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City Clerk



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**CITY OF MT. VERNON, ILLINOIS**  
**CITY COUNCIL WORKSHOP MEETING**  
**Friday, September 27, 2019**

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The Mt. Vernon City Council met in a Workshop Meeting on Friday, September 27, 2019 at 10:00 a.m. at City Hall, 1100 Main Street, Council Chamber Room, 2<sup>nd</sup> Floor, Mt. Vernon, IL.

**CALL TO ORDER**

Mayor John Lewis called the meeting to order.

Present: Council Member Ray Botch, Council Member Donte Moore, Council Member Mike Young, and Mayor John Lewis. Absent: Council Member Jim Rippey. Also present were City Manager Mary Ellen Bechtel and Finance Director Merle Hollmann.

**VISITORS/CITIZEN'S REQUESTS/ADDRESSES FROM THE AUDIENCE**

Council Member Ray Botch wished Happy Birthday to Council Member Donte Moore.

**FISCAL YEAR 2019-2020 BUDGET REVIEW (May – August)**

City Manager Mary Ellen Bechtel stated that the numbers are looking good. Finance Director Merle Hollman presented a chart showing the Budget Review for the first four months (May through August) of Fiscal Year 2019-2020. The chart represents the three largest City funds; General Corporate, Public Utilities Water, and Public Utilities Sewer.

The General Corporate Fund shows a healthy cash balance. The cash balance will be needed to fund the home and floodplain buyouts at roughly \$800,000. The City will receive 100% reimbursement from the State for the buyouts, but it will take one or two years before the State sends the reimbursement. The General Corporate Operating Cash Balance as of August 31, 2019 is \$3,742,291. The final audited General Corporate Operating Working Fund Balance at April 30, 2019 is \$4,038,623. The revenues are \$208,000 higher than estimated and expenses are lower by \$192,000. Bechtel explained that the figures include a \$250,000 receivable from the Downtown TIF. In 2010, the City transferred \$250,000 to the Downtown TIF and it is still being carried as a receivable.

The Public Utilities Water Operating Cash Balance as of August 31, 2019 is \$69,570. The final audited Operating Working Fund Balance at April 30, 2019 is \$176,194. The revenues are \$172,000 higher than estimated and expenses higher by \$90,000.

The Public Utilities Sewer Operating Cash Balance as of August 31, 2019 is \$305,168. The final audited Operating Working Fund Balance at April 30, 2019 is \$659,284. The revenues are \$65,000 higher than estimated and expenses higher by \$33,000.



Hollmann explained the Multi-Year Comparison of the 1% Home Rule Sales Tax only includes a portion of the Home Rule Sales Tax dedicated to the General Corporate Fund. The City collects a total of 2.5% Home Rule Sales Tax. One-percent goes to the General Corporate Fund, .5% goes to the Quality of Life Fund, and 1% into a separate dedicated fund to be expended solely for (i) expenses incurred for capital construction projects for the Public Utility Department, (ii) expenses incurred for capital equipment purchases for all City Departments, (iii) expenses incurred for capital expenditures for road construction or road maintenance, (iv) early retirement of existing indebtedness, with priority to payment of debt with the highest interest rate, and (v) nuisance abatement expenditures, including demolition of dangerous and dilapidated structures. For the 1% Home Rule Sales Tax, the revenue increased 7.4% in Fiscal Year 2018-2019.

