

## **RESOLUTION NO. 012114-F**

### **A RESOLUTION RELATING TO THE USE OF REVENUES FROM THREE EXISTING SPECIAL PURPOSE CITYWIDE RETAILERS' SALES TAXES IMPOSED FOR THE CITY PARK POOL PROJECT, NORTHVIEW POOL/CICO POOL PROJECTS, AND ZOO EDUCATION CENTER PROJECT.**

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**WHEREAS**, pursuant to K.S.A. 12-187 *et seq.*, as amended, and Resolution No. 030309-A of the City of Manhattan, Kansas (the "City"), a special question election was duly held in the City on April 7, 2009, on the following propositions:

#### **I. CITY PARK POOL PROJECT:**

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to impose a special one-tenth percent (.10%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 *et seq.*, to pay the costs of reconstructing the current swimming pool located in City Park along with all other necessary improvements, equipment and furnishings appurtenant thereto, and/or a portion of the debt service requirements on any bonds issued in connection therewith, all at an estimated cost of \$8,400,000? Collection of such sales tax to commence on October 1, 2009, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement.

#### **II. NORTHVIEW POOL/CICO POOL PROJECTS:**

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to impose a special one-tenth percent (.10%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 *et seq.*, to pay the costs of reconstructing the current swimming pool located in Northview Park along with all other necessary improvements, equipment and furnishings appurtenant thereto, and/or a portion of the debt service requirements on any bonds issued in connection therewith, all at an estimated cost of \$4,250,000; **AND**, to pay the costs of repair, renovation and improvement of the current swimming pool in CICO Park, including the repair, renovation and improvement of all support facilities and furnishings, all at an estimated cost of \$2,250,000? The total estimated cost of both projects is \$6,500,000. Collection of such sales tax to commence on October 1, 2009, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement.

#### **III. ZOO EDUCATION CENTER PROJECT:**

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to issue general obligation bonds of the City in an amount not to exceed \$4,400,000 pursuant to the authority of

K.S.A. 12-1736 *et seq.* (the “Bonds”); and impose a special five-hundredths percent (.05%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 *et seq.*, to pay the costs of designing and constructing a single facility at Sunset Zoological Park to combine ticket booth, zoo entrance, restrooms, education classrooms, public meeting room, zoo camp meeting spaces, education animal holding and display facilities, and all other necessary improvements appurtenant thereto, and/or a portion of the debt service requirements on the Bonds issued in connection therewith, all at an estimated cost of \$4,400,000? Collection of such sales tax to commence on October 1, 2009, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement.

; and

**WHEREAS**, it was found and determined that more than a majority of the qualified electors of the City voting on each question had voted in favor of: (a) the imposition of the special one-tenth percent (.10%) retailers' sales tax (the “City Park Sales Tax”) related to the City Park pool project (the “City Park Pool Project”); (b) the imposition of the special one-tenth percent (.10%) retailers' sales tax (the “Northview/CICO Sales Tax”) related to the Northview Park pool and the CICO Park pool projects (collectively the “Northview/CICO Park Pool Projects”); and (c) the imposition of the special five-hundredths percent (.05%) retailers' sales tax (the “Zoo Sales Tax”) related to the Sunset Zoological Park education center project (the “Zoo Education Center Project”) and the issuance of general obligation bonds of the City in an amount not to exceed \$4,400,000 in order to pay the costs of the Zoo Education Center Project; and

**WHEREAS**, pursuant to ordinances duly passed by the governing body of the City (the “Governing Body”), the City authorized the levy of the City Park Sales Tax, the Northview/CICO Sales Tax, and the Zoo Sales Tax (collectively the “Sales Taxes”), collection of which commenced on October 1, 2009, and will end on September 30, 2019; and

**WHEREAS**, the Governing Body has authorized the construction of the City Park Pool Project, Northview/CICO Park Pool Projects and the Zoo Education Center Project (collectively the “Projects”) and the issuance of the City’s general obligation bonds in order to provide permanent financing for the Projects; and

**WHEREAS**, the revenues collected from the respective Sales Taxes are anticipated to exceed the costs, including debt service on general obligation bonds, of each of the Projects; and

**WHEREAS**, the Sales Taxes will not terminate until September 30, 2019, and the Governing Body desires to authorize the use of all or a portion of such excess revenues collected from the Sales Taxes prior to that date to provide for payment of the costs of operating, maintaining, repairing and enhancing the Projects, and any other lawful purpose in connection with the operation of and benefiting the Projects (the “Additional Project Expenses”).

