



City of Visalia State of the City Address
Tuesday, October 13th at 6 p.m.
Visalia Convention Center

Address from Mayor Steve Nelsen and Vice Mayor E. Warren Gubler



Introduction and address from City of Visalia Major, Steven Nelsen.

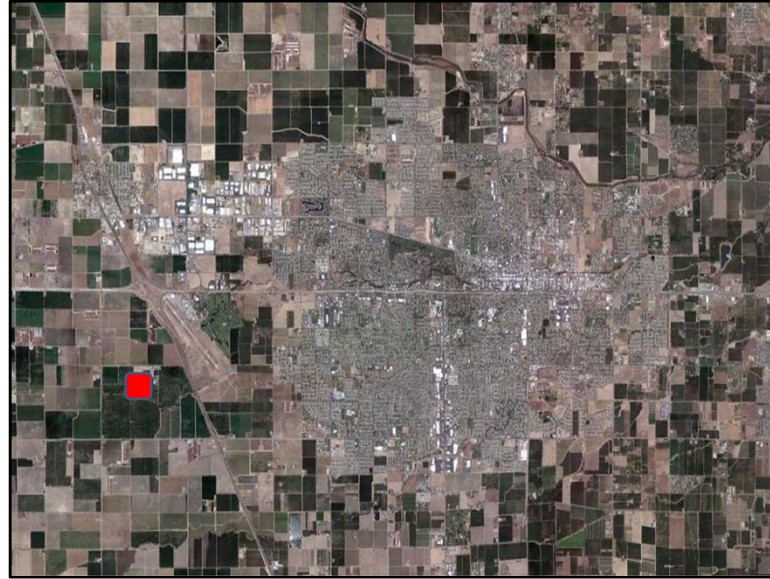
“Good City Government comes about from providing thoughtful, insightful leadership that looks ahead to the future, and lays the groundwork for Visalia to continue to be a vital community.” - Nelsen



“As your current Council Members, we are privileged to be the current stewards of this amazing community; we are benefitting from the long range planning and foresight that past Council have had, and the groundwork they have laid.” - Nelsen



“Tonight, we want to share with you some of the results of the decades of quality Councils this community has elected, and the plans and forethought that your current Council is putting into keeping Visalia a vital community in the future.” - Nelsen



“Let’s start with the biggest construction project the City has ever undertaken....a \$140 million dollar upgrade to the Water Conservation Plant. Now, few people stop to really think about how their sewage is treated, let alone where, so let’s start by identifying the location.....see the red mark west of the City on the map, that is where the plant is located.” - Nelsen



“The project upgrades the existing wastewater treatment plant to what is called tertiary quality.....which means you could almost drink it, but not quite. The project includes nitrogen removal, a recycled water pumping station, a 1 megawatt solar installation, and all the pipelines, electrical, instrumentation and control facilities needed to treat 11.5 million gallons of effluent every day! And, with the capacity to handle 22 million gallons a day. The project is a little over half completed....watch for an announcement next year about the completion of the project and join us for the celebration! The tour is actually very interesting!” - Nelsen



“While we don’t get any additional capacity out of this project, it will now meet the new state standards.” - Nelsen



“The City Council chose to install purple pipe so the recycled water can be used to irrigate Plaza Park, Valley Oaks Golf Course and the 198 interchange landscaping.” - Nelsen

