

**City of Mt. Vernon, Illinois
City Council Workshop Meeting
Executive Session
Monday, March 12, 2012**

Mt. Vernon City Council held a Workshop Meeting on Monday, March 12, 2012, at 3:00 p.m. in the small conference room at the Muni West Building, 200 Potomac Blvd., Mt. Vernon, Illinois.

Mayor Mary Jane Chesley called the Executive Session to order to discuss land acquisition.

Roll call showed present: Council Member Ron Lash, Council Member Todd Piper, Council Member David Wood and Mayor Mary Jane Chesley. Council Member Dennis McEnaney was absent. Also present: City Manager Ron Neibert, Mary Ellen Bechtel, Director of the Jefferson County Development Corporation and City Clerk's Secretary Lindsay Burris.

Motion by Council Member Wood to reconvene the Workshop portion of the meeting at 4:45 p.m. Second by Council Member Lash. Yeas: Lash, Piper, Wood and Chesley. Council Member Dennis McEnaney was absent.

City Manager Ron Neibert informed the media present about the discussion held during the Executive Session. He mentioned a goal contained in the City's Comprehensive Plan is the establishment and development of a new Industrial Park for the City. The City reviewed some recommendations and plans for a proposed Industrial Park. Obviously, that includes land acquisition and the reason for the Executive Session today. The City is not able to release any details regarding the Executive Session. To implement the plan it will take an investment on the City's part and the City Council wants to make recommendations on how to implement those provisions.

Mayor Mary Jane Chesley noted that the Comprehensive Plan was adopted in 2009 with the help of citizens' committees. Updates of the Comprehensive Plan are periodically released to keep the community informed and to reflect the City Council's accountability in following the Plan. Mayor Chesley stated that the Plan is an outstanding foundation to build upon for the future of our City.

Mayor Chesley disseminated a handout entitled Building a Stronger Community listing the accomplishments of the Comprehensive Plan. The pamphlet lists completed projects, projects in progress and future projects particularly in the infrastructure, jobs and economic development and quality of life sections. Many background studies have been and are being conducted. Some project examples are: the Aquatic Facility, Housing Study, Branding Study, Improvement/Development of Park & Recreational Facilities, sidewalk program, Industrial Park Study, Infrastructure in support of Economic Development and Quality of Life Projects, and striving to improve the City's Image through Demolition/Renovation of old abandoned structures.

The overview of the pamphlet notes that since 2007, the Mayor and City Council have taken an aggressive approach toward JOBS, improving infrastructure and improving quality of life conditions for the residents of Mt. Vernon and completing the Comprehensive Plan. Mayor Chesley directed attention to Chapters 4, 5 and 7 of the Plan. The City has seen about \$1/2 billion in construction, the creation of 1000 new full time, good paying jobs and a downtown area that has seen over \$4 million in investment. The City's reputation as a leading community is returning, and the City is recognized as one of the most progressive communities in Illinois. This is only the beginning.

Each year, the Mayor and City Council hold special workshops to review and receive an update of the Comprehensive Plan. Over the past two and one-half years, the City has received over \$20 million in outside sources of funding and \$350,000 in private donations. The City has started and completed some of the projects. The City implemented the 1% food & beverage tax, a 2 cent per gallon diesel tax and a 1% raise in the telecommunication tax. The monies generated from these three sources were restricted for use by City Ordinance for Comprehensive Plan projects and allow the City to complete \$12.5 million in infrastructure projects. One example is the new water tower being constructed to the south of Time Square Mall. The water & sewer tax increase is being used for maintenance and replacement for water and sewer lines as well as a program to tackle ineffective storm water systems.

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Unfortunately, the revenue from these three infrastructure taxes only covers a portion of the projects. The City Council is proposing a ½ cent increase in sales tax to provide the revenue that is vitally needed for financing additional projects addressing not only infrastructure, but also economic development and quality of life programs. Council Member Piper noted that the City's sales tax is presently 7.5 compared to Marion's at 8.35, Carbondale's at 8.25 or 9.25, and Fairview Heights's at 8.35 or 8.85. In order to compete with other communities, the City needs to adopt the Housing Study recommendations when completed, create a new City-managed Industrial Park so that JCDC and the City can attract good-paying jobs for the community; and construct the Aquatic Facility, along with other projects. Approximately 55% of the sales tax generated in Mt. Vernon comes from individuals who do not reside in the community.

Mayor Chesley noted that with a 1,000 new jobs the City is experiencing growing pains and a lack of housing for individuals and families working in the Mt. Vernon. She also cited the loss of population in the City and her desire to attract people back to live in Mt. Vernon.

Council Member Piper commented that it has been many years since a neighborhood development similar to Wood Glen Acres was established in the City; a subdivision containing housing for the middle class worker. He also mentioned the concern he hears most often from citizens is providing more opportunities for our children. By investing in infrastructure, our children will be given the choice to stay and work in Mt. Vernon.

