

FY08 ASSESSED VALUATION Levy and Tax Revenue Information

The City has historically levied a local property tax each year to fund that portion of its operating budget not supported by other revenue sources. Since the General Fund is the general operating fund of the City, all property taxes collected for general governmental operating purposes are accounted for in the City's General Fund. As with other jurisdictions throughout Oregon, the City of Springfield's property tax is a primary source of revenue for City general operations. Current property taxes provide 51% of the funding for the City's General Fund operating activities.

General Operations include the following:

- City Council
- City Administration and Legal services
- Municipal Court and Judicial services
- Basic Police services
- Fire First Response, Suppression and Fire Marshal services
- Land Use Planning services
- Development Services
- Building and Structure Maintenance services
- Finance, Information Technology, and Human Resource services

Two Local Option Levies to Provide Dedicated Funding for Fire and Police Enhanced Services

In November, 2002, City of Springfield voters passed two public safety measures – one for Fire Services and one for Police Services. In 2006, the Fire Services levy was renewed for four years (FY08-FY11). The Police Services Levy was renewed for five years (FY09-FY13), with a one-year break (FY08). For Fiscal Year 2008, the Police Services levy will be “dormant” with no taxes collected; instead, the Police Department and Legal and Judicial Services will be spending down their reserves. The taxation information on those two measures is provided in this section of the budget document. For more detail on specific funding, see the Fire, Police and Legal/Judicial Services pages in this budget document. Overall, funding from the two levies provided the following:

Local Option Levies	Amount	FTE
Fire Services operating costs	\$1,181,530	9.0 FTE
Fire levy dedicated reserve	<u>517,564</u>	
Fire Services Local Option Levy Funding	\$1,699,094	
Police Services operating costs	\$1,788,318	20.0 FTE
Legal and Judicial services	<u>201,321</u>	2.01 FTE
Police Services Local Option Levy Funding	\$1,989,639	
Total Funding Provided by Levies	\$3,688,733	31.01 FTE
Detail by Type of Costs Funded:		
Departmental Operating costs	\$ 3,171,169	31.0 FTE
Dedicated Reserves	<u>517,564</u>	
Total Funding Provided by Levies	\$3,688,733	31.01 FTE

Property Tax History

Effective July 1, 1997 Springfield began operating on a rate-based system for its operating levies. From 1997 (FY98) through FY00 the rate essentially remained within the same values. In response to Measure 50, in FY99 the state assigned the City a new permanent rate of \$4.7403. During FY01 the City made the last debt service payment on the 1979 General Obligation Bonds that paid for the renovation of the current City Hall facility. The tax rate was reduced by about .32 cents per thousand as a result.

Overall City Levy Information: Historical and Current

The following are the actual levies (all funds) by the City of Springfield over the past five years, the FY07 revised estimate, and the estimated levy for FY08 (figures do not include allowances for discounts and delinquencies):

	Fiscal Year						
	Actual FY02	Actual FY03	Actual FY04	Actual FY05	Actual FY06	Projected FY07	Adopted FY08
Tax Base/Rate Levy*	\$ 10,688,827	\$ 12,426,698	\$ 12,303,073	\$ 12,611,879	\$ 13,265,000	\$ 14,865,847	\$ 15,595,199
Fire Local Option	N/A	N/A	934,351	957,804	1,007,372	1,133,769	1,322,730
Police Local Option	N/A	N/A	<u>1,712,978</u>	<u>1,755,973</u>	<u>1,846,850</u>	<u>2,078,576</u>	N/A
Subtotal	\$ 11,832,524	\$ 12,259,054	\$ 14,980,402	\$ 15,325,656	\$ 16,119,222	\$ 18,078,192	\$ 16,917,929
Bonds	<u>1,072,914</u>	<u>1,052,129</u>	<u>1,062,565</u>	<u>1,036,822</u>	<u>976,530</u>	<u>923,077</u>	<u>3,502,109</u>
Total	\$ 12,905,438	\$ 13,311,183	\$ 16,012,967	\$ 16,362,478	\$ 17,095,752	\$ 19,001,269	\$ 20,420,038
Assessed Value	\$2,496,155,206	\$2,623,033,739	\$2,692,792,925	\$2,805,856,167	\$2,976,869,105	\$3,149,557,159	\$3,306,825,017
Rate for Operations	\$ 4.7403	\$ 4.7403	\$ 5.7603	\$ 5.7603	\$ 5.7603	\$ 5.7603	\$ 5.1403
Bonds	<u>0.4298</u>	<u>0.4014</u>	<u>0.4140</u>	<u>0.3870</u>	<u>0.3475</u>	<u>0.3799</u>	<u>1.0645</u>
Total Rate	\$ 5.1701	\$ 5.1417	\$ 6.1743	\$ 6.1473	\$ 6.1078	\$ 6.1402	\$ 6.2048

