

BILL NO. 2800

ORDINANCE NO. 2618

AN ORDINANCE FIXING THE RATE OF TAXATION FOR THE YEAR 2010 AND LEVYING A TAX ON ALL REAL AND PERSONAL PROPERTY MADE TAXABLE BY THE LAW WITHIN THE CORPORATE LIMITS OF THE CITY OF CHESTERFIELD, MISSOURI, FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE GENERAL OBLIGATION BOND ISSUE FOR PARKS; EFFECTIVE WHEN.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHESTERFIELD, MISSOURI AS FOLLOWS:

SECTION 1. A tax of three (\$.03) of each \$100.00 valuation of all property made taxable by law within the corporate limits of the City of Chesterfield, Missouri, is hereby levied for the year 2010 for the payment of principal and interest on general obligation bonds for parks.

SECTION 2. As required by law, a Public Hearing was held on the tax rate for the year 2010 on August 16, 2010, with notice of said meeting thereof being printed in the *St. Louis Countian*, a newspaper of general circulation in the City of Chesterfield, and posted in three public places prior to the hearing. Said Public Hearing and notices were in accordance with Missouri Revised Statutes, as amended.

SECTION 3. Effective When. This Ordinance shall be in full force and effective from and after the date of passage and approval.

Passed and approved this 16th day of AUGUST, 2010.



Mayor

ATTEST:



City Clerk



MEMORANDUM

DATE: July 20, 2010

TO: Michael G. Herring, City Administrator

FROM: Kelly L. Vaughn, Director of Finance and Administration

SUBJECT: 2010 Property Tax Rate

In approving the general obligation bond issue for parks, the voters authorized the City of Chesterfield to levy taxes sufficient to pay for the retirement of the debt. Originally, a \$.13 levy was required to cover principal and interest payments on the debt. Fortunately, due to growing assessed valuations, we have been able to lower that rate to \$.10 in 2000, \$.06 in 2001 and then to \$.03 in 2008.

In 2010, we can continue the rate of \$.03/100 and still maintain a healthy debt-service situation. This year we estimate we will collect \$534,691 in property taxes and we will have a debt payment of \$882,278. This will slightly decrease our GO Bond fund reserve, which had a balance of \$1,379,062 as of December 31, 2009. As you can see in the attached projections, I believe our current fund reserves and property tax rate will be enough to cover the majority of future debt payments. However, in the future, it may be necessary to slightly increase the property rate in order to cover the entire debt service payments. Given the nature of the economy, I believe it would be premature to increase the rate at this time. I have consulted Michelle Bock, the City's financial advisor, and we are in agreement regarding these projections. In summary, I advise continuing the \$.03/100 property tax rate for 2010.

Please find attached an ordinance setting the tax rate at \$.03 per \$100 of assessed valuation for 2010. The ordinance will need to be read twice at the August 16th City Council meeting so that it can be filed with the St. Louis County Collector prior to September 1st. Please let me know if you have any questions or would like additional information.

Kelly L. Vaughn
 8/22/10



City of Chesterfield, Missouri

Debt Service Fund Projections - GO Bonds, Series 2008

Year	Assessed Valuation ¹	Levy ²	Taxes Collected ³	Series 1998 Debt Service	Series 2008 Debt Service	Cash Contribution	Total Debt Service	Annual Excess	Fund Balance ⁴
12/31/2009									1,379,063
2010	1,855,982,344	0.0300	534,691		882,278		882,278	(347,587)	1,031,476
2011	1,911,661,815	0.0300	550,732		891,792		891,792	(341,060)	711,045
2012	1,911,661,815	0.0300	550,732		892,583		892,583	(341,851)	383,415
2013	1,969,011,669	0.0300	567,254		891,252		891,252	(323,998)	67,085
2014	1,969,011,669	0.0300	567,254		893,078		893,078	(325,824)	(257,398)
2015	2,028,082,019	0.0300	584,271		898,053		898,053	(313,782)	(576,328)
Totals			3,354,934	-	5,349,036	-	5,349,036		

¹ The 2010 Assessed Valuation is based on the St Louis County Assessor's certified valuation posted July 1, 2010. The amount was decreased by 2% based on prior year information. Subsequent reassessment years assume a 3% increase.

² Assumes tax rate remains at \$.03/\$100 of Assessed Valuation.

