



Aug. 28, 2017

Greene County Commissioners approve tax initiative for November ballot

Greene County Commissioners voted Monday afternoon to put a one-half percent general revenue sales tax on the Nov. 7, 2017 ballot.

Commissioners anticipate the new tax would generate more than \$25.5 million a year, to be used to expand the jail facility, shore up inefficiencies in the justice system and expand services such as animal control and mental health.

The move comes amidst declining revenues and increasing needs identified by Greene County citizens and business leaders.

In December 2014, the Joint City-County Planning Task Force identified three pressing issues that were found to be underfunded in our community: an unsustainable jail facility, unfunded stormwater mandates and the County's financial stability.

Just over a year later, the County convened a group of the region's best financial minds for its Financial Advisory Task Force to study the County's financial practices and identify what, if any, changes could be made to create savings.

They concluded the County to be good and efficient stewards of taxpayer money and recommended the County seek additional revenue:

"It is the unanimous opinion of this task force that the County needs more revenue and that the level of revenue should be the equivalent of a ½ cent sales tax," the report reads. "The FATF has determined that this amount is reasonable for the need and that this level of sales tax will place Greene County at a tax level comparable with peers and surrounding counties."

Currently, Greene County's sales tax rate is a combined 1.25 percent, part of which is distributed to area municipalities and the Springfield-Greene County Park Board. With an added reduction in property tax, the effective revenue the County realizes is only 0.589 percent.

The last Greene County general revenue sales tax approved by voters was in 1988. It is shared equally by the General Fund and the Road and Bridge Fund.

"We have listened to the community on their concerns and needs," said Presiding Commissioner Bob Cirtin. "When we cut animal control in 2012, citizens felt that loss very deeply. We want to bring that back. Taxpayers trust us to keep them safe and improve their quality of life. We can be more effective in those efforts given adequate space in the jail, efficiency in the justice system and the other community services we hope to implement.

"Ultimately, voters will decide; and no matter the outcome, our community will feel the impact of that decision for years to come," he said.

See attachments for a list of funding priorities and copies of the task force reports mentioned above.

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For more information, contact Trysta Herzog, Greene County Director of Communications, at 417.868.4140 or therzog@greencountymo.gov.

Greene County Proposed One-Half of One Percent General Revenue Sales Tax

Out of every Dollar Spent	Funding Priority	Estimated Range of Spending
6 cents	Fund estimated Federal and State mandates for stormwater management , to help ensure clean drinking water for residents of Greene County.	Between \$14.8 and \$18.1 million over the next 10 years.
2 cents	Provide for general revenue stability and the efficient oversight and reporting to the community of the tax dollars through an independent oversight/accountability committee.	Between \$4.1 and \$5 million over the next 10 years.
56 cents	To provide for a more efficient justice system which includes: hiring additional Assistant Prosecuting Attorneys, expanding best practice treatment programs to reduce jail population growth and provide for the staffing and operation of an expanded jail facility.	Between \$136.5 and \$166.8 million over the next 10 years.
25 cents	Expand and maintain Greene County Facilities and Equipment to meet needs: A jail facility that has a capacity of up to 1,407 beds; maximize the efficiency of the Judicial Courts Facility by building more courtrooms; remove and replace the substandard Juvenile facilities that are too expensive to remodel; improve campus storm water drainage; and provide for evidence storage needs which is critical.	Between \$59.6 and \$72.9 million over the next 10 years.
11 cents	Provide for the following Community Projects : Provide funds to expand an animal shelter and bring limited animal control services back to the County. Remaining funds will be allocated to mental health programs (including addiction and substance abuse) and joint law enforcement initiatives aimed at reducing repeat offenders in the jail. Municipalities will receive ongoing assistance with projects as recommended by an oversight committee and approved by the Commission.	Between \$26.7 and \$32.6 million over the next 10 years.

FINDINGS AND RECOMMENDATION OF THE GREENE COUNTY FINANCIAL ADVISORY TASK FORCE

Dated January 26, 2016

Greene County Financial Advisory Task Force

On May 13, 2014 the County Commission issued an Order establishing the Greene County Financial Advisory Task Force (FATF). The FATF was charged with serving as advisors for a long-term financial forecast, reviewing and providing critical comments of processes and information utilized by the County, and providing suggestions for developing greater public confidence and understanding of the County's finances. The FATF membership is a select group of leaders in finance, business, and government.

In June of 2015 the County Commission reconvened the FATF with new goals and objectives. The County was participating in Springfield Mayor's Joint City County Planning Task Force (JCCPTF) since mid-year 2013. The JCCPTF was wrapping up with a final summary report and presentation coming in July 2015. County Commission wanted to share the results of the JCCPTF as a basis for the creation of a plan of action. The FATF was tasked with the following goals and objectives:

- A plan to secure the County's financial stability and the means to achieve stability
- Identify key points that should be conveyed to the public
- Prioritize County operations based on needs and/or public perception after meeting all state and federal mandates
- Develop options pertaining to capital building programs and operations

The FATF met monthly from June 2015 through January 2016. The first five months of meetings divided the findings of the JCCPTF into categories. November and December were presentations at the direction of the FATF and discussion of proposed recommendations. January's meeting was a discussion of the task force's draft report.

Greene County

The County of Greene, Missouri is a statutory first class county with over \$4.6 billion of assessed valuation. The County was formed as a non-charter government which means that all laws come from the state legislature. Greene County is the fourth largest county in Missouri in total population of 275,174 and unincorporated population of 83,963. The unincorporated population of Greene County is larger than the total population of any of the surrounding counties (largest being Christian County with 77,422). The duties of the County are carried out by 13 elected officials, 10 judges, and 6 court commissioners. These duties include many unique services provided for all citizens whether they live in a city or the unincorporated areas.

- Set, collect, and distribute taxes to cities, park boards, school districts, fire districts and the library system.
- Maintain real estate and lien records.
- Manage estates for the unrepresented deceased and minors.

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- Act as guardian/conservator for the mentally disabled.
- Manage all elections and many public licenses.
- Provide the County morgue and Medical Examiner.
- Maintain court records and collect child support.
- Provide facilities for the circuit courts and public defender.
- Provide quality prosecution and support public safety.
- Operate the County Jail, Court Security, Civil Process and maintains warrants, records, and permits.
- Provide \$1,727,000 in funds for paving in the City of Springfield and \$205,000 for paving in other cities.

In addition to the above listed duties the County also maintains the unincorporated areas and provides additional services to its citizens.

- Maintain 1,284 miles of road, 217 bridges, and 655 culverts.
- Provides planning and zoning, building regulations, and environmental oversight.
- Provides primary patrol and policing services.
- Provides a multitude of public health services to county residents.

Summary of Problem

Greene County has faced many challenges since October of 2008, when the county experienced almost three years of declining sales tax receipts. The impact of this period of declining revenues was compounded by increased costs in the Justice System. Budgeted spending on the Justice System went from \$27 Million in 2009 to over \$37 Million in 2015. This increase was possible in part due to an eighth-cent sales tax for law enforcement passed in 2012 (\$6.2 Million) and increases in revenue sources related to the justice system (\$1.8 Million) such as state inmate boarding fees. Despite these increases, there was a severe cost to the departments and offices that were not part of the justice system. In order to make the eighth-cent Law Enforcement Sales Tax more palatable to voters; Commission sunset an eighth cent Parks and Stormwater Sales Tax that was used for environmental projects (-\$6.2 Million), and another \$2.4 Million was cut from other departments and redirected to the justice system. The County was forced to scale back projects and services, as well as eliminate 26 positions. Moreover, the eighth-cent Law Enforcement Sales Tax was only estimated to take care of only 15% of the anticipated need for the justice system and was viewed as a temporary measure.

In order to sustain operations over this period of time, Greene County has deferred expenses related to building maintenance, equipment replacement, and salary enhancement. The increases in revenue that the County has experienced over the last two years have gone to returning the cash position back to a safe operating level. Only the most pressing building maintenance is performed, with the list of needed maintenance growing. Many benefits from new technology and equipment cannot be realized as decisions are still focused on doing only the most necessary replacements and, even then, the County is

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forced to ask employees to do more with less. As an example, deputies have had to use vehicles with high mileage and wear. A recent salary study shows that, on average, Greene County pays 20% below the market rate for its positions. The inability to pay closer to a market rate has led to higher turnover, training and outfitting costs, and the loss of job knowledge crucial to the efficient operation of the County. This is a careful balancing act and it only takes one surprise maintenance item to detrimentally impact the budget.

In addition to the current needs, the demands on the Justice System are still increasing. The jail is experiencing capacity issues, which forces the County to pay to house prisoners elsewhere. Although an expansion of the jail is greatly needed, the entire justice system needs to be addressed. Without more public defenders, assistant prosecutors, and judges to efficiently move cases through the Justice System; the number of inmates in the jail will continue to grow. While, the State is adding two more judges to the Circuit Court, this has necessitated the County building two more courtrooms and has caused the Prosecuting Attorney's Offices to be relocated off campus. This change will cost the County almost \$3 million and it creates an increased demand for county space which must be rented.

An independent space needs study by an architect has recommended that current and future space needs are 252,000 square feet for the justice system, not including inmate housing. The Judicial Courts Facility is currently only 100,000 square feet. By providing another 152,000 square feet of office space, the County could stop paying rent for the Prosecuting Attorney's Office and the Public Defender. In addition, the Public Administrator and Juvenile could be moved from sub-standard office space and Sheriff's Office could be moved from the Jail and the Judicial Courts Facility, making room for another 140 beds of inmate space and room for additional courtrooms. In addition, a parking garage is needed to add parking spaces to campus, a new Juvenile Detention Facility, and a large expansion to the jail will be needed for long-term planning.

The final identified threat to the sustainability of Greene County operations is the near-term possibility of environmental mandates. The County has been part of an integrated team of local entities that have been proactively working with the Missouri Department of Natural Resources and the Environmental Protection Agency. The integrated team has introduced concepts such as community affordability as a factor in determining mandates. In addition to the cost of permits, Greene County has estimated that the annual program costs to satisfy regulatory agencies will be \$2.5 Million. This figure is only for the unincorporated areas of the County. The estimated cost for the City of Springfield and the urban service area around it is \$11.3 Million plus permits a year.

Revenues

Total revenues for the 2016 Budget are projected to decrease 0.96% (\$1,032,176.70) to \$106,102,707.60 for the following major operating funds: General Revenue, Road & Bridge, Assessment, E-911, Sewer District, LEST I, Parks, and LEST II. This decrease is primarily due to \$1,165,000 in less revenue for special bridge projects in Road & Bridge Fund and \$510,887 less due to no

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projects being financed in the Sewer District Fund. It should also be noted that the 2% growth in sales tax anticipated for the General Revenue Fund is almost \$300,000 less than the decline in real estate property and personal property taxes, due to the timing and calculation of the Hancock Amendment. A similar decrease is expected in the Road & Bridge Fund.

Tax revenues comprise 75% of the revenue for the major operating funds and sales tax specifically represents 62% and real estate property and personal property taxes represent the remaining 13%.

Property Tax

The voter approved rate for property tax is 0.350 per \$100 of assessed valuation; however, due to the Hancock Amendment and rollbacks from Sales Tax, the levied rate is only 0.116 per \$100 of assessed valuation.

Sales Tax History and Components

- General Sales Tax – The County’s ½-cent General Sales Tax was approved by voters in 1988. It is estimated at \$26.5 million in 2016. The General Sales Tax is shared equally between the General Fund and the Road and Bridge Fund, with each estimated to receive approximately \$13.25 million. Due to the actual authorizing language of this sales tax, one-half of the collections, in the prior year, are subtracted from the anticipated property tax for the current year. In practical terms, the General Revenue Fund and Road and Bridge Fund each get a quarter cent of sales tax; however, the growth in revenue is only equal to an eighth cent for each.
- 1997 Law Enforcement Sales Tax (LEST I) – In 1997, voters authorized an ¼-cent sales tax to fund law enforcement activities. Approximately 62.5% (\$7.99 million annually) are estimated to be distributed to the area municipalities of Greene County. The remaining 37.5% (approximately \$4.79 million annually) will be put towards activities in Juvenile Court, the Prosecuting Attorney Office, the Sheriff Office and the Jail. The County’s share of the LEST I tax is not sufficient to provide full funding for operations promised to voters. The County’s General fund will be required to transfer approximately \$0.7 million to help fund operations in the 2016 Budget and many of the activities promised to be funded by this tax are now funded directly by general revenue. This further exacerbates a negative effect on non law-enforcement operating departments.
- 2001 Parks Sales Tax – In 2001, voters authorized an 1/8-cent sales tax to provide funding for parks capital projects and maintenance. In 2016, the 2001 Parks Sales Tax is estimated to generate an estimated \$6.3 million. 100% of these funds are distributed to area municipalities, the Springfield-Greene County Park Board or are used to retire the debt of the Dan Kinney Family Center Bond.
- 2006 Parks Sales Tax – In 2006, voters authorized an ¼-cent sales tax to fund Parks and Stormwater projects and maintenance. In 2012, the portion dedicated to Stormwater (1/8-cent)