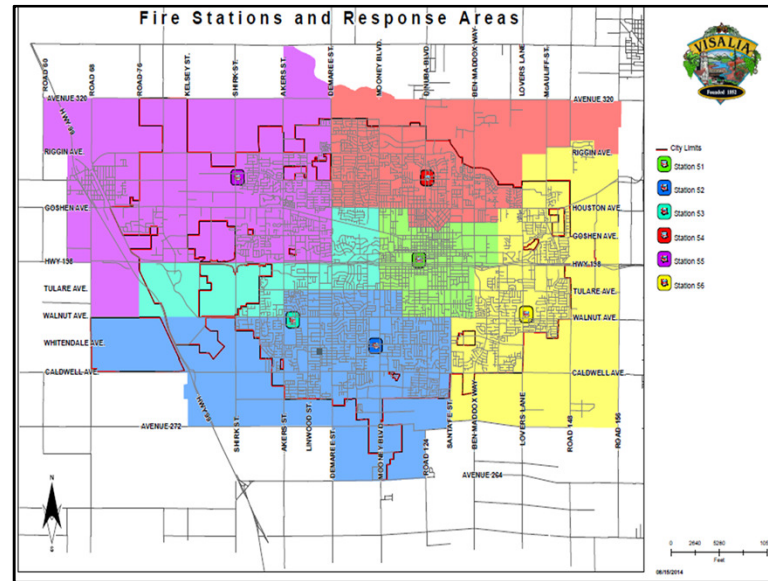


“One of the most innovative parts of the project is an agreement with Tulare Irrigation District to use discharge water for irrigation purposes. In exchange, TID will provide the City with water for recharge on the east side of the City, where it will help to recharge the groundwater aquifers under the City. As you’ll hear later in the presentation, the City has major plans for building ponding basins similar to this one east of town to recharge the water that will be available in wet years.”

“The State was so impressed with the project that it gave Visalia a 15 million dollar grant to offset the cost of the plant project.....it’s not often the State offers that kind of money to a community like Visalia!” - Nelsen



“Also under construction is Fire Station 53. The 6,900 square foot facility at the southeast corner of Atwood and Walnut Avenue is estimated to cost \$3.24 million and was funded through Measure T and impact fees. It is expected to be completed in early 2016. The station will have a staff of three, including a paramedic.” Vice Mayor E. Warren Gubler



“This new station, in the blue area, will help our fire department improve response times to the south west part of the community. The goal is to be able to reach an emergency within 5 minutes. Currently this engine is stationed downtown at Station 51, which is not optimal.”

“This map indicates where all the City stations are located, and the areas they first respond to. Last year, the Fire department responded to 13,252 calls for service....523 in response to fire, and 8,955 for medical calls.....other types of calls, including hazardous material spills, round out the response count.”

- Gubler



“Your City Council takes great pride in seeing the Animal Care Facility completed and being used by our furry friends! The 17,000 square foot state-of-the-art facility was completed in August 2015 and will meet animal care needs and provide an improved level of public safety. The \$6.7 million project was financed by a 15-year loan to be repaid by the General Fund in annual installments....and the really good news...it’s \$650,000 under the original budgeted project amount!” - Gubler



“The Visalia Emergency Communications Center is expected to break ground by the end of 2015. It will replace a very old, small, outdated basement facility that is adjacent to Mill Creek, and could flood in a major rain event. Due to the importance of retaining emergency communications, both the Police and Fire Chief designated replacing that facility as their major capital need.”

“It will include a state of the art dispatch center for 911 emergency calls, an Emergency Operations Center (EOC) to house emergency personnel for events such as floods, fires, or power outages, a Traffic Management Center (TMC) that will allow the city to provide real time monitoring of traffic conditions, Fire Dept. Administration, and a City data and communications hub.” - Nelsen



“As you can see, our surroundings have changed! The Convention Center is sporting a new, fresh look thanks to a \$5.6 million dollar refresh that included new carpet, tile, paint, wallpaper, lighting, plaza replacement, a new roof, upgraded technology and significant Americans With Disabilities Act improvements. The Convention Center is an economic engine in the community, providing more than \$25 million dollar in economic impact from the conventions, conferences and other events that 200,000 people attend every year at the center.” - Gubler



“Don’t miss the 2015 Visalia Senior Games October 21-25 where winning will never get old!! More than 200 people have registered for this exciting new program that is open to people over 50 years of age. The games are broken in to 11 age categories.” - Gubler



