the City's statutory debt limit was $35.3 million. The statutory debt limit is 30% of the City's assessed valuation as provided in K.S.A. 10-308. The City had outstanding statutory G.O. debt of $8.2 million during this reporting period. This means the City has an available statutory debt authority

of $27.1 million. (The 2022 figures are the most recent numbers until the information is updated in the 2023 financial report.) Based on these figures, the City has plenty of statutory debt capacity remaining if it desires to proceed with providing financing to the EFABC. There is a slight risk that pledged funds do not come in, although management believes that this risk is low and may be mitigated with timely billing of pledged commitments.

Staff Recommendation:

The City Manager recommends proceeding with a G.O. financing structure for this project.

Commission Action:

There is no formal action needed by the City Commission at this time. The City Manager requires feedback from the City Commission on the political acceptability of this concept before allocating time and resources to coordinate the necessary documentation with bond counsel. The City Manager will also gather any additional information the governing body may need to make an informed decision.

TO: City Commission
FROM:
SUBJ: Strategic Plan
DATE: February 14, 2024

Background:
NA

Attachments:
1. DRAFT 2024 Strategic Plan

Policy Issue:
What should be the City's strategic priorities for the next two years?

Fiscal Impact:
A strategic plan helps the governing body and staff determine the best way of allocating public resources through the budget process to achieve strategic priorities.

Trade-offs:
In an economic system, there are not enough resources to achieve everything that needs to be done in a community. A strategic planning process requires the governing body to weigh the trade-offs of taking certain actions instead of taking other actions. Therefore, a strategic plan defines what the municipal organization will focus on to guide budgetary, personnel, and service delivery decisions.

Staff Recommendation:
NA

Commission Action:
Review and discuss strategic priorities for the City for the next two years.

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VISION STATEMENT

The City of El Dorado strives to create a desirable place to call home.

MISSION STATEMENT

Enhancing Quality of Life by Embracing Service Excellence

CORE VALUES

Responsibility
Taking personal ownership of all expectations of self and duty.

Respect
Empathy for the rights, values, beliefs, and property of all people.

Stewardship
Prudently protect and manage community resources.

Integrity
Acting within a code of ethical conduct that reflects our moral foundation.

Excellence
Exceeding standards and maximizing talents to achieve the best outcomes for the community.

Innovation
Continuously expanding on new ideas that enhance efficiency and effectiveness.

STRATEGIC PRIORITIES:

~~I. **Fiscal Stewardship** - *The City of El Dorado will prudently manage community resources as a responsible steward.*~~

~~a. Develop a ***balanced operating budget*** that maintains funding levels without requiring an increase to the mill levy.~~

~~b. ***Forecast the financial condition of the City*** over a five-year period to provide service delivery at acceptable levels while anticipating changing fiscal trends.~~

~~c. Develop a ***debt management plan*** that provides for the prudent issuance of municipal debt to meet the needs of the community.~~

~~d. Implement a ***multi-year Capital Improvement Plan*** to provide for the replacement of existing public infrastructure while also adapting to growth opportunities.~~

~~e. Adopt a ***Fleet Replacement Plan*** that provides for the practical replacement of the municipal fleet to reduce maintenance expenses and avoid service delivery disruptions.~~

~~II.~~I. **Municipal Workforce** - *The City of El Dorado desires to create a municipal organization that attracts and retains talented individuals dedicated to serving the community.*

a. Nurture an ***organizational culture that attracts and retains talented individuals*** desiring to serve in municipal government and who exemplify the culture and values of the organization.

b. Create and maintain a ***compensation structure*** that attracts and retains talented individuals, incentivizes performance, and maintains regional competitiveness.

c. Facilitate the ***development of knowledge, skills, and abilities*** of all individuals within the organization to meet the changing service delivery expectations of the community.

d. Develop the ***leadership capacity*** of the organization to foster a culture of excellence through supervision, coaching and mentoring, and accountability.

~~III.~~II. **Infrastructure** - *The City invests in its public infrastructure to provide the basic resources necessary for the community to thrive and prosper.*

~~a. Implement a ***multi-year Capital Improvement Plan*** to provide for the replacement of existing public infrastructure while also adapting to growth opportunities.~~

~~b.~~a. Continuously ***evaluate public facilities***, provide necessary resources for ongoing maintenance, and plan for future facility needs to maintain service delivery.

~~c. Develop a long-term finance plan to prudently manage and pay off debt obligations associated with ***water storage capacity*** at El Dorado Lake.~~

~~d.~~b. Evaluate funding options for ***continued investment in critical public infrastructure***.

~~e.~~c. Continuously ***invest in public safety*** initiatives, equipment, and technology to provide the El Dorado Police and Fire Departments with the resources needed to preserve order and protect life and property.

~~IV.~~III. **Economic Development** – *The City of El Dorado actively works to create an environment that facilitates capital investment, produces jobs, and increases the community's tax base.*

a. Facilitate the ***proactive marketing*** ~~***recruitment***~~ ***of industrial development opportunities*** that leverage El Dorado's physical and intangible assets.