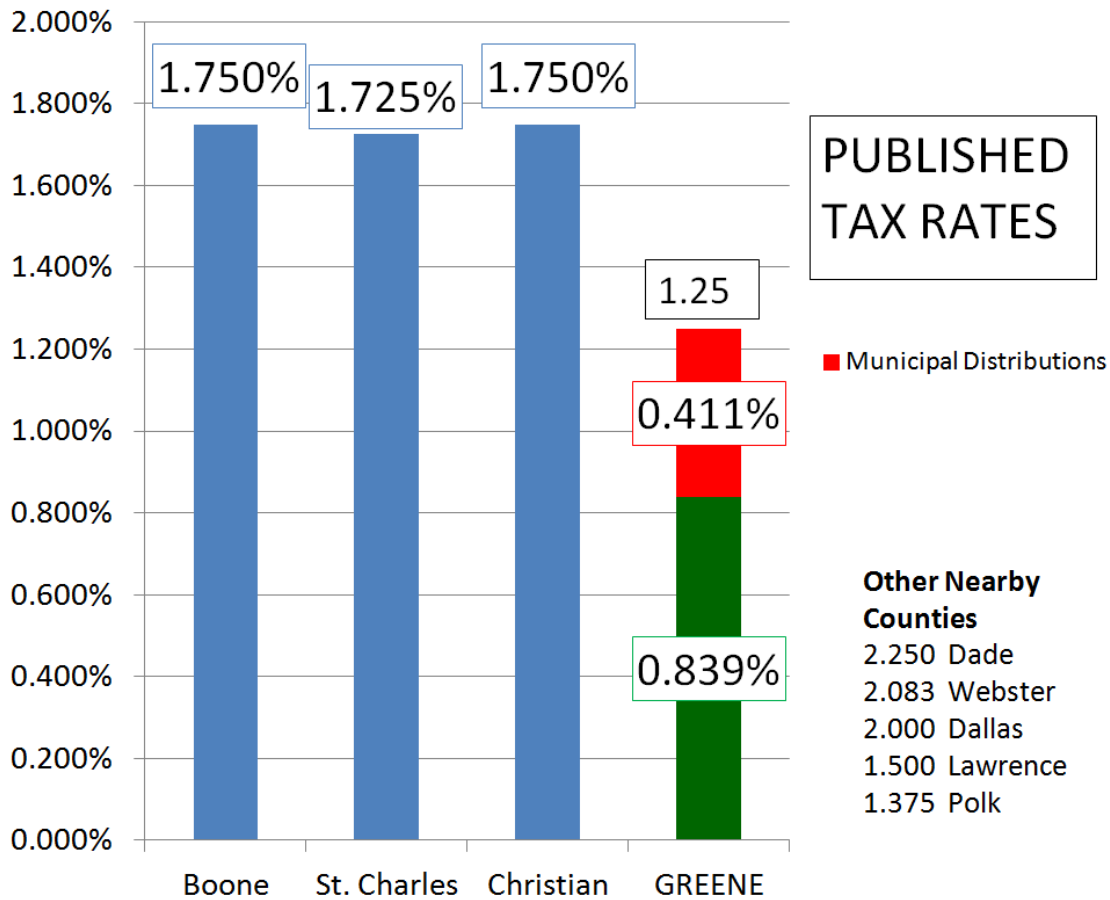
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was sunset. The sunset, in effect, made the request for the 2012 Law Enforcement Sales Tax a net-neutral request. The remaining 1/8-cent is projected to generate \$6.4 million and is 100% designated to the Springfield – Greene County Park Board and the area municipalities of Greene County.

- 2007 E-911 Sales Tax – In 2007, voters authorized an 1/8-cent sales tax to provide funding for the Springfield – Greene County Emergency Communications (E-911). This sales tax is estimated to generate approximately \$6.3 million in revenue in 2016.
- 2012 Law Enforcement Sales Tax (LEST II) – In 2012, voters authorized an 1/8-cent sales tax to be used exclusively for Greene County’s justice and law enforcement needs. The estimated \$6.58 million in annual revenue helps to provide funding in the Juvenile Office, Prosecuting Attorney’s Office, Sheriff’s Office, Jail, and Pretrial Services. When this tax was passed in 2012, it was considered a net-neutral tax due to the 1/8 cent portion of the 2006 Parks Sales Tax being sunset. At the time this tax was passed it was stated that it would only take care of 15% of the projected need in this area.

As detailed above, Greene County’s sales tax rate is a combined 1.25%. When distributions to area municipalities and the Springfield-Greene County Park Board are removed, the effective sales tax rate is 0.839%. Because of the reduction in property tax, this brings only 0.589% in new revenue to the County. Greene County works very efficiently with the citizens’ tax dollars and the level of tax is very favorable when compared to surrounding and similar counties. This fact is demonstrated in the following chart.

**FINDINGS AND RECOMMENDATION
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Stewardship

The County Commission and Greene County take very seriously the charge of being good stewards of the citizen’s monies. The County has demonstrated this in an innovative way by participating in open book management with the guidance of the Great Game of Business, Inc. In September of 2015, the County was awarded the Pioneer Award by the Great Game of Business, Inc. In addition, the County has been able to demonstrate the fiscal discipline necessary to bring General Revenue cash operating levels from a dangerously low level of less than \$4 Million at the end of 2010 to over \$14 Million by the end of 2015. These are among the reasons that the County’s issuer rating was upgraded by Moody’s Investors Service on January 20, 2016. Moody’s Investors Service provides credit ratings and research covering debt instruments and securities. The 2016 budget is providing for some capital and personnel needs, while also having to provide for the burden of increased election costs due to a presidential election year. Now that operating cash is at safe levels, the focus is on spending funds in the most efficient way while maintaining a minimum safe level of cash. The County has participated in many initiatives that have helped improve the management of funds. These initiatives include:

- Enlisting citizens to participate in task forces
- Participating in joint task forces with municipalities

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- Initiatives to convert from paper to electronic to save on mailings and supplies
- Improving web-sites to be more accessible with forms, information and payment taking capabilities
- Cross training employees to compensate for lost positions and eliminate duplication of work
- Introducing technology in the field so reports can be completed at the site involved
- Contracting with outside entities to perform seasonal work
- Utilizing grants whenever possible
- Reducing health care cost through risk management and health risk assessments
- Utilizing contracts for office equipment
- Issuing a summons instead of an arrest warrant
- Streamlining case management and rotating staff to ensure claims are filed within a week
- Increased use of diversion and treatment programs
- Providing plea offers at preliminary hearings
- Better contract management and increased use of cooperative contracts
- Streamlining permit processes
- Instituting employee suggestion programs
- Utilizing preventive maintenance to extend road life
- Reducing face to face visits with Public Administrator clients to legal minimum
- Accreditation process to help update medical practices and protocols
- Monitoring fuel efficiency and initiated a no idling policy
- Expanded jail capacity
- Citizen on Patrol volunteer program and expanded neighborhood watch program
- Inmate work program
- Converting stand alone processes into our integrated accounting system so that data is shared and readily available
- And many more

Recommendation

It is the unanimous opinion of this task force that the County needs more revenue and that the level of revenue should be the equivalent of a ½ cent sales tax. The FATF has determined that this amount is reasonable for the need and that this level of sales tax will place Greene County at a tax level comparable with peers and surrounding counties. A significant majority of the task force recommended that this tax take the form of a General Revenue Tax. This will allow for it to be presented to the citizens as a single tax initiative and allow for funds to support operations, capital items, expand the justice system, and environmental mandates.

The FATF strongly encourages the County to look at needs of all municipalities and address those that improve the flow of the Justice System. In addition, the County should look at ways of sharing the tax revenue to address other current needs.

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It is the further recommendation of the FATF that the County Commission engage the services of an independent analyst. The analyst should evaluate the public's attitudes and perceptions related to the recommended tax initiative.

The task force is in favor of the projects as detailed in the staff and independent architect presentations. These projects are not being specifically recommended by the FATF as to scope, date, or dollar amount. The County Commission needs to retain the flexibility to adapt these projects to changing needs and circumstances.

Finally, the task force would like to commend not only the County Commission, but all elected Officials and employees of Greene County for the innovative spirit that they bring to local government. This report summarizes the dedicated level of stewardship applied in utilizing the taxpayers' dollars. It details a few examples of the many initiatives that the County has instituted to operate more efficiently. In addition, the task force would like to commend Greene County Government for embracing the concept of open book management. Open book management has transformed the culture of the County and has led to open dialogue about all issues with employees, municipalities, and citizens. The County regularly meets with municipalities and has combined many services to become more efficient. The creation of this task force is another example of the County being open and receptive to opinions and recommendations. It is the opinion of this task force that Greene County is deserving of the tax payers' investment in the proposed expanded services for its citizens.

Dr. Robert Spence, Chairman
Chancellor
Evangel University

Tom Bates
Compliance Officer
SRC Holdings Corporation

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Rachel Dwiggin
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AVP – Business Development
Bank of Missouri

Bob Hammerschmidt
Regional President
Commerce Bank

Pete Harris
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Debra Shantz Hart
Principal
Housing Plus, LLC

Stephanie Montgomery
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Stenger Homes

John Twitty
Retired
City Utilities

Joint City-County Planning Task Force

REPORT

City/County Financial Stability

- Unsustainable County budget
- Operational funding challenges
- Employee recruitment and retention
- Lack of lifecycle funding for capital replacements
- Long-term concern regarding City's budget
- Lack of funding for facility construction & maintenance
- Increasing erosion of revenue bases
- Increasing community poverty levels
- Animal Control / Animal Shelter

- Stormwater mandates/funding
- Wastewater mandates/funding
- Air quality mandates/funding
- Solid waste mandates/funding
- Integrated Plan
- Public Health funding

- Jail overcrowding
- Criminal Justice facility needs
- Citizen "Quality of Life" issues
- LEST 1 expenses exceed revenues
- Mental health impact on crime & jail
- Radio system replacement

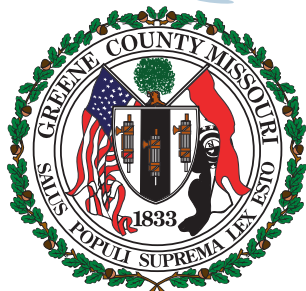
Citizens



Federal/State Unfunded Mandates

- State requires a County jail
- State under-funds jail operation

Law Enforcement & Criminal Justice System



Joint City-County Planning Task Force Report

December 2014

Executive Summary

The City and County share a lot of current and future challenges, many of which overlap. Addressing these challenges together, and with additional community partners, makes good business sense. Having a high-functioning City and County government can make a difference in the economic vitality of our community. If the City and County are not financially stable, the entire community is affected. It is hoped that the work of this Task Force is just a starting point for decisions and future work that affects the common good.

In addition to identifying current common challenges, the Task Force's work has also shined a light on additional sets of challenges on the horizon. Per the Task Force's charge, these major issues are outlined below along with options for elected officials to consider.

Challenges shared by the City and County can be grouped into the following "Big Three" categories:

- **Law Enforcement and the Criminal Justice System**
- **Unfunded State and Federal Mandates**
- **City and County Financial Stability**

Within each of the "Big Three" are urgent issues that need to be addressed within the next 12-18 months, as well as issues that must be addressed over the mid-term and long term.

Among the issues discussed in the "Big Three" categories are three very specific issues that rose to the top as needing to be addressed. The Task Force thinks that the following are the **most pressing** specific issues at this time:

- **Jail Overcrowding**
- **Stormwater Funding**
- **County's Financial Situation**

It should be noted that throughout this document, the term "City" refers to the City of Springfield and the term "County" refers to the entire Greene County, which includes the City of Springfield.

While many tend to refer to these terms as exclusive (e.g., the County is separate from the City) and they are separate governmental entities, the Task Force recognizes the City of Springfield is part of Greene County. The Task Force also recognizes the tight connection between "City" and "County" issues and provides this report to City and County elected officials in hopes these issues can be addressed for the benefit of both entities.

“The Big Three”

Law Enforcement and the Criminal Justice System

Law enforcement and the criminal justice system is, in fact, a system, and it is experiencing a systemic problem. A single, comprehensive solution is one option to be considered. A piecemeal solution will only move the problem to another area and not fully address the problem.

Near-Term Issues (issues requiring attention within 18 months)

- Jail overcrowding, which is now at a critical point, is a symptom of larger, system-wide issues. Nevertheless, the jail population must be addressed soon.
- State under-funds jail operations.
- Law Enforcement Sales Tax (LEST I) expenses exceed revenues.
- Mental health impact on crime and jail operations.

Mid-Term Issues (issues requiring attention with 18-36 months)

- Expansion of the Judicial Courts Building, Juvenile Detention Center and Municipal Court facilities, plus additional Prosecutors and Public Defenders, will be needed to address systemic issues in the law enforcement and criminal justice system.
- Expansion of the jail ultimately cannot be avoided no matter how much effort may be put into case management, crime prevention or other measures.
- Radio system replacement needed.

Long-Term Issues (issues requiring attention in 36+ months)

- These issues will affect crime rates and overall public safety and quality of life for our community if left unaddressed.

Unfunded Federal and State Mandates

The City of Springfield, Greene County, and Springfield City Utilities have partnered to create a first-of-its-kind ***Integrated Plan for the Environment*** that has been proposed in an attempt to make compliance with Federal mandates as affordable for our citizens as possible, while still protecting the environment. Our community has been, and intends to continue to be, good environmental stewards who recognize the link between our environment and our local economy. This is a careful balancing act that affects every community throughout the country and needs to be addressed at the federal level. There is no doubt that compliance with these mandates will cost our citizens more. The question is how much more? And how do these mandates impact “the least among us” who are already under-resourced?

Near-Term Issues (issued requiring attention within 18 months)

- Overall, unfunded federal and state mandates have the potential to be

the largest dollar impact on our community over the next 10-20 years. Whether implemented via utility rate increases, a stormwater tax, sewer rate increases, or air quality actions, the funding source is the same – our citizens. Through our integrated planning approach, “community affordability” is strongly encouraged with our federal and state authorities.

- The City’s and County’s recent loss of stormwater funding (as the Parks-Stormwater Sales Tax sunset in 2012), combined with increasing environmental regulatory standards/costs, will make it difficult to comply with federal and state regulations. Sewer rate increases will be required to comply with these regulations.
- City Utilities will be forced to pass along rate increases to cover compliance costs.
- Continuing shift of funding burden from Federal and State level to local governments will be an ongoing challenge. As noted above, the State’s shifting of jail expenses to the local level is one example.

Mid-Term Issues (issued requiring attention 18-36 months) (combine the two below)

- There is little or no funding for stormwater operations to maintain existing systems in the City of Springfield or the County areas outside the City of Springfield.
- No funding to improve stormwater systems in poor condition and to reduce flood damage risk and improve public safety.

Long-Term Issues (issued requiring attention 36+ months)

- Based upon preliminary estimates, expected state and federal environmental mandates could potentially cost our community as much as \$1.6 billion over the next 20 years.

