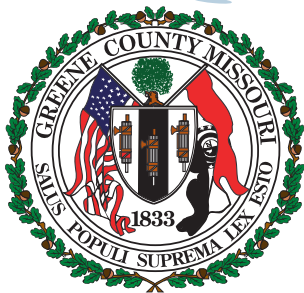


Joint City-County Planning Task Force

REPORT



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.

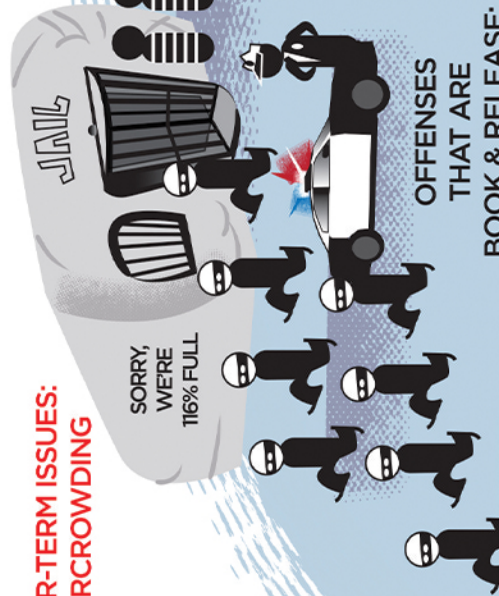
BIG THREE ISSUES



CRIMINAL JUSTICE SYSTEM

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

!!! NEAR-TERM ISSUES:
OVERCROWDING



WELCOME TO
SPRINGFIELD