CITY OF MT. VERNON, IL											
MULTI-YEAR COMPARISON OF 1% HOME RULE SALES TAX											
											MONTHLY
											PERCENTAGE
											COMPARISON OF
											MOST RECENT YR
											TO
LIABILITY	MONTH	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	PREVIOUS YEAR
MONTH	RECEIVED										
APRIL	JULY	\$315,948.25	\$301,330.71	\$290,518.85	\$303,214.02	\$307,763.98	\$289,545.13	\$295,799.98	\$286,066.29	\$315,170.04	10.2%
MAY	AUGUST	\$313,862.01	\$320,847.45	\$316,153.60	\$318,543.12	\$312,410.24	\$293,500.86	\$293,719.12	\$324,621.31	\$331,812.29	2.2%
JUNE	SEPTEMBER	\$330,904.19	\$321,667.13	\$317,664.36	\$327,368.99	\$330,632.84	\$324,514.12	\$302,748.82	\$323,298.59	\$328,510.50	1.6%
JULY	OCTOBER	\$313,659.63	\$294,773.90	\$299,893.82	\$308,231.89	\$303,531.20	\$288,857.62	\$277,729.84	\$323,021.28	\$0.00	-100.0%
AUGUST	NOVEMBER	\$309,213.30	\$301,317.68	\$292,853.90	\$303,530.00	\$299,817.54	\$283,216.09	\$282,789.99	\$324,099.02	\$0.00	-100.0%
SEPTEMBER	DECEMBER	\$302,637.83	\$306,524.18	\$295,054.52	\$301,555.73	\$291,681.84	\$290,021.86	\$285,433.51	\$302,354.23	\$0.00	-100.0%
OCTOBER	JANUARY	\$296,529.37	\$280,437.17	\$281,033.82	\$300,200.89	\$288,061.69	\$274,976.68	\$278,122.28	\$304,422.20	\$0.00	-100.0%
NOVEMBER	FEBRUARY	\$306,433.22	\$305,744.52	\$302,881.22	\$306,622.74	\$297,195.59	\$301,803.62	\$297,487.43	\$328,453.05	\$0.00	-100.0%
DECEMBER	MARCH	\$414,084.63	\$376,032.51	\$359,300.40	\$375,241.65	\$368,602.55	\$361,436.51	\$351,656.00	\$367,483.87	\$0.00	-100.0%
JANUARY	APRIL	\$275,478.80	\$260,799.71	\$259,218.08	\$262,046.52	\$246,865.14	\$242,665.87	\$250,152.38	\$260,328.80	\$0.00	-100.0%
FEBRUARY	MAY	\$297,324.87	\$270,192.20	\$269,820.24	\$275,056.26	\$261,750.94	\$249,758.63	\$264,802.27	\$267,065.36	\$0.00	-100.0%
MARCH	JUNE	\$341,993.90	\$308,803.26	\$317,723.46	\$300,719.02	\$302,215.98	\$301,862.90	\$311,142.55	\$337,310.18	\$0.00	-100.0%
<b>ANNUAL TOTALS</b>		<b>\$3,818,070.00</b>	<b>\$3,648,470.42</b>	<b>\$3,602,116.27</b>	<b>\$3,682,330.83</b>	<b>\$3,610,529.53</b>	<b>\$3,502,159.89</b>	<b>\$3,491,584.17</b>	<b>\$3,748,524.18</b>	<b>\$975,492.83</b>	
% INCR/(DECR) OVER PREVIOUS YEAR		5.5%	-4.4%	-1.3%	2.2%	-1.9%	-3.0%	-0.3%	7.4%		
YEAR-TO-DATE AMOUNTS									\$933,986.19	\$975,492.83	
% INCREASE/(DECREASE) OVER PREVIOUS YEAR-TO-DATE										4.4%	
% INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET										6.6%	
TOTAL BUDGET FOR CURRENT YEAR										\$3,671,900.00	

Hollmann explained the Multi-Year Comparison of the State Income Tax showed an increase in revenue of 13.7% in Fiscal Year 2018-2019. The chart assumes that the State of Illinois will continue deducting 10% indefinitely.

CITY OF MT. VERNON, IL											
MULTI-YEAR COMPARISON OF STATE INCOME TAX											
LIABILITY MONTH	MONTH NORMALLY RECEIVED	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	MONTHLY PERCENTAGE COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
MAY	JUNE	\$91,194.53	\$100,923.46	\$88,556.52	\$86,004.56	\$113,725.06	\$99,605.00	\$105,893.54	\$96,792.87	\$95,807.21	-1.0%
JUNE	JULY	\$118,137.36	\$129,600.09	\$135,629.35	\$142,340.26	\$160,459.37	\$142,152.95	\$140,084.25	\$130,873.27	\$143,277.26	9.5%
JULY	AUGUST	\$81,274.76	\$81,325.49	\$84,266.52	\$83,035.22	\$93,117.52	\$82,781.34	\$66,945.80	\$96,069.49	\$102,705.55	6.9%
AUGUST	SEPTEMBER	\$78,230.17	\$80,668.15	\$82,208.52	\$81,199.62	\$88,689.06	\$90,421.61	\$78,964.06	\$93,759.93	\$90,899.46	-3.1%
SEPTEMBER	OCTOBER	\$124,252.62	\$127,018.33	\$143,426.11	\$144,884.06	\$155,874.90	\$133,618.78	\$120,227.56	\$145,720.27	\$0.00	-100.0%
OCTOBER	NOVEMBER	\$79,131.47	\$95,975.85	\$94,960.68	\$97,679.95	\$102,777.46	\$89,682.00	\$90,481.85	\$104,952.04	\$0.00	-100.0%
NOVEMBER	DECEMBER	\$74,505.64	\$79,205.29	\$75,796.33	\$73,449.17	\$80,378.77	\$81,249.61	\$79,658.97	\$86,990.70	\$0.00	-100.0%
DECEMBER	JANUARY	\$110,695.55	\$122,776.91	\$140,362.22	\$124,447.23	\$150,814.02	\$131,362.89	\$116,091.98	\$126,751.23	\$0.00	-100.0%
JANUARY	FEBRUARY	\$127,626.00	\$144,932.41	\$148,960.15	\$185,675.95	\$165,037.54	\$151,929.63	\$168,042.45	\$152,491.93	\$0.00	-100.0%
FEBRUARY	MARCH	\$85,146.93	\$81,268.69	\$85,079.83	\$81,000.64	\$95,545.41	\$79,520.84	\$84,479.00	\$91,819.70	\$0.00	-100.0%
MARCH	APRIL	\$132,205.69	\$141,117.32	\$148,780.08	\$165,526.86	\$147,839.38	\$153,353.81	\$129,721.21	\$147,481.76	\$0.00	-100.0%
APRIL	MAY	\$191,959.11	\$260,658.72	\$230,903.16	\$273,849.20	\$208,377.40	\$204,756.74	\$209,525.14	\$306,783.22	\$0.00	-100.0%
ANNUAL TOTALS		\$1,294,359.83	\$1,445,470.71	\$1,458,929.47	\$1,539,092.72	\$1,562,635.89	\$1,440,435.20	\$1,390,115.81	\$1,580,486.41	\$432,689.48	
% INCR/(DECR) OVER PREVIOUS YEAR		2.8%	11.7%	0.9%	5.5%	1.5%	-7.8%	-3.5%	13.7%		
YEAR-TO-DATE AMOUNTS									\$417,495.56	\$432,689.48	
% INCREASE/(DECREASE) OVER PREVIOUS YEAR-TO-DATE										3.6%	
% INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET										11.1%	
TOTAL BUDGET FOR CURRENT YEAR										\$1,474,900.00	