City and County Financial Stability

Near-Term Issues (issues requiring attention within 18 months)

- The County’s General Fund budget continues to be unsustainable.
- Increasing erosion of revenue bases.

Mid-Term Issues (issued requiring attention 18-36 months)

- County animal control program.
- Animal Shelter (City and County shared facility).
- Employee recruitment and retention (City and County).
- Lifecycle replacement of capital, including police/deputy vehicles, fire vehicles, information technology infrastructure, neglected building maintenance

Long-Term Issues (Issues requiring attention 36+ months)

- City General Fund long-term financial stability.
- Public Health funding
- Funding for many infrastructure replacement needs
- Funding for needed new facilities and maintenance of existing facilities.

Joint City-County Planning Task Force

Final Report

December 2014

Task Force Charge:

The Joint City-County Planning Task Force, formed by the Mayor and County Commission in July 2013, was given the following charge:

Through a series of meetings, develop an internal report addressing the following:

- Identify mutual fiscal and service delivery challenges, both current and future
- Identify options to address current and anticipated fiscal and service delivery challenges via increased efficiencies, service/cost reductions, and/or revenue enhancements
- Develop “dashboard” performance metrics that can be used by both the City and County to monitor progress (or lack thereof) in key areas

Membership:

The Task Force was composed of key management staff from both organizations. It was not intended to be a citizen task force. The group was not charged with making recommendations. Its purpose was to explore the topics given, provide options for addressing issues and develop metrics to monitor performance and progress. This information will be utilized by the City Council and County Commission to determine policy and funding priorities. It is anticipated that in making these determinations, the Council and Commission will seek additional input from citizens and key stakeholders.

The following key managers were appointed to serve on the Task Force:

Co-Chairs: City Manager Greg Burris and County Administrator Tim Smith

Five Staff Members from the City of Springfield

City Manager Greg Burris

Deputy City Manager Fred Marty (later Tim Smith)

Assistant City Manager Collin Quigley

Director of Finance Mary Mannix-Decker

Fifth Member designated based on topic(s) being discussed

Five Staff Members from Greene County

County Administrator Tim Smith (later acting administrator Chris Coulter)

Prosecuting Attorney Dan Patterson

Budget Officer Martha Mundt

Auditor Cindy Stein

Fifth Member designated based on topic(s) being discussed

The following topics were suggested by staff for Task Force discussion:

- Stormwater Funding
- Unfunded environmental mandates
- Employee recruitment/retention/compensation
- Healthcare costs and wellness
- Unfunded capital needs
- Lifecycle capital replacement costs
- Law enforcement costs
- Fuel costs
- Being perceived as "business/development friendly"
- Need for more civic engagement
- Growth planning
- Economic development
- Facilities for courts
- Public health funding disparity and service impact
- Information systems (shared)
- Sales tax fluctuations = difficult budget projections
- Shared services
 - Health
 - 9-1-1 Emergency Communication
 - Emergency Management
 - Parks
 - Library
- Public trust/distrust
 - Use of citizen task forces
 - Transparency
- Communication with customers/citizens

In addition, a call was issued for citizens to contribute topics for discussion. In order for a citizen suggested topic to be included on the Task Force agenda, it had to be sponsored by an elected representative on City Council or County Commission.

As a result of this process, the following two topics were added for consideration by the Task Force:

- Consolidation of City and County Services/Charter Government for Greene County
- Animal Control

Background

Nearly 58% of Greene County citizens reside within the Springfield city limits. Eighty-five (85) percent of sales tax revenue in Greene County is generated within the City of Springfield. The City and County jointly administer the Urban Services Area around the City of Springfield. The City and County have joint departments for public health, library, 9-1-1 emergency communication services, emergency management services and parks. Greene County provides criminal courts, prosecution, a jail and juvenile services for the citizens of Springfield. The vast majority of adult civil and criminal cases and juvenile cases are generated within the City of Springfield. Countywide sales taxes for parks, 9-1-1, law enforcement and roads are shared by both organizations.

It is no surprise that city and county challenges, opportunities, and finances are closely intertwined. In the past, when joint financial planning has been done – usually for a shared tax initiative – little attention has been given outside the immediate scope of the initiative to a broader understanding of the operations and finances of both entities. As finances have become more strained, contention has increased over distribution of shared revenue, particularly in the area of law enforcement.

The distribution of the 1997 Law Enforcement Sales Tax revenues has been a source of contention between the City and County for a number of years. Continued increases in inmate population and operational costs have sparked renewed attention in how the tax revenue is distributed. In June 2013, as a part of its financial planning process, the County invited the City to make a presentation to County leadership about how the City spends its portion of the Law Enforcement Sales Tax.

In part, as an outgrowth of this discussion, it was suggested that it could be mutually beneficial for both organizations to take a more comprehensive look at areas of joint interest. Springfield Mayor Bob Stephens proposed the formation of a Joint City-County Planning Task Force for this purpose and the Greene County Commission endorsed the proposal.

The Task Force conducted 27 meetings between July 2013 and November 2014. The research and study done both in preparation for and during the course of those meetings shined a light on additional sets of challenges on the horizon. Per the Task Force's charge, these issues are outlined below along with options for elected officials to consider.

Challenges shared by the City and County can be grouped into the following "Big Three" categories: Law Enforcement and the Criminal Justice System; Unfunded State and Federal Mandates and City and County Financial Stability.

Law Enforcement and the Criminal Justice System

Greene County Jail

The overcrowding situation in the jail is at critical point. It is not noticed outside of the circles of those who operate and manage the jail, but a closer look shows that the consequences of an overcrowded jail could affect our community's safety. Most people don't realize the growing list of crimes, including

burglaries, thefts, assaults and lower-level sex offenses, for which offenders are booked and released because there is no jail space.

The jail was built to house 500 inmates. Up until 2010, the number of inmates remained within that number for the most part. Beginning in 2011, the population rose sharply to an average between 550 and 600 inmates. In 2013, the jail's population rose sharply again, reaching 700 inmates. It continues to rise in 2014. To cope with this, the County has been housing inmates in other jails across the state. At the present time, Greene County is paying for all available jail bed space within 150 miles of Springfield.

Even with inmates housed in other counties, the number of inmates remaining in the jail remains between 600 and 640. In the summer of 2014 the County remodeled part of the jail and increased the capacity to 592 inmates, but that only served as a stopgap measure. A more permanent solution is needed.

What happens if we do nothing about this? Other counties facing the same issue may provide insight into what the consequences of inaction may be. Overcrowding conditions across the country have resulted in thousands of lawsuits, including a notable case in Jackson County, MO. Complaints filed in federal court could also lead to the court imposing requirements for managing jail population safely, regardless of the cost to the community.

Why should this matter to Springfield residents?

The 1997 LEST I agreements were discussed by the Task Force at meetings Aug. 7 and Aug. 21, 2013. It was noted that 58% of bookings at the jail originate from the Springfield Police Department and over 75% of all felonies prosecuted by the Greene County Prosecuting Attorney's Office are Springfield Police Department cases.

Building a larger jail alone does not solve the problem. The jail is a symptom of a larger, more systemic problem within the criminal justice system.

The jail is not a prison. The jail primarily houses people (defendants) who have been accused of a crime, but have not yet been sentenced. The only way to move defendants out of the jail is to resolve their cases via the criminal justice system. That requires judges, prosecutors, and public defenders – and a place to house them. The County courthouse is currently full to capacity. Even if more judges and prosecutors were hired, there is no facility for them to work.

Further, if the City of Springfield adds more police officers or Greene County adds more deputies, the rest of the system cannot accommodate the additional inmates that could result.

Springfield Police staffing, in particular, is an interesting challenge. Springfield pays its academy participants while they are being trained. This training takes nine months – six months in the academy, plus three months of field training. Thus, these academy participants are counted as sworn police officers in the City's staffing numbers while they are being trained, since they are being paid. Given the constant "churn" of new officers being trained via the academy while more-experienced

officers retire or resign, there is a consistent staffing level that is less than the Council-approved authorized police staffing. At status quo, this will not change.

A systemic problem requires a systemic solution.

Trying to solve the jail capacity challenge without confronting the underlying issues of the entire criminal justice system is like trying to cure a medical disease by only addressing its symptoms and not getting to the root cause.

Some of our citizens and elected officials are asking for more police – but will our community be safer if we have no place to house criminals they apprehend?

Options to address Law Enforcement and Criminal Justice System issues:

- Strongly urge the State of Missouri to honor statutory commitment to reimburse inmate housing costs.
- Request that both the state and federal governments refrain from mandates that place additional public safety costs on cities and counties, which would make the funding shortfall even more severe.
- Sales tax to raise funds needed for personnel and facilities. Available options include another countywide law enforcement sales tax or countywide general revenue sales tax.
* New City sales taxes are not an option until the Police-Fire Pension Fund sales tax sunsets, per City Council commitment to voters.
- Eliminate County services that are not required by state statute, albeit very few remain.

Unfunded Federal and State Mandates

Another immediate problem is the lack of stormwater funding for infrastructure replacement and to meet environmental regulations. Unfunded mandates is a potentially larger dollar item than any other that will affect the City and County in the near future. How do we know this? Since its formation in 1972, the EPA has steadily been increasing enforcement of all provisions of the Clean Water Act. In the 1970s, the Environmental Protection Agency's (EPA) early years, enforcement efforts focused more on the basics – making sure communities had sanitary sewers and functioning treatment plants.

Over the past 25 years, attention has been focused on “point sources” of pollution, such as wastewater treatment plants. Springfield has spent \$205 million over the last 24 years in required compliance efforts. More recently, attention has shifted to preventing sewer “overflows” that occur during large rains. These overflows release millions of gallons of untreated sewage across the country each year, including in Springfield and Greene County.

EPA has mandated that sewer overflows be controlled. In 2012, the City of Springfield, entered into a “consent decree”, a court-ordered agreement that requires the City take a series of actions to control overflows. In December 2014, the City will submit to the Missouri Department of Natural Resources

(DNR) a “Long-term Sanitary Sewer Overflow Control Plan” estimated to cost \$200 million over the next 10 years. This plan must be funded by increased sewer rates.

Other communities in the country are being required by Federal court orders to do the same thing, with very large expenditures. In Missouri, this includes St. Louis, \$4.7 billion (with a B!), Kansas City, \$4.5 billion and St. Joseph at \$462 million.

Stormwater Management

Over the past 25 years, the Federal government has enacted a series of amendments to the Clean Water Act that address “non-point source” pollution. This includes stormwater runoff. EPA and DNR now require cities like Springfield and Greene County, to have a “Municipal Separate Storm Sewer System” permit (known in the industry as an “MS4”). Failure to comply with the MS4 permit can result in fines of \$10,000 to \$25,000 per day, depending on the nature of the violation.

Just like what is happening now with sanitary sewer overflows, EPA and DNR are increasing requirements for stormwater discharge. Though we don’t like the rate increases required to pay for complying with our consent decree for wastewater, we at least have the ability through our sewer rates to pay for what we must do.

This is not the case with stormwater. Stormwater has always been an “orphan child”, partly paid from road funds, partly from other sources, but no dedicated funding.

The parks tax provided an innovative way to stretch dollars by implementing parks and open space projects that also provided flood control and water quality benefits. These projects proved to be very popular with citizens as well. Revenue from that tax also funded the minimum programs needed to comply with our stormwater permits. However, that portion of the sales tax sunset in mid-2012. Both the City and County have cut programs and conserved as much money as possible, but both will run out of money for this program in 2015. EPA is not required to consider whether a community has a funding source for mandated stormwater programs.

Based on the findings of the 2013 Stormwater Management Task Force, the current additional need for the City and County stormwater programs is \$7.75 million annually, projected to increase to \$11 million annually by 2020. This is the funding required to address three major areas of stormwater management: ongoing operating expenses including water quality mandates, infrastructure repair/replacement, and flood risk reduction.

The cost to comply with water quality related stormwater mandates for both the City and the County, independent of infrastructure and flooding needs, was estimated by the Task Force to be approximately \$1.5 million currently and to steadily increase to \$2.8 Million by 2020. It should be noted that this estimate does not include some of the unknown, and potentially significant, federal mandates related to Total Maximum Daily Loads (TMDLs).

Other Mandates and Cost Shifting

There are also stringent rules expected for drinking water, air quality and landfills. Altogether, we estimate that unfunded federal environmental mandates could cost our community at least \$1.6 billion over the next 20 years. This is unaffordable for some of our citizens, particular those with low incomes. In order to minimize these impacts, the City and County and City Utilities proposed the first Integrated Plan for the Environment of its kind in the country. It is our hope that by focused, common sense applications we will be able to reduce this cost as much as possible for our citizens, while still meeting environmental goals. We are already seeing some benefits of this approach. Using traditional methods our wastewater overflow control plan could cost as much as \$800 million. Using the approach, the City proposes using the integrated plan approach to hold this cost to “only” \$200 million. While that is still a staggering figure, it is still a vast potential savings.

In addition to environmental mandates, increased Federal and State requirements, such as Health Insurance Portability and Privacy Act (HIPPA), Americans with Disabilities Act (ADA), and other requirements will continue to add cost to many of the City’s and County’s operations. Reductions of State and Federal funding also continue to shift costs to the City and County. For example, if the State fully funded inmate per diem for the jail at \$37.50 per day as set by State law, the County would receive an additional \$2.7 to \$3 million per year toward jail operations that are otherwise cost shifted to local citizens.

With the failure of the statewide transportation sales tax last August, MODOT has eliminated \$3.5 million in Springfield-Greene County annually that was used for cost share projects very popular with citizens. Recent projects are the James River Freeway and Highway 65 interchange improvements and lane additions of Hwy 65 between Route 60 and I-44. Future projects such as these will now have to rely solely on local funding for the foreseeable future.

The state’s reduction/elimination of mental health funding during the past decade has placed cities and counties in the position of either (a) replacing those services at the local taxpayer’s expense, (b) ignoring the problem, or (c) using the county jail as the “service provider of choice” by default at the local taxpayer’s expense.