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF MANHATTAN, KANSAS, AS FOLLOWS:**

**Section 1. Application of Revenues of the Sales Taxes.**

(a) **City Park Sales Tax.** The City covenants to continue to use the revenues collected from the City Park Sales Tax to pay the costs of the City Park Pool Project, including the payment of debt service on general obligation bonds issued to pay the costs thereof. Once the payment of said costs have

been annually budgeted and provided for, the City, by duly authorized appropriation, may utilize excess revenues collected from the City Park Sales Tax for payment of Additional Project Expenses.

(b) **Northview/CICO Sales Tax.** The City covenants to continue to use the revenues collected from the Northview/CICO Sales Tax to pay the costs of the Northview/CICO Park Pool Projects, including the payment of debt service on general obligation bonds issued to pay the costs thereof. Once the payment of said costs have been annually budgeted and provided for, the City, by duly authorized appropriation, may utilize excess revenues collected from the Northview/CICO Sales Tax for payment of Additional Project Expenses.

(c) **Zoo Sales Tax.** The City covenants to continue to use the revenues collected from the Zoo Sales Tax to pay the costs of the Zoo Education Center Project, including the payment of debt service on general obligation bonds issued to pay the costs thereof. Once the payment of said costs have been annually budgeted and provided for, the City, by duly authorized appropriation, may utilize excess revenues collected from the Zoo Sales Tax for payment of Additional Project Expenses.

(d) **Remaining Revenues of the Sales Taxes.** Subsequent to the termination of the Sales Taxes, the remaining excess revenues collected from the Sales Taxes and any revenues of the Sales Taxes distributed to and received by the City after such termination, to the extent not necessary to pay the costs (including Additional Project Expenses) set forth in **Sections 1(a) to (c)**, inclusive, may be transferred to the City's general fund, pursuant to K.S.A. 12-189 and by duly authorized action of the Governing Body.

**Section 2. Further Authority.** The Mayor, Clerk, Director of Finance, and other City officials are hereby further authorized and directed to take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution.

**Section 3. Governing Law.** This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

**Section 4. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the Governing Body.

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**ADOPTED** by the governing body of the City of Manhattan, Kansas on January 21, 2014.

(SEAL)

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Mayor

ATTEST:

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Clerk

**CERTIFICATE**

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 012114-F of the City of Manhattan, Kansas adopted by the governing body on January 21, 2014 as the same appears of record in my office.

DATED: January 21, 2014.

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Clerk

# Quality-of-Life Bond Issue Analysis

## Strategy One *(full ten years of sales tax; no additional projects)*



City Pool	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning Balance	-	94,383	1,105,332	1,259,801	1,470,992	1,663,247	1,904,198	2,161,207	2,444,589	2,754,260	3,090,936
Sales Tax Revenues	94,383	1,010,949	1,094,744	1,144,891	1,134,505	1,145,850	1,157,309	1,168,882	1,180,571	1,192,377	1,003,584
Principal & Interest Payment	-	-	940,275	933,700	942,250	904,900	900,300	885,500	870,900	855,700	1,658,800
Balance	94,383	1,105,332	1,259,801	1,470,992	1,663,247	1,904,198	2,161,207	2,444,589	2,754,260	3,090,936	2,435,720

Total Outstanding Debt	8,892,325	8,892,325	7,952,050	7,018,350	6,076,100	5,171,200	4,270,900	3,385,400	2,514,500	1,658,800	-
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Northview/CiCo	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning Balance	-	94,383	1,105,332	101,402	846,787	1,582,067	2,335,292	3,101,576	3,881,133	4,679,179	5,490,831
Sales Tax Revenues	94,383	1,010,949	1,082,752	1,144,891	1,134,505	1,145,850	1,157,309	1,168,882	1,180,571	1,192,377	1,003,584
Principal & Interest Payment	-	-	1,923,995	399,506	399,225	392,625	391,025	389,325	382,525	380,725	1,139,725
Balance	94,383	1,105,332	264,089	846,787	1,582,067	2,335,292	3,101,576	3,881,133	4,679,179	5,490,831	5,354,689

