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**City of Mt. Vernon, Illinois**  
**City Council Workshop Meeting**  
**Monday, December 17, 2012**  
**MINUTES**

The Mt. Vernon City Council held a City Council Workshop Meeting on Monday, December 17, 2012, at 3:00 p.m. at City Hall, 1100 Main Street, Mt. Vernon, IL.

Mayor Mary Jane Chesley called the meeting to order.

**ROLL CALL**

Roll call showed present: Council Members Dennis McEnaney, Todd Piper, David Wood and Mayor Mary Jane Chesley. Council Member Ron Lash was absent.

**ELECTRIC AGGREGATION**

Jeff Haarmann, Managing Partner of Affordable Gas and Electric, provided a PowerPoint presentation to the Council regarding electric aggregation. Also present were partner Gary Niebrugge of Effingham and Jordan Haarmann. AGE is a Licensed Broker/Consultant with the Illinois Commerce Commission. They acquired residential customer acquisitions in IL, NY, NJ, OH, GA, MI, TX, IN, PA as well as commercial and industrial accounts in Ameren IL, ComEd (Chicago), DPL (Dayton), PSEG (NJ), First Energy (Ohio). AGE currently represent or have previous relationships with nationally recognized energy suppliers such as:

- *Ameren Energy Marketing*
- *AEP Retail*
- *Energy ME*
- *Constellation Energy*
- *Santanna Energy*
- *Direct Energy*
- *Dayton Power & Light*
- *Glacial Energy*
- *IDT Energy*

In 2008 electricity was deregulated by the Illinois Legislature cited in Section 1-92 of the Illinois Power Agency Act ("IPA Act") (20 ILCS 3855) which states the following:

"The corporate authorities of a municipality or county board of a county may adopt an ordinance under which it may aggregate in accordance with this section (Section 1-92 (a)) all residential and small commercial retail electric loads located, respectively, within the municipality or the unincorporated areas of the county

and, for that purpose, may solicit bids and enter into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment.”

The Opt-Out Aggregation Program requires that a referendum be passed by the voters. If it passes, residents and small businesses will automatically be included in the aggregation program, unless they choose not to participate, or “opt-out.” Ameren’s Utility customers who are located within the municipality’s geographical boundaries and are either: Residential customers receiving electric service from Ameren Illinois on electricity service rate (DS)-1 and Small Commercial retail customers consuming 15,000 KWH or less annually on a calendar basis (such as home barbershop or small insurance office). Residents who get their electricity from Tri-County Electric are eligible to vote, but are not affected by the rates. Mr. Haarmann met with Marcia Scott of Tri-County Electric Cooperative in order to inform her of AGE’s plans within Jefferson County. Tri-County, along with other Electric Cooperatives, recently purchased a power plant so they own their own generation. Their philosophy is based on a long-term perspective.

When deregulation occurred several years ago, Ameren separated their generation plants from their utility company so the utility is the regulated entity of Ameren and they are guaranteed their profit on the running of power on the power lines. Ameren Energy Marketing, their retail company, buys their power from themselves (their generation company).

Council Member Ron Lash arrived at the meeting at approximately 3:10 p.m.

Council Member McEnaney noted that he believes that the City is interested in contracting with companies that have “real” generation. Mr. Haarmann totally agreed, and noted that Ameren Energy Marketing has been successful in winning most of these bids. McEnaney inquired about the cost per kilowatt at Tri-County compared to the rate negotiated by AGE. Haarmann noted that his residential bill with Tri-County is about \$0.12 per kilowatt hour for the first 1,000 hours and a little over \$0.06 for the second 1,000.

If the referendum passes in the April 9, 2013 election, Affordable Gas & Electric will represent the City of Mt. Vernon and Jefferson County incorporated villages of Bluford, Waltonville and Belle Rive (Bonnie, Ina, Woodlawn, Dix pending approval) as well as the unincorporated areas of Jefferson County. Some examples of prior rates negotiated through the power of aggregation:

- Competitive rates if chosen individually (without aggregation) range from .0509 to .0549
- Aggregated rates in communities who have passed referendums range from .0408 to .04588.

Mr. Haarmann predicts that the rates will be in the mid-4’s or less which will be almost one-third of what Tri-County customers will be paying.

On the map one of the dots represents cities that have passed the referendum and chosen a supplier, and the others represent cities that have passed the referendum but have not chosen a supplier.