“The young at heart can participate in tennis, bowling, table tennis, horseshoes, archery, golf, softball and a 5K and 10K road race. And of course, pickleball! Although that event will be played at Plaza Park on the tennis/pickleball courts for space reasons, the City has great new courts available at Recreation Park on Jacob. Registration is still available for some events! For more information, visit www.visaliaseniorgames.com.” - Gubler



“Visalia Transit served more than 2 million riders in the past fiscal year. The transportation between Farmersville, Exeter, Tulare and Visalia continues to provide good connectivity to jobs, schools, medical appointments and other life needs. Meanwhile, the Sequoia Shuttle had its highest ridership ever, transporting more than 11, 000 riders to and from the Sequoia National Park during the peak season.”

“On November 17th, the V-Line will begin operation. It’s a new service providing transportation to Fresno with stops at the airport, Fresno State and a major transit hub. There appears to be a lot of need for reliable, affordable transit to Fresno. The service will run six times a day.....for just \$10 dollars each way.....and even less with a pass. Watch for the schedule release any time now! It should be noted that transit is funded by State and Federal grants, and rider fares. No general fund money goes in to transit.”

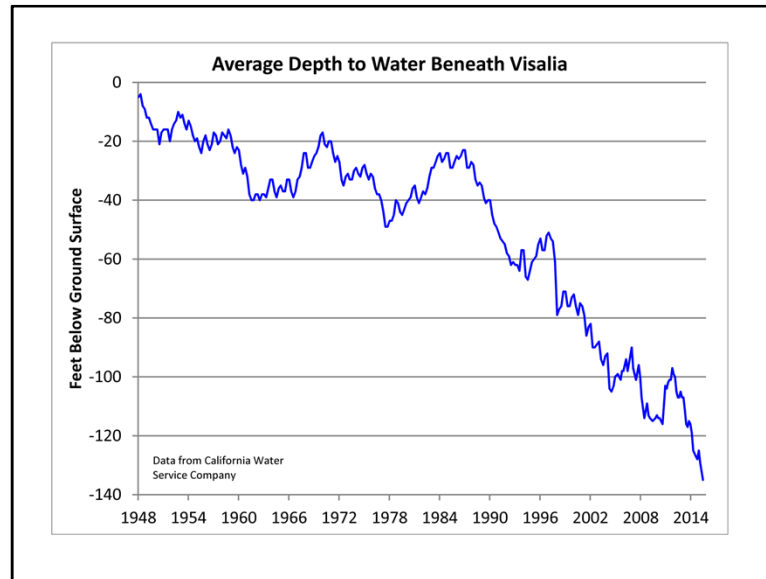
- Nelsen



“There are many things your City Council is doing to set the stage for the Visalia of the future. An bid was just released to hire an architect to design softball fields that will be used for girls and adult softball leagues and tournament play. This will be the fifth and final phase of the sports park. While funding is still being sought for construction, having the design completed will make the project more competitive for grant funding.” - Gubler



“Another exciting project is the Eastside Regional Park and Groundwater Recharge Project. The Council just approved the masterplan for this park that is east of McCauliff, and north of 198. It will be a dual use park with approximately 100 acres of soccer, baseball, tennis, pickleball, playgrounds, picnic areas, and trails for walking and cross country racing.....as well as approximately 100 acres of ponding basins for groundwater recharge. The natural setting that the ponding basins provide will enhance the park. This ground is ideally suited for recharge, and as wet year water is available from the Tulare Irrigation District exchange that we mentioned previously, these basins will be utilized to sink that water back in the ground.” - Nelsen



Obviously, no discussion of the current state of the city could be presented without discussing the drought; for this area, and for much of the state, it is a game changer. The State is mandating changes to indoor and outdoor water use and implementing requirements that will change the landscape of this area in particular. And we don't believe it's just until the drought is over."