~~b. Market El Dorado's ***industrial and business parks*** as prime sites for development opportunities.~~

~~c.~~b. Actively collaborate with downtown stakeholders to ***facilitate revitalization efforts in downtown*** El Dorado.

~~d. Create an environment that nurtures and ***supports entrepreneurs*** seeking to establish business ventures in the community.~~

~~e. Collaborate with regional stakeholders to facilitate ***workforce development*** opportunities so workers develop the skills needed for a constantly changing, competitive economy.~~

~~f. Collaborate with area developers and builders to facilitate ***housing opportunities*** for the community.~~

IV. Housing – *The City of El Dorado desires to facilitate diverse, affordable housing opportunities for its residents.*

~~g.~~a.

V. Quality of Life - *The City of El Dorado desires to create a place where people choose to live and visit.*

~~a. Coordinate ***recreation opportunities at El Dorado Lake*** that attract visitors and enhance the quality of life for residents.~~

~~b.~~a. Develop ***recreation opportunities beyond traditional sports*** so citizens may socialize and exercise.

~~c.~~b. ***Strengthen existing offerings in traditional sports*** so participants have fun in an experience that fosters learning and development.

~~d.~~c. ***Market El Dorado*** and its many events and experiences to residents and visitors.

~~e.~~d. Develop ***fun and engaging events and activities*** so people have something to do after work and school.

~~f.~~e. Facilitate the ***reduction of blight*** in El Dorado by proactively identifying and addressing vacant and abandoned housing and blighted properties.

~~**VI. Municipal Operations** – *The City of El Dorado embraces service delivery excellence and seeks to facilitate innovation and continuous improvement for the betterment of the community.*~~

~~a. Create an organizational culture that focuses on ***customer service excellence*** through practical implementation of the City's core values and behavioral norms.~~

~~b. Strive for ***continuous improvement*** within the organization to reduce costs, increase efficiencies, and make municipal programs more effective for citizens.~~

~~c. Facilitate ***citizen-centered thinking*** by actively engaging and collaborating with citizens on programs and services desired by the community.~~

~~d. Promote a ***culture of innovation*** where employees may experiment and develop new ways of providing municipal services for the benefit of the public.~~

TO: City Commission
FROM:
SUBJ: Capital Project Criteria
DATE: February 14, 2024

Background:

The City will soon start the capital project planning process. This year, we are making several changes to improve the process. One of the changes that will be incorporated into the process is a project ranking system that will assist in prioritizing projects based on established criteria. Currently, the City does not have formal criteria for evaluating and ranking projects. The City Commission will be asked to provide input on the criteria used to rank projects.

Below is a list of criteria that are often used to evaluate capital projects in municipal government. The first task for the City Commission will be to confirm that these criteria will be used to evaluate projects. The governing body may want to add to or remove criteria. Once the criteria have been finalized, the next step is to determine if they will be weighed equally or if some criteria will have a higher weight than others. For example, some may want to rank "health impact" higher than "return on investment." The weights will be based on a five-point scale, with the higher score reflecting a more positive impact for the community.

- **Health Impact** – How does this request impact the health, well-being, or safety of residents and/or employees? How widespread is that potential impact?
- **Quality of Life** – Does the request help enhance the community's quality of life?
- **Legal Impact** – Does this request address a current or foreseeable regulatory or legal mandate such as the EPA, ADA, or other local, state, or federal laws?
- **Strategic Plan** – Does this request align with the City Commission's strategic priorities and initiatives?
- **Equity** – Does this project address a gap in outcomes based on race, religion, gender, sexual orientation, or income? As part of these criteria, departments will be required for the first time to define who is expected to benefit from each proposed capital project.
- **Return on Investment** – Will this increase tax revenue, reduce costs to the City, or leverage other funds? With extremely limited capital funds available, it is important to understand if some projects have the ability to reduce costs or bring in additional resources that would not otherwise be available.
- **Efficiency and Effectiveness** – Is this the most cost-effective solution? Is it coordinated with other projects to increase the impact? What is the problem the City is trying to solve? Does the project successfully solve the problem? Are there other solutions that might solve the problem in a more creative and/or cost-effective way?

It is important to note that preferences for weighing criteria are value statements. This means there is no right or wrong answer for how the criteria should be weighted. The City Commission's role is to represent the community's interests and determine which of these criteria should be considered with more weight when compared to the others.

Please consider this and let me know if you have any questions. We will discuss the City Commission's preferences at next week's work session. These preferences will inform department directors as they begin to assemble proposals for projects for the next five-year plan.

Attachments:

Policy Issue:
What criteria should be used to evaluate and prioritize capital projects? Should the criteria be weighted to reflect the priorities of the City?

Fiscal Impact:
NA

Trade-offs:
NA

Staff Recommendation:
NA

Commission Action:
NA