Budget reductions to community health programs, especially mental health and substance abuse programs, pose a serious and immediate impact to locally-funded programs, such as jails and emergency rooms. There is a strong correlation between the amount of money a community spends on mental health and substance abuse services and the size of jail populations. People with mental illness or substance abuse issues, frequently come into contact with law enforcement for behaviors and actions that result from their mental illness. When an individual with a serious mental illness or substance abuse issue, does not receive the services necessary to manage their illness, they are more likely to engage in behaviors like trespassing or minor theft that cause contact with the criminal justice system.

The financial consequence of shifting the burden of treating people with mental illness to jails is significant. The average daily cost of jail for an inmate with a serious illness is more than double that of an inmate with a serious illness.

Options to address Unfunded Federal and State mandates:

- Provide additional funding for stormwater via:
 - 1/8-cent parks-storm water sales tax.
 - 1/10-cent countywide water quality sales tax.
 - Stormwater user fee (stormwater utility).

* New City sales taxes are not an option until the Police-Fire Pension Fund sales tax sunsets (2020 at the earliest), per a City Council commitment to voters.

- Make cuts in, or eliminate services not required by state statute to shift funding from existing sources to this purpose. This would be a minimal number, however.
- Strongly urge the Missouri legislature to restore funding to the Department of Natural Resources so that some of the fees that DNR charges cities and counties can be reduced. Missouri's permit fees are significantly higher than other states.
- Strongly urge state and United States congressional delegation to encourage adoption of our Integrated Planning approach and to require EPA to consider community affordability when dictating unfunded mandates.
- Comply with the many varied mandates for air, land and water quality in the order in which they are mandated. The cost for compliance will be passed along costs to citizens in the form of increased utility rates, fees, and taxes.
- Comply with mandates, using an integrated approach to ensure that we are addressing issues relative to their impact on the environment and to the degree in which they address a community priority. Any environmental investments would be viewed in the context of overall community affordability.
- Our existing local environmental protection programs can be examined to ensure that there is minimal redundancy among different programs and that we've maximized efficiencies and multi-benefit solutions. This would maximize the effectiveness of the programs we currently have in place.
- Do not comply with mandates, forcing the issue to court where we will likely be required to comply with federal law. For other communities, this has often resulted in a higher ultimate cost of compliance.
- Appeal upcoming mandates on one of a variety of legal, technical, or financial grounds. While this can sometimes delay the costs associated with compliance, the individual results are very specific to the mandate.

City and County Financial Stability

County Budget

The County's financial situation continues to be a serious concern. The County's current five-year "High Involvement Plan" forecasts that the County's General Fund balance will continue to decline. Adding to this problem, the County will lose vehicle sales tax revenue beginning in 2017 if an election to restore this existing tax is not approved by voters by November 2016. If not approved by voters,

the loss of this revenue will cost the County an estimated \$1.75 million dollars per year for all sales taxes (\$350,000 per year from the general fund).

County sales taxes currently fund the following services:

- ¼-cent – General Revenue
- ¼-cent – Road & Bridge
- ¼-cent - Law Enforcement Sales Tax I (LEST I)
- 1/8-cent - Law Enforcement Sales Tax II (LEST II):
- 3/8-cent - Parks Sales Taxes
- 1/8-cent - 9-1-1 Sales Tax

Law enforcement costs, primarily operating costs for the jail, will continue to consume the majority of the County's General Fund budget. As a result, additional cuts in non-law enforcement services, such as those already made in animal control, will most likely be necessary if alternative solutions are not found. The County, however, has a limited number of services that can be cut that are not mandated by the state.

Because of its financial situation, the County has been unable to keep employee pay competitive with the market. In September, the County gave its first pay increase of any kind (3%) in nearly seven years. County salaries, however, remain more than 20% lower than comparable agencies. As a result, there has been an exodus of experienced employees – and the County is struggling to attract qualified replacements for the salaries they can offer.

Why should the County's financial situation be a concern to the City?

Perhaps most importantly, though funded through the County, the criminal justice system primarily serves residents of Springfield. Prosecuting Attorney Dan Patterson estimates that 75% of the cases filed by his office are for arrests made in Springfield.

The 1997 Law Enforcement Sales Tax (LEST I) continues to be a vexing problem for both the City and County. For a number of years, revenue from the tax has not been sufficient to cover the expenses for the services promised to voters when the tax was passed. The City runs an annual deficit of approximately \$855,000 for this fund, which must be subsidized by the City's General Fund each year. The County runs an annual deficit of \$1.6 million per year, which must be subsidized by the County's General Fund each year. Without this drain, the City and County General Funds would be more stable. But these are inherited agreements that must be abided by to maintain citizen trust.

The City's financial situation is currently better than the County's. Current long-term forecasts show that as the Springfield community continues to grow, the demand for services continues to increase. The City's current revenue base is not likely adequate to fund these increased service demands. As operational costs (including personnel costs) continue to increase, and without an adequate funding source for lifecycle capital replacements and one-time capital needs, the City will need to consider service reductions if a significant new revenue source is not available. The City's 10-year budget analysis is expected to be available for review by Spring 2015.

Permanent and reliable funding sources have not been identified for some current and future needs. Neither the City nor the County has a funding source for the lifecycle replacement of capital equipment, such as police vehicles and fire engines. The inability to provide competitive pay is also an issue for the City, which could erode the quality of services the City can provide.

The strain on the City and County General Funds is inhibiting or preventing progress in a number of areas that are cause for concern. Among these are:

- **Public Health Funding:** Cuts in State, Federal and County support have made it increasingly difficult for the Public Health Department to maintain services. Public Health provides programs that are essential in addressing physical, mental health, and social problems, which in turn affect the cost of the criminal justice system since many of these individuals end up in incarcerated.
- **Lifecycle Capital Replacement:** Neither the City nor the County has a funded program for lifecycle replacement of vehicles, information technology infrastructure, or other capital needs within the General Fund. Police, Fire, and Sheriff vehicles present the majority of this expense. While federal grants have been used to try to keep pace with needs in the past, continued cuts at the Federal level have eliminated much of this funding.
- **Facility Maintenance:** While neither the City nor the County has sufficient funds available to fund ongoing facility maintenance needs, this is particularly severe in the County, whereby nearly all building upkeep funding has been eliminated from the budget. This may be a necessary evil in the short term, but is unwise in the long term.
- **Constructing Facilities:** Needed facilities, such as a new animal shelter and fire station, remain on hold because no funds are available within the City's budgets.
- **Springfield-Greene County Park System:** Because of the County's financial situation and inability to fund urgent law enforcement needs, the planned renewal of the parks sales tax was not placed on the ballot in 2011. As a result the third phase of the 20-year Parks, Open Space and Greenways plan adopted as a part of Vision 20/20 was placed on hold. While the Park Board has been resourceful in making as much progress as possible, lack of anticipated funds from the sales tax renewal has caused a delay the projects included in the third phase of the plan. Springfield and Greene County continue have a shortage of land banked for public use when compared to other communities. The next phase of the Parks sales tax needs to be approved by the voters in order for progress to continue on the 20-year plan.

Both the City and County rely heavily on sales tax revenue. Sales tax provides 57% of the revenue for the City's general fund and 33% for the County's general fund. Sales tax revenue is tied directly to the strength of both the local and national economies. While it is expected that revenue will improve in the future, the economy remains fragile and sales tax revenues are much more volatile than other funding sources. It is not expected that a robust growth in sales tax will occur in the near future, so both the City and County will likely need to manage the anticipated increase in expenses by

eliminating services to cut costs and balance budgets. Compounding this problem is the continuing trend of shifting costs from the Federal and State governments to local governments will persist as lawmakers lean in favor of more funding cuts at both the federal and state level.

Both the City and the County have suffered a significant loss of revenues due to non-taxed Internet sales. Each holiday season, the media reports on the growing number of purchases conducted online. In fact, the Nov. 27, 2014 edition of USA Today included the results of a recent poll in which 56% of those polled indicated they would do some or all of their holiday shopping online. The amount of tax-free, Internet shopping conducted in the future is anticipated to continue to increase; thus, this problem will only get worse if left unattended. “Brick-and-mortar” retail stores are at a disadvantage, since they must charge sales tax.

Options to address City and County financial stability issues:

- Renew County vehicle sales tax by November 2016.
- County Use Tax on out-of-state purchases. Would raise an additional \$4 million per year for the County budget.
- Internet sales tax. Endorse and aggressively promote legislative changes at the federal and/or state level that would “level the playing field” for all retailers by taxing Internet sales.
- Strongly urge the state legislature not enact tax cuts or exemptions that reduce City or County revenue from existing, voter-approved sources.
- Strongly urge the State and Federal government leaders to refrain from enacting further unfunded mandates or shift costly responsibilities to local government.
- Address the funding inequity between City and County residents for Public Health services. Consider a Countywide property tax for public health services in conjunction with a corresponding reduction in the City property tax for public health services. This would attempt to reach an equilibrium so that Springfield residents are no longer subsidizing non-Springfield residents’ public health services within Greene County.
- Continue to examine efficiencies and reduce operating costs wherever possible, practical and effective. Ask staff to “dive deeper” into specific additional services that can be combined between the City and the County.
- Review services and redirect existing funding by cutting or eliminating some services in order to fund unfunded needs and/or increased operational costs.

Is Maintaining the Status Quo Viable?

The charge to the Joint City-County Planning Task Force does not include making recommendations. As a part of its charge, the Task Force was asked to provide options for consideration addressing challenges that are listed throughout this report. This section of the report outlines “likely outcomes” if status quo continues.

Law Enforcement and the Criminal Justice System

The County is at a point where something must be done to alleviate overcrowding in the jail, or risk potentially millions of dollars in losses if a serious injury should occur to an inmate or jail staff member, or a lawsuit results in a Federal court mandate. In either case, the likely outcome is that a court will order the existing overcrowded conditions be alleviated. This could come in the form of a court-ordered cap on the number inmates housed in the jail. In order to comply with such an order, the County would need to either reduce the inmate population by releasing inmates, house additional inmates in other jails, or some combination of the two.

There are no pleasant alternatives to reducing the jail population. The Sheriff is required by law to accept and house inmates who are committed to the jail on state or federal charges. It is only through outstanding management and operation of the jail by the Sheriff and his staff that the jail is not a visible community crisis.

State and Federal inmates make up over 90% of the jail population. This leaves three options to reducing the jail population:

- Option # 1. Release state and/or federal inmates, (state and federal judges are the only ones that have the authority to this).
- Option # 2. The Sheriff refuses to accept municipal inmates due to the jail being full (in violation of the signed agreement between the City and County).
- Option # 3. The Sheriff can close the jail if he feels it becomes unsafe for officers and inmates.

Option #1 would release state and federal inmates from custody, allowing for more criminals to be out in the community.

Option # 2 would breach the 1997 agreement whereby the County agreed to house City prisoners in return for the City's support of the LEST I sales tax. This agreement, signed by City and County authorities, is made binding by a state statute that was passed at that time at the City's request. The City would have no choice but to legally challenge any such action by the County.

Under Option #3, the County would still be required to pay for housing the inmates somewhere, so total costs would likely increase.

The most likely near-term results of the third option would be:

- a) The County would be forced to spend additional money to house inmates in other facilities. Funds for this would have to be cut from other County services that are not mandated by State or Federal law. The problem with this option is that the County provides very few services that are not mandated by State or Federal law. The County recently suspended animal control services outside the City of Springfield due to lack of funds. Would the County be forced to consider eliminating Planning & Zoning or Building Regulations services? These services are not required by State or Federal law, but would require referendum elections for repeal.

b) The Courts could agree to release additional inmates on bond. However, the jail is already so over-crowded that the County is forced to “book and release” the type of offenders that the community would likely consider unacceptable.

Focusing only on the jail addresses only a symptom of an overloaded criminal justice system; not the cause. Shortages of prosecutors, public defenders, and support staff severely limit the ability to move more cases through the system. Compounding this problem is the lack of space. Even if funding were available for additional staff, there is no place to house the staff and no funding source available to build additional space. It’s a systemic problem that will require action that takes into account all components of the criminal justice system to effectively address the challenges.

With these constraints, we can expect that the challenges to maintain a safe community will only increase. We can expect these challenges to accelerate over time as the population within the Springfield MSA grows and our ability to deter crime by threats of jail time or other penalties is diminished.

Unfunded Federal and State Mandates

Our immediate concern is focused on our ability to meet the requirements of our state and federal stormwater permits. With the loss of funding due to the sunset of the countywide Parks/Stormwater Sales Tax, both the City and County have lost the vast majority of funding dedicated to maintaining state and Federal stormwater permit compliance. ***How will these mandates be funded in the future?***

Compliance with our stormwater permits, however, is only part of the challenge. As noted above, environmental regulation will have to be met concerning air, land, drinking water and wastewater. The combined cost of meeting the current and anticipated mandates already greatly outpaces the current sources of revenue.

City and County Financial Stability

Greene County

Current projections show the County’s general fund balance continuing to decline in future years, assuming current sources of revenue and spending at current levels. This problem will be compounded if County voters do not vote to permanently reinstate the vehicle sales tax by November 2016.

County law enforcement, primarily jail operations, will continue to consume more of the County’s general fund, as noted above. As a result, any citizen services not required by State or Federal law will likely face deep cuts or complete elimination.

Because of this, assuming status quo, Greene County will continue to be unable to attract and retain qualified personnel because of non-competitive salaries, which in 2011 already lagged more than 20% behind benchmark organizations. The result could be an erosion in quality and efficiency of services as

the County continues to suffer from high levels of staff turnover and must continually train new, inexperienced employees. This is currently a critical issue for the County as experienced employees continue to leave for better paying jobs elsewhere.

Due to lack of funds, the County has eliminated any replacement of vehicles from the general revenue fund. The Sheriff's office has been able to continue replacement of patrol vehicles using federal grants and drug forfeiture funds. Due to budget issues at the federal level the percentage of forfeiture funds which as distributed to counties has recently been reduced. There are indications that distribution of these funds could be completely eliminated in the future.