"Many of the changes in landscape requirements, and the new agencies being formed, will result in significant changes in how we live and work in the Valley. While Visalia has had water restrictions for over 20 years, what we've learned is that it's not enough; on average, we use more water per person in Visalia than many other locations in the State. As you can see from this chart, the groundwater level has been consistently dropping for decades, and dramatically in the last 20 years. Given the changes in Federal and State surface water releases, there is little chance that the Valley will continue to receive the same level of surface water supplies, and as a result, there is more groundwater pumping by ag and urban users." - Nelsen



“Earlier this year, the State mandated that communities reduce water use, and set specific targets based on previous usage. For Visalia, it’s a 32% reduction goal. Unfortunately, this community, as a whole, has not achieved this goal. According to the information provided by Cal Water, Visalia’s reductions were a composite 26.1% in June, July and August.”

“It’s not enough; I wish I could tell you specifically what you should and can do, but unfortunately, the Council doesn’t have that data. California Water Service is the water purveyor in Visalia. They are responsible for designing and implementing the plan for meeting the state targets, and they have all the data regarding water usage that they have not been able to share with the City. Your City Council has not let this deter us from doing what is right. We have increased enforcement, we have reduced the watering days to one and two days a week, we have met with Cal Water and asked for specific information on where the City can help with enforcement or other efforts to meet the State standards.”

“We’re still waiting for answers, and have been assured that Cal Water is working with the State

regarding the possible \$10,000 a day fines that could be imposed for not meeting the State goal. We certainly hope that is true, but meanwhile, Visalia still has a water usage problem that needs to be addressed.” - Nelsen



“The City is trying to practice what it preaches.....note the “golden” lawn on the right with the heavily mulched trees to protect these living legacies....and the new drought tolerant landscape just installed at the Convention Center on the left side of this picture.” - Nelsen



“There are many other current issues that deserve to be discussed. While we don’t have time to cover everything, we do want to cover a few. Our new Police Chief Jason Salazar is providing the leadership for the department that this community expects and deserves. It’s not an easy task with over 134,000 calls for police service last year alone, and already year to date, the department has experienced an 18% increase over the same time period last year.” - Nelsen



“As I’m sure you heard, last week the Department played a key role in a multi-month investigation that resulted in over 50 gang related arrests, including a notorious leader. It was a lengthy and involved investigation that will go a long ways towards making this and the surrounding communities safer. The Council especially applauds the cooperation between State, County and Local officials.” - Gubler



“Something else the community will see in the coming months is the advent of body cameras on our police officers. Chief Salazar is starting a pilot program so he and the department can fully assess how best to implement this new technology, and the on-going ramifications the cameras may bring. As the chief has said, while body cameras are not yet mandated by the State, he fully expects that they will be....either by direct mandate, or required to qualify for grants. But it won't be an inexpensive endeavor.”

“To get fully operational will be over \$200,000 dollars in capital costs, with an ongoing annual cost of \$195,000 dollars for storage and staffing. However, the Council fully supports his pilot program, and looks forward to learning from this approach. There a good news/bad news scenario about these cameras. We learned last week that Visalia did not get a grant for cameras, but the reasons made us smile.....the granting agency said that the Visalia police department has too good of a relationship with the citizens in Visalia, and that their use of force is too low to qualify for the grant.....not bad reasons to not get the funds!” - Gubler



