

The Salina Citizen

A REPORT FROM
YOUR CITY
GOVERNMENT

SPRING 2016

Dear Salina Citizens:

The City of Salina is pleased to present to you the Spring 2016 edition of The Salina Citizen. We hope this issue not only helps inform you in regard to City projects, but stimulates your interest and participation in local government.

Sincerely,
Salina City Commission



Salina's Proposed Capital Improvement Sales Tax

An investment in neighborhood streets, quality jobs and community!

On April 20th, the Saline County Clerk's Office will mail to Salina voters a sales tax election ballot. It will ask voters to replace the City of Salina's current 4/10th (.40%) cent capital improvement sales tax with a 3/4th cent (.75%) capital improvement sales tax for a term of 20 years. If approved, the total sales tax for the community will change from 8.4% to 8.75%.

This election is an opportunity for all registered voters to weigh in on their community's future. The mail-in ballot provides the convenience of voting from your home, results in high participation and is a great utilization of the democratic process.

How many dollars will the sales tax generate and what specifically will it fund?

The new sales tax increment will generate about \$4.3 million per year in new revenue. We continue to hear our residents ask for neighborhood street improvements more than anything else. Neighborhood streets are our top priority. Fully funding all street needs is estimated to cost an additional \$2 million to \$3 million more per year. That is why the City is committing to spend at least \$2 million more

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City Commissioners want to hear from you

Members of the Salina City Commission are always interested in your comments and suggestions on City services and policies. They welcome letters, emails and telephone calls. Write them at P.O. Box 736, Salina, KS 67402-0736 or email them at citycommission@salina.org.

Jon Blanchard 577-7533
Kaye Crawford..... 827-4263
Trent Davis 823-0287
Randall Hardy 826-7858
Karl Ryan 825-4242

We're at Your Service

In order to serve you better, City staff maintains a computerized Citizen Service Request (CSR) system. If you have a question or service request, please contact the City Manager's Office at (785) 309-5700. You may also send questions or requests via our email link on the City of Salina's website: www.salina-ks.gov



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per year (from \$1.6 million annually to at least \$3.6 million) just for neighborhood streets. Street needs will be determined by condition and neighborhood feedback.

Keeping the City’s property tax stable is also a primary goal

High or fluctuating property taxes can be harmful. We understand the need to provide a stable property tax to our community’s residents and businesses for the long-term future. The positive impact is estimated to be between \$500,000 to \$1,000,000 per year.

Preserving our park system – one of Salina’s biggest assets

The tax will be used both to retain the quality of our parks and to enhance them in response to community needs. A major park improvement includes a reasonable and slimmed down approach renewing the Smoky Hill River. This river channel is a major natural resource that serves as the primary storm water storage basin for a large part of our community, so filling it in is not an option. A limited project focus will be on the basic stream area only. This focus includes: getting the sediment out, reshape the banks where needed, constructing a single and accessible hike/bike path and providing community gathering space along the downtown stretch. The City will commit to redirecting not more than \$1.3 million per year for this project. That is the current, annual debt service used to fund the Kenwood Cove Water Park. We think this slimmed down approach can ensure long-term viability for drainage and make the Smoky Hill River channel an amenity and focus of community pride.



Attracting “quality” jobs

Our community needs growth in “quality” jobs, with higher wages and benefits. A city cannot create these jobs, but we can create a positive environment for them. This includes investment in: roads, utilities, land, training and relocation needs. Our estimated investment of \$450,000 to \$700,000 per year will be focused on items that give Salina a special edge and cannot be taken out of our community.

Why use a sales tax and how will the change affect my wallet?

With a sales tax, a small increment can fund many projects, with nearly one-third (1/3rd) of the revenue estimated to come from outside of our community!

On average, consumers will spend about 4% more with the new tax. The increase equals only 35 cents per \$100 spent. While there is no perfect tax, a sales tax is based on consumption and is much fairer than a property tax.