The County will also continue to be unable to take care of basic building maintenance needs, which have already been deferred for the past seven years due to budget cuts. The County will continue to struggle to keep software and IT equipment current, which each year becomes more integrated into, and essential for, providing basic services that citizens expect. A good example of this is the Niche records management software utilized by the Sheriff's Office that helps eliminate duplicated information entry, streamlines report entry by police officers and deputies in patrol cars, and makes more information available in the field. The sharing of a common electronic records management system was a recommendation of the Safety & Justice Roundtable.

City of Springfield

City staff members are currently evaluating 10-year revenue and expenditure projections under varying scenarios. The current analysis shows the City's general fund to be sustainable at current levels assuming (a) no significant future expense (service) increases, (b) no significant future revenue increases, and (c) no attempts to fully address lifecycle capital needs, competitive employee pay, or new facility needs. The task force does not anticipate significant future revenue increases for the City, so significant future expense (service) reductions are the most likely scenario if the City elects to address any of these unmet needs listed above.

The City's lifecycle replacement plan cannot currently be funded. Current funding levels do not allow for the annual budgeting of the lifecycle replacement of police vehicles, fire vehicles, public works vehicles, software and IT hardware, building maintenance needs, or additional buildings/facilities. New facility needs that are currently unfunded include a new Municipal Court, additional Police and Fire practical training facilities, an additional Fire Station, and an Animal Shelter. If funds are shifted to fund any of these new facility needs, it will likely come at the cost of reducing the limited funds available partially fund lifecycle capital replacement needs.

Unless expenses are significantly reduced or revenues are significantly increased, the City will likely struggle to keep up with competitive employee pay, which could eventually erode the quality of services that can be offered to City residents and those citizens who work and play in Springfield.

Retail tax revenues pay for a majority of the public safety and other vital services within Springfield. Left unaddressed, the loss of retail tax revenues to tax-free, Internet-based sales will (a) continue to erode the City and County tax bases and (b) make the already uneven playing field more uneven

between “brick-and-mortar” retailers and online retailers. The Task Force believes this will quickly become a major issue for Springfield, Greene County, and all other municipalities and counties within Missouri and throughout the country.

Conclusion

The City and County face a number of mutual challenges. Some are urgent and require attention within the next 12-18 months. Others are more long term, but must be anticipated and planned for in order to keep them from becoming future problems.

The Task Force feels the following are the most pressing specific issues at this time:

- **Jail Overcrowding and Criminal Justice Capacity**
- **Stormwater Funding**
- **County’s Financial Situation**

We must recognize the reality that it is human nature not to recognize a problem until it affects us personally. Please consider this report a “warning flag” highlighting the issues that, if left unaddressed, will begin to negatively affect our City and County citizens directly as well as our community’s economic vitality.

We hope this report has accomplished that charge and proves to be a valuable resource.

BIG THREE ISSUES

City/County Financial Stability

- Unsustainable County budget
- Operational funding challenges
- Employee recruitment and retention
- Lack of lifecycle funding for capital replacements
- Long-term concern regarding City's budget
- Lack of funding for facility construction & maintenance
- Increasing erosion of revenue bases
- Increasing community poverty levels
- Animal Control / Animal Shelter

- Stormwater mandates/funding
- Wastewater mandates/funding
- Air quality mandates/funding
- Solid waste mandates/funding
- Integrated Plan
- Public Health funding

- Jail overcrowding
- Criminal Justice facility needs
- Citizen "Quality of Life" issues
- LEST 1 expenses exceed revenues
- Mental health impact on crime & jail
- Radio system replacement

Citizens



Federal/State Unfunded Mandates

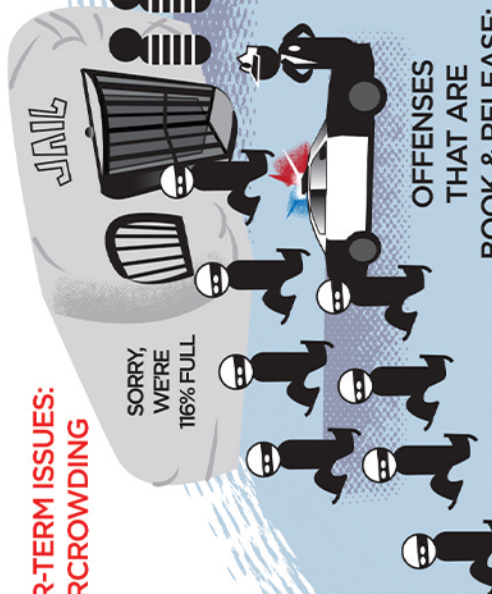
- State requires a County jail
- State under-funds jail operation

Law Enforcement & Criminal Justice System

CRIMINAL JUSTICE SYSTEM

Law enforcement and criminal justice is a system, and it is experiencing a systemic problem.

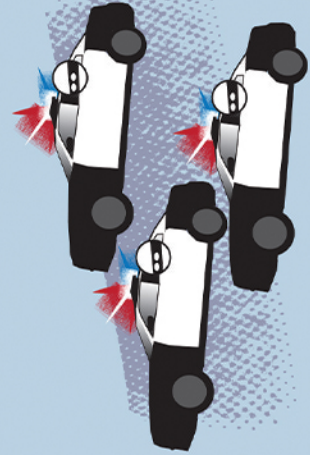
**!!! NEAR-TERM ISSUES:
OVERCROWDING**



- OFFENSES THAT ARE BOOK & RELEASE:**
- Many C and D Felonies
 - Forgeries
 - Thefts
 - Burglaries
 - Vehicle break-ins
 - DWI 1st - 4th offenses
 - Misdemeanors
 - Ex Parte violations
 - Lower level sex offenders
 - Drug possessions
 - Assaults

WELCOME TO
SPRINGFIELD
GREENE COUNTY

**! LONG-TERM ISSUES:
RISING CRIME**

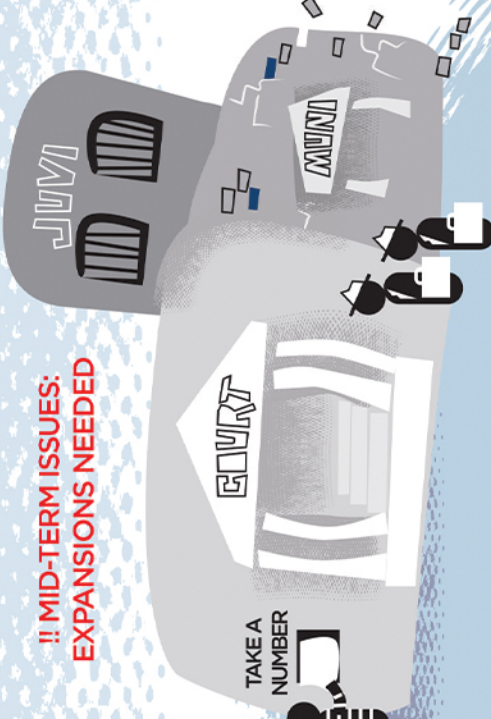


BACKLOG
DELAYS JUSTICE

TAKE A
NUMBER



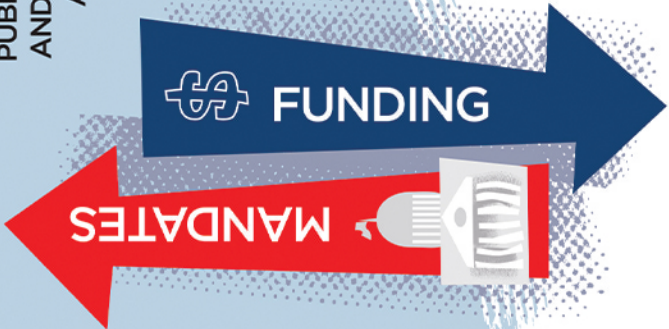
**!! MID-TERM ISSUES:
EXPANSIONS NEEDED**