GREENE COUNTY

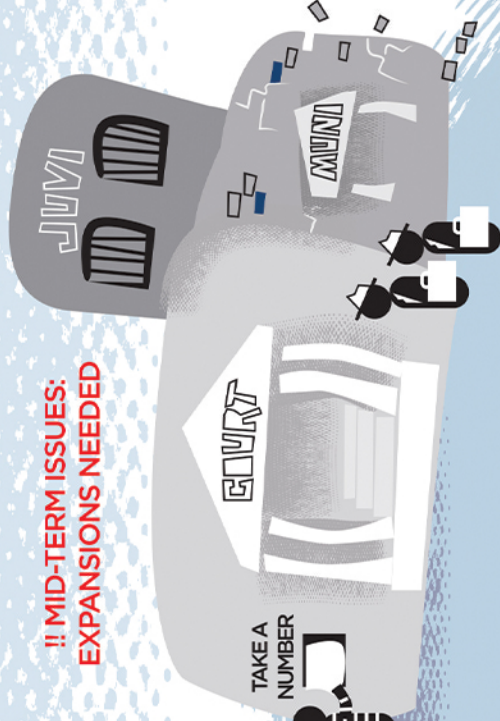
! LONG-TERM ISSUES:
RISING CRIME

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

BACKLOG
DELAYS JUSTICE



!! MID-TERM ISSUES:
EXPANSIONS NEEDED

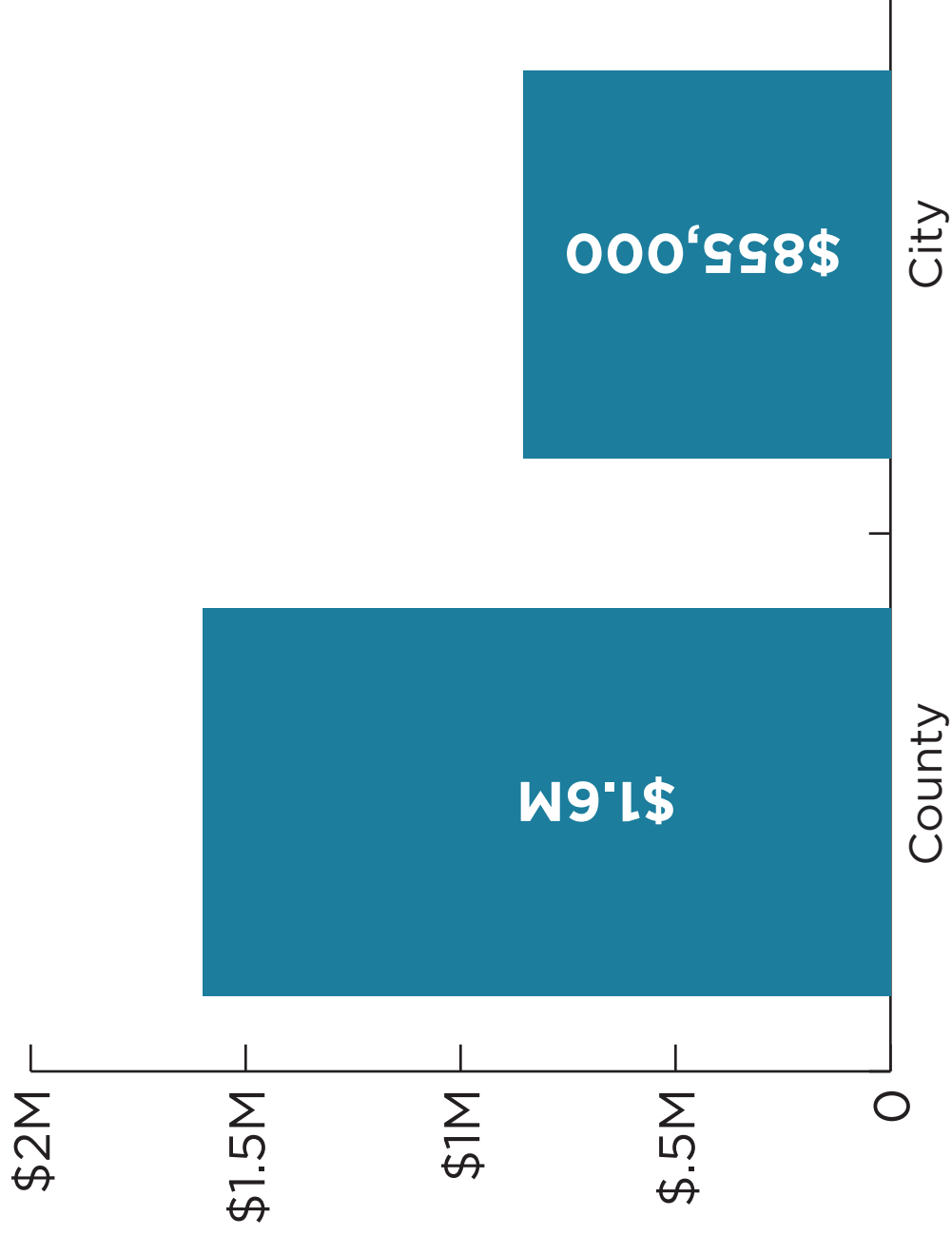


MANDATES

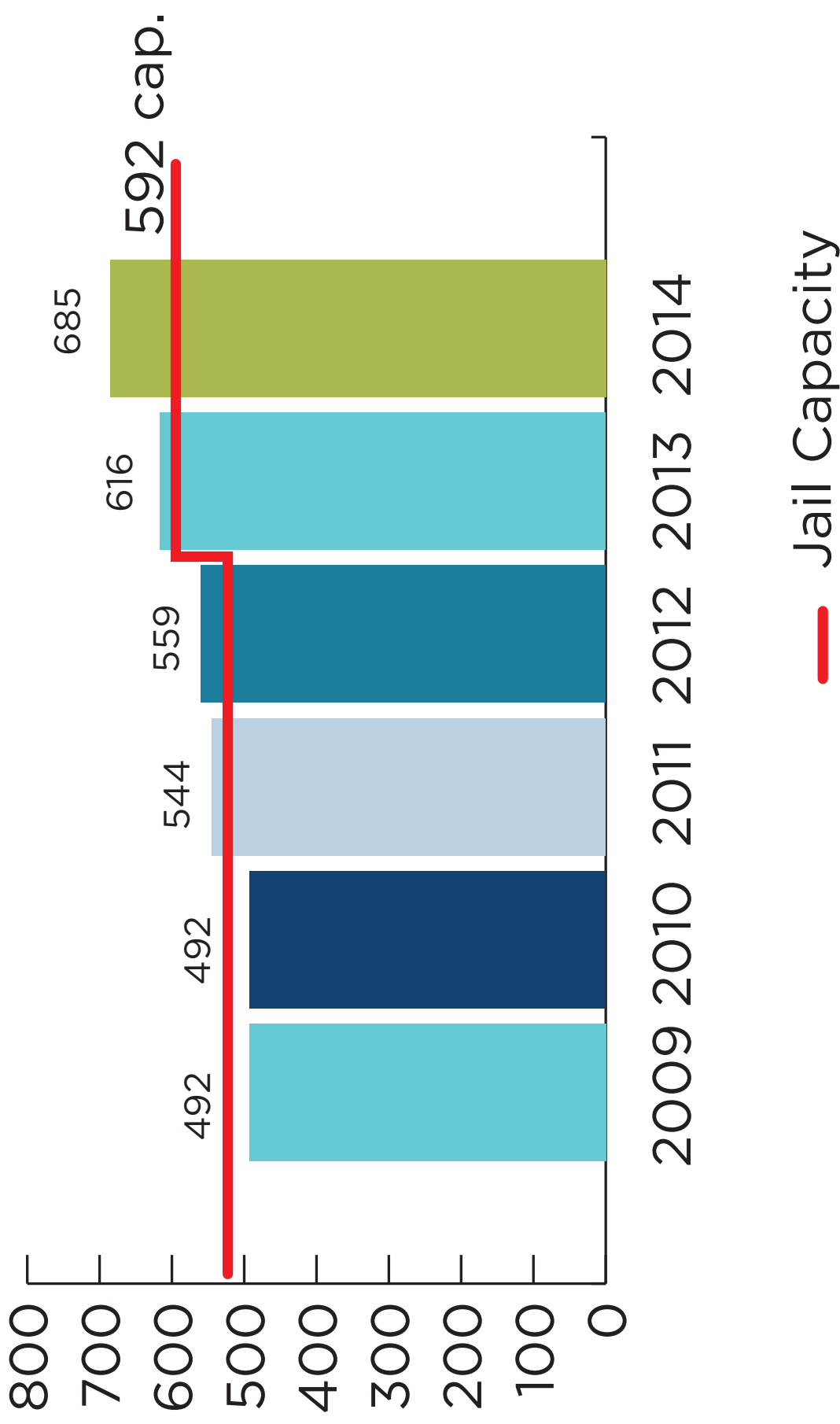


FUNDING

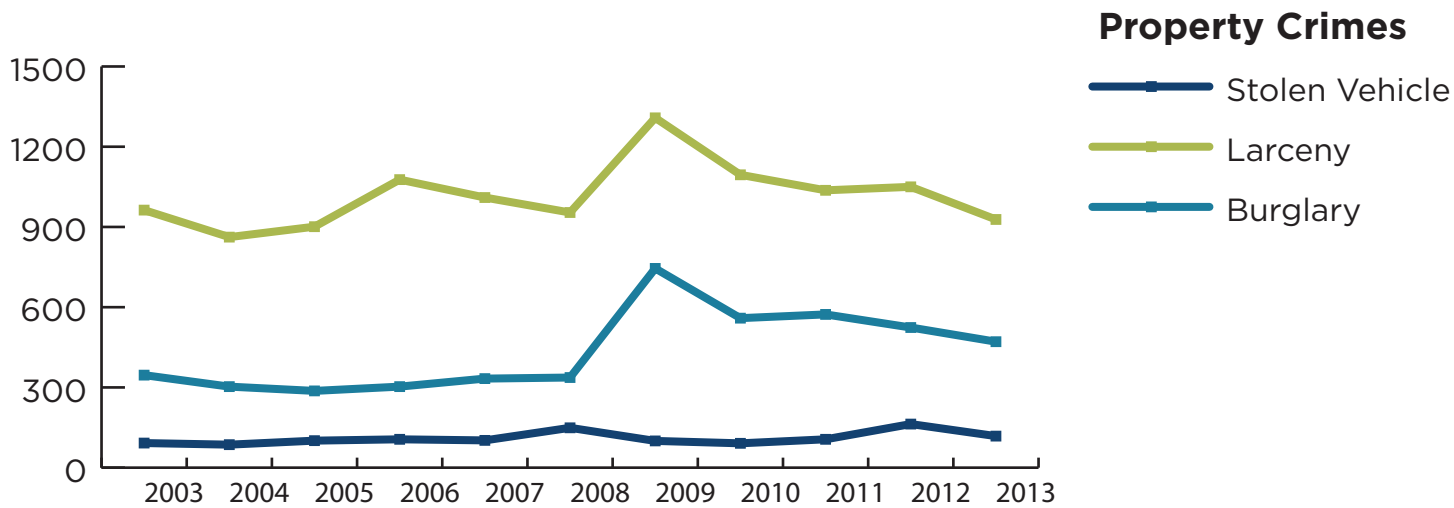