Total Outstanding Debt	5,798,676	5,798,676	3,874,681	3,475,175	3,075,950	2,683,325	2,292,300	1,902,975	1,520,450	1,139,725	-
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Zoo ED	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning Balance	-	47,191	552,666	1,094,042	174,186	383,807	604,307	831,337	1,070,053	1,320,513	1,577,776
Sales Tax Revenues	47,191	505,474	541,376	572,446	567,253	572,925	578,654	584,441	590,285	596,188	501,792
Principal & Interest Payment	-	-	-	-	357,631	352,425	351,625	345,725	339,825	338,925	1,339,925
Balance	47,191	552,666	1,094,042	1,666,487	383,807	604,307	831,337	1,070,053	1,320,513	1,577,776	739,643

Total Outstanding Debt	3,426,081	3,426,081	3,426,081	3,426,081	3,068,450	2,716,025	2,364,400	2,018,675	1,678,850	1,339,925	-
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<b>Debt Retirement</b>	<b>(17,881,125)</b>	<b>(15,353,754)</b>	<b>(12,634,881)</b>	<b>(9,935,340)</b>	<b>(8,591,379)</b>	<b>(5,726,753)</b>	<b>(2,833,480)</b>	<b>88,725</b>	<b>3,040,152</b>	<b>6,021,093</b>	<b>8,530,052</b>
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- The .25 cent sales tax sunsets in 2019 (ten years)
- Reserved revenue would be transferred to the Bond & Interest Fund to pay remaining bonds
- City Pool residual remaining is estimated at \$2,435,720
- Northview/CiCo Pool residual remaining is estimated at \$5,354,689
- Zoo Educational Center debt residual remaining is estimated at \$739,643
- An estimated \$8.5 million would be transferred to the General Fund

# Quality-of-Life Bond Issue Analysis

## Strategy Two *(earliest 'sunset' of sales tax; no additional projects)*



City Pool	2009	2010	2011	2012	2013	2014	2015	2016
Beginning Balance	-	94,383	1,105,332	1,259,801	1,470,992	1,663,247	1,904,198	2,161,207
Sales Tax Revenues	94,383	1,010,949	1,094,744	1,144,891	1,134,505	1,145,850	1,157,309	1,168,882
Principal & Interest Payment	-	-	940,275	933,700	942,250	904,900	900,300	4,270,900
Balance	94,383	1,105,332	1,259,801	1,470,992	1,663,247	1,904,198	2,161,207	(940,811)

Total Outstanding Debt	8,892,325	8,892,325	7,952,050	7,018,350	6,076,100	5,171,200	4,270,900	-
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Northview/CiCo	2009	2010	2011	2012	2013	2014	2015	2016
Beginning Balance	-	94,383	1,105,332	101,402	846,787	1,582,067	2,335,292	3,101,576
Sales Tax Revenues	94,383	1,010,949	1,082,752	1,144,891	1,134,505	1,145,850	1,157,309	1,168,882
Principal & Interest Payment	-	-	1,923,995	399,506	399,225	392,625	391,025	2,292,300
Balance	94,383	1,105,332	264,089	846,787	1,582,067	2,335,292	3,101,576	1,978,158

Total Outstanding Debt	5,798,676	5,798,676	3,874,681	3,475,175	3,075,950	2,683,325	2,292,300	-
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Zoo ED	2009	2010	2011	2012	2013	2014	2015	2016
Beginning Balance	-	47,191	552,666	1,094,042	174,186	383,807	604,307	831,337
Sales Tax Revenues	47,191	505,474	541,376	572,446	567,253	572,925	578,654	584,441
Principal & Interest Payment	-	-	-	-	357,631	352,425	351,625	2,364,400
Balance	47,191	552,666	1,094,042	1,666,487	383,807	604,307	831,337	(948,622)