Mr. Haarmann stated that after the April, 2013 and November, 2013 elections about 80% of the communities in the State will have aggregation.

With aggregation, Ameren Illinois:

- Is still the Delivery Service Provider;
- Residents continue to receive one invoice from Ameren;
- There will be no change in delivery service charges/costs;
- Reliability of service will be unaffected;



- There will be no fees to participate;
- There will be no fees to switch;
- Residents will receive lower rates for energy supply; and
- The community as a whole will realize the benefit of aggregation.

If the referendum passes in the City of Mt. Vernon, Jordan Haarmann will meet with City officials in order to enter Ameren’s portal with the profile of every eligible customer and create the load profile to be submitted to suppliers for bid. A load profile is the amount of electricity customers use over a period of time. Generation companies use this information to plan how much power they will need to generate at any given time.

Residential Non-Space Heating (¢/kWh)			
AmerenIL Rate Zone*	Summer Jun - Sep	Non-Summer Oct – May	Non-Summer > 800 kWh
I	6.18	5.467	5.467
I – Metro East	6.18	5.467	3.338
II	6.13	5.417	5.232
III	6.169	5.456	5.456
Residential Space Heating (¢/kWh) for Oct - May			
AmerenIL Rate Zone*	First 800 kWh	> 800 kWh	
I	5.467	4.854	
III	5.456	3.189	

Mr. Haarmann shared a conversation he had with Finance Director Merle Hollmann regarding the Illinois Municipal League’s advice to include wording in the City’s agreement that protects the citizens if the rate negotiated by AGE falls below the tariff rates. Either the supplier has the ability to match the lower rate and keep all the customers they aggregated or customers can default back to Ameren to receive the lower rate.

If citizens have already entered into a contract for electric aggregation, they are obligated to fulfill their old contract.

The potential impact on a typical residence and community is as follows:

A typical household in Illinois uses:	12,000 kwh annually
Avg. Price to Compare Rate:	.0569 per kwh
<small>*4 month summer rates at .06169 plus 8 non-summer months at .05456</small>	
<small>*Does not account for higher summer usage</small>	
Estimated savings:	10% to 25% <b>(on electricity supply)</b>
@ 10%	12,000 x .0569 = \$682.80 x 10% = <b>\$68.20</b>
@ 20%	12,000 x .0569 = \$682.80 x 20% = <b>\$136.56</b>
@ 25%	12,000 x .0569 = \$682.80 x 25% = <b>\$170.70</b>

For every 1000 eligible residents, at 20% estimated savings on supply only, \$136,560 stays in our local community.

Jefferson County Estimates\*

- Population 39,9442.4 per HH
- 16,664 HH's in Jefferson County
- Assume 70% are eligible = 11,664 HH's
- Be conservative = 10,000 eligible

\*10,000 HH's saving \$136.56/yr. = \$1,365,600 dollars staying in Jefferson County annually

Customers need to be aware that only the electricity supply rate will be affected and not the distribution rate so only the supply rate of the customer's bill will be reduced by maybe 20%. Natural gas is not affected by aggregation, and is not a choice program in the State of Illinois at this time.

AGE will work to educate consumers prior to the proposed Referendum as follows:

- Facebook – AGE's website  
<http://www.facebook.com/pages/Vote-Yes-for-Lower-Electricity-Rates-in-Mt-Vernon-and-Jefferson-Co/425638217502978?fref=ts>;  
<http://www.agellc.com/services/>;
- Dedicated Aggregation Education Hotline Phone Number (618) 207-3450;
- Newspaper, radio interviews;
- Municipal newsletters, Public hearings;
- Community meetings, Chamber of Commerce, Local high school sporting events.

A brief video made by Ameren Illinois was shown explaining Ameren's stance on aggregation. In 1997 when the Legislature deregulated electricity in Illinois that law split electric delivery from electric supply to allow consumers to shop for electricity. Since then Ameren Illinois has been the City's electric delivery company and for most customers Ameren Illinois has been the default electric supplier. Ameren Illinois encourages customers to explore their options with other suppliers. Ameren will continue to be the electric delivery company no matter who supplies the electricity.