If approved, how will Salina’s tax rates compare to our competing communities?

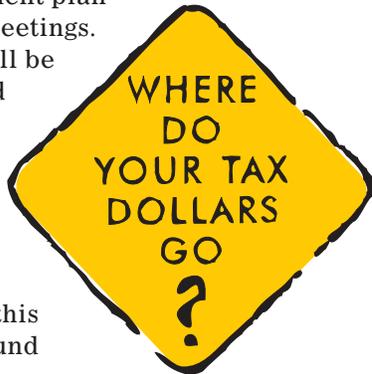
The table below shows how Salina’s tax rates compare to certain other Kansas communities in 2015. Strong communities see stable and long-term growth of residents, businesses and visitors. A solid infrastructure is a key ingredient. While we do not believe Salina should be one of the highest taxed cities, a reasonable level of taxation can ensure

| City | Sales Tax | Property Tax |
|--------------------|-----------|--------------|
| Junction City | 9.75% | 47.666 |
| Dodge City | 9.15% | 50.883 |
| Topeka | 9.15% | 39.733 |
| Abilene | 9.10% | 45.538 |
| Hutchinson | 9.10% | 43.226 |
| McPherson | 9.00% | 51.330 |
| Hays | 8.75% | 25.007 |
| Manhattan | 8.75% | 43.963 |
| Salina (proposed) | 8.75% | 27.080 |
| Garden City | 8.65% | 31.822 |
| Salina (currently) | 8.40% | 27.080 |
| Wichita | 7.50% | 32.291 |

investment in our basic infrastructure needs. This investment will ensure that Salina can serve its residents and businesses well, while also preserving our future viability in north central Kansas.

How can the public be sure the sales tax will be used as intended?

First, the ballot language intentionally limits the use of the sales tax. The City Commission annually updates our 5-year capital improvement plan through a series of public meetings. These sales tax proceeds will be kept in a separate, budgeted fund for full accountability. Historically, the City has fulfilled our commitments. In 2008, we committed to using the current sales tax for similar needs and for Kenwood Cove. Since 2009, this sales tax has been used to fund the following list of needs:



| Use | Amount |
|-----------------------------------|---------------------|
| Street and Parking Improvements | \$10,279,217 |
| Kenwood Cove Water Park | \$8,781,814 |
| Property Tax Stabilization | \$4,882,500 |
| Job Growth | \$3,463,239 |
| Maintenance Vehicles & Equipment | \$3,091,251 |
| Flood Protection | \$947,200 |
| Facility Maintenance | \$882,229 |
| Sidewalks | \$279,997 |
| Human Services | \$240,500 |
| Other Project Costs | \$1,325,394 |
| Total Community Investment | \$34,173,341 |

Can the need for the proposed sales tax be diminished with efficiency improvements?

The City currently applies a Continuous Process Improvement (CPI) program, using private sector Lean Six Sigma (LSS) waste reduction tools. We are a government leader in this field, with our program being recognized nationally. In fact, we are the only government in Kansas taking process efficiency to this level. This effort has helped to keep our property tax rate low, but it is not enough to keep our operational costs stable AND fund all neighborhood streets and other community improvement needs.

When will the community see a positive impact?

If approved, the City should begin receiving the new sales tax increment before year-end. This means that we can start applying it to neighborhood streets and other community needs as early as next year!

What if the sales tax does not pass?

If the proposed sales tax doesn't pass, we will continue to focus current resources on basic infrastructure items until the current tax expires in about two years. Certain community needs will likely not be met or will likely be deferred well into the future.

2016 - 2020 Capital Improvements Program

The 2016 - 2020 Capital Improvements Program (CIP) is a schedule of anticipated capital projects to be completed over the next five years. The plan includes projects to be financed from cash resources and major projects to be financed by bond proceeds. Bonded projects take advantage of low interest rates, keep property taxes down and spread out the cost of major projects over time. Project revenue includes: sales tax; gas tax; a portion of the alcohol tax; water, sanitation and solid waste user fees; and other General Fund resources.

