

MEMO

Date: June 12, 2013

TO: Mayor Robert Stephens
Springfield City Council

FROM: Citizens Sales Tax Oversight Committee (CSTOC)

SUBJECT: Presiding Greene County Commissioner's Proposal to Extend the 3/4 Cent Police and Firefighters Pension Fund Sales Tax Beyond the Promised Sunset to Create Revenue for the County

In October 2009, you established CSTOC to serve a purpose different from other oversight mechanisms such as external and internal audits. That is, we are charged by you with helping maintain public accountability.

Specifically, you originally charged us with confirming that revenues from the Police and Firefighters Pension Sales Tax, approved by voters in November 2009, is applied as promised: to help rescue and fund the Police and Firefighters Pension Fund per the voter-approved ballot language.

You apparently find our existence and work helpful, because since that time, you have charged us with oversight of the revenues from additional city sales taxes.

CSTOC held its first meeting in July 2010. For almost three years we have requested and reviewed financial reports on a quarterly basis, in formats designed to provide the information we need to fulfill our assigned task. May we say again how much we appreciate the willingness of City staff to add the preparation of these reports to their considerable workloads.

Our meetings are, so far, not newsworthy. We have found nothing but confirmation that sales tax money is being handled as promised.

We believe it is appropriate with our assigned task to offer a comment on a proposal from the Greene County Presiding Commissioner that apparently involves Pension Fund money.

As we understand it, the County's Presiding Commissioner is suggesting that even if the Pension Fund is fully funded at the time Springfield citizens were promised the tax would sunset, the tax should be renewed anyway. If renewal is approved, the suggestion is apparently that revenues collected from the renewed tax be spent to pay for law enforcement needs in Springfield.

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Our comment is that: the idea of asking citizens to “renew” a tax beyond the time of promised sunset of that tax, then use revenues from the “renewed” tax for a purpose other than that of the original tax, in this case to provide an additional revenue stream to the county, seems to us to be a separate issue from the original language and the tax purpose would need to be re-stated for a vote and not be considered as “renewed”.

Certainly there would be problems to be solved if implementation of the proposed plan were actually attempted. We leave explanation of those issues to City leaders. We limit our comments to the issue of accountability, which we believe is the responsibility you have instructed us to focus on.

If the Pension tax must be renewed to continue assurance of the Pension Fund’s stability, that would fall on the original intent of the tax. However, the idea that the Pension Fund Tax be renewed for any purpose of providing an additional revenue stream for the County is a suggestion that we strongly urge City Council to unanimously reject.

Respectfully submitted,

Citizens Sales Tax Oversight Committee
Mary Erickson, Chair