The following question will be placed on the April 9, 2013 Ballot: *Shall the City of Mt. Vernon have the authority to arrange for the supply of electricity for its residential and small business customers who have not opted out of such a program?*

Council Member Wood asked for clarification on the Supernova Partners, LLC. Supernova Partners, LLC is owned by Jeff Haarmann and Gary Niebrugge and Supernova Partners, LLC owns Affordable Gas & Electric Company, LLC. In Ohio, they employ 22 independent contractors and 11-12 in Illinois. If the City chooses AGE, it would act as the City's consultant and broker related to the acquisition of electric energy. AGE's commission fee (0.00075 per kWh) will be built into the prices bid by electric suppliers, resulting in no direct payments to AGE by the City of Mt. Vernon. AGE will provide the City with pre-referendum education and marketing. If the referendum passes AGE will develop bid specifications for the RFP and send the RFP to multiple wholesale suppliers. AGE will review the bids and present the best bid rate to the Mayor for her consideration and signature. In the previous aggregation contract, the City Council authorized the Mayor or City Manager to accept the bid within a range of prices. AGE will continue to monitor the City's electric rate and provide customer service. Affordable Gas & Electric Company has never been audited by the IRS. City Attorney David Leggans reviewed the proposed contract and made some changes to the contract.

Mayor Chesley inquired if AGE has successfully represented other municipalities and, if so, where are they located. Mr. Haarmann noted that his company was successful in an opt-in campaign which is much more difficult at the Belleville Diocese and the Jefferson County Chamber. AGE has worked on opt-out campaigns in Ohio but none in Illinois.

Council Member Lash confirmed that if the referendum passes in the City then all eligible customers in the City will be included in the aggregation. If a customer doesn't want included they will be required to opt-out.

City Manager Neibert noted that some time ago W. Stephen Thayer of Southern Illinois Municipal Electric Company (SIMEC), Carbondale, IL, made a presentation to the Mayor and City Council regarding electric aggregation program. At that point the Council did not feel they were informed enough about the program and declined to take action at that time. Neibert compared SIMEC with AGE and felt that AGE would do a better job of educating the community because of the experience they gained in Ohio.

The Jefferson County Board was also voting tonight on a contract with Supernova Partners, LLC, Affordable Gas & Electric Company, LLC. Mr. Rob Wielt, a commercial representative for AGE, will appear before the Jefferson County Board tonight because Mr. Haarmann will be appearing at the City Council meeting tonight at the Rolland W. Lewis Center. No other consulting companies will appear at the County Board meeting tonight.

City Manager Neibert estimates there are probably about 5,000 households in the City that are eligible for aggregation.

If the Council wants to place the referendum on the April 9, 2013 ballot then the Ordinance must be filed in the County Clerk's Office on or before January 22, 2013. Mr. Haarmann noted that the new electric rate cannot be announced before the April election because the City won't have authority to go out for bids until the referendum passes. He predicts it will take about 45-60 days after the April election for the rate change to go into effect.

Neibert reviewed state-wide election results and found that aggregation referendums were successful with 60% or more of the vote.

#### **MID-YEAR BUDGET REVIEW**

Finance Director Merle Hollmann presented the Council with six spreadsheets. The first illustrated the Operating Cash Balance as of April 30, July 31, and October 31, 2012; the Working Fund Balance as of April 30, July 31, and October 31, 2012; Actual Revenues as Percentage of Budget; Actual Expenditures as Percentage of Budget; the original budgeted Operating Surplus (Deficit) FY 2012-2013; and the actual budget Operating Surplus (Deficit) after the 2<sup>nd</sup> quarter.

The Operating Cash Balance as of October 31, 2012 of \$3,530,770 reflects the \$1.3 million annual commercial insurance premium to be paid in November, 2012.

The original budgeted Operating Surplus (Deficit) for FY 2012-2013 was projected to be \$(287,615) and the actual budget Operating Surplus (Deficit) after the 2<sup>nd</sup> Quarter is \$(129,720). City Manager Ron Neibert noted that the City will experience a reduction in the health insurance costs (with 7% decrease in January) and the lower commercial insurance premium so he estimates about \$140,000 in additional savings between those two items, and he expects the budget will be balanced by the end of the fiscal year.