Finance Director Merle Hollmann presented a chart showing the Working Fund Balance Projections with revenue and expenditure assumptions.

**CITY OF MT. VERNON, IL GENERAL CORPORATE FUND WORKING FUND BALANCE PROJECTIONS**

	Year Ending 4/30/2020	Year Ending 4/30/2021	Year Ending 4/30/2022	Year Ending 4/30/2022	Year Ending 4/30/2024
Working Fund Balance at Beginning of FY	\$ 4,038,623	\$ 4,485,000	\$ 4,116,931	\$ 3,322,277	\$ 2,090,161
Revenues	\$14,381,687	\$14,181,205	\$14,181,205	\$14,181,205	\$14,181,205
Expenses	(\$13,935,310)	(\$14,549,274)	(\$14,975,859)	(\$15,413,321)	(\$15,863,932)
Working Fund Balance at End of Year	\$ 4,485,000	\$ 4,116,931	\$ 3,322,277	\$ 2,090,161	\$ 407,434
Months of Operating Expense	3.8	3.4	2.7	1.6	.03

**Revenue Assumptions**

1. Assuming a 1.2% increase in 2019-20 Sales and Home Rule Taxes from 2018-19 and 0% increase thereafter
2. Assuming a 0% increase in 2019-20 State Income Tax from 2018-19 and 0% thereafter
3. Assuming 10% reduction in State Income Tax will continue indefinitely
4. Assuming all other revenue will remain constant

**Expenditure Assumptions**

1. Assuming staffing levels budgeted in 2019-20 will continue through 4/30/2024
2. Assuming a 2.77% increase each year in wages (union contracts are thru 4/30/2022)
3. Assuming 4% increase each year in self-funded health insurance
4. Assuming 4% increase each year in Plan F health insurance
5. Assuming 3% increase each year in property casualty
6. Assuming 5% increase each year in work comp insurance
7. Assuming no reimbursements will be received from MFT for Public Works labor and equipment
8. Assuming that we will continue to fund JCDC at \$100,000 each year
9. Assuming that we will continue to fund DMDC at \$77,000 each year
10. Assuming 2% increase each year in all other expenses
11. Assuming no transfer for Capital Items

Mayor John Lewis asked if any of the expenditure assumptions include the increase in minimum wage. City Manager Mary Ellen Bechtel stated that no projections for minimum wage are included. She explained that the City needs to be vigilant on funds management. Council Member Ray Botch stated that the City is in great shape today and hopes to keep the 3.8 months of operating expenses on hand each year. Council Member Donte Moore feels that when the Interstate 57 and 64 are improved, the City's revenue will be affected again. City Manager Mary Ellen Bechtel stated that a review is taking place regarding zoning around Exit 94 to have limited development of truck stops in that area.

**EXECUTIVE SESSION**

No Executive Session was held.

**VISITORS/CITIZEN'S REQUESTS/ADDRESSES FROM THE AUDIENCE**

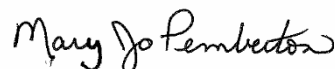
No visitors spoke at the meeting.

**ADJOURNMENT**

**Council Member Mike Young motioned to adjourn. Seconded by Council Member Donte Moore. Yeas: Botch, Moore, Young, and Lewis. Absent: Rippy.**

The meeting was adjourned at 10:40 a.m.

Respectfully submitted,



Mary Jo Pemberton, City Clerk