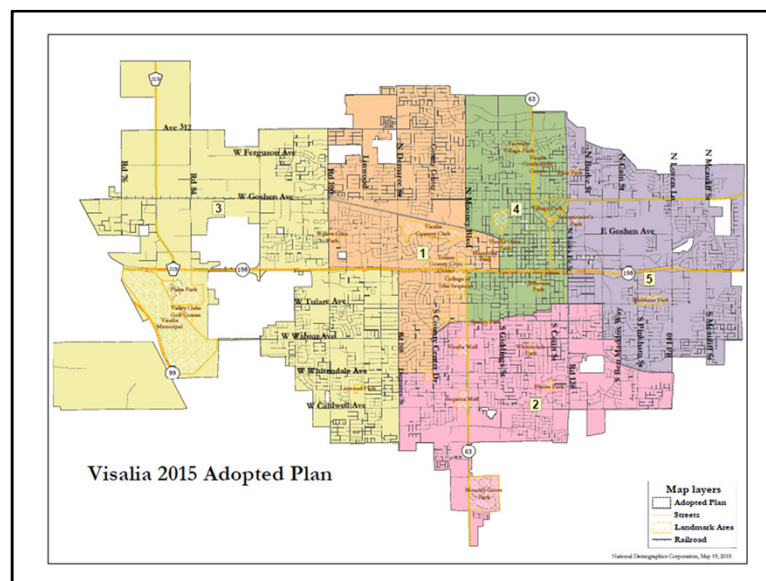
“And home the sensitivity our officers have for our community is this heartwarming photo that has gone “viral” this week. One of our relatively new officers, Miguel Leon, offered a helping hand to a local woman who was scared to walk in to the hospital alone. He’s a shining example of the dedication our officers have to Visalia.” - Gubler



“Visalia has had a split can solid waste collection system for over 30 years, but the Council agrees that it’s time for a change.” - Nelsen

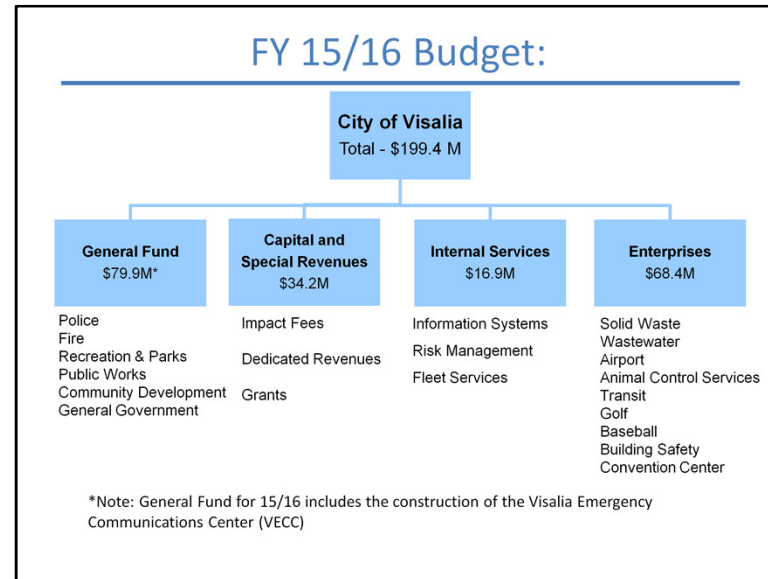


“The Council recently approved a move to a three can system that will result in higher waste diversion figures, lower contamination of the recycleables, and standardization of the truck and can inventory. The Council believes that the three can system will help the community better meet the State recycling mandates which will increase in the future. In addition, the Council clearly heard from the community that a new customer service system is needed. The company the City hired a little over a year ago has not met expectations. Last month, the Council authorized staff to begin the process of transitioning to a new in-house management system that will better meet our citizen’s expectations and needs.” - Nelsen



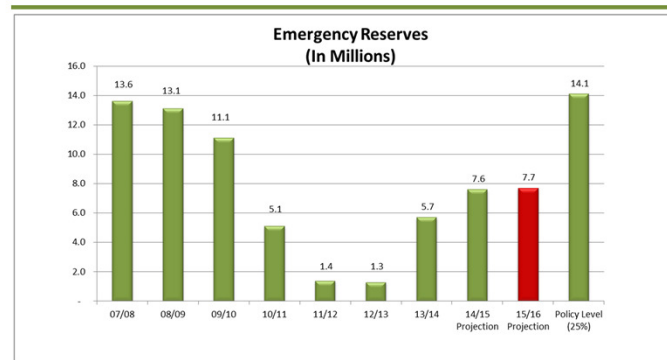
“This year the City Council also approved the district map for Visalia. In November of 2016, registered voters in Visalia will vote by district for the first time in the City’s history. Here is the final map that was adopted by the City Council after considerable public input from citizens through meetings, map submissions and public hearings. There will be two district seats up in 2016.....district one in the orange that is held by Council Member Shuklian, and district two, the pink district, where Council Member Link resides.”

