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City of Mt. Vernon, Illinois
Public Hearings – Downstate Small Business Stabilization Grant Program
Monday, May 18, 2020
6:30 p.m.

The Mt. Vernon City Council met for Public Hearings to hear comments regarding three applications for the Downstate Small Business Stabilization Grant Program on Monday, May 18, 2020 at 6:30 p.m. in the City Council Chamber at City Hall, 1100 Main Street, Mt. Vernon, Illinois via teleconference due to the COVID-19 quarantine.

Mayor John Lewis called the meeting to order.

Present: Council Member Ray Botch, Council Member Joe Gliosci, Council Member Donte Moore, Council Member Mike Young, Mayor John Lewis.

Others present in-person: City Manager Mary Ellen Bechtel, Assistant City Manager Nathan McKenna, City Clerk Mary Jo Pemberton, Tourism Director Angela Schrum, Travis Morse-Mt. Vernon Sentinel, Police Chief Trent Page

Others present via-teleconference: Julie Kubitz—King City Books, Brian Mooney—Studio B Salon, Jennifer Carmona—Guero’s Mexican Restaurant, Tesa Glass—Jefferson County Daily News, Mark Belon, Natalie Wellen.

PUBLIC HEARING

City Manager Mary Ellen Bechtel stated that the Public Hearings are being held for the Economic Development Downstate Small Business Stabilization Grant Program under the Community Development Block Grant Program. This program was established by the State of Illinois to benefit non-essential businesses that have been negatively impacted because of COVID-19 and the Governor’s orders to stay closed, are losing business, and have employees that have been laid off. The State of Illinois set aside \$20 million for downstate businesses. Municipalities apply for the grants, hold public hearings, approve support Resolutions for the businesses, and submit the applications to the State of Illinois. The grant funds cannot be used for expansions, for capital improvements, or for capital purchases. The funds are strictly for the businesses to start up again for wages, working fund capital, mortgage, rent, and utilities for sixty-days of operating expenses.

City Manager Mary Ellen Bechtel asked if the City Council or public had any discussion or comment about Community Development or housing needs in the City of Mt. Vernon. No comments were heard.

City Manager Mary Ellen Bechtel explained that the City is applying for the grant in the name of the City of Mt. Vernon to the State of Illinois for their approval. She stressed that this hearing and the application for the grant does not guarantee that the businesses will receive the amount of funds requested or that they will be approved. The State of Illinois will review each application and make their determination based on the merit of the businesses' information in the application.

City Manager Mary Ellen Bechtel identified each business and discussed individually the how the funds will be used. She asked for comments after presenting each business application. No comments were heard.

Business Name	Total Grant Amount Requested	Number of Employees	Sixty Days of Operation Uses					
			Wages	Rent or Mortgage	Utilities	Communication	Inventory	Equip
King City Books	\$20,000	1	\$2,800	\$1,200	\$1,000		\$14,000	\$1,000

Bechtel asked Julie Kubitz of King City Books if she had an executed lease for their new location. Kubitz replied that the first rental payment is due July 1, 2020. Bechtel asked if the business closure was due to the COVID-19 virus. Kubitz explained that prior to the COVID-19 shutdown, the business, initially was planning to close, but then decided to move to a new location. Before the inventory could be liquidated, the shutdown occurred. Bechtel questioned their \$25,000 GoFundMe Account for renovations. Kubitz replied that \$1,400 has been raised so far and if they cannot raise the balance, the funds would come from savings. She spoke on other planned fundraisers for the renovations.

Council Member Donte Moore clarified that the \$25,000 GoFundMe Account is for renovations. The \$20,000 Downstate Grant would be used to order inventory supplies, utilities, and rehire staff.

Mayor John Lewis asked what the amount of annual sales is. Kubitz replied that last year's revenue was \$116,000. Lewis stated that her application shows wages of \$8,000 per month or \$96,000 annually.

Council Member Joe Gliosci noted that her application shows losses of \$68,000 in 2017, \$21,000 in 2018, and \$46,000 in 2019. He questioned how the business is funded with these substantial losses and he questioned how the business is surviving. Kubitz explained that there have been some capital contributions, staff cutbacks, lower rent and utilities at new location, and the establishing of internet sales.

Council Member Ray Botch asked what happens if a business is awarded the grant, but then goes out of business. Bechtel explained that the City must pay the grant back to the State if the funds are not used for the purposes that it was awarded. In addition, the business must reopen within one year. Kubitz replied that they have a two-year lease in place, renovations are ongoing, and they are not giving up on opening the business. To protect the City, Bechtel suggested modifying the participation agreement with safeguards such as a lease, an Occupancy Permit, and an opening date before the funds are released. Bechtel understands that if the business is open one day, the City does not pay back the funds if it is spent according to their application.

Business Name	Total Grant Amount Requested	Number of Employees	Sixty Days of Operation Uses					
			Wages	Rent or Mortgage	Utilities	Communication	Inventory	Supplies
Guero's Mexican Restaurant	\$25,000	24	\$8,000	\$5,600	\$4,000		\$7,400	

Jennifer Carmona of Guero's Mexican Restaurant asked about the reopening guidelines. City Manager Mary Ellen Bechtel stated that the Jefferson County Health Department would provide the reopening guidelines. She explained that the carryout supplies went up 58% and many of her staff refused to be rehired because they make more wages with unemployment wages.

Business Name	Total Grant Amount Requested	Number of Employees	Sixty Days of Operation Uses							
			Wages	Rent or Mortgage	Utilities	Communication/ Internet	Inventory	Supplies	Building Maint.	Security
Studio B Salon	\$22,781	3	\$5,205	\$3,056	\$3,000	\$760	\$6,000	\$800	\$3,000	\$960

Brian Mooney stated that the salon is completely closed and hopes that it can open June 1st with the use of personal protection equipment and social distancing.

City Manager Mary Ellen Bechtel asked if there was a timeline on the State's response. Tourism Director Angela Schrum replied that they are in the process of reviewing the previous three submitted applications and not to contact their department during the next thirty days.

Mayor John Lewis asked if there were any questions or comments. No comments were heard from the audience or from the City Council.

ADJOURNMENT

Council Member Donte Moore motioned to adjourn the Public Hearing. Seconded by Council Member Joe Gliosci. Yeas: Botch, Gliosci, Moore, Young, and Lewis.

The Public Hearing was adjourned at 7:00 p.m.

Respectfully submitted,



Mary Jo Pemberton
 City Clerk