Council Member Lash also noted the importance of investing in our community to make it a place where people want to live and visit. The citizens must be willing to invest resources into the City. The City must be able to attract individuals from the surrounding, competitive communities.

Council Member Wood stated that when the Comprehensive Plan was developed, it covered essentially four areas. Two of the areas - quality of life and economic development - were not funded. The economic development area is being funded with TIF zones, but it's not sufficient in terms of developing an Industrial Park. The quality of life section of the Plan received no additional funding from the earlier tax increase or from the water & sewer increase. While much of the City has moved ahead, the quality of life programs - parks, sidewalks, bike trails, swimming pool - have not been funded. This sales tax increase will go a long way toward correcting that revenue deficit in our Comprehensive Plan. It plugs the gap for financing the City's economic development and for quality of life projects.

Council Member Wood further noted that tax increases in many municipalities throughout the country have been forced to raise taxes to enlarge government, to add more police, and more firemen, to fund new programs because their growth was down and their operating budgets became operating deficits. The City of Mt. Vernon does not have an operating deficit. The City has an operating fund that is not only in balance, because we made responsible cuts and sound financial decisions, but the City has adequate funds with a fund balance of about \$3 million. It is important that everyone understand this money is going to a restricted fund and the name of that fund is the Economic Development & Quality of Life fund. The money in this new fund will be 100 of the sales tax increase and will only be spent for capital projects, economic development and quality of life projects. We're not increasing the sales tax to raise salaries, to hire more people or because we have mismanaged the finances of the City. He stated he is proud of what has been accomplished and the City finances are under control. It is estimated the new tax will generate \$1.8 million in additional revenue each year, and the fund will be used for debt service. Similar to how residents use their money to build a home, the City is going to borrow money, using municipal bonds, to build and improve "our home", that being our City. All of the new projects have not been selected yet. There is a long list of possible projects. The Aquatic Center and Industrial Park are big, important pieces of the list. The key to the plan from the very beginning has been that one can't just raise taxes to solve problems, we must grow our community. He's proud to say everything done in the past by this Mayor and Council and this current plan is designed to encourage more growth of jobs and businesses. That distinguishes the City of Mt. Vernon from many other municipalities that are raising taxes to pay for the past sins of government spending and increased government costs. The City of Mt. Vernon has resisted that path. He noted he is proud to serve on the City Council and proud of the City Manager and Department Heads who are willing to keep their budgets in line. Council Member Wood stated this could be the most significant event in Mt. Vernon since the last sales tax increase, and it certainly stands to have an enormous impact on the City's economic development and quality of life.

Mayor Chesley remarked that the Comprehensive Plan is available for inspection at the City Clerk's Office and on the City's web site at www.mtvernon.com. The Mayor encouraged citizens to review the Plan and become educated in what the City Council and Mayor are doing. There is also a listing of projects and activities contained in the Comprehensive Plan available for inspection at the City Clerk's Office.

Council Member Wood made a motion to give direction to the City Manager to have the City Attorney prepare an Ordinance increasing the Home Rule Sales Tax by ½ of 1 to be placed on the regularly scheduled March 19, 2012 City Council Meeting Agenda for first reading.

Second by Council Member Piper. Yeas: Lash, Piper, Wood and Chesley. Council Member McEnaney was absent. Mayor Chesley noted that Council Member McEnaney wanted to attend the Workshop but was unable to do so because of a family matter. He is in support of the tax increase.

Rick Hayes, representing the Mt. Vernon Sentinel newspaper, inquired about the date of the last sales tax increase in the City. City Manager Neibert stated that a 1 percent increase of the food & beverage tax was adopted in 1997 to fund parts of the sewer plant project and the Rolland W. Lewis Industrial Park.

The total amount of debt by the \$1.8 million paid out over 20 years will be about \$20 million based on current interest rates. Two of the projects being implemented immediately under the new tax are the Aquatic Center at an estimated cost of \$6 million, and the Industrial Park project costing in the \$5 million range. The remainder of the projects will be discussed and prioritized by the Mayor and City Council at a future date.

Mayor Chesley commented that the City Council and Mayor will review and discuss future projects at workshops or a retreat. A newspaper reporter inquired if this tax increase would sunset as some others have in the past. City Manager Neibert noted there is no provision for sun setting at this point. Council Member Wood stated that this tax increase will not sunset for at least 20 years because the payback of the debt will be for 20 years.

A newspaper reporter inquired as to the priority of the three main areas being discussed - economic development, infrastructure and quality of life. Council Member Piper stated he believes it is subjective for each City Council member and the Mayor. City Manager Neibert noted that three taxes adopted in 2009 - diesel tax, telecommunication tax and food & beverage tax - were to implement capital equipment and capital infrastructure projects that were identified in the Comprehensive Plan. The water & sewer fee was for improvement of the water & sewer system.

Motion by Council Member Wood to adjourn the Workshop. Second by Council Member Lash. Yeas: Lash, Piper, Wood and Chesley. Council Member McEnaney was absent.

The meeting adjourned at 5:20 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk