



RECORD OF PROCEEDING

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

AUGUST 16, 2010

The Public Hearing was called to order at 6:45 P.M.

Mayor John Nations called the Public Hearing to order. There were twenty-six (26) people in attendance. Mayor Nations reported that all members of the City Council were present at the opening of this Public Hearing. City Attorney Rob Heggie reported that notices of this Public Hearing have been published in the City and public newspapers, as required by State Statutes. Mayor Nations recognized Director of Finance and Administration Kelly Vaughn who stated that the purpose of the meeting was to allow for public discussion with regard to the setting of the property tax rate for the general obligation bonds that were approved by the voters in November, 1994, for parks.

Ms. Vaughn indicated 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. Ms. Vaughn stated that 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.

Ms. Vaughn 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, due to the fact that the City has experienced significant growth in its total assessed valuation. Ms. Vaughn stated that the rate was lowered to \$.10 in 2000, to \$.06 in 2001 and then to \$.03, in 2008.

Ms. Vaughn stated that the City's tax rate represents less than one-half of one percent of the total property tax rate for residents/businesses, located in either the Parkway and Rockwood School Districts. Ms. Vaughn stated that the City's 2010 assessed valuation is equal to approximately \$1.9 Billion and mainly consists of residential (58%), commercial

(27%) and personal (14%) properties. Ms. Vaughn stated that the City of Chesterfield's valuation remains the highest in St. Louis County.

Ms. Vaughn reported that the Debt Service Fund had a balance, as of December 31, 2009, of approximately \$1.4 Million. Ms. Vaughn stated that, assuming the recommended \$.03 rate is approved by City Council, estimated revenues for 2010 would approximate \$545,000. Ms. Vaughn stated that the total debt service for 2010 is \$882,000. As a result, \$337,000 would be taken from the Debt Service Fund, reducing that balance to just over \$1 million, by the end of 2010.

Ms. Vaughn reported that, based on her calculations, Staff recommends that the 2010 property tax rate be set at \$.03 per \$100 of assessed valuation.

Mayor Nations called for questions and comments.

Mayor Nations commended Ms. Vaughn on her presentation and her good financial management of the City. Mayor Nations also congratulated Ms. Vaughn on the fact that her Department has received the 2010 Distinguished Budget Presentation Award, from G.F.O.A.

City Administrator Mike Herring noted that using the Debt Service Fund to supplement annual revenues, in order to cover the entire debt service payment, was a planned process. With this in mind, Staff estimates that the Debt Service Fund will be reduced to ZERO, by the time the bonds are paid off, in 2015. Mayor Nations commented that, at that time (2015), there will be no property taxes paid directly to the City of Chesterfield. Mr. Herring also noted that revenues from this property tax could only be used for debt service on this previous Parks Bond issue.

ADJOURNMENT

There being no public discussion or comment, Mayor Nations adjourned the meeting at 6:50 p.m.

Mayor John Nations

ATTEST:

Judith A. Naggiar, City Clerk