LEST I GENERAL FUND SUBSIDY



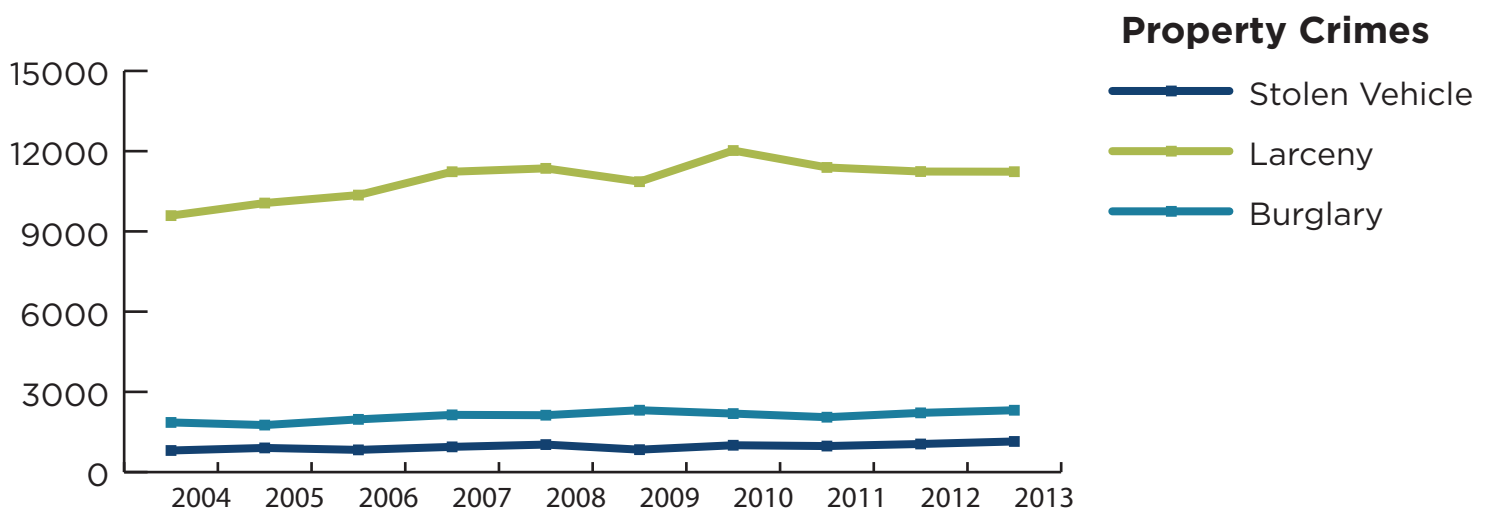
JAIL POPULATION VS. CAPACITY



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



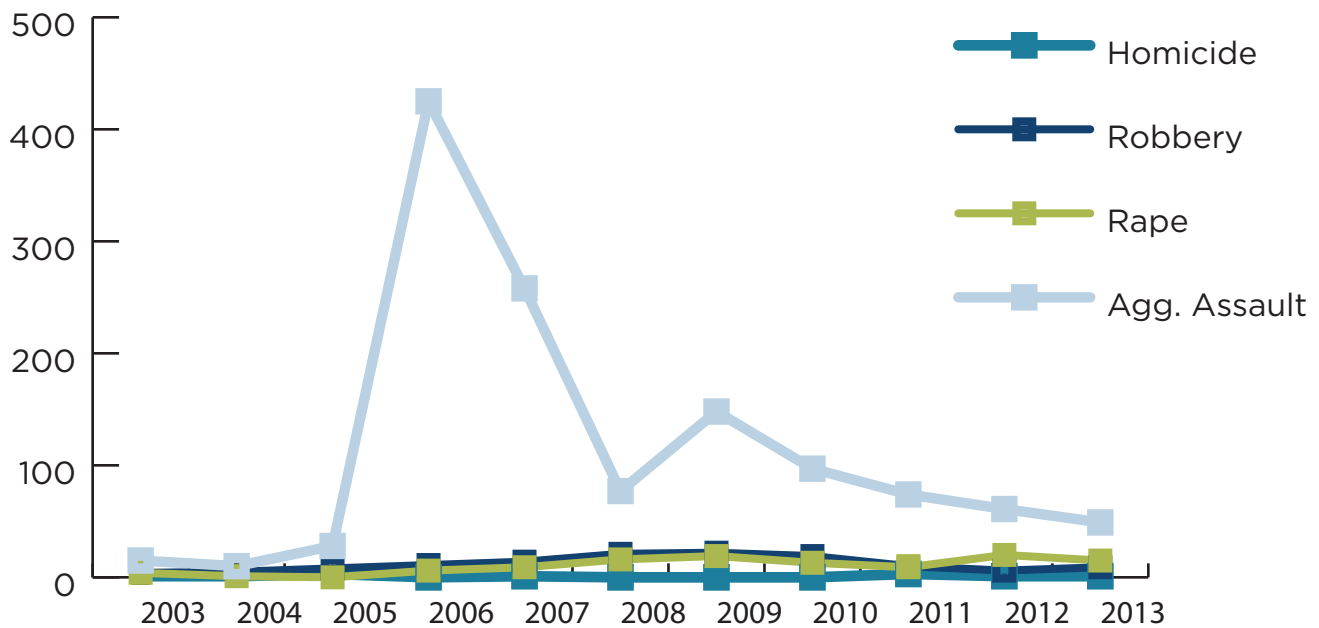
UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (B)
City of Springfield



UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (A)