“If you’re thinking about running for election, know that the nomination period will open in July, and we encourage you to contact our City Clerk’s office early next year for one of the election manuals. Districts three, four and five will come up for election in 2018.” - Gubler



“The budget is always a topic of interest for the Council. The City has an overall budget for this fiscal year of \$199 million!!! The majority of that comes from enterprise funds, those funds that the City runs as a business and charges service fees for. There is also a capital/special revenue fund where grants, impact fees and other dedicated revenues, funds that can’t be used for other purposes, are deposited. Quite frankly, while those funds comprise the majority of the City’s budget, it’s the general fund where citizens are most greatly impacted.” - Nelsen

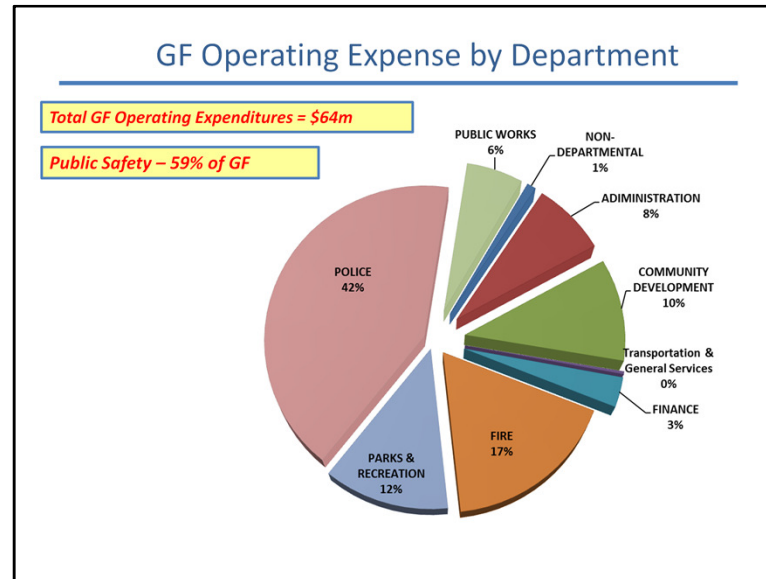
General Fund Emergency Reserves



Includes a projected ending balance of \$7.6M for 14/15, and a projected surplus transfer of \$1.1 M for 15/16.

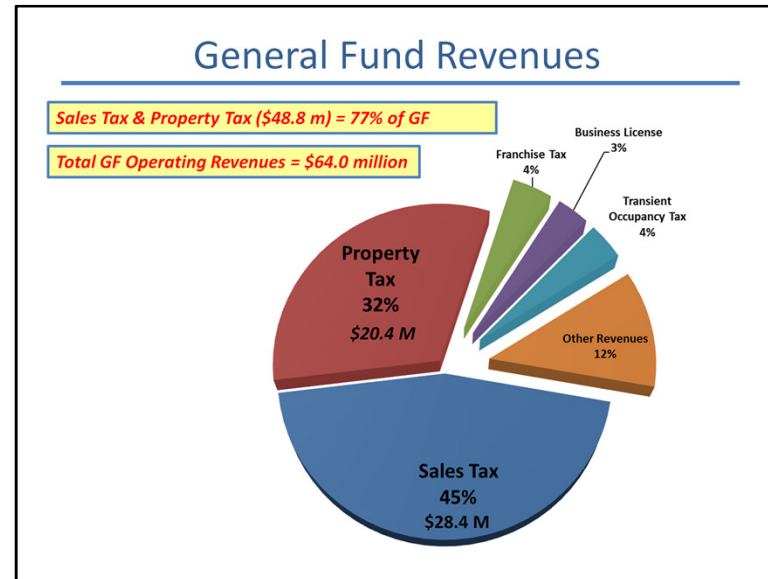
“One of the goals your Council has had is to increase the General Fund reserves to represent 25% of the general fund budget of \$14.1 million. We had about \$13 million in reserves, which was 25% at the time, when the economic downturn occurred, and our reserves got down to \$1.3 million.....we were able to maintain the key city services by controlling expenses, reducing employees through attrition and using reserves.....but our reserves got far below what this Council was comfortable with.”

