

Pub. Imp. _____
Govt. Grnt. _____
Emer. _____
P. Hrngs. _____
Pgs. 3
Filed: 10-07-09

Sponsored by: O'Neal

COUNCIL BILL NO. 2009 - 254

RESOLUTION NO. _____

A RESOLUTION

AFFIRMING the intent of City Council in proposing a 3/4-cent Pension Sales Tax.

WHEREAS, after the rejection by voters in February 2009 of a 1-cent, 5-year Pension Sales Tax, City Council received feedback from various citizens and community groups that before another tax proposal was presented to the voters, City Council should form a Citizens' Task Force to conduct an in-depth study of this issue; and

WHEREAS, the City Council created the Police and Fire Pension Fund Citizens' Task Force comprised of 16 diverse members from our community, and the Task Force determined that a sales tax was the most feasible method of correcting the severe shortfall in the Pension Fund; and

WHEREAS, the Task Force also found that a proposed pension sales tax should be between 5/8 to 3/4 of one cent, which would result in a longer timeframe for the Pension Fund to reach a fiscally healthy funded status; and

WHEREAS, using the most recent actuarial studies of the plan and tax collection projections, the Task Force and City Council have determined that such Pension Sales Tax will likely take more than five years to fund the Pension Plan to a fiscally healthy level; and

WHEREAS, Missouri state law RSMo 94.579 requires that any Public Safety sales tax that could extend continuously more than five years must be put to a vote every five years asking the citizens if they wish to repeal the tax; and

WHEREAS, both the Task Force and City Council have repeatedly and publicly stated that the tax will likely need to be in place until the Fund is fiscally healthy and both groups have publicly stated that the ultimate goal is to place the Pension Fund on

such a sound financial basis that the Fund is self-reliant and that such self-reliance will not be achieved in one five-year term allowed by Missouri state law RSMo 94.579, thereby requiring City Council to seek a repeal election in 2014 if the November referendum is successful; and

WHEREAS, a repeal election is the only mechanism provided by the State to allow a continuous tax revenue stream between five-year voter elections, which continues to be the intention of City Council.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRINGFIELD AS FOLLOWS, that:

Section 1 - If the Fund reaches a fully-funded (100%) status, as determined by an independent actuary hired by the Springfield Police and Fire Pension System Board of Trustees, within the five-year period, the tax will end.

Section 2 - If, after five years, City Council feels the Pension Fund is adequately funded and votes to not seek a repeal election, the tax will end.


Section 3 - If, after five years, City Council feels the Pension Fund is not yet funded to a fiscally healthy level and votes to seek a repeal election, then a repeal election will occur in 2014 as outlined in section 94.579 RSMo. (2009).

Passed at meeting: _____

Mayor

Attest: _____, City Clerk

Filed as Resolution: _____

Approved as to form: , City Attorney

Approved for Council action , City Manager

Affected Agcy. Notified _____
Emergency Required _____
P. Hrngs. Required _____
Fiscal Note Required _____
Board Rec. Required _____

EXPLANATION TO COUNCIL BILL NO. 2009 - 254

ORIGINATING DEPARTMENT: City Manager's Office

PURPOSE: To help clarify some recent confusion within the community regarding the ballot language that is being submitted to voters on November 3, 2009.

REMARKS:

The following assurances are provided to clarify when the tax will end:

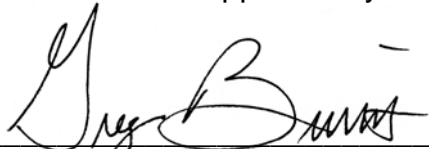
If the Fund reaches a fully-funded (100%) status, as determined by an independent actuary hired by the Springfield Police and Fire Pension System Board of Trustees, within the five-year period, the tax will end.

If, after five years, City Council feels the Pension Fund is adequately funded and votes to not seek a repeal election, the tax will end.

If, after five years, City Council feels the Pension Fund is not yet funded to a fiscally healthy level and votes to seek a repeal election, then a repeal election will occur in 2014 as outlined in section 94.579 RSMo. (2009).

A repeal election is the only mechanism provided by the State to allow a continuous tax revenue stream between five-year voter elections, which continues to be the intention of City Council.

Submitted and Approved by:



Greg Burris
City Manager