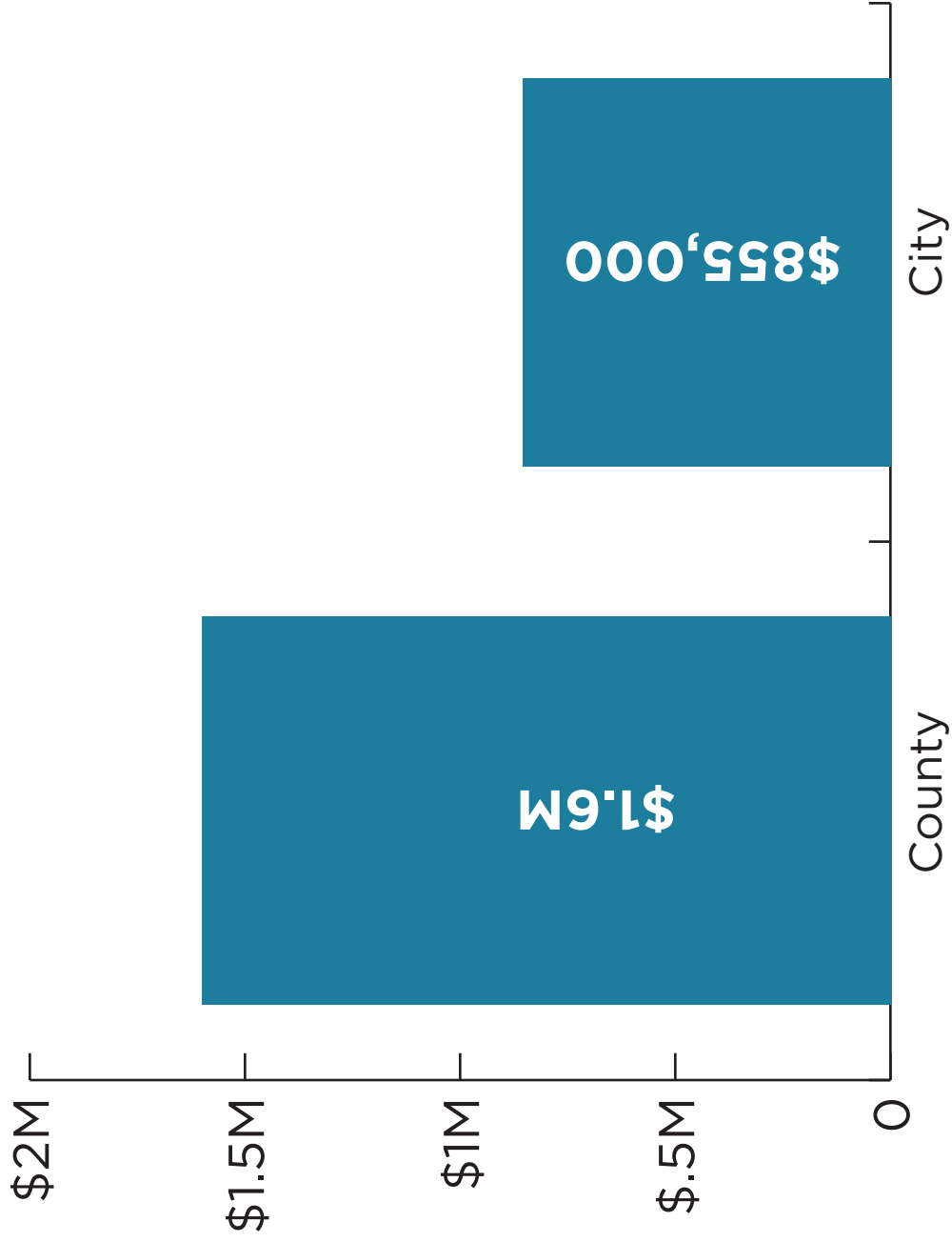
SHORTAGE OF
PUBLIC DEFENDERS
AND PROSECUTING
ATTORNEYS

MANDATES

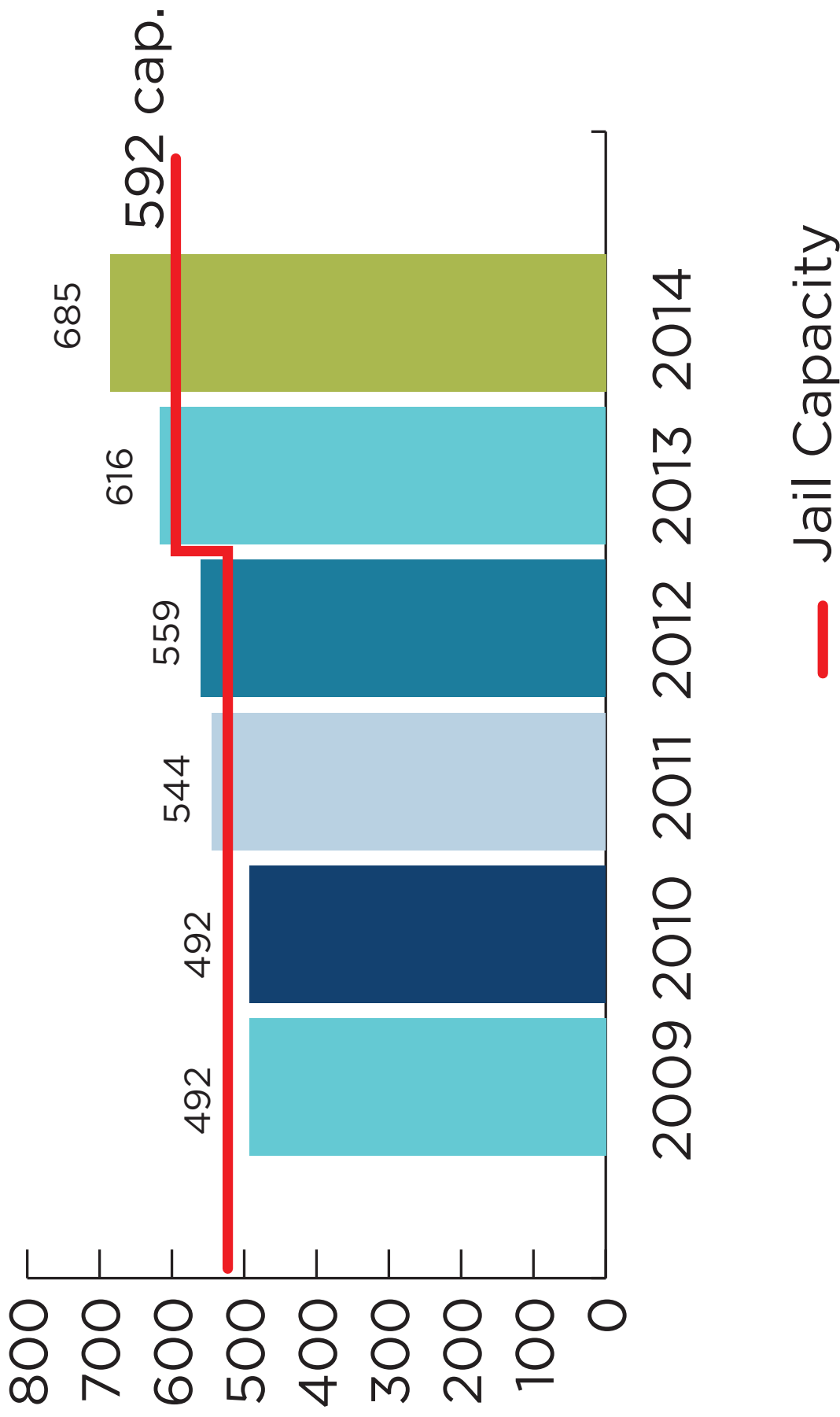
FUNDING



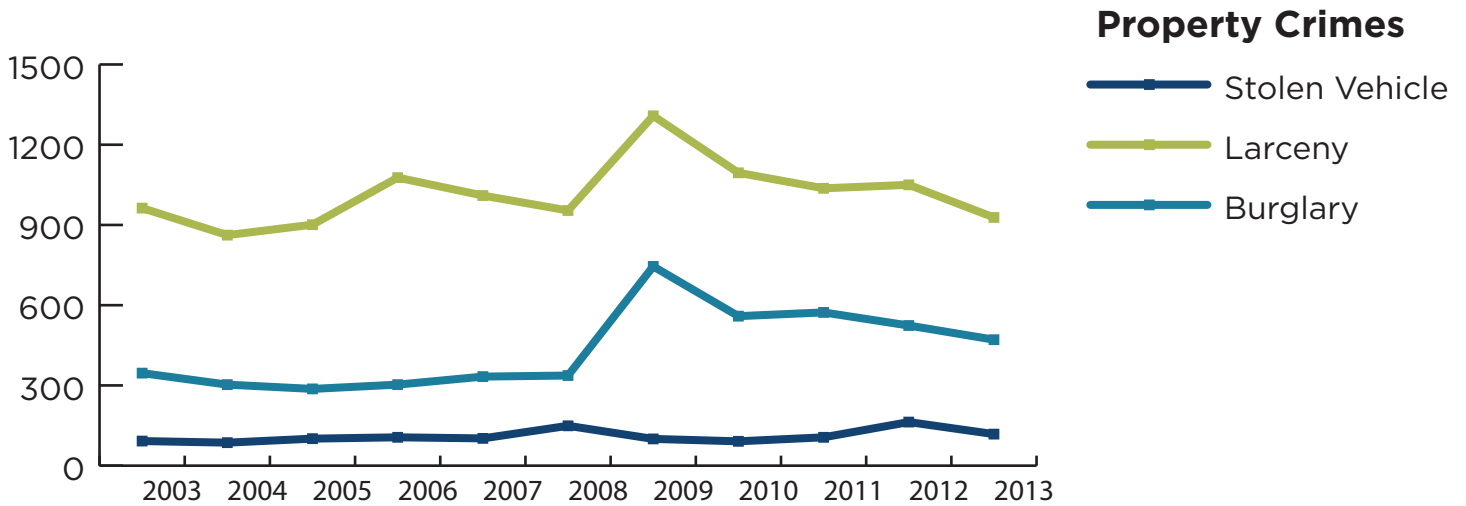
LEST I GENERAL FUND SUBSIDY



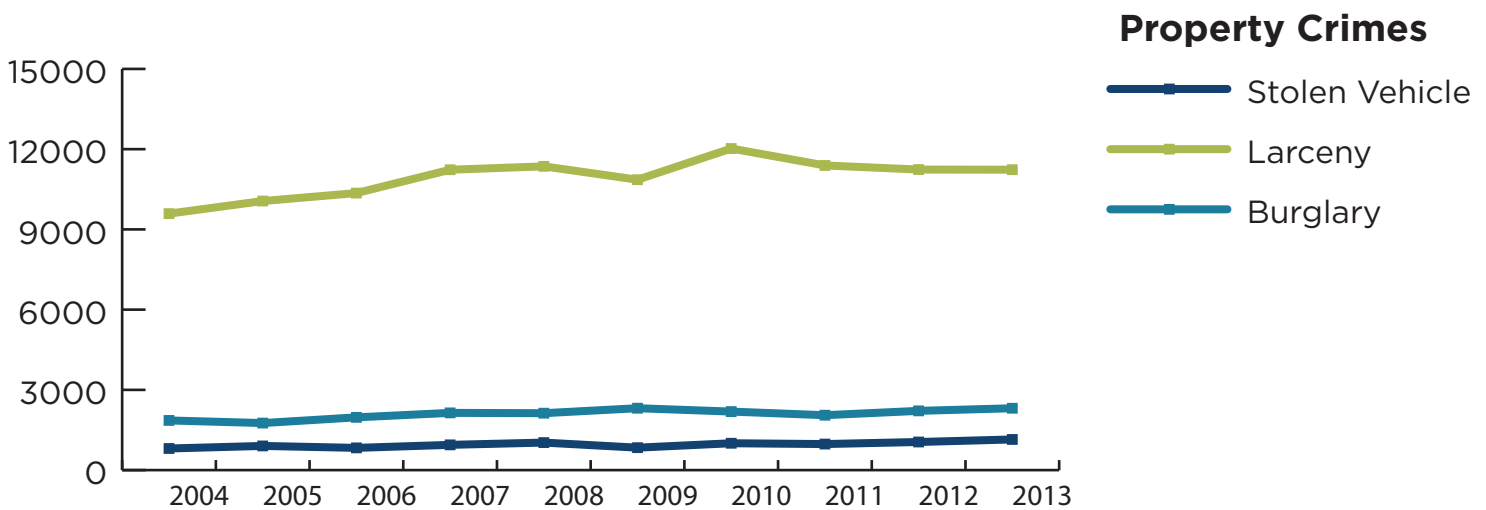
JAIL POPULATION VS. CAPACITY



UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (B) Greene County



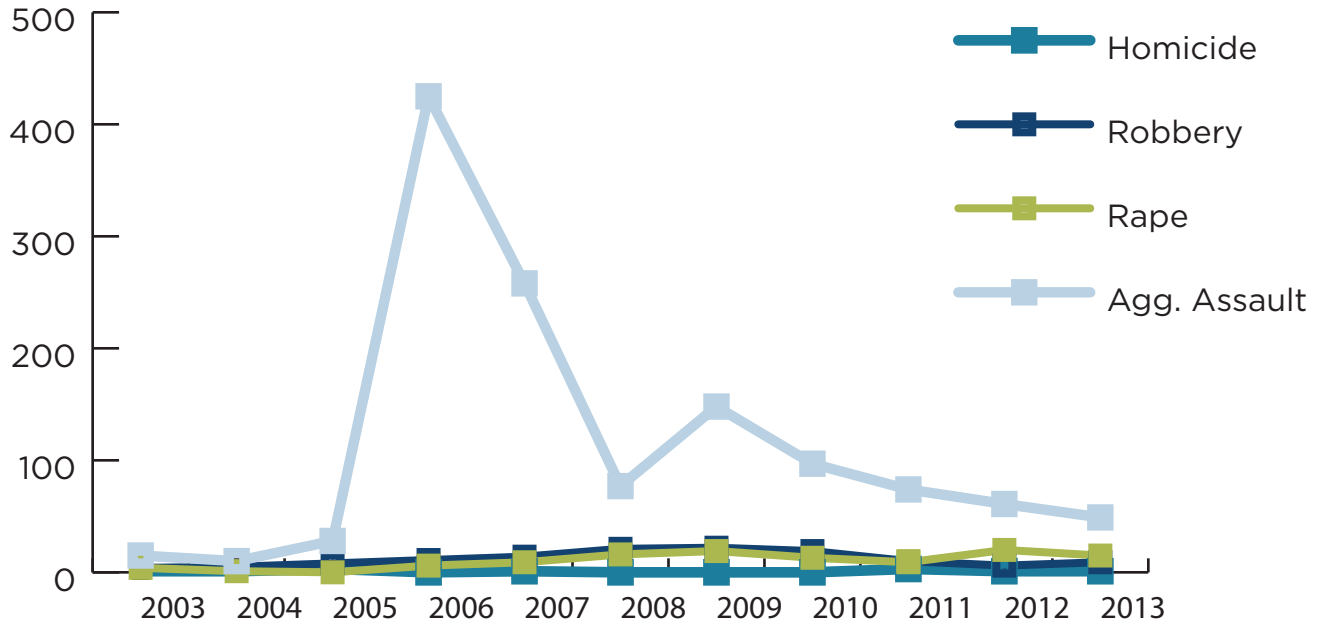
UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (B) City of Springfield



UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (A)

Greene County

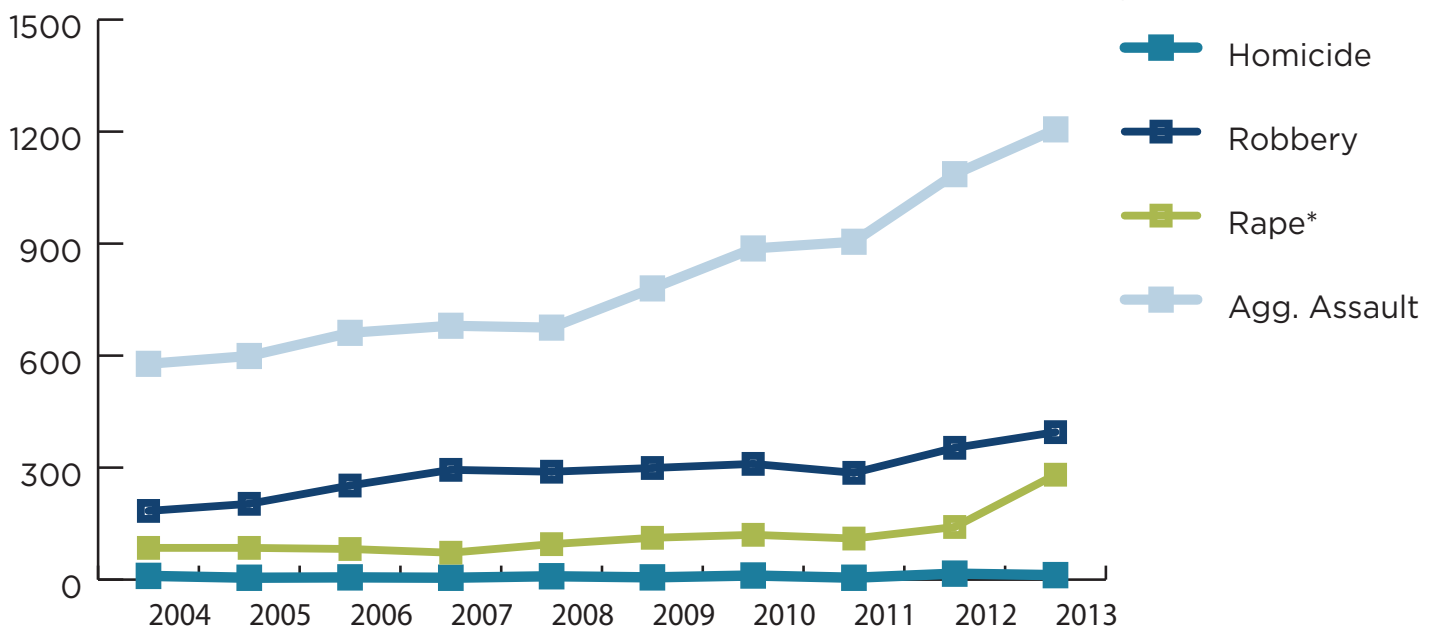
Crimes Against Persons



UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (A)

