



RECORD OF PROCEEDING

PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF CHESTERFIELD AT 690 CHESTERFIELD PARKWAY WEST

SEPTEMBER 15, 2014

Mayor Bob Nation called the Public Hearing to order, at 6:45pm. All members of City Council were present, as were City Attorney Rob Heggie, Finance Director Craig White and Chief of Police Ray Johnson. In addition, approximately ten (10) others were present and seated in the audience.

Mayor Nation recognized City Administrator Michael Herring, who noted that State Statutes require that a public hearing be held each year, prior to the establishment of the tax rate on real and personal property. Mr. Herring stated that Chesterfield voters approved the issuance of General Obligation Bonds for Parks in November, 1994, and the voters also authorized the City to levy property taxes sufficient to pay for the retirement of that debt.

Mr. Herring reported that the initial property tax rate was set at \$.13 per \$100 of assessed valuation, in 1995, and that the City has been able to lower the rate several times. The rate was lowered to \$.10 in 2000, to \$.06 in 2001 and then to \$.03, in 2008. Mr. Herring noted that each time the tax rate has been reduced it was due to the growth in total assessed valuation, which allowed a lowered tax rate to generate enough revenue to make payments every year. Mr. Herring noted that revenues collected from this property tax can only be used for debt service payments on the 1994 Parks Bond Issue.

Mr. Herring stated that the City's tax rate represents four-tenths of one percent of the total property tax rate for residents/businesses located within the Parkway School District, and just under four-tenths of one percent for those within the Rockwood School District. The City's 2014 assessed valuation is equal to approximately \$1.79 billion. That is based on a total valuation of \$7.9 billion. Of that total amount, residential equals 59%, commercial equals 27% and personal property equals 13%. Mr. Herring stated that Chesterfield's total assessed valuation remains the highest in St. Louis County. The

City's assessed valuation has been affected slightly over the last several years by the economic downturn. Since 2008, the City experienced a total drop of 9.26% in assessed valuation, which is significantly lower than many places in St. Louis County. According to numbers from the last couple of years, the downturn seems to be ending. We have turned the corner in 2014 and the value of property increased slightly to \$1.79 billion.

Assuming the recommended \$.03 rate is applied to the total property in Chesterfield, it would generate approximately \$515,000 toward the cost of debt service. Total Debt Service for 2014 is \$893,000. This generates a shortfall of approximately \$377,000. Mr. Herring stated that, in 2013, City Council approved a plan, as recommended by the F&A Committee, to transfer \$825,000 from General Fund - Fund Reserves to cover projected revenue shortfalls for years 2013, 2014 and 2015. Of that amount, \$40,000 was used in 2013 and \$377,568 will be needed for 2014. This action by City Council precluded the need to raise the property tax rate. Mr. Herring noted that in 2015 when the bond is retired, the property tax will also be retired. Projections currently show that a total of only \$795,000 of the set-aside funds will need to be used.

Mr. Herring reported that, based on its calculations, Staff recommends that the 2014 property tax rate be set at \$.03 per \$100 of assessed valuation.

Mayor Nation called for questions and comments. Members of City Council asked various questions, which were answered by Mr. Herring

ADJOURNMENT

There being no public discussion or comment, Mayor Nation adjourned the meeting at 6:57 p.m.

Mayor Bob Nation

ATTEST:

Vickie J. Hass, City Clerk