“We have made a concerted effort to build those reserves, and through an influx of one time money from things like State reimbursements and land sales, as well as budget savings, we’ve been able to build the reserves up to \$7.6 million dollars. While that is a significant savings in three years, it is not to a level that the Council is comfortable with. Building reserves will continue to be a focal point for this Council. However, the future budget projections indicate there will be little to no opportunity to increase reserves at the same pace in future budgets. As a Council, that is a concern for us.” - Nelsen



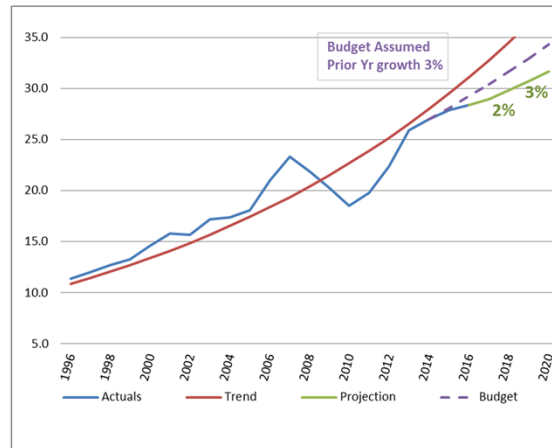
“The \$64 million general fund is used to pay for basic city services. As you can see from this chart, 59% of the general fund is used to pay for police and fire. It’s clear that citizens want public safety to be the highest priority and here it clearly is. Another 12% is used for Parks and Recreation, 10% for community development.....things like building safety, engineering and planning, 6% for public works, and 11% pays for general government such as finance and administration. The Council works hard to keep this budget lean.”

“In fact, we’ve seen major reductions in the number of staff it takes to conduct business. In 1999, we had 5.57 employees per thousand.....today we have 4.44 employees per thousand.....and we keep looking for ways to reduce more without impacting service.” - Nelsen



“The City gets it’s general fund revenue from two main sources.....Property Tax at \$20.4 million is 32% of our revenues with sales tax comprising 45% or \$28.4 million. Those two sources alone make up 77% of the General Fund!” - Nelsen

Sales Tax History & Projections



“Our major funding sources, sales tax, is not rebounding as initially projected. The City was able to predict an average of a 3% sales growth, but times have changed. Now, many more people are shopping through the internet and not paying sales tax, and the baby boomers have reached a point where they are buying more services and less hard goods, so they are not paying sales tax. As a result, sales tax growth is not as robust as it once was, and since it’s a major source of the City’s income, that’s a concern.” - Nelsen

Cities in Tulare County				
Varied Tax Bases				
	Share of 1% Property Tax Rate	Sales Tax Override	Utility Users Tax Rate	TOT tax
Dinuba	18.79%	0.75%	7%	10%
Exeter	15.32%	<u>None</u>	5%	4%
Farmersville	11.81%	0.50%	<u>None</u>	<u>None</u>
Lindsay	14.79%	0.50%	6%	15%
Porterville	11.80%	0.50%	6%	8%
Tulare	14.09%	0.50%	6%	10%
Visalia	<u>11.57%</u>	0.25%	<u>None</u>	10%
Woodlake	15.76%	<u>None</u>	6%	<u>None</u>

“So why are things different in Visalia? This chart depicts the crux of the problem. In short, Visalia does not have the same diversity of revenue streams that other cities do. The property tax rate was set when Proposition 13 went in to effect in the 1960’s. We were at lower percentage rate at the time because things were a little more affluent in Visalia, and now that lower rate is here to stay. Visalia was the first to put in a sales tax override in 2003....but the State limited Visalia to a quarter cent. Cities that followed us had a higher threshold and used it.”

