



**Office of the Mayor  
City of Springfield, Illinois**

**James O. Langfelder  
Mayor**

**FOR IMMEDIATE RELEASE**

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## **City of Springfield Fiscal Year 2018 Budget Workshops**

**Springfield, Illinois** – The city of Springfield’s Fiscal Year 2018 budget workshops begin next week. The 2017 Fiscal Year that concludes February 28 will reflect the first revenue downturn since the Great Recession. The city saw a drop in revenue of nearly \$2M. Consumer spending and lack of a state budget affected the 2017 revenues. As a comparison, FY 2016 revenues were \$118M while FY 2017 revenues are projected at \$116M. (See attachment Corporate Budget Forecast)

Consequently, the Corporate Fund FY 2018 budget includes diverse revenue enhancements to maintain the city’s level of service. The Corporate Fund, that includes the Police and Fire Departments, Public Works and general city services, is the fund that will be highlighted and most discussed during the workshops. (See attachment Corporate Fund)

Thirty-eight funds make up the remaining city of Springfield budget. These funds are dedicated to specific items not associated with day-to-day operations. For example, Motor Fuel Tax dedicates \$17M for city road maintenance and TIF Funds are specifically earmarked for designated areas.

Since July 2004, the Corporate Fund has not received a dedicated enhancement to improve city services through the **Home Rule Sales Tax**. (See attachment Tax Rates 1 & 2). The rate will go from 2.25% to 2.50% and with the proposed enhancements, Springfield’s combined rate of 8.75% will be more in line with comparable cities\*. The funds generated from this increase will be used for city services and potentially additional pension payments and infrastructure needs.

A proposal to increase the **Telecomm Tax** from 4% to 6% will make Springfield equal to other cities throughout the state. These funds will be used for Lincoln Library.

Springfield’s **Natural Gas Tax** is currently at 0% and is proposed to change to 4%. Springfield is the only comparable city not charging this tax. Funds generated will be equally appropriated for additional pension funding and a long-term equipment funding plan.

**Hotel-Motel Tax** is proposed to increase 1%, allowing Springfield to fall in-line with some comparable cities. This increase will be used for Oak Ridge Cemetery which is one of the most visited cemeteries in the world.

*\*Comparable cities/communities include Bloomington, Champaign, Decatur, Normal, Peoria and Urbana.*

*-more-*

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The attachment “Share of Property Tax Bill” illustrates the city of Springfield’s tax rate (what the city actually generates from a resident) compared to the other taxing bodies residents encounter on their tax bills. The city of Springfield has not raised property taxes for over 30 years. As a result, the city portion of the property tax has decreased from 16% to 11%. In addition, the attachment “Total Property Tax Rate” demonstrates where Springfield’s city tax rate compares to other communities, showing Springfield is well below its peer cities.

In addition to the revenue enhancements, the city evaluated its operations and in FY 2018 has made the following changes:

- Employee healthcare plan redesign, saving the city an estimated \$2 million
- Housing demolitions will be cut by \$250,000
- Overall reductions in operating expenses
- Pension spike elimination

The FY 2018 budget workshops will take place in the City Council Chambers located on the 3<sup>rd</sup> floor of the Municipal Center West, 300 S. Seventh Street.

Date:	Time:	Topic:
Tuesday, January 10	After Committee of the Whole	Office of Budget & Management overview; Human Resources; Public Works
Tuesday, January 17	After City Council	Treasurer; City Clerk; City Council; Convention & Visitors Bureau; Office of Planning and Economic Development; Library
Thursday, January 19	5:30 p.m.	CWLP
Monday, January 23	5:30p.m.	Police Department and Fire Department
Tuesday, January 24	After Committee of the Whole	Office of Budget & Management; and Mayor’s Office
Tuesday, February 14	During Committee of the Whole meeting starting at 5:30p.m.	Public Hearing

The budget workshops will be broadcast live on the city’s cable station - channel 18. Residents will be able to view the complete budget information beginning Monday, January 9 by visiting the city’s Website, [www.springfield.il.us](http://www.springfield.il.us), and clicking on the “Fiscal Year 2018 Budget” link found in the rotating banner.

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