³ Assumes a 3% uncollectible allowance and a 1% County collection fee.

⁴ Interest earnings on the fund balance is estimated at 2.0% annually.



City of Chesterfield, Missouri

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2010	1,855,982,344	0.0300	534,691		882,278		882,278	(347,587)	1,031,476
2011	1,911,661,815	0.0300	550,732		891,792		891,792	(341,060)	711,045
2012	1,911,661,815	0.0300	550,732		892,583		892,583	(341,851)	383,415
2013	1,969,011,669	0.0400	756,338		891,252		891,252	(134,914)	256,169
2014	1,969,011,669	0.0400	756,338		893,078		893,078	(136,740)	124,552
2015	2,028,082,019	0.0400	779,028		898,053		898,053	(119,025)	8,018
Totals			3,927,859	-	5,349,036	-	5,349,036		

¹ The 2010 Assessed Valuation is based on the St Louis County Assessor's certified valuation posted July 1, 2010. The amount was decreased by 2% based on prior year information. Subsequent reassessment years assume a 3% increase.

² Assumes tax rate remains at \$.03/\$100 of Assessed Valuation until 2013 when it becomes .040/\$100.

³ Assumes a 3% uncollectible allowance and a 1% County collection fee.

⁴ Interest earnings on the fund balance is estimated at 2.0% annually.

PUBLIC HEARING - 2010 PROPERTY TAX RATE - 6:45PM

As required by City ordinances and State law, Kelly Vaughn, Director of Finance and Administration, has scheduled a PUBLIC HEARING for this coming Monday, 8/16/10, at 6:45PM, to publicly discuss our recommendation that Chesterfield's property tax rate, for 2010, **remain at the current level of \$.03/\$100**. As noted elsewhere in this "NEWSLETTER", the F&A Committee discussed this recommendation, at their July 26 meeting and voted unanimously to recommend approval. Please note that Councilmember Erickson voted AGAINST having TWO READINGS of the ordinance (See **Bill No. 2800**), at the 8/16/10 City Council meeting.

For your information/review, I have enclosed a copy of the PUBLIC NOTICE along with a copy of the POWER POINT presentation that Ms. Vaughn will make, during Monday's PUBLIC HEARING.

If you have any questions, please contact Ms. Vaughn or me, prior to Monday's meeting.



Handwritten: 8/6/10

08-04-10A11:14 RCVD
POSTED *QW*

PUBLIC NOTICE

Under the provisions of Section 67.110 RSMo., notice is hereby provided that the members of the Chesterfield City Council will hold a public hearing at 6:45 p.m. on Monday, August 16, 2010, in the City Council Chambers at City Hall, 690 Chesterfield Parkway West. The purpose of the public hearing is to allow citizen input with regard to the real and personal property tax rate to be set to repay principal and interest on general obligation bonds for parks.

	<u>2010</u>	<u>2009</u>
Assessed Valuation:		
Real Estate	1,612,002,520	1,594,795,670
State and Local Assessed Railroads & Utilities (RE)	13,744,185	13,201,798
Personal Property	265,345,530	275,452,730
State and Local Assessed Railroads & Utilities (PP)	<u>2,767,300</u>	<u>2,813,987</u>
Total Assessed Valuation	\$1,893,859,535	\$1,886,264,185

Amount of revenue to be provided for the repayment of general obligation bonds for parks	\$ 545,602 *
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Proposed Tax Rate for 2010	\$0.03 per \$100 assessed valuation
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* Revenue = (Assessed Valuation x .03/100) less 1% County Fee and 3% Uncollectible Allowance

For more information, please contact Kelly Vaughn, Director of Finance and Administration, at 636-537-4714 or kvaughn@chesterfield.mo.us.