CITY OF MT. VERNON, ILLINOIS  
2ND QUARTER BUDGET REVIEW  
AS OF October 31, 2012

12/13/2012

Description	General Corporate Fund	Comments	Public Utilities Fund	Comments
Operating Cash Balance @ 4/30/12	\$ 2,952,048	Increased accounts payable of \$324,000	\$ 603,946	Increased accounts payable of \$445,000
Operating Cash Balance @ 7/31/12	\$ 2,602,869	Extra payroll in June lowered cash by \$150,000	\$ 335,742	Increased accounts payable of \$289,000 Extra payroll in June lowered cash by \$21,000
Operating Cash Balance @ 10/31/12	\$ 3,530,770	\$1.3 million Commercial insurance to be paid in November	\$ 384,711	\$182K Commercial insurance to be paid in November
Working Fund Balance @ 4/30/12	\$ 3,827,866		\$ 409,041	
Working Fund Balance @ 7/31/12	\$ 3,719,436		\$ 432,648	
Working Fund Balance @ 10/31/12	\$ 3,698,146		\$ 522,215	
Actual Revenues as % of Budget	48%		54%	
Actual Expenditures as % of Budget	49%		52%	
Original Budgeted Operating Surplus(Deficit) FY 2012-2013	\$ (287,615)		\$ (10,077)	
Actual Budget Operating Surplus (Deficit) after 2nd quarter	\$ (129,720)		\$ 113,174	

Council Member Wood inquired if this balance includes the \$200,000 shortfall in unfunded pension? Hollmann noted that will be paid out of next fiscal year's budget. Wood also expressed concern about the \$200,000 extra funds in the operational budget in next fiscal year's budget to not have a greater than 5% tax increase. Neibert stated that based on past years' trends he expects to break even. Wood questioned the City's ability to have any excess and suggested that the Mayor, Council, City Manager and Finance Director meet to discuss how to address the unfunded pension.

Council Member McEnaney noted that the City's Fiscal Policy set the Working Fund Balance at \$1.2 million and as of October 31 that balance is \$3.6 million. City Manager Neibert cautioned that subtracting the \$1.3 for the commercial insurance premium leaves a true Working Fund balance of \$2.3 million which is about \$1 million over the City's Fiscal Policy Working Fund Balance.

In the Public Utilities Fund the Operating Cash Balance as of October 31, 2012 is \$384,711 with \$182,000 to be paid in November for the City's Commercial Insurance Premium which leaves the expendable cash around \$200,000 and higher than anticipated.

Revenues are coming in at 54% of the City's budget and expenses at 52%. The City's water sales skyrocketed because of last summer's drought. There is an operating surplus of \$113,174. According to Hollmann, the City's Fiscal Policy sets the Working Fund Balance at \$560,000 which is equal to one-month's expenditures.

**MULTI-YEAR COMPARISON OF 1% SALES TAX**

LIABILITY MONTH	MONTH RECEIVED	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	MONTHLY % COMPARISON OF MOST RECENT YR TO PREVIOUS YR
APRIL	JULY	\$438,632.50	\$407,794.29	\$418,967.94	\$403,299.10	\$438,054.71	\$413,345.85	-5.6%
MAY	AUGUST	\$437,823.02	\$417,753.35	\$428,603.92	\$434,046.32	\$425,073.52	\$462,490.66	8.8%
JUNE	SEPTEMBER	\$438,349.79	\$437,964.93	\$435,429.82	\$473,792.37	\$471,145.49	\$450,682.91	-4.3%
JULY	OCTOBER	\$415,210.14	\$408,698.43	\$400,426.58	\$433,021.47	\$475,730.14	\$431,115.53	-9.4%
AUGUST	NOVEMBER	\$391,587.50	\$400,432.01	5406,111.58	\$422,792.11	\$440,940.37	\$431,643.75	-2.1%
SEPTEMBER	DECEMBER	\$404,666.14	\$417,077.49	8390,092.87	\$422,938.76	\$430,482.03	\$424,995.71	-1.3%
OCTOBER	JANUARY	\$365,561.57	\$361,403.50	\$392,603.66	\$403,217.32	\$423,053.79	0.00	-100.0%
NOVEMBER	FEBRUARY	\$394,892.50	\$379,219.69	\$391,284.53	\$388,891.92	\$482,427.64	0.00	-100.0%
DECEMBER	MARCH	\$481,086.33	\$473,037.77	\$521,162.57	\$528,918.62	\$578,423.02	0.00	-100.0%
JANUARY	APRIL	\$356,690.15	\$328,298.84	\$360,605.42	\$367,556.57	\$402,637.47	0.00	-100.0%
FEBRUARY	MAY	\$349,526.38	\$351,788.39	\$389,515.00	\$408,084.47	\$432,826.88	0.00	-100.0%
MARCH	JUNE	\$419,798.42	\$396,569.80	\$415,972.00	\$444,939.91	\$486,526.94	0.00	-100.0%
ANNUAL TOTALS		\$4,893,824.44	\$4,780,038.49	\$4,950,775.89	\$5,131,498.94	\$5,487,322.00	\$2,614,274.41	
%INCREASE/(DECREASE) OVER PREVIOUS YEAR			-2.3%	3.6%	3.7%	6.9%		
YEAR-TO-DATE AMOUNTS						\$2,681,426.26	\$2,614,274.41	
%INCREASE (DECREASE) OVER PREVIOUS YEAR-TO-DATE							-2.5%	
%INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET							-5.0%	