Greene County

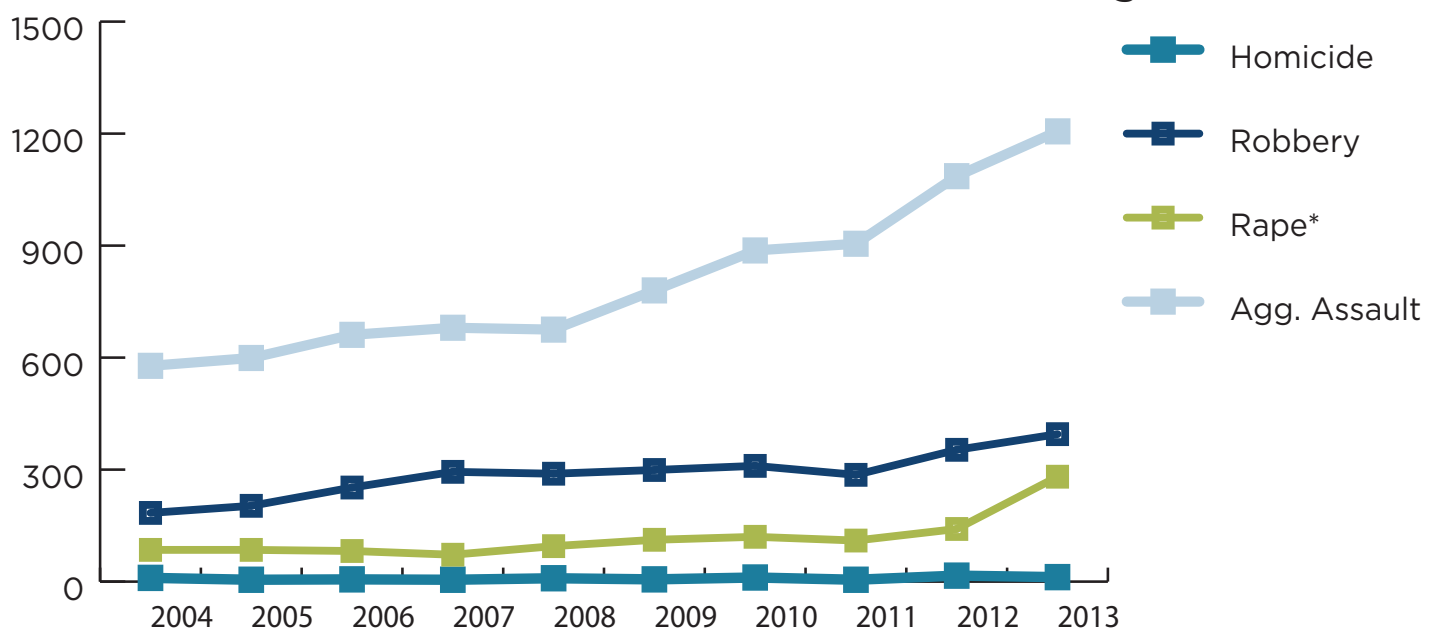
Crimes Against Persons



UNIFORM CRIME REPORTING HISTORICAL DATA PART 1 (A)