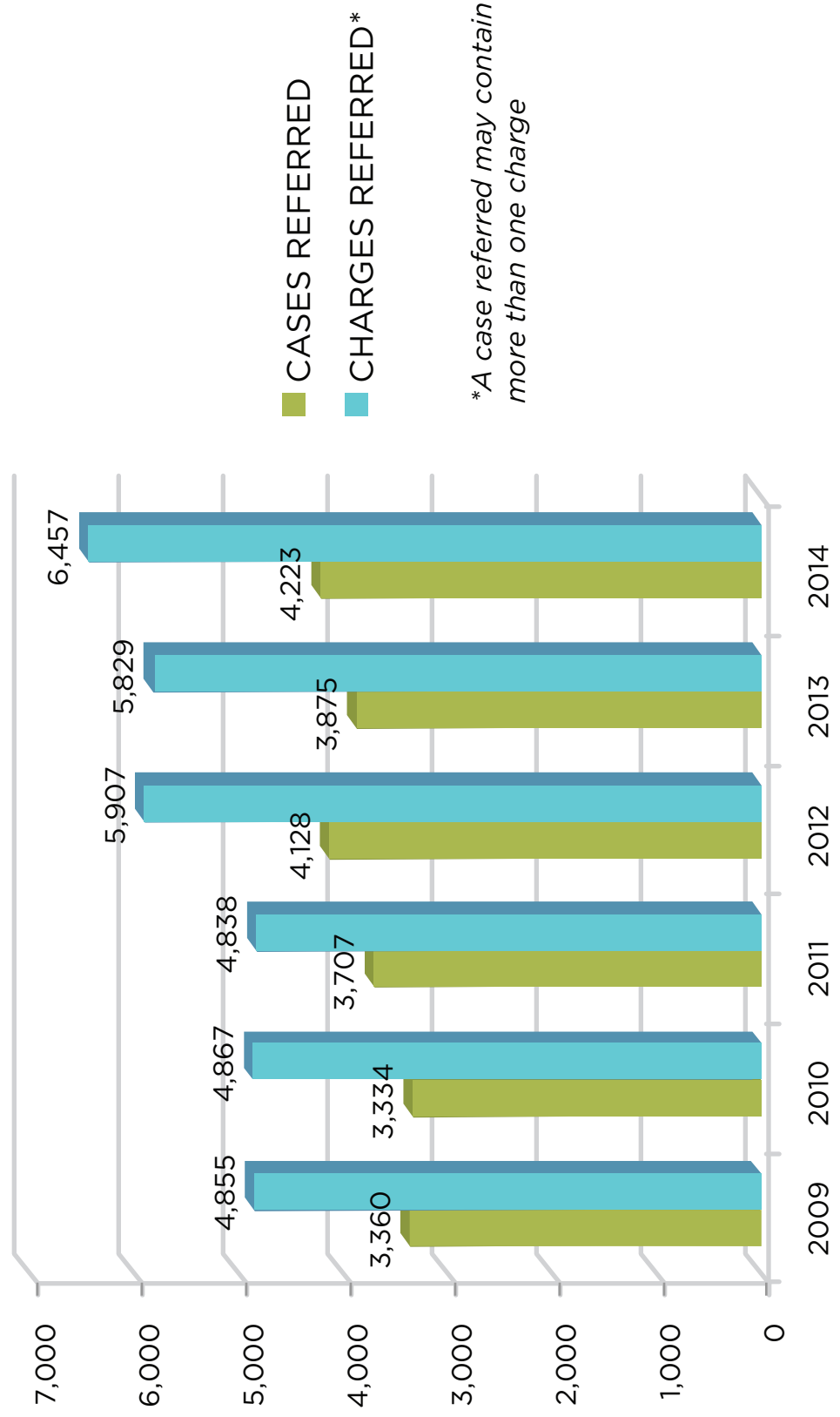
City of Springfield

Crimes Against Persons

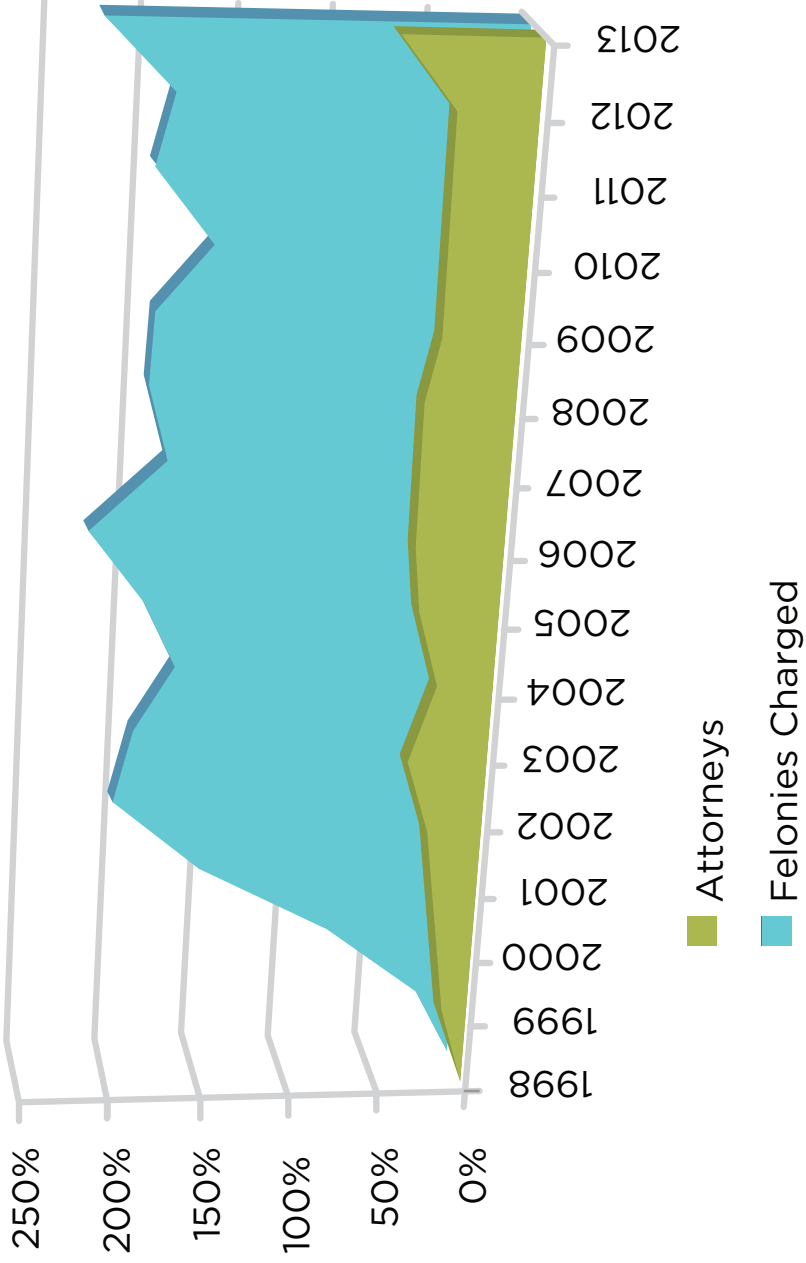


* Effective Jan.1, 2013, the Department of Justice changed the definition of rape with the goal of a more comprehensive statistical reporting of rape nationwide. Due to the definition change, many more cases are now classified as rape, causing the increase between 2012 and 2013 to be vast.

FELONY REFERRALS FROM LAW ENFORCEMENT

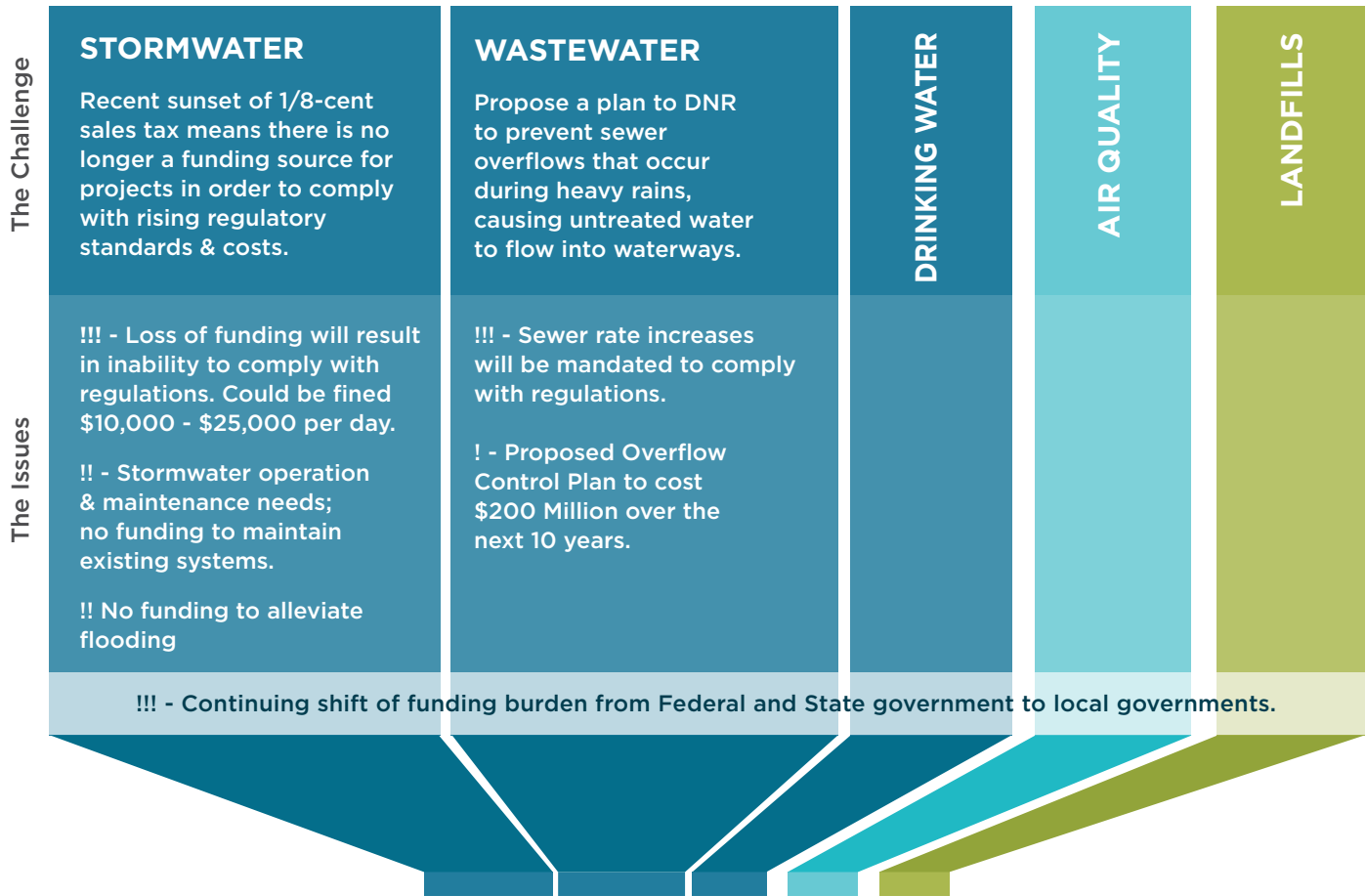


PERCENTAGE INCREASE ATTORNEY STAFF VS. FELONIES ISSUED



Unfunded Environmental Mandates

The EPA has stepped up its enforcement of the 1972 Clean Water Act, the Clean Air Act, and solid waste regulations in recent years.



Unfunded environmental mandates could cost the City & County no less than

\$1.6 BILLION

over the next 20 years, which is potentially unaffordable to our citizens.

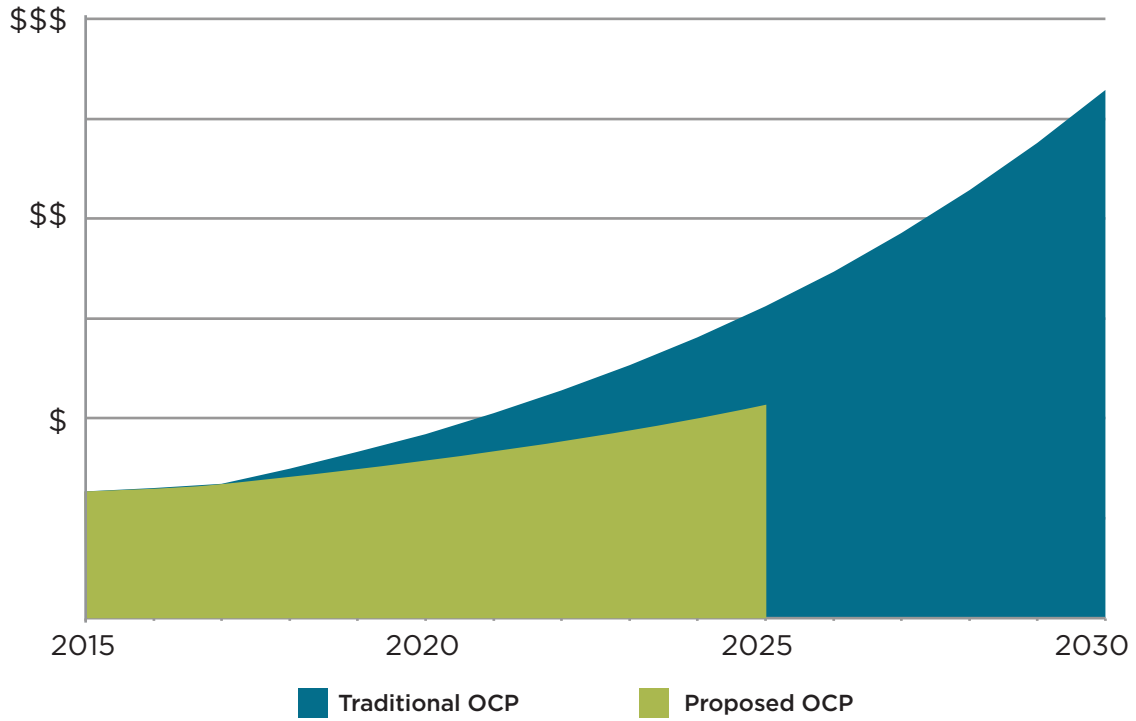
- !!! - Near-Term Issues (within 18 months)
- !! - Mid-Term Issues (18-36 months)
- ! - Long-Term Issues (36+ months)

Integrated Planning Approach

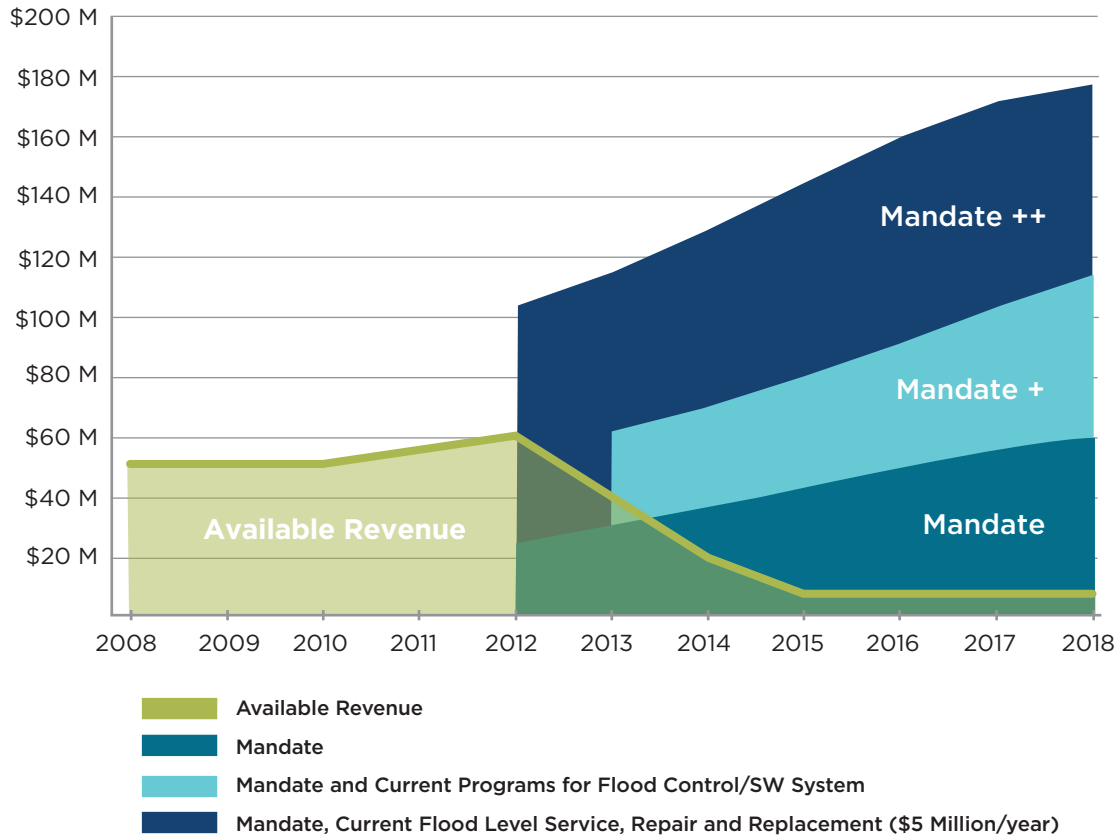
!!! - In 2012, The U.S. Environmental Protection Agency (EPA) released its “Integrated Municipal Stormwater and Wastewater Planning Approach Framework” which emphasized a commitment to work with states and communities to implement an integrated planning approach to address environmental objectives. In response to this opportunity, leaders from the City of Springfield, Greene County and City Utilities developed a local approach to integrated planning. This holistic approach proposes to use local knowledge to examine our environmental resources in regards to air, water and land taking into account community affordability.