Finance Director Hollmann commented that the decreases incurred in the 1% sales tax fund are consistent with the previous quarter's figures. Council Member Piper believes that the on-going construction at Interstate 57 is the cause of the decline. Fewer cars are coming to Mt. Vernon because of the construction and congestion at Exit 95, and Exit 94 was completely closed for several weeks. City Manager Neibert stated he will research and compare the traffic counts for Marion, Effingham, Ina and Salem. In addition, it appears that car sales are down too which affects this account.

**MULTI-YEAR COMPARISON OF 1% HOME RULE SALES TAX**

LIABILITY MONTH	MONTH RECEIVED	FY 2007-2008	FY 2008-2009	FY 2009-2010	FV 2010-2011	FY 2011-2012	FY 2012-2013	MONTHLY % COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
APRIL	JULY	\$297,006.70	\$275,753.11	\$266,099.80	\$301,146.94	\$315,948.25	\$301,330.71	-4.6%
MAY	AUGUST	\$312,168.52	\$296,874.22	\$297,474.87	\$302,600.21	\$313,862.01	\$320,847A5	2.2%
JUNE	SEPTEMBER	\$295,59.2.70	\$314,824.22	\$309,316.91	\$318,679.07	\$330,904.19	8321,667.13	-2.8%
JULY	OCTOBER	\$278,212.22	\$287,489.38	\$277,586.84	\$303,422.24	5313,659.63	5294,773.90	-6.0%
AUGUST	NOVEMBER	\$268,153.24	\$270,784.81	\$279,518.79	\$297,739.31	5309,213.30	\$301,317.68	-2.6%
SEPTEMBER	DECEMBER	\$278,745.89	\$284,427.11	\$279,605.67	\$316,875.03	5302,637.83	\$306,524.18	1.3%
OCTOBER	JANUARY	\$254,649.67	\$258,565.22	\$293,164.49	\$272,788.62	\$2,529.37	\$0.00	-100.0%
NOVEMBER	FEBRUARY	5284,400.15	\$261,073.92	\$283,192.14	\$297,492.65	\$306,433.22	\$0.00	-100.0%
DECEMBER	MARCH	\$341,627.86	\$335,098.58	\$386,348.58	\$379,094.14	\$414,084.63	\$0.00	-100.0%
JANUARY	APRIL	\$236,642.22	\$215,207.54	\$245,779.54	\$244,906.39	\$275,478.80	\$0.00	-100.0%
FEBRUARY	MAY	\$235,609.28	\$227,547.61	\$269,925.78	\$261,457.66	\$297,324.87	\$0.00	-100.0%
MARCH	JUNE	\$287,445.05	\$281,697.64	\$309,470.36	\$321,441.71	\$341,993.90	\$0.00	-100.0%
ANNUAL TOTALS		\$3,370,253.50	\$3,309,343.36	\$3,497,483.77	\$3,617,643.97	\$3,818,070.00	\$1,846,461.05	
% INCREASE (DECREASE) OVER PREVIOUS YEAR			-1.8%	5.7%	3.4%	5.5%		
YEAR-TO-DATE AMOUNTS						\$1,886,225.21	\$1,846,461.05	
% INCREASE (DECREASE) OVER PREVIOUS YOUR-TO-DATE							-2.1%	
% INCREASE (DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET							-4.0%	

Director Hollmann reminded the Council that the spreadsheet containing the 1% home rule sales tax does not include the ½% home rule tax that the City started collecting in October. Council Member Wood noted that the 1% and ½% home rule sales tax should be reported separately in order to monitor each fund. Hollmann anticipates the 2.1% and 4% decreases in the fund will carry through the year.