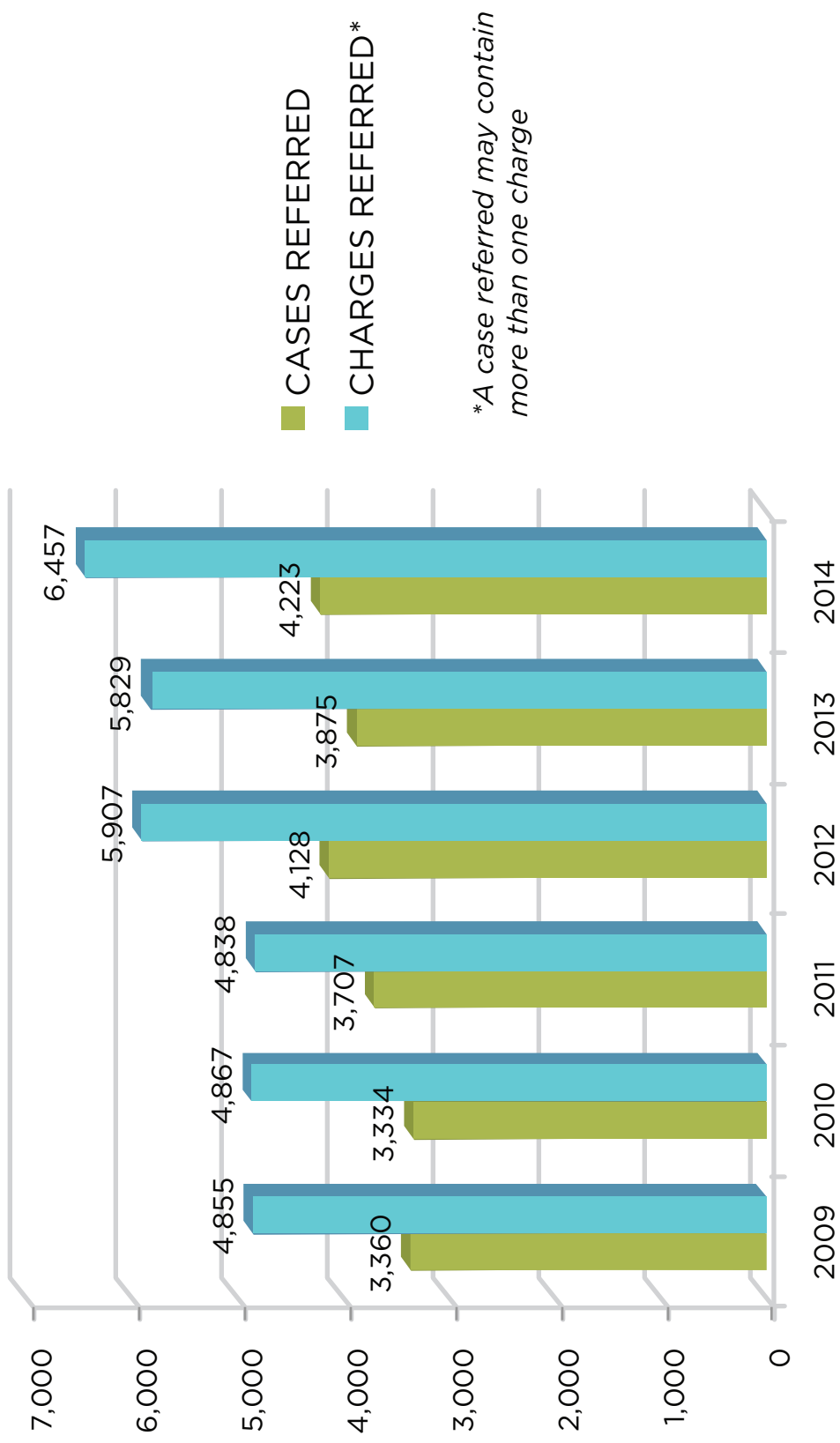
City of Springfield

Crimes Against Persons

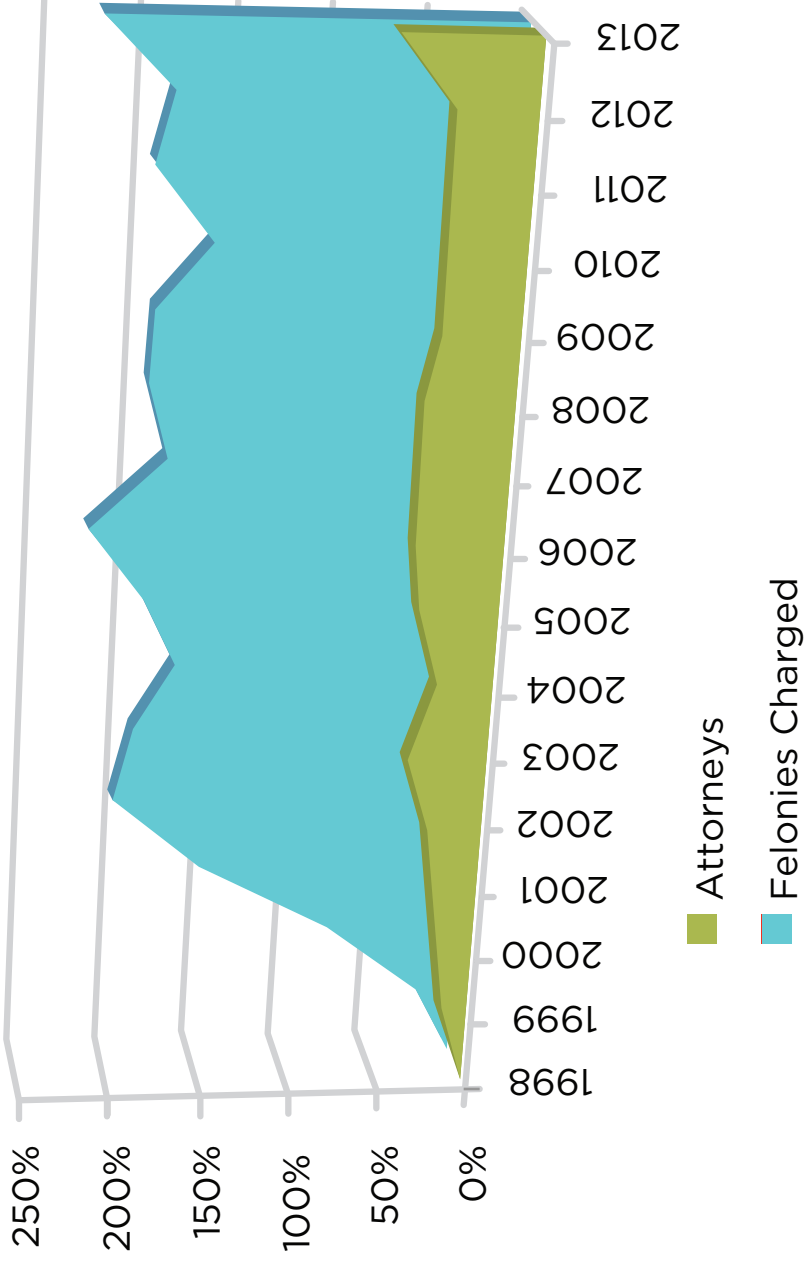


* Effective Jan.1, 2013, the Department of Justice changed the definition of rape with the goal of a more comprehensive statistical reporting of rape nationwide. Due to the definition change, many more cases are now classified as rape, causing the increase between 2012 and 2013 to be vast.