Handwritten signature: Kelly L. Vaughn
Kelly L. Vaughn
Director of Finance and Administration

8-3-10



City of Chesterfield

Proposed 2010 Property Tax Rate

Presented by:
Kelly Vaughn, Director of Finance &
Administration

KV
5/6/10



Historical Property Tax Rates

<u>Year</u>	<u>Property Tax Rate</u>
1995	0.13
1996	0.13
1997	0.13
1998	0.13
1999	0.13
2000	0.10
2001	0.06
2002	0.06
2003	0.06
2004	0.06
2005	0.06
2006	0.06
2007	0.06
2008	0.03
2009	0.03
2010*	0.03

* Proposed property tax rate

Property tax revenue is used exclusively to repay debt service
for parks general obligation bond issue



Sample Tax Bill

Parkway and Rockwood Districts

PARKWAY / MONARCH FIRE PROTECTION DISTRICT

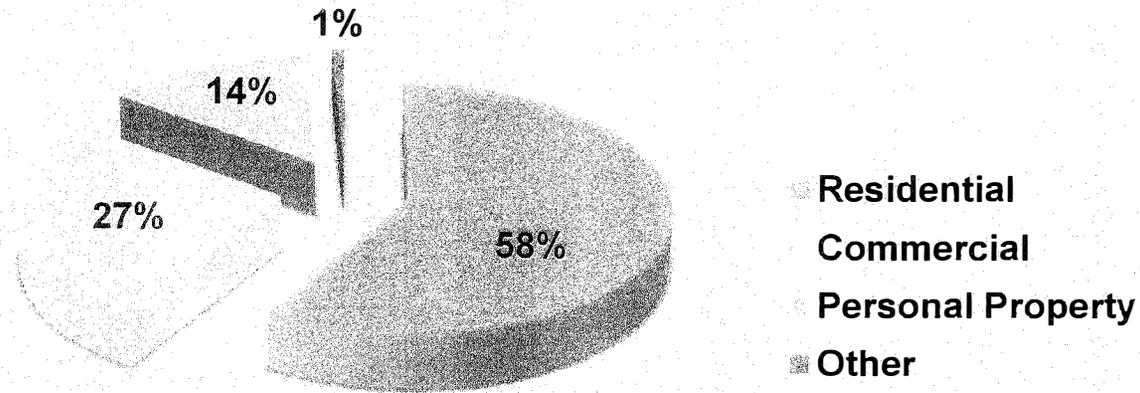
PARKWAY SCHOOL DISTRICT			
Taxing Jurisdiction	Assessed Dollars		% of Total Bill
	Rate	Received	
Parkway School District	3.41	1,943.70	53.00%
Monarch Fire Protection	0.826	470.82	12.84%
Special School District	0.9384	534.89	14.58%
Community College	0.2136	121.75	3.32%
Zoo & Museum District	0.2493	142.10	3.87%
County Library	0.14	79.80	2.18%
Sheltered Workshop	0.074	42.18	1.15%
City of Chesterfield	0.03	17.10	0.47%
St. Louis County	0.523	298.11	8.13%
State of Missouri	0.03	17.10	0.47%
	6.4343	3,667.55	100.00%
EX. HOME PRICE \$300,000			
Levied at 19% \$57,000			
Actual Tax Bill \$3,667.55			

ROCKWOOD / MONARCH FIRE PROTECTION DISTRICT

ROCKWOOD SCHOOL DISTRICT			
Taxing Jurisdiction	Assessed Dollars		% of Total Bill
	Rate	Received	
Rockwood School District	4.0083	2,284.73	57.00%
Monarch Fire Protection	0.826	470.82	11.75%
Special School District	0.9384	534.89	13.34%
Community College	0.2136	121.75	3.04%
Zoo & Museum District	0.2493	142.10	3.54%
County Library	0.14	79.80	1.99%
Sheltered Workshop	0.074	42.18	1.05%
City of Chesterfield	0.03	17.10	0.43%
St. Louis County	0.523	298.11	7.44%
State of Missouri	0.03	17.10	0.43%
	7.0326	4,008.58	100.00%
EX. HOME PRICE \$300,000			
Levied at 19% \$57,000			
Actual Tax Bill \$4,008.58			



City of Chesterfield 2010 Assessed Valuation \$1.893 Billion



**Chesterfield's Valuation Remains the Highest
in the County**



Factors used in Determining Recommended 2010 Property Tax Rate

- Fund Balance as of 12/31/2009 – Approximately \$1.38 Million
- If 2010 tax rate is set at \$.03/\$100 – estimated revenues for 2010 will total approximately \$545 thousand
- Total Debt Service for 2009 is \$882 thousand (Debt Service remains at approximately \$890 thousand for years 2011-2015)
- Estimated Fund Balance as of 12/31/2010 – Approximately \$1 Million