**MULTI-YEAR COMPARISON OF STATE INCOME TAX**

LIABILITY MONTH	MONTH NORMALLY RECEIVED	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	MONTHLY % COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
MAY	JUNE	\$135,791.44	\$132,441.18	\$105,801.91	\$85,731.11	\$91,194.53	\$100,923.46	10.7%
JUNE	JULY	\$134,455.49	\$146,614.36	\$115,195.26	\$120,486.27	\$118,137.36	\$129,600.09	9.7%
JULY	AUGUST	\$80,706.45	\$85,489.27	\$78,414.98	\$78,991.23	\$81,274.76	\$81,325.49	0.1%
AUGUST	SEPTEMBER	\$82,786.63	\$82,191.89	\$74,873.29	\$81,008.07	\$78,230.17	\$80,668.15	3.1%
SEPTEMBER	OCTOBER	\$141,043.05	\$146,184.36	\$115,377.48	\$117,736.10	\$124,252.62	\$127,018.33	2.2%
OCTOBER	NOVEMBER	\$90,655.69	\$91,299.79	\$86,929.99	\$88,606.87	\$79,131.47	\$95,975.85	21.3%
NOVEMBER	DECEMBER	\$82,614.41	\$71,115.00	\$68,332.20	\$97,994.34	\$74,505.64	\$0.00	-100.0%
DECEMBER	JANUARY	\$121,894.77	\$120,088.84	\$120,113.55	\$111,720.59	\$110,695.55	\$0.00	-100.0%
JANUARY	FEBRUARY	\$180,126.77	\$150,993.48	\$127,300.04	\$138,061.74	\$127,626.00	\$0.00	-100.0%
FEBRUARY	MARCH	\$96,167.28	\$81,833.38	\$78,769.09	\$68,859.84	\$85,146.93	\$0.00	-100.0%
MARCH	APRIL	\$138,804.26	\$126,335.83	\$122,336.82	\$118,461.84	\$132,205.69	\$0.00	-100.0%
APRIL	MAY	\$247,759.51	\$198,151.03	\$160,781.69	\$151,351.48	\$191,959.11	\$0.00	-100.0%
<b>ANNUAL TOTALS</b>		<b>\$1,532,805.75</b>	<b>\$1,432,738.41</b>	<b>\$1,254,776.30</b>	<b>\$1,259,009.48</b>	<b>\$1,294,359.83</b>		
%INCREASE/(DECREASE) OVER PREVIOUS YEAR			-6.5%	-12.4%	0.3%	2.8%		
YEAR-TO-DATE AMOUNTS						\$572,220.91	\$615,511.37	
%INCREASE (DECREASE) OVER PREVIOUS YEAR-TO-DATE						7.6%		
% INCREASE (DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET						13.7%		

Hollmann noted that the State of Illinois is four months behind making income tax payments to the City. He obtained these figures from the State of Illinois website. Revenues from the state income tax have shown steady increases. The City is 7.6% above year ago figures with revenues of \$615,511 this year compared to \$572,220 a year ago.

**MULTI-YEAR COMPARISON OF 1% FOOD & BEVERAGE TAX**

LIABILITY MONTH	MONTH RECEIVED	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	MONTHLY % COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
MAY	JUNE	\$0.00	\$52,173.48	\$51,984.89	\$53,431.26	\$55,584.22	4.0%
JUNE	JULY	\$0.00	\$52,587.38	\$53,553.00	\$55,311.76	\$56,628.26	2.4%
JULY	AUGUST	\$0.00	\$53,740.05	\$56,331.70	\$56,952.71	\$57,754.85	1.4%
AUGUST	SEPTEMBER	\$0.00	\$49,786.13	\$51,913.22	\$51,614.74	\$53,054.98	2.8%
SEPTEMBER	OCTOBER	\$44,937.33	\$47,965.69	\$49,855.08	\$50,864.49	\$50,609.46	-0.5%
OCTOBER	NOVEMBER	\$47,160.70	\$47,527.07	\$51,934.25	\$52,623.28	\$49,972.70	-5.0%
NOVEMBER	DECEMBER	\$44,302.56	\$46,293.72	\$47,859.34	\$49,310.53	\$0.00	-100.0%
DECEMBER	JANUARY	\$50,190.78	\$51,581.89	\$51,328.06	\$55,871.05	\$0.00	-100.0%
JANUARY	FEBRUARY	\$44,330.02	\$43,272.06	\$46,652.08	\$48,709.63	\$0.00	-100.0%
FEBRUARY	MARCH	\$44,312.69	\$44,678.87	\$48,102.53	\$50,648.69	\$0.00	-100.0%
MARCH	APRIL	\$51,078.09	\$53,121.79	\$55,415.20	\$56,384.55	\$0.00	-100.0%
APRIL	MAY	\$48,415.31	\$50,362.97	\$53,439.17	\$53,290.81	\$0.00	-100.0%