FELONY REFERRALS FROM LAW ENFORCEMENT

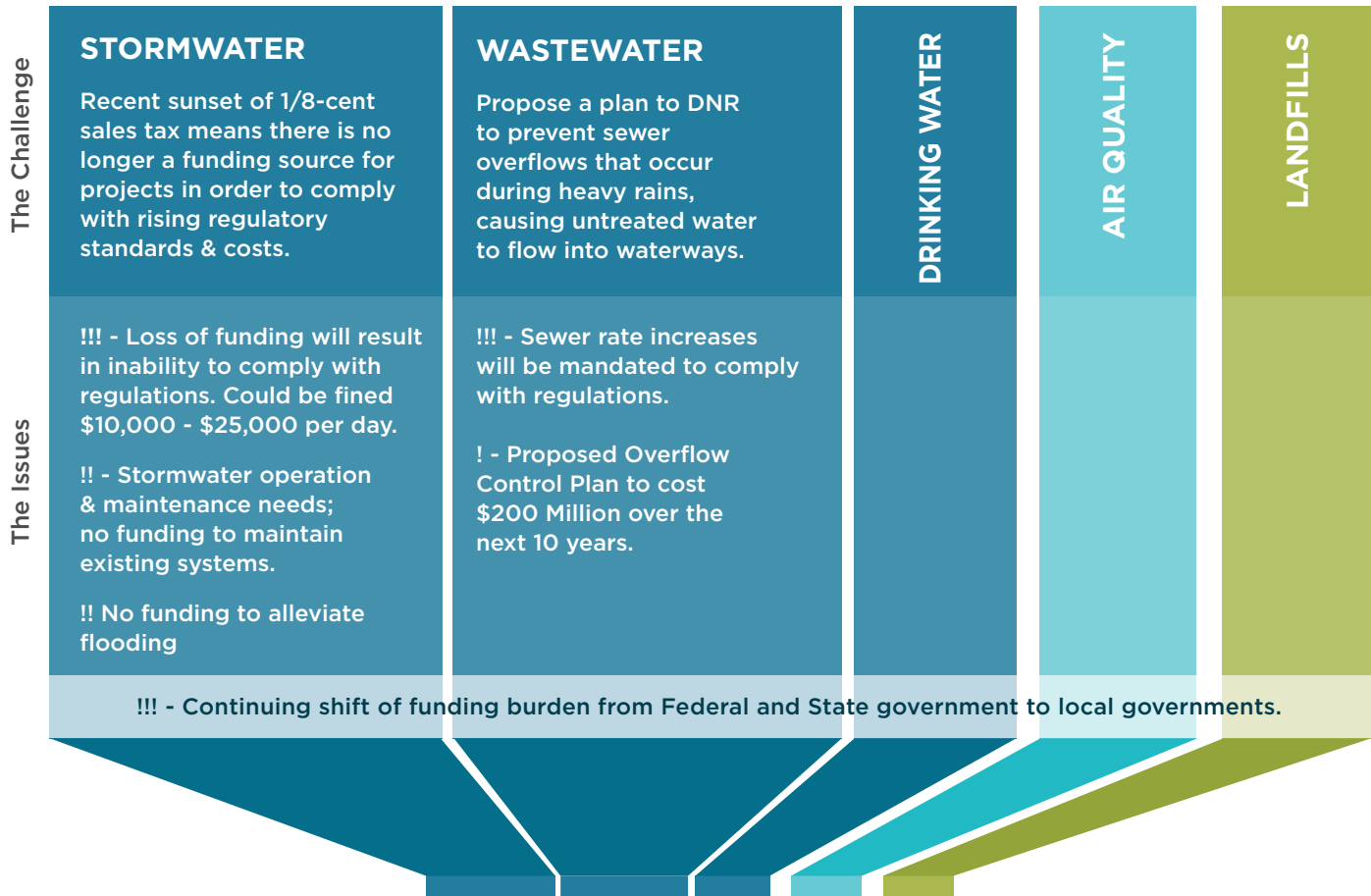


PERCENTAGE INCREASE ATTORNEY STAFF VS. FELONIES ISSUED



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.

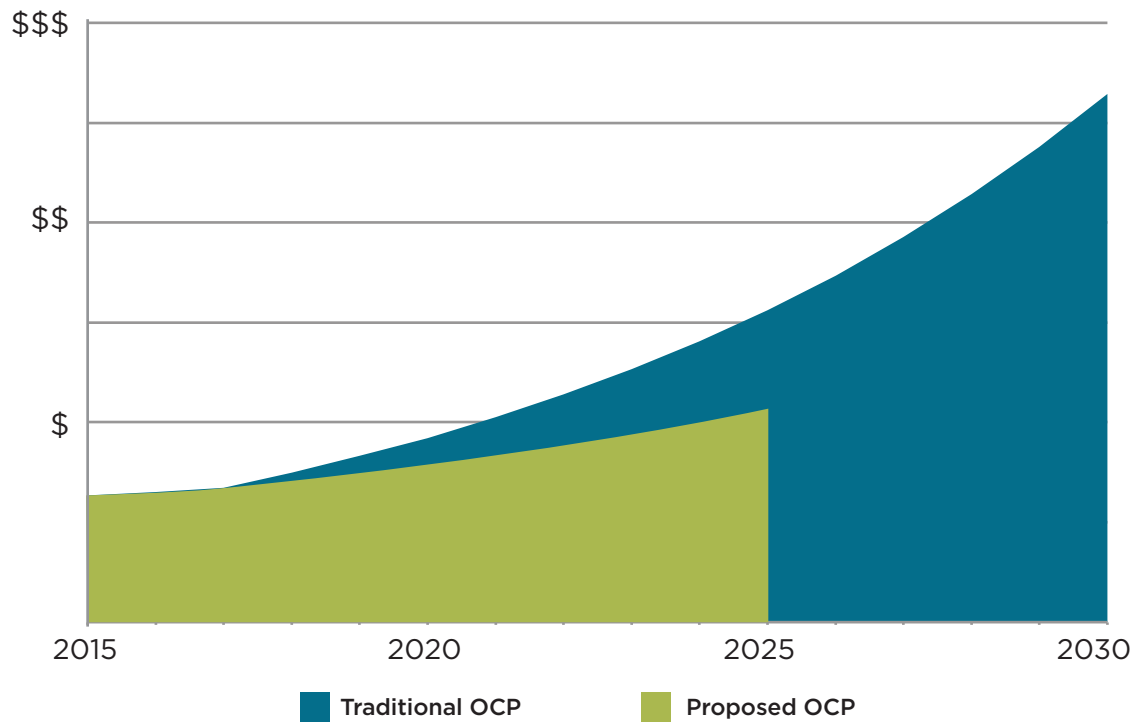


- !!! - Near-Term Issues (within 18 months)
- !! - Mid-Term Issues (18-36 months)
- ! - Long-Term Issues (36+ months)

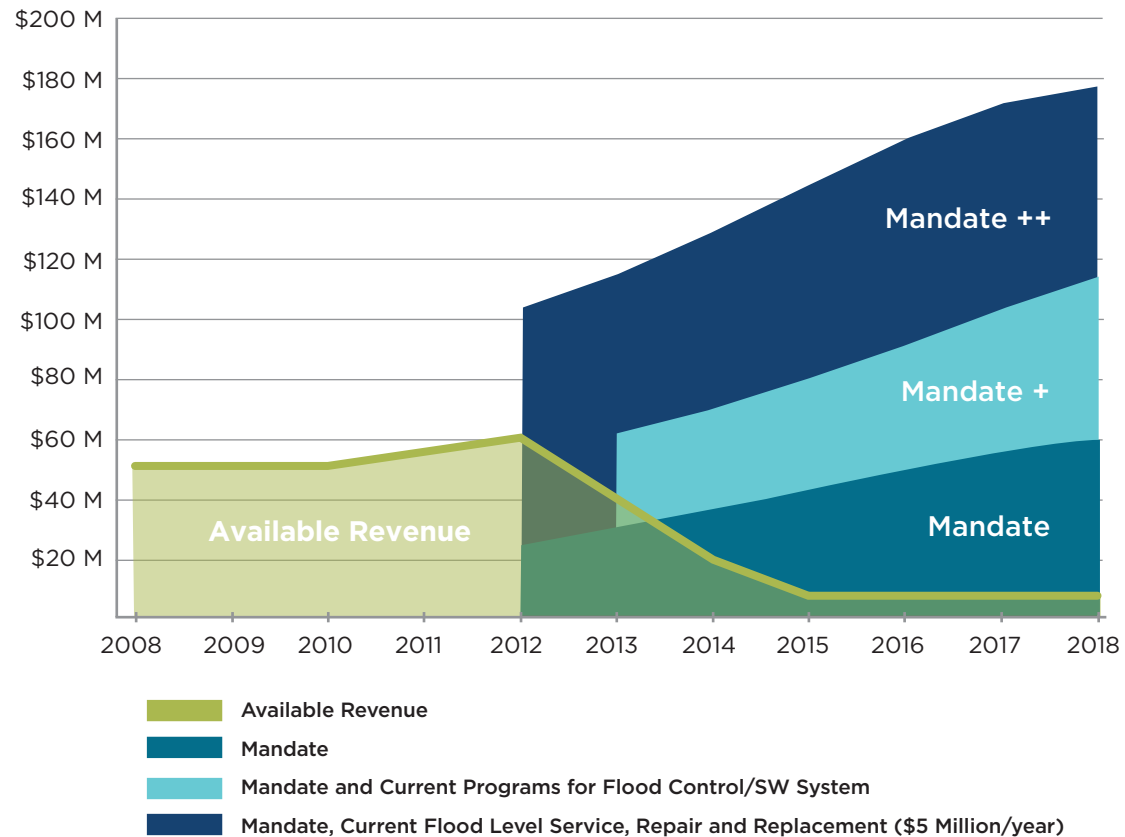
Integrated Planning Approach

!!! - 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.