Streets are a major component of the annual program, with about \$2.5 million spent annually. Over the next five years, the City of Salina will invest \$12.5 million into our transportation and related infrastructure. Of that amount, \$5 million to \$6 million will come from gas taxes shared from the State of Kansas, with \$6 million to \$7 million from sales tax. Unfortunately, that is not nearly enough to meet our neighborhood street needs.

Our major CIP projects total \$69.7 million over the five-year period. Some of the more notable projects are downtown field house, reconstruction of sections of Centennial Road and Country Club Road, water and wastewater line extensions, design and construction of the south wellfield improvements to stabilize the City water supply over the next 50 years, and design of a required upgrade to the Salina Wastewater Treatment Plant. Other CIP components include: vehicle and equipment replacement, entryway signage, a new outdoor weather warning system, ball field lighting replacement and sidewalk/trail extensions.

Capital Improvement Projects (2011-2016)

Capital Improvement Projects (2011-2016)

Maintain

Upgrade

Develop



Fire Department Accolades Better Fire Protection

Earlier this year, the City's Insurance Service Organizations (ISO) rating was changed from a 3 to a 2. Nationally, scoring ranges from 1 to 10, with 1 being the best. A 2 rating is considered "excellent" and is one of the best in Kansas. This rating typically results in lower property insurance premiums. Our recent Fire Station No. 1 upgrade was certainly a contributing factor for getting the better ISO rating. This upgrade will improve community protection for the next 50 years.



Newly Renovated Fire Station 1

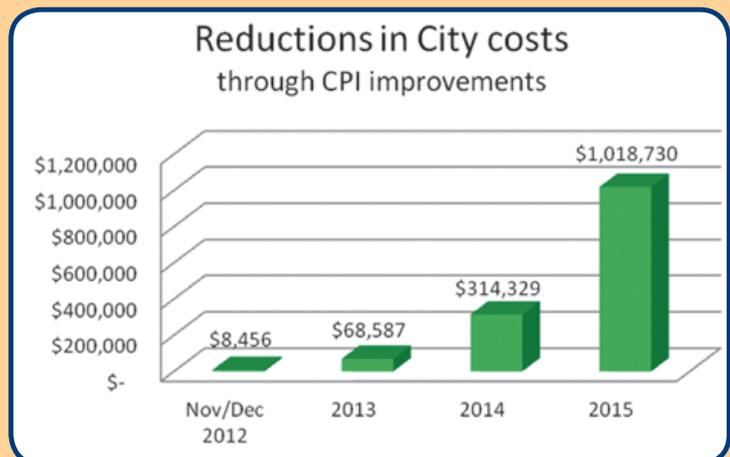


The Best Ambulance Service In Kansas

The Kansas Emergency Medical Technicians Association (KEMTA) recognized the Salina Fire Department as providing the "Ambulance Service of the Year." This annual award is only given to the best of the best. That has always been our goal! With the help of Dr. Sean Herrington M.D., serving as our medical director, the Salina Fire Department strives to provide the highest level of evidence-based, pre-hospital medical care.

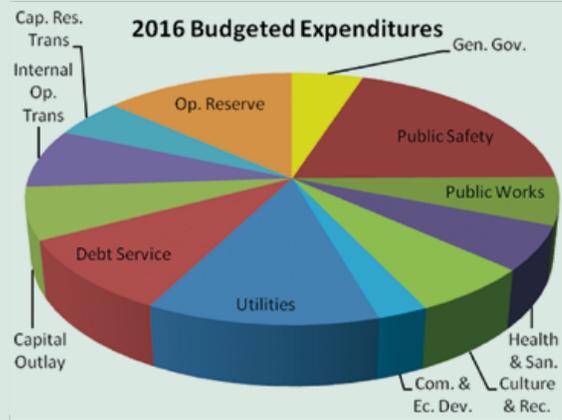
Continuous Process Improvement: Leading Kansas Cities Through Efficiency