“Visalia doesn’t have a utility users tax (a tax on things like electricity, cable, phone)....most cities in the county do. As another point of clarification, TOT stands for Transient Occupancy Tax and is something hotel guests pay. In Clovis, a community that people in Visalia tend to compare us to, the per capita revenue to the City is \$100 more a person than in Visalia.....that equates to an additional \$13 million dollars if Visalia had that same revenue rate. In Tulare, where the property tax and sales tax over ride is higher and they have a utility users tax, their per person revenue significantly higher than in Visalia.”

“As a result, while Visalia’s higher sales tax is helpful, it’s impact is lessening, and Visalia is not in a position to significantly change that without adding new revenue. As a result, the City has formed two committees to study what type of funding mechanism may make sense in Visalia, and for what services or facilities? Each committee is meeting diligently bi-monthly, and we look forward to hearing the results of their labors early next year.” - Nelsen



“So.....does it mean we’re all wet? Hardly. It does mean that the City is not able to maintain the same standard of service that it has in the past. Don’t misunderstand.....we’re not saying that we’re going to be laying off employees or making massive cuts, but we do know that we need to change the way we’re conducting business. But that’s long been a goal of this Council. We’re proud of the efficiencies that have been implemented, and we’ll continue to look for ways to be ever more resourceful.” - Nelsen

Projects Progressing in 2016!

Under construction now or beginning in the next 6 months

- Downtown Storm Water Flood Protection project
- Visalia Emergency Communication Center
- Extension of Oak and School Avenues and Burke Street Widening
- Major Street Overlay 2014/15 (Various locations)
- Traffic Signal at Ben Maddox and Douglas and signal modification at Hall and Center
- Santa Fe Traffic Signal installation at Acequia, Main, Center and Murray
- Traffic Signal and Roadway improvements at Akers and Riggan
- Permanent Traffic Signal at Hurley and Shirk
- Traffic signal interconnect and coordination along Walnut, Conyer, and Acequia
- Oval Park enhancements (fence, lighting, and cameras)
- Miki City Park Improvements

Beginning construction between 6 months and a year

- Major Street Overlay 2015/16 (Ben Maddox)
- Santa Fe Trail – Houston to Riggan
- Modoc Ditch Trail – St. John's River Trail to Court Street
- St. John's River Trail – Riggan to Dinuba
- Downtown Greening (Parking Lot Rehabilitation)
- Lower Kaweah & Mill Creek System Improvements
(1 basin enlargement & 2 new basins)

“While the City is concerned about finances and what the future may hold, this Council is strongly focused on the future. We continue to look at new ways to conduct business, implement efficiencies, assess fees for services, secure grants and keep things progressing here in Visalia. Here is a partial list of projects that will be coming in 2016.....and I do mean partial. Know that this Council is going to continue to make decisions that will continue to make this community a great place to live, work and play!” - Nelsen



“In closing, the City Council wants to pay homage to the people who are really the backbone of this City. This is where the rubber meets the road....where pen meets paper, and who does the real day to day work of keeping a City of 130,000 people operating.” - Nelsen



“They work tirelessly every day.....and many of our services are operating 24 hours a day, seven days a week.” - Nelsen



“To each of them, we offer our sincere thanks for a job well done each and every day.” - Nelsen



“Thank you to each of you for coming tonight. We appreciate your interest in your community.” – Mayor Steve Nelsen