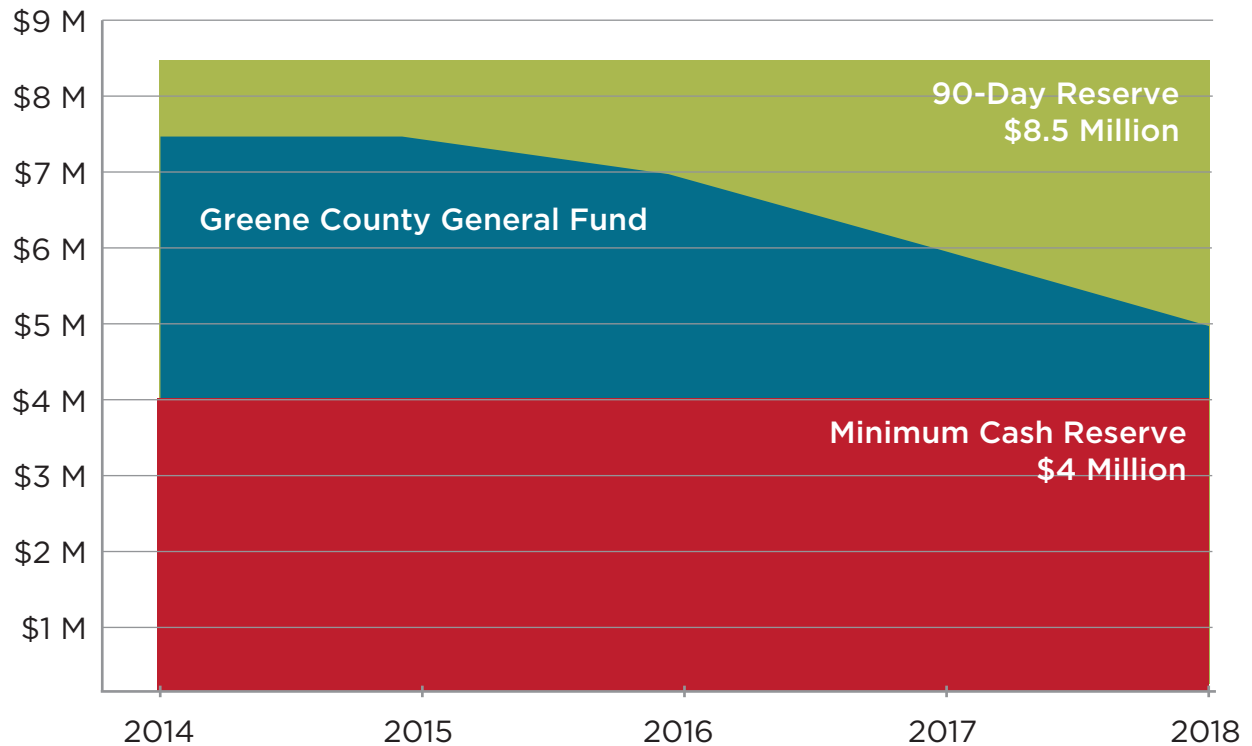
SEWER RATE PROJECTIONS



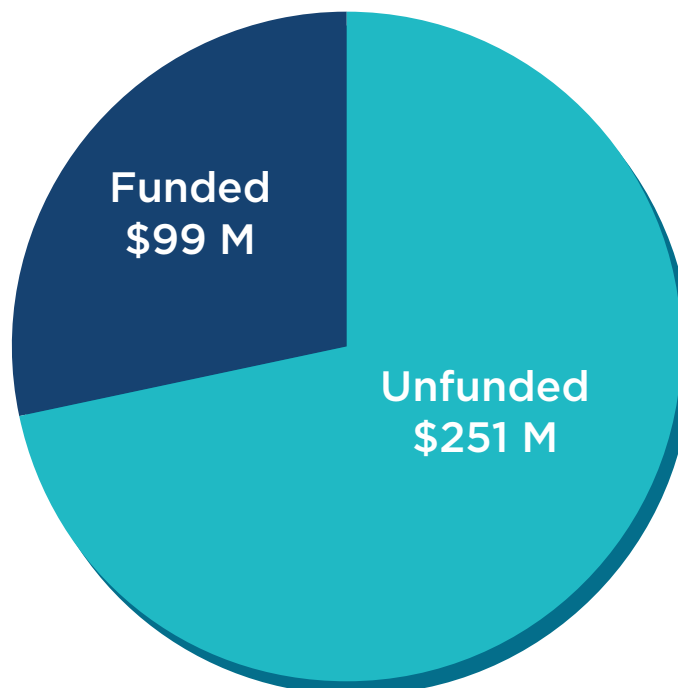
FUNDING: NEEDS VS. REVENUE



GREENE COUNTY GENERAL FUND CASH PROJECTIONS

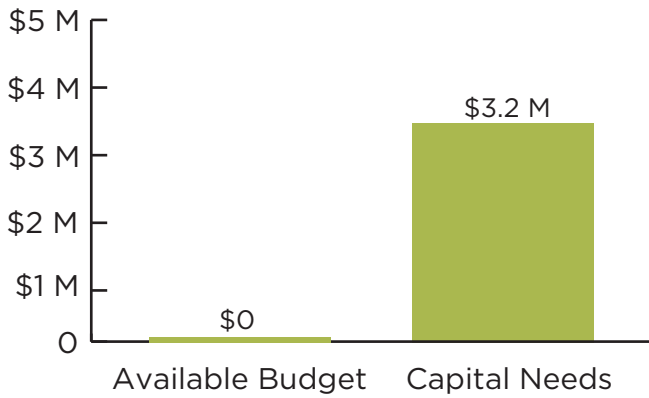


CITY AND COUNTY 10-YEAR TRANSPORTATION CAPITAL PROJECTS

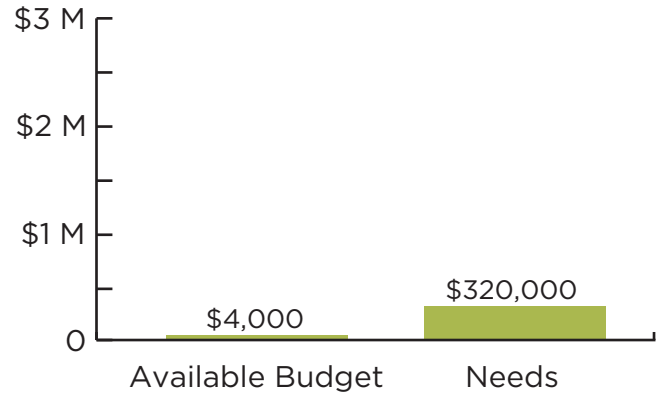