ANNUAL TOTALS	\$ 374,727.48	\$593,091.10	\$618,368.52	\$ 635,013.50	NA
%INCREASE (DECREASE) OVER PREVIOUS YEAR		N/A	4.3%	2.7%	
YEAR-TO-DATE AMOUNTS				\$320,798.24	\$323,604.47
% INCREASE (DECREASE) OVER PREVIOUS YEAR-TO-DATE					0.9%
% INCREASE (DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET					0.8%

Hollmann will research the true cause of the decline in Food & Beverage Taxes, including the Illinois Department of Transportation website for traffic counts.

**CITY OF MT. VERNON, IL  
MULTI-YEAR COMPARISON OF 2 CENT DIESEL FUEL TAX**

LIABILITY MONTH	MONTH RECEIVED	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	MONTHLY PERCENTAGE COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
MAY	JUNE	\$ -	\$44,956.14	\$42,481.78	\$44,469.25	\$50,555.76	13.7%
JUNE	JULY	\$ -	\$44,271.60	\$43,858.75	\$49,235.44	\$45,691.76	-7.2%
JULY	AUGUST	\$ -	\$48,356.97	\$43,664.78	\$52,047.12	\$44,124.71	-15.2%
AUGUST	SEPTEMBER	\$ -	\$48,257.63	\$46,562.85	\$55,674.53	\$51,649.65	-7.2%
SEPTEMBER	OCTOBER	\$ 41,699.35	\$39,982.79	\$42,849.95	\$57,119.32	\$53,867.87	-5.7%
OCTOBER	NOVEMBER	\$ 40,017.17	\$45,626.51	\$44,091.34	\$63,650.16	\$56,263.85	-11.6%
NOVEMBER	DECEMBER	\$ 38,663.83	\$38,496.21	\$39,368.93	\$51,024.36	\$0.00	-100.0%
DECEMBER	JANUARY	\$ 42,410.22	\$40,098.65	\$39,068.57	\$44,535.53	\$0.00	-100.0%
JANUARY	FEBRUARY	\$ 44,873.26	\$41,467.93	\$39,917.18	\$56,527.45	\$0.00	-100.0%
FEBRUARY	MARCH	\$ 43,309.82	\$38,822.94	\$39,645.89	\$59,002.60	\$0.00	-100.0%
MARCH	APRIL	\$ 44,857.83	\$42,337.17	\$48,332.25	\$53,950.81	\$0.00	-100.0%
APRIL	MAY	\$ 43,256.89	\$42,170.51	\$46,039.74	\$53,296.61	\$0.00	-100.0%
ANNUAL TOTALS		\$ 339,088.37	\$ 514,845.05	\$515,882.01	\$640,533.18	NA	
% INCREASE/(DECREASE) OVER PREVIOUS YEAR			N/A	0.2%	24.2%		
YEAR-TO-DATE AMOUNTS					\$322,195.82	\$ 302,153.60	
<b>% INCREASE/(DECREASE) OVER PREVIOUS YEAR-TO-DATE ACTUAL</b>						<b>-6.2%</b>	
<b>% INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET</b>						<b>-4.4%</b>	

Mayor Chesley inquired if the T & A Truck Stop had been closed for a period of time because of a change in ownership. Director Hollmann will research their revenues during research months. City Manager Neibert stated that a sign directing semi-trucks to use Wells By-Pass Road as a way to access Interstate 57 South had been installed at the Huck's Truck Stop. This was done in an attempt to alleviate traffic at the intersection with IL Route 15.

**MAYOR**

Mayor Chesley had nothing to report.

**CITY COUNCIL**

Council Member Wood informed the Council that he wants to discuss the Special Service Area No. 1, Downtown Mt. Vernon Development Corporation. Their annual budget is \$82,000.00. Wood requested that the City Manager and the Finance Director consider, within the next 60 days, how the City might use that money internally. He has heard confidentially that the Downtown Mt. Vernon Development

Corporation is pretty ineffective in getting the job done. He wants to consider spending the \$82,000.00 in the manner that the City Council believes to be best and not the DMDC Board Members. Board Members include Laura Thacker, Rex Cusumano, and many others. Maybe the economic portion of the DMDC could be taken over by the Jefferson County Development Corporation. Maybe JCDC needs another staff person who would be supervised by Mary Ellen Bechtel.

