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**CITY OF MT. VERNON, ILLINOIS
CITY COUNCIL WORKSHOP MEETING
Monday, January 9, 2017**

The Mt. Vernon City Council met in a Workshop Meeting on Monday, January 9, 2017 at 4:00 p.m. at City Hall, 1100 Main Street, Council Chamber Room, 2nd Floor, Mt. Vernon, IL.

CALL TO ORDER

Mayor Mary Jane Chesley called the meeting to order. Roll call showed present: Council Members Jeff May, Todd Piper and Mayor Mary Jane Chesley. Council Members Jeff May and Donte Moore were absent. Also present were City Manager Mary Ellen Bechtel, City Treasurer Merle Hollmann and City Clerk Jerilee Hopkins.

Visitors/Citizen Request/Addresses From The Audience

No visitors addressed the Council.

Six Month Budget Review

City Manager Mary Ellen Bechtel reminded the Council they approved a balanced budget for FY 2016-2017 by cutting \$1.3 million from the budget. These cuts came from several sources including attrition, which saved \$561,000 in salaries and fringe benefits and an additional \$287,803 were cut from the budget; a sale of surplus equipment at \$135,000; and retiree insurance savings of \$300,000 were also attained by moving eligible retirees to the Medicare Part F supplemental plan. The City then experienced a sharp decrease in sales tax, Home Rule tax and income tax.

The first quarter budget review showed a \$364,989 deficit. In May, the Fire Department shift staffing was reduced from eight to seven to reduce overtime in the fire department; suspended the demolition program; and discontinued the summer part-time employees. The June, July and August tax receipts came in lower again, forcing more cuts — sales tax receipts were down \$154,000, Home Rule tax down \$101,000 and income tax receipts were down \$111,000 at that time. City Finance Director Merle Hollmann said after six months, actual revenues are at 47.6 percent. Revenues are still 2.4 percent under projected. Spending has slowed down to 48.3 percent, or 1.7 percent of the budget. The projected operating deficit is at \$15,857.

The savings from the seven layoffs is \$155,021; furloughs are saving the city \$39,600 for the remainder of the year. Cutting the demolition program has saved \$68,250 from the budget. The city saved almost \$536,000 in expenses budgeted for Worker's Compensation — but the savings will come with a hit in higher costs for health insurance for four months of this fiscal year and next fiscal year. Keeping a balanced budget means maintaining the layoffs and furloughs, as well as cuts to JCDC and DMDC through the end of the fiscal year.

City Council Member May said although hard decisions on personnel have been made, the work to trim the budget further is a huge accomplishment.

**CITY OF MT. VERNON, ILLINOIS
SECOND QUARTER BUDGET REVIEW
AS OF OCTOBER 31, 2016**

1/6/2017

Description	General Corporate Fund	Comments	Public Utilities Fund	Comments
Operating Cash Balance @ 4/30/2016	\$ 2,574,362		\$ 601,220	
Operating Cash Balance @ 7/31/2016	\$ 2,587,330	No extra payrolls in quarter	\$ 248,168	No extra payrolls in quarter
Operating Cash Balance @ 10/31/2016	\$ 2,635,482		\$ 738,663	
Operating Working Fund Balance @ 4/30/2016	\$ 3,344,823	Projected in budget to be \$3,481,701.	\$ 558,784	Projected in budget to be \$570,277
Operating Working Fund Balance @ 7/31/2016	\$ 2,978,834		\$ 518,777	
Operating Working Fund Balance @ 10/31/2016	\$ 3,266,376		\$ 669,711	
Actual Revenues as % of Budget	47.8% Should be 50.0%		53.5% Should be 50.0%	
Actual Expenditures as % of Budget	48.3% Should be 50.0%		51.0% Should be 50.0%	
Originally Budgeted Operating Surplus(Deficit) FY 2016-2017	\$ 25,888		\$ 4,922	
Originally Budgeted Transfer to Capital Projects Fund	\$		\$	
Total Originally Budgeted Operating Surplus(Deficit)-FY 2016-2017-	\$ 25,888		\$ 4,922	
Actual Operating Surplus (Deficit) after 3 months	\$ (88,447)		\$ 140,527	
1/4 Budgeted Transfer to Capital Projects	\$		\$	
Total Operating Surplus (Deficit) at 10/31/2016	\$ (88,447)		\$ 140,527	
Operating Deficit at 10/31/2016	\$ (88,447)			
1% Sales Tax estimated underbudget for remainder of year	\$ (161,668)			
1% Home Rule Tax estimated underbudget for remainder of year	\$ (89,243)			
State Income Tax estimated underbudget for remainder of year	\$ (109,891)			
Fire Dept Over time Over Budget for remainder of year	\$ (21,052)			
Savings from 7 layoffs for remainder of year	\$ 188,821			
Savings from 1 day furlough for remainder of year	\$ 39,600			
Savings from cut to JCDC for remainder of year	\$ 50,000			
Savings from cut to DMDC for remainder of year	\$ 57,500			
Savings from cutting demo expenses for remainder of year	\$ 88,280			
Savings from switching Commercial Insurance for remainder of year	\$ 258,405			
Estimated Deductible costs for remainder of year	\$ (30,000)			
Cost of higher Health Insurance for remainder of year	\$ (144,432)			
Estimated Operating Deficit at 4/30/2017	\$ (15,857)			

Bechtel and Hollmann also included a working fund balance projection for 2017 through 2020. Bechtel noted these figures are using the budget figures before any cuts were made. The spreadsheet is attached. Council requested a print-out of the projections using the reduced figures because of the lay-offs and furloughs, etc.

Introduction of Neighborhood Revitalization Program

Mayor Chesley introduced the Neighborhood Revitalization Program. The Mayor contacted many local agencies, churches, and individuals who are very excited about the proposed revitalization program. All residents are encouraged to give their input and participate in this neighborhood program.



BUILDING BACK OUR NEIGHBORHOODS

Block By Block

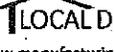


BACKGROUND INFORMATION



CITY DEVELOPMENTS

- City has demolished over 120 dangerous and dilapidated structures
- Improvement of neighborhood park
- Overlaying of residential streets – improved curb and guttering
- Water and sewer lines as well as storm sewer flow
- Housing ordinance for rental properties
- Sidewalk/bike trail program
- Building a community where people will want to come and live – increased retail, improved downtown, improved recreation (Aquatic Zoo), improved sports offerings, increased community activities, cleaner neighborhoods



LOCAL DEVELOPMENTS

- Over 1300 new manufacturing jobs added in past 6 years – need for more local workforce (blue collar workers) increases
- Need for blue collar workers growing
- School district strengthens AVC, CTE, PLTW to meet basic skill demands of local businesses
- Man-Tra-Con programs for re-education
- ML Vernon Housing Authority purchases 50 College Oaks properties and had started renovation program – 3 completed
- Local citizen forms “The Crew” to help keep neighborhoods clean
- Increase in retail development, medical facilities, new apartment complexes, increased tourism facilities
- Unemployment for Oct. 2015/7.0%...for 2016/6.0%

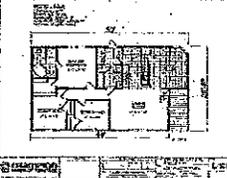


BACKGROUND FOR POTENTIAL HOME OWNER

Building on city property

- Owner occupied houses
- No contract for deed houses
- Workshop/workshops on how to create and stay within a budget, the ABCs of home buying, how to elevate a credit report, what is needed to obtain a home loan, responsibilities of homeownership
- Benefits of owning a home – equity of property
- Input from organizations such as HUD on available programs – 1st time homeowners

Example



Ballpark price: \$85,000

5/12 roof pitch, delivery & setup, block foundation, front porch, appliances

Not included: back porch, guttering

POTENTIAL PARTNERSHIPS



Your city need your help

- City of Mt. Vernon – Mayor & Council Members
- Mt. Vernon Housing Authority
- Mt. Vernon Minority Affairs & Human Relations Commission
- Crosswalk
- Youth Build
- Habitat for Humanity
- Egyptian Realtors

- NAACP
- Local Churches
- Summer Church Group
- Landscape Companies
- Lowe's
- Baptist tree cutters
- Independent rehab companies
- Sweat equity from potential homeowners & neighborhoods – Ms Spann

Resident partnerships. Residents of neighborhoods (blocks) could become advisers, co-workers and frequently leaders in the revitalization process.

Donor partnerships. Whether they are large corporate donors, local civic groups, churches or individuals, Neighborhood Revitalization donors frequently do more than just open their wallets; they open their hearts and their lives, and connect with the community they are supporting.

Organization partnerships. The wide variety of local partners who are making Neighborhood Revitalization a reality is stunning: nongovernmental agencies such as Goodwill, the Salvation Army, the United Way and AARP; governmental agencies such as police forces, public schools and city governments; and volunteer groups who not only build new homes but also paint the homes of senior citizens, make repairs, clean up trash from lots, and build playgrounds and gardens with communities.

PLAN OF ACTION – A START

- Choose one or more residential "blocks" for a redevelopment program – possible criteria: blocks where the city currently owns many vacant lots, high visibility area, potential for easy infill opportunities, blocks where city has already done sidewalk repair and/or overlays
- Created the "Mow to Own" program giving homeowners the opportunity to acquire adjoining property from city
- Target projects – clean up city owned properties, encourage owner occupied infill housing (stick, modular, manufactured), encourage rehab construction
- See ways to fill lots with owner occupied, \$85,000 - \$120,000 homes

Please feel free to contribute ideas for the success of this program. Spread the word.

With the help of so many partners, Neighborhood Revitalization contributes to the quality of life for entire communities and everyone who lives in them, creating places where residents feel safe and satisfied. Independent studies have found that the components that help lead to an improved quality of life include neighborhood satisfaction, a sense of safety, civic engagement and social capital — the value of multiple social networks and the benefits they generate, including trust, information flow and cooperation.

- Create public awareness program – Get the Word Out
- Provide assistance to individuals needing credit rating improvement
- Provide assistance to individuals needing budget training – How to finance a house.
- Provide assistance to individuals needing to know about what goes into the maintenance and up keep of a home

EXECUTIVE SESSION

No Executive Session was held.

ADJOURNMENT

Council Member Piper made a motion to adjourn. The motion was seconded by Council Member May. Yeas: McEnaney, Moore, Piper and Chesley.

The Workshop Meeting adjourned at 4:45 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk

CITY OF MT. VERNON, IL
 WORKING FUND BALANCE PROJECTIONS
 NOVEMBER 2016

GENERAL CORPORATE FUND

Working Fund Balance at Beginning of Year
 Revenues
 Expenses
 Working Fund Balance at End of Year

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
\$	3,344,823	\$ 3,328,966	\$ 1,997,675	\$ 375,004
\$	14,066,325	\$ 14,234,746	\$ 14,247,344	\$ 14,418,312
\$	(14,082,182)	\$ (15,566,037)	\$ (15,870,015)	\$ (16,182,821)
\$	3,328,966	\$ 1,997,675	\$ 375,004	\$ (1,389,505)