GREENE COUNTY

ANNUAL CAPITAL REPLACEMENT

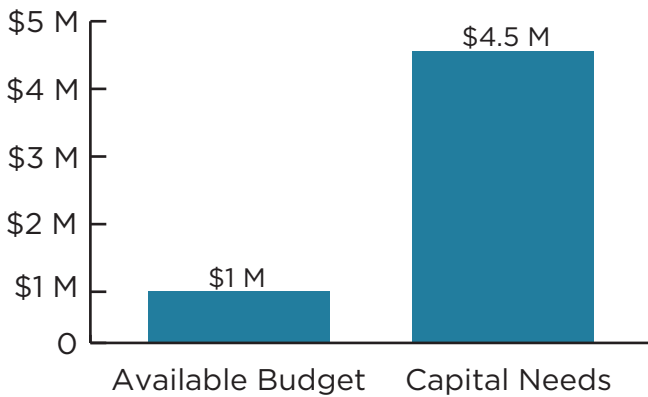


GENERAL FUND ANNUAL BUILDING MAINTENANCE & REPAIR

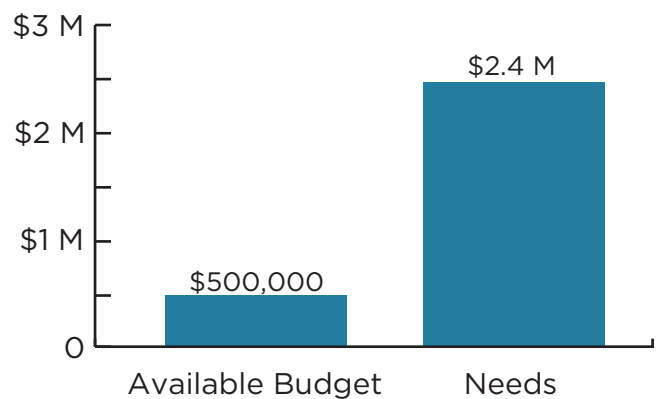


CITY OF SPRINGFIELD

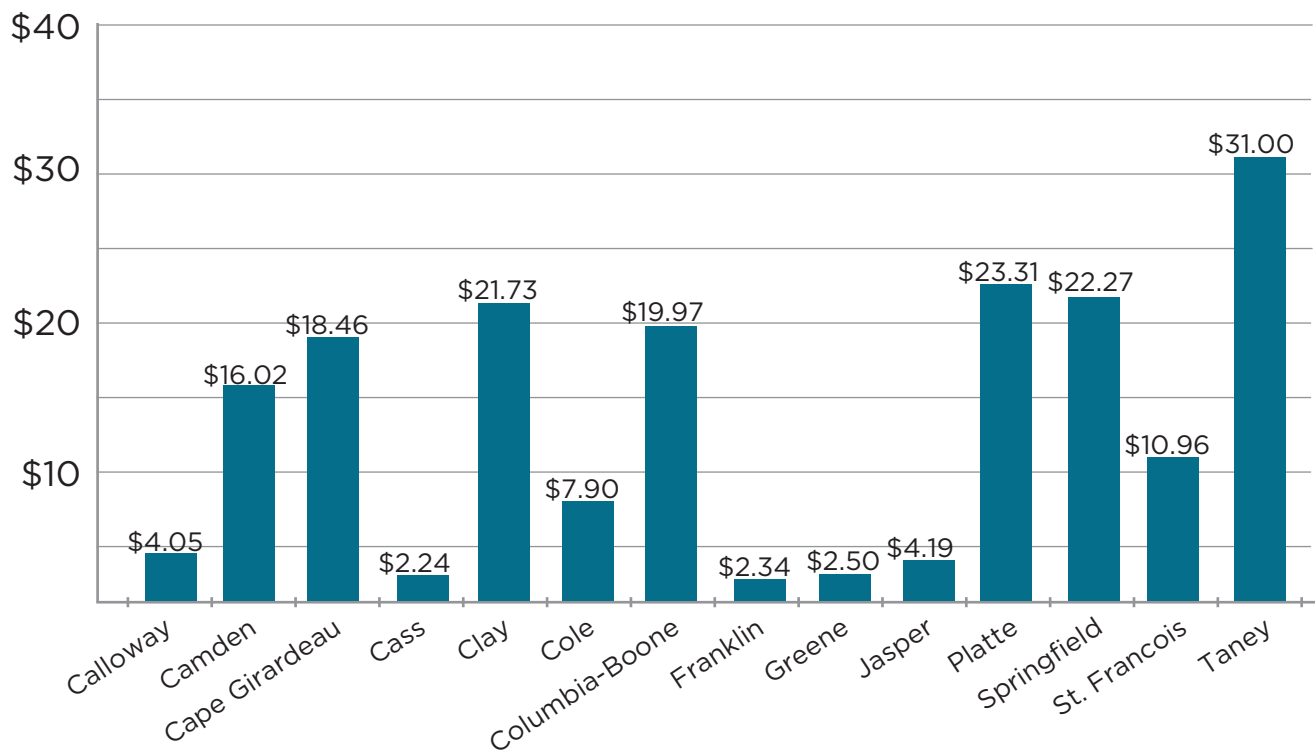
ANNUAL CAPITAL REPLACEMENT



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