The City of Salina has implemented a Continuous Process Improvement (CPI) plan that is reporting significant results. This program uses private sector Lean tools to identify and eliminate waste. As a result of our employees efforts, 596 improvements have been made over a three-year period. These improvements result in increased efficiency and lower operational costs. For every hour spent on continuous process improvement activities, we have seen 2.7 hours in efficiency gains. The end result is increased productivity to the equivalent of 14 employees and reduced costs of nearly \$1.8 million.

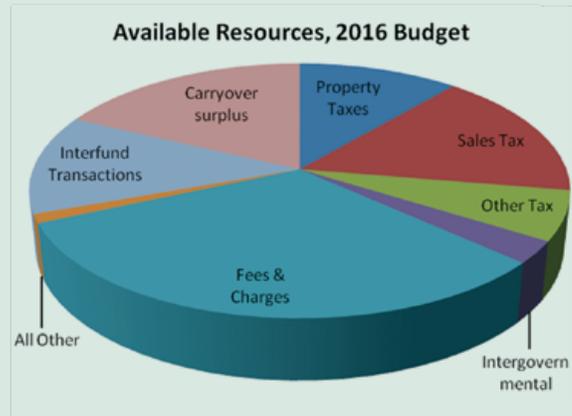


Salina 2016 Budget Adopted

The annual budget establishes the annual work plan for the City and matches revenues available to priority expenses. The City's conservative budget is considered to be stable, capable of meeting most operational and planned project needs, with no growth in personnel. The 2016 budget anticipates net operating, capital, and debt service expenses of \$82,890,251. This excludes transfers and reserves. Operating expense is planned for \$64,602,091. The budget authorizes 473 staff positions, the same as in 2015. The largest expenditures are for Public Safety (Police & Fire) services, followed by Utilities (Water & Wastewater). Budgeted operating reserves are targeted at 23% of operating expenses. The chart below provides a graphic view of resource allocation.



Current year revenues are projected to be \$77,968,620. The largest component of the revenue stream are fees and charges (32% of total), followed by sales taxes (16% of total) and property taxes (11% of total). The property tax mill levy rate is established at 27.311 mills for 2016, compared to 27.080 mills for 2015.



Total fund reserves are expected to be \$15.2 million. The General Fund reserve is expected to increase from \$3.4 million to \$3.8 million, still a little shy of the target reserve of \$5 million. Due to planned transfers to capital reserve accounts for both the Solid Waste and Water/Wastewater functions, their budgeted reserve balance is planned to decline.

Steve Hawley Park Partnering With Our Neighborhoods

In the 1970's, South Park School at Tenth and Charles streets became a City park. In the late 1980's, a playground was added and the park was named Steve Hawley Park, in honor of astronaut and Salina native Steve Hawley.

Last year, the park's playground was considered a top priority for replacement. With Mr. Hawley's help, a space theme design was created that is not only fun, but provides a learning experience about the solar system and man's relationship to space. The project was also aided by a \$10,542 grant from the Access Foundation of Kansas to provide an accessible surface.



On October 10th of last year, this playground project was completed as a Community Build Project using volunteers from the community. This is a great example of partnering with our community to make a difference in our neighborhoods!