* tax rate levy is for general operations in the General Fund net of Urban Renewal

A Fire Local Option Levy and a Police Local Option Levy were passed by the voters in November, 2002 for an effective date of July 1, 2003 (FY04-FY07). In 2006, the Fire Services levy was renewed for four years (FY08-FY11). The Police Services Levy was renewed for five years (FY09-FY13), with a one-year break (FY08). For Fiscal Year 2008, the Police Services levy will be "dormant" with no taxes collected. These levies are segregated from all other taxes through separate reporting funds: Fire Local Option Levy Fund and Police Local Option Fund.

The assessed valuation which applies to all levies is calculated as follows:

	Assessed Valuation
FY07 Assessed Valuation (AV)	\$3,149,357,159
Add Estimated 5% Increase in Value	<u>157,467,858</u>
Total City Assessed Valuation for all Levies	<u>\$3,306,825,017</u>

The following is a detailed explanation of how the individual levy revenues were calculated and the calculation for net tax revenues recorded in the FY08 Proposed Budget.

Existing Tax Base/Rate Levy for General Operations

General Fund—100 General Operations	Rate Per Thousand	Levy	Net Tax Revenue
City of Springfield Permanent Tax Rate	\$4.7403		
Estimated Taxes Raised for FY08 (rate x AV/1000)		\$15,595,199	
Less Allowances for Discounts, Delinquencies: 6.00%		<u>(935,712)</u>	
Total Available General Fund Tax Revenue for Appropriation			<u>\$14,659,487</u>

Local Option Levies Provided by Voter Approved Measures

Fire and Life Safety Local Option Levy	Rate Per Thousand	Levy	Net Tax Revenue
City of Springfield Four Year Tax Rate (FY08 – FY11)	\$0.4000		
Estimated Taxes Raised for FY06 (rate x AV/1000)		\$1,322,730	
Less Allowances for Discounts, Delinquencies: 6.00%		<u>(79,364)</u>	
Total Available Tax Revenue for Appropriation			<u>\$1,243,366</u>

Bond Sinking Fund

Bond Sinking Fund	Rate	Tax Levy
Levy Required for General Obligation Bonds		\$ 3,502,109
Estimated Tax Rate (Levy/AV)	\$1.0645	
Less Allowances for Discounts, Delinquencies: 6.00%		<u>(210,127)</u>
Total Available Bond Sinking Fund Tax Revenue for Appropriation		<u>\$ 3,291,982</u>

In 2004, the voters passed a General Obligation Bond to fund construction of a Justice Center, including dedicated space for Police operations, Municipal Court operations, and a jail. The bonds authorized through this levy total \$28.65 million. Of this amount, \$4 million were issued in FY05 and additional bonds worth \$24.65 million were sold in FY07. The increased bond-related levy in FY08 reflects the tax collection necessary to fund the debt service on these bonds.

Summation of Tax Revenues

General Operations	\$14,659,487
Fire Services	<u>1,243,366</u>
Total Tax Revenues for Operations	\$17,005,334
Bond Sinking Fund	<u>3,291,982</u>
Total Collections	<u>\$20,297,316*</u>

* Represents current tax rate for operations and does not include prior year discounts or delinquencies collected (\$410,000) nor any other taxation revenue source (Transient Room Tax, Local Fuel Tax or 911 taxes totaling \$2,188,222). All General Fund tax sources total \$15,069,047.

FY08 Tax Rates

The City of Springfield's revised property tax rate per thousand is \$6.2048, consisting of the following funding sources. (See Debt Fund Highlights for details on the Bond Sinking Fund rate.)

Tax Levy for Operations:	
General Fund	\$4.7403
Fire Local Option Levy Fund	<u>0.4000</u>
Rate for Operations	\$5.1403
Bond Sinking Fund (Est.)	<u>\$1.0645</u>
Total City Rate	<u>\$6.2048</u>