Council Member Wood suggested that meetings be conducted starting in May or June to include the Council, an expert or two, business and community leaders, to discuss a solution to the unfunded pension plans. How will this be resolved - with sales tax, property taxes? Wood desires to formulate a long-range plan to address the only ugly eye-sore on the City's financial situation. He expressed his frustration with local Legislators who have no concept of the predicament facing municipalities in Illinois over unfunded pension plans. Wood suggested, at the very least, the City should be allowed to enter into collective bargaining over the amount of contributions. Individuals such as Jim Rippey and Steven Casper who have shown concern about the City's financial status should be invited to meet with the Council. Wood suggested that maybe the two best options for solving the problem can be placed on the ballot as a referendum which wouldn't be possible until March, 2014. Council Member Wood noted that the strategy doesn't have to be raise revenues by raising rates or taxes. It can be a combination of cutting expenses, reducing the size of our fund balance to what level and over what period of time.

Council Member Piper inquired if the entire budget will be reviewed by the "recommendation committee" Council Member Wood is referring to? Wood noted that only the pension issue in the environment of the City budget will be discussed.

Mayor Chesley isn't suggesting this be done now, but she believes that the City should consider the cost per firefighter and per police officer as it relates to lay-offs and the impact on the budget including pension funds. Chesley suggested perhaps this would be a wake-up call to firefighters and police officers as to the dire state of the pension funds, including the effect on the operation of the City, on scheduling and the City's ISO rating. Every option should be on the table for discussion and negotiation.

Council Member Wood requested that City Manager Neibert formulate, starting at the time that he and the Mayor came on to the Council, the number of City employees, percentage of salary increases, or tax rates - a matrix that shows if the City has grown, does the City have more or fewer firemen, policemen, etc. He noted it would be nice to be able to say that the increase in taxes didn't go into someone's pocket, but into the ground for infrastructure. He requested that the report be confidential and then at some point in time it will be discussed as to how to bring the report into a convergence environment. Council Member Wood suggested the report be completed this summer after budget preparation is concluded.

Mayor Chesley requested a list of Board Members for the Special Service Area No. 1. Does Cyndy Mitchell make a presentation to the Council about what goals have been set and if the goals have been achieved other than at budget time?

Council Member Wood remarked that historically they voted for a tax increase to tax themselves but only if they had some way in which to impact that. The Statute states that Special Service Area No. 1's, the Downtown District's, money has to be spent for or in that district. The City has chosen to spend it by giving to Downtown Development a privately formed organization with its own board that we have very little authority over. City Manager Neibert noted that one time a year, at budget time, Downtown Development appears before the Council to justify their budget and the programs they want to do and the Council typically approves them.

Council Member McEnaney agrees that SSA No. 1 needs a review, but he sees some good in that volunteer organization which holds about 25 people on the board and only five or six on the Executive Board. The

budget total for SSA No. 1 is \$82,000.00 with the Executive Director receiving \$40,000.00 in salary. Mayor Chesley noted the Executive Director is paid more than the City Clerk.

Council Member Wood clarified he is not proposing anything, but they (SSA No. 1) seem to be spinning their wheels. He couldn't get them to even pick up the trash or anything else. The City has taken over picking up the trash.

Mayor Chesley requested a report from SSA No. 1 of their accomplishments over the years. Council Member Wood advised that the some years back the SSA No. 1 had a bond issue totaling \$400,000.00. Much of what they have accomplished was with that initial bond issue such as demolishing the Mt. Vernon Motel which the City is paying them back for through TIF.

#### **VISITORS/CITIZENS REQUESTS/ADDRESSES FROM THE AUDIENCE**

No visitors addressed the Council.

#### **EXECUTIVE SESSION**

No Executive Session was held.

#### **ADJOURNMENT**

**Motion by Council Member Piper to adjourn. Seconded by Council Member McEnaney. Yeas: Lash, McEnaney, Piper, Wood and Chesley.**

The meeting was adjourned at 4:50 p.m.

Respectfully submitted,

Jerilee Hopkins  
City Clerk