Salina Bicentennial Center

Rejuvenating Salina's Entertainment Venue

In October 2015, the Salina Bicentennial Center completed the final phase of a \$13.1 million renovation project that has brought life back to the facility. The Bicentennial Center not only has a fresher look, but is more functional for concerts, conferences and other events. Major upgrades were provided to: the arena concourse, concession stands,



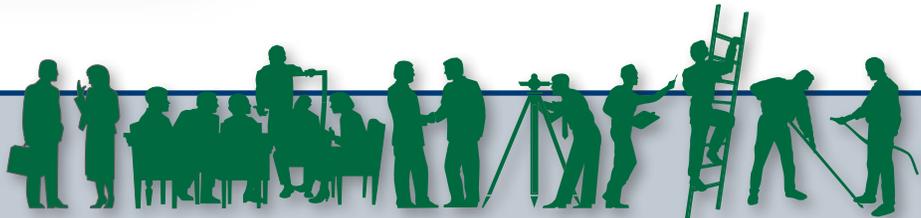
rest rooms, premium seating, dressing rooms, lobby, roof, HVAC system, kitchen, exterior improvements and technology upgrades.

Patrons can get through the ticket line and to their event much faster thanks to the new plaza, box office and direct arena access. Going there you will notice a signature art piece and new signage. Upon stepping inside the facility, you may notice an updated and more inviting lobby, expanding our conference space. Once in the arena area, you will see new arena concourse lights and a restored floor. Our concession stands now carry many more food options and provide more efficient service. The arena bowl offers new signage, handrails all the way to

the top and luxury box seating. Dressing and locker rooms have also been upgraded for our entertainers and athletes.

To prepare the facility for the next 30 years, we added a new roof, new HVAC system, updated kitchen and technology upgrades. All renovations will be finished this summer when a new steel rigging system and Ohio Street digital display board are added. The rigging will allow us to hold today's heavier lights and sound systems. The digital display board will finally make Ohio Street Bicentennial Center's "front door" and allow motorists to quickly see upcoming events.

Job Opportunities



City of Salina job vacancies are advertised in the Salina Journal weekly and on cable television channel 20. To apply, simply complete a City of Salina employment application. A resume' can also be included. Applications can be filled out online at www.salina-ks.gov. Most jobs are advertised for at least 10 days.

For more information on City of Salina employment opportunities, please call the Human Resources Department at (785) 309-5710 or at (785) 309-5747 (TDD), come by Room 200 of the City-County Building or visit our website. The City is an equal opportunity employer and offers a generous employment package including employer retirement contributions, deferred compensation programs, and health insurance.

Fieldhouse / Downtown Initiative



City Commissioners were recently presented with the rare opportunity of a 50/50 private-public partnership to build a fieldhouse in the downtown. In addition to addressing identified needs for indoor athletic space, it created an opportunity to redevelop a prominent blighted site in the downtown as well as spur additional investment in downtown Salina that is currently estimated to exceed \$145 million.

Working with private sector stakeholders, designers and programming consultants, a preliminary facility design has been developed and a targeted date of construction contract award by early to mid-June is fast approaching. The 66,000 square foot fieldhouse will be divided into three primary spaces: 1) A 10,000 square foot lobby large enough to accommodate teams and fans in town for weekend tournaments (estimated to be as many as 26 tournaments a year). 2) A 3-court gymnasium building with permanent hardwood basketball and volleyball courts. 3) A second 3-court gymnasium with 2 synthetic courts and 1 portable hardwood court designed to allow the entire space to be converted to indoor turf

through the use of a portable turf system.

To date, the private sector has raised \$4.5 million in contributions and pledges to be matched by \$4.5 million of public funds for a total of \$9 million. The final project budget will be determined once competitive bids are received. Salina's private sector builders believe the facility can be built very close to the original \$9 million amount. We have faith in their ability to keep the project at or close to budget. If the bids do come in a little higher, then excess costs may be addressed in several ways such as New Markets Tax Credit financing, Tax Increment Financing, Community Improvement District Financing, STAR Bonds, revisions to the project scope and/or additional private and public funding.

The proposed fieldhouse is expected to raise the profile of Salina as a regional and Midwest sports tournament venue. And, the redevelopment of the fieldhouse site combined with the additional investment anticipated in the downtown also has the potential to raise the profile of downtown Salina and the entire community within the region.