Total Outstanding Debt	3,426,081	3,426,081	3,426,081	3,426,081	3,068,450	2,716,025	2,364,400	-
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<b>Debt Retirement</b>	<b>(17,881,125)</b>	<b>(15,353,754)</b>	<b>(12,634,881)</b>	<b>(9,935,340)</b>	<b>(8,591,379)</b>	<b>(5,726,753)</b>	<b>(2,833,480)</b>	<b>88,725</b>
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- Earliest date to sunset .25 cent sales tax is 2016
- All revenue accumulated at conclusion of the sales tax would be transferred to the Bond & Interest Fund to pay remaining bonds
- The residual remaining not needed to pay bonds is estimated at \$88,725 and would be transferred to the General Fund

# Quality-of-Life Bond Issue Analysis

## Strategy Three *(early 'sunset' of sales tax; additional projects budgeted annually)*



City Pool	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beginning Balance	-	94,383	1,105,332	1,259,801	1,470,992	1,663,247	1,904,198	2,161,207	2,444,589	2,754,260
Sales Tax Revenues	94,383	1,010,949	1,094,744	1,144,891	1,134,505	1,145,850	1,157,309	1,168,882	1,180,571	1,192,377
Principal & Interest Payment	-	-	940,275	933,700	942,250	904,900	900,300	885,500	870,900	2,514,500
Balance	94,383	1,105,332	1,259,801	1,470,992	1,663,247	1,904,198	2,161,207	2,444,589	2,754,260	1,432,136
<b>Total Outstanding Debt</b>	<b>8,892,325</b>	<b>8,892,325</b>	<b>7,952,050</b>	<b>7,018,350</b>	<b>6,076,100</b>	<b>5,171,200</b>	<b>4,270,900</b>	<b>3,385,400</b>	<b>2,514,500</b>	<b>-</b>

Northview/CiCo	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beginning Balance	-	94,383	1,105,332	101,402	846,787	1,582,067	2,335,292	3,101,576	3,881,133	4,679,179
Sales Tax Revenues	94,383	1,010,949	1,082,752	1,144,891	1,134,505	1,145,850	1,157,309	1,168,882	1,180,571	1,192,377
Principal & Interest Payment	-	-	1,923,995	399,506	399,225	392,625	391,025	389,325	382,525	1,520,450
Balance	94,383	1,105,332	264,089	846,787	1,582,067	2,335,292	3,101,576	3,881,133	4,679,179	4,351,106
<b>Total Outstanding Debt</b>	<b>5,798,676</b>	<b>5,798,676</b>	<b>3,874,681</b>	<b>3,475,175</b>	<b>3,075,950</b>	<b>2,683,325</b>	<b>2,292,300</b>	<b>1,902,975</b>	<b>1,520,450</b>	<b>-</b>

Zoo ED	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beginning Balance	-	47,191	552,666	1,094,042	174,186	383,807	604,307	831,337	1,070,053	1,320,513
Sales Tax Revenues	47,191	505,474	541,376	572,446	567,253	572,925	578,654	584,441	590,285	596,188
Principal & Interest Payment	-	-	-	-	357,631	352,425	351,625	345,725	339,825	1,678,850
Balance	47,191	552,666	1,094,042	1,666,487	383,807	604,307	831,337	1,070,053	1,320,513	237,851
<b>Total Outstanding Debt</b>	<b>3,426,081</b>	<b>3,426,081</b>	<b>3,426,081</b>	<b>3,426,081</b>	<b>3,068,450</b>	<b>2,716,025</b>	<b>2,364,400</b>	<b>2,018,675</b>	<b>1,678,850</b>	<b>-</b>

**Debt Retirement (17,881,125) (15,353,754) (12,634,881) (9,935,340) (8,591,379) (5,726,753) (2,833,480) 88,725 3,040,152 6,021,093**

- The .25 cent sales tax would sunset in 2018
- City Pool residual remaining would be \$1,432,136
- Northview/CiCo Pool residual remaining would be \$4,351,106
- Zoo Education center residual remaining would be \$237,851
- An estimated \$6.0 million would be transferred to the General Fund