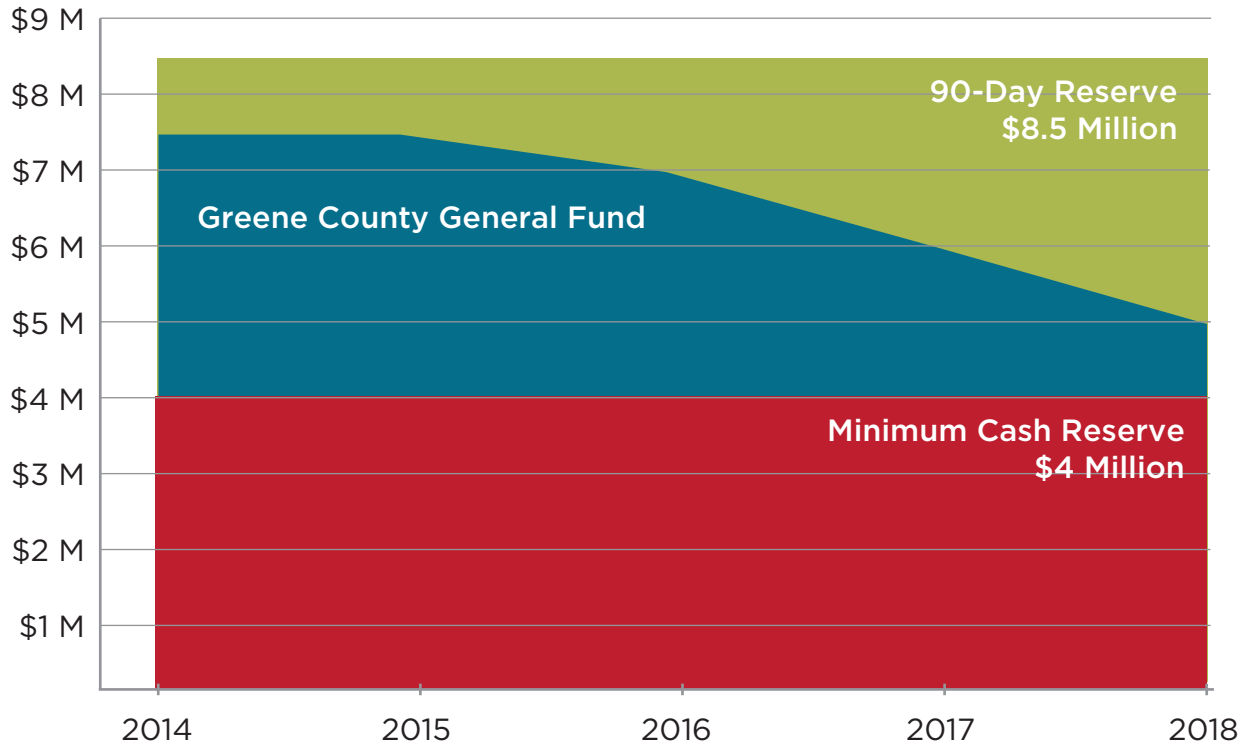
SEWER RATE PROJECTIONS



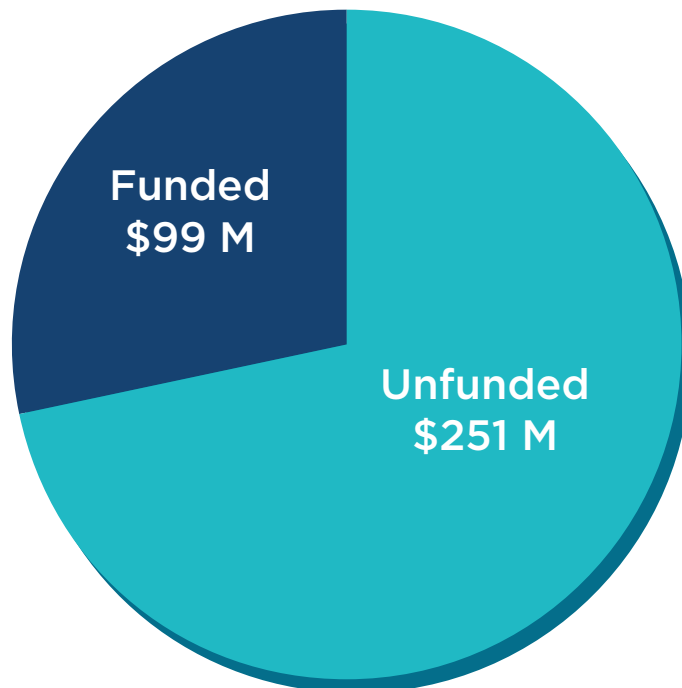
FUNDING: NEEDS VS. REVENUE



GREENE COUNTY GENERAL FUND CASH PROJECTIONS

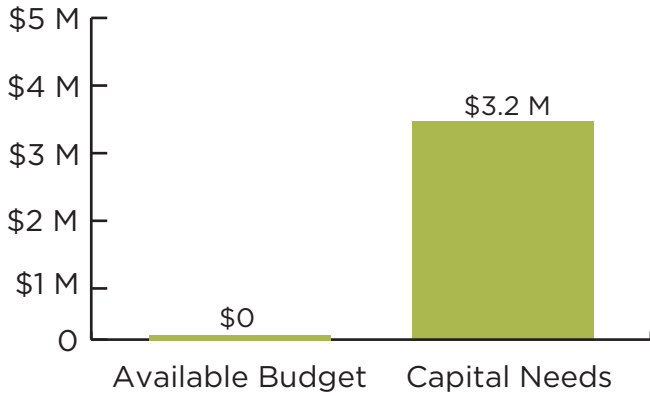


CITY AND COUNTY 10-YEAR TRANSPORTATION CAPITAL PROJECTS

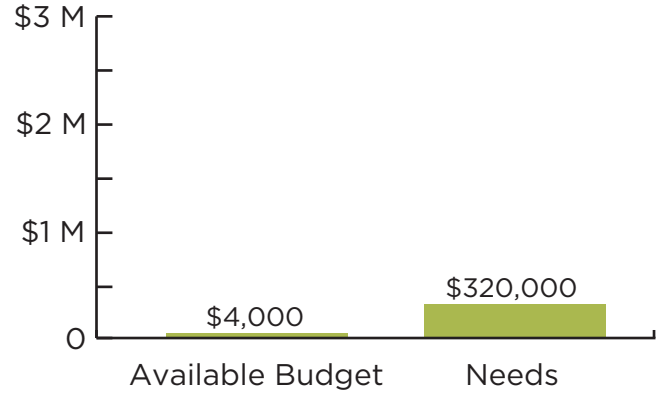


GREENE COUNTY

ANNUAL CAPITAL REPLACEMENT

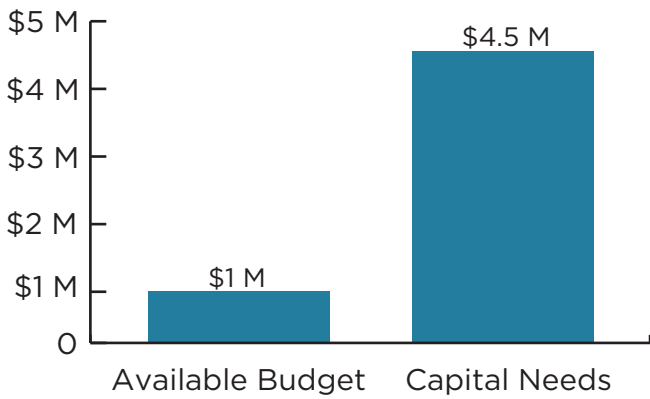


GENERAL FUND ANNUAL BUILDING MAINTENANCE & REPAIR

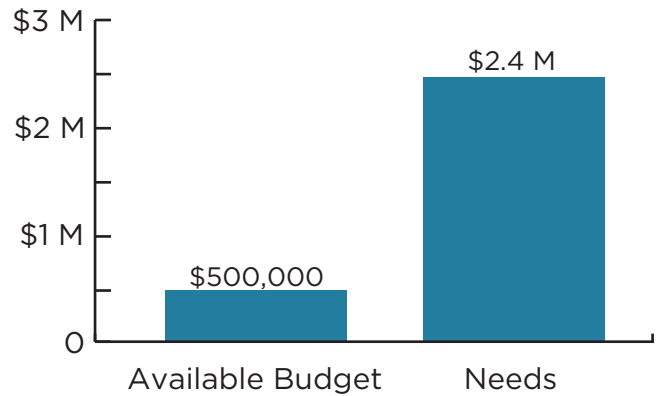


CITY OF SPRINGFIELD

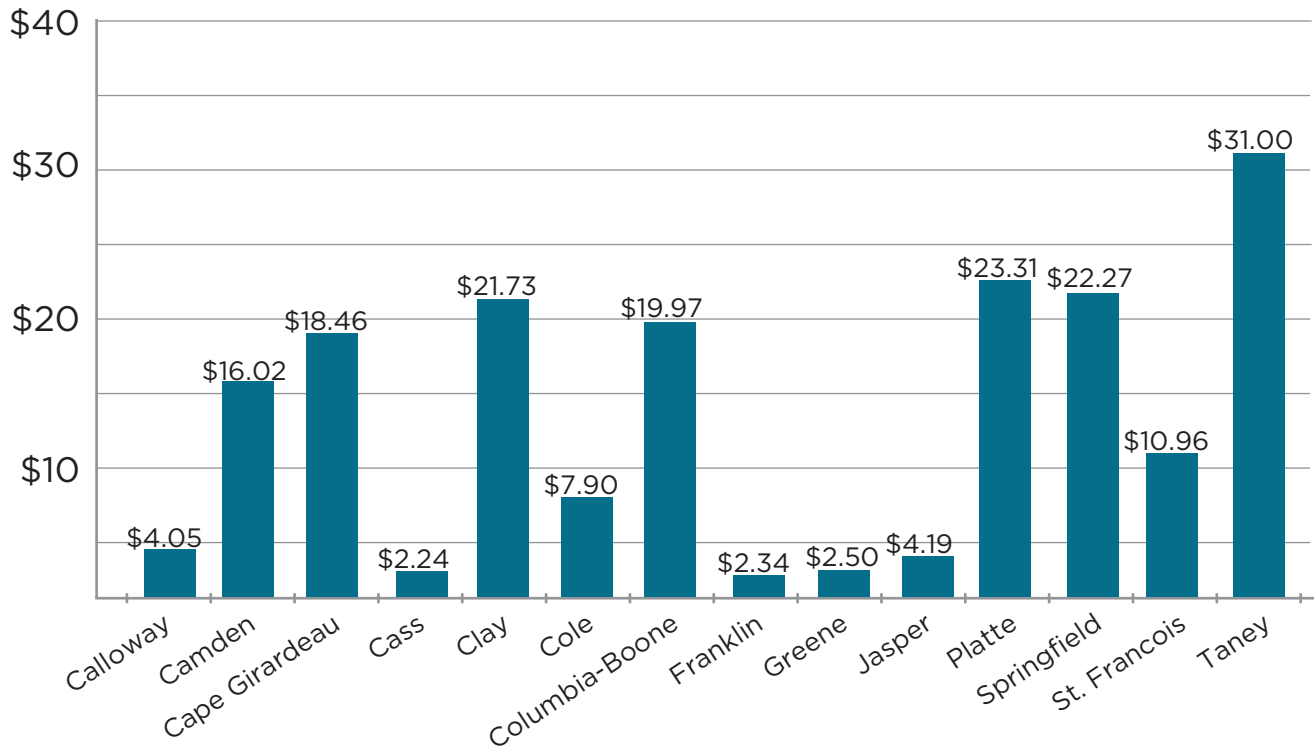
ANNUAL CAPITAL REPLACEMENT



GENERAL FUND ANNUAL BUILDING MAINTENANCE & REPAIR



MISSOURI COUNTY PUBLIC HEALTH FUNDING COMPARISON



PUBLIC HEALTH FUNDING DISPARITY

Springfield Annual Per Capita Contribution vs.
Greene County (non-Springfield) Annual Per Capita Contribution



Springfield



Greene County

**SPRINGFIELD-GREENE COUNTY
HEALTH DEPARTMENT FUNDING SOURCES**
FY 2015

