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**City of Mt. Vernon, Illinois
Public Hearing on Truth in Taxation
Monday, November 18, 2019
6:30 p.m.
MINUTES**

The Mt. Vernon City Council held a Public Hearing on Truth in Taxation on Monday, November 18, 2019 at the Rolland W. Lewis Community Building, Veterans Park, 800 South 27th Street, Mt. Vernon, Illinois.

Mayor John Lewis called the hearing to order at 6:30 pm.

City staff present: Council Member Ray Botch, Council Member Joe Gliosci, Council Member Donte Moore, Council Member Mike Young, Mayor John Lewis, City Manager Mary Ellen Bechtel, Assistant City Manager Nathan McKenna, Police Chief Trent Page, Finance Director Merle Hollmann, and City Clerk Mary Jo Pemberton.

PUBLIC HEARING ON TRUTH IN TAXATION

City Manager Mary Ellen Bechtel explained that the City of Mt. Vernon has a mandated pension contribution for 2020 of \$491,105 from the Illinois Department of Insurance. The effect of the proposed tax levy on the increase of a home with a median value of \$75,200 would be approximately \$41.35, an annual increase of \$3.45 per month. The mandated pension contribution is directly related to and calculated on one day a year, the stock market on that date and the valuation. For IMRF, Illinois Municipal Retirement Fund, the date used is December 31st of each year. For the Firefighters Pension Fund and the Police Pension Fund, it is April 30th of any given year. The State takes the value of the market on that date and the actuaries do calculations to determine what the City is required to contribute for these funds to be fully funded by 2040. The IMRF, the Illinois Municipal Retirement Fund, went up 38.59% from last year's levy. The Firefighters Pension Fund increased 15.37% and the Police Pension Fund contribution increased 7.92%. This results in a 13.11% increase on the City's portion of the property tax bill. Bechtel explained that the City was not expecting and did not budget for this \$491,205 bill from the State. She stated that the City has recently cut \$1.3 million dollars from the budget and reduced staffing by 17%. These serious cuts affected some City programs which have not been reinstated. Bechtel stated that she could not find a way to cut \$491,205 from the budget without cutting additional services. She reported that the last budget review showed that the revenue was up some and expenses were down, but not enough to cover the \$491,205 obligation. Without knowing what additional services that the City Council wants to cut, her recommendation is to increase the City's portion of the property tax bill by 13.11%.

Bechtel explained the proposed City Tax Levy by fund.

CITY OF MT. VERNON, IL PROPOSED CITY TAX LEVY 11/5/2019
 Levied 2019 - Payable 2020
 December 2019
 ASSUMING NO 2019 IMRF & SOCIAL SECURITY TAX LEVY FOR
 AZ, SSA#1, WATER AND SEWER
 USING POLICE AND FIRE PENSION LEVY UNDER NEW LAW

	2019 TAX LEVY PAYABLE 2020			2019 TAX LEVY PAYABLE 2020	
CITY WIDE LEVY	RATE	EXTENSION	Dollar Amount Increase (Decrease)	Levy	% Change
1.M.R.F. (General Corp & Tourism)+ (IMRF ERI LOAN PMT)	0.19222	\$439,999.36	161,000.64	601,000.00	36.59%
SOCIAL SECURITY (General Corp & Tourism)	0.13150	\$301,008.82	9,991.18	311,000.00	3.32%
FIREFIGHTERS'S PENSION FUND	0.41698	\$954,484.10	146,724.90	1,101,209.00	15.37%
POLICE PENSION FUND	0.39106	\$895,152.17	70,901.83	966,054.00	7.92%
PARKS	0.12219	\$279,697.86	2.14	279,700.00	0.00%
E.S.D.A.	0.00424	\$9,705.53	-5.53	9,700.00	-0.06%
TOTAL CITY WIDE	1.25819	\$2,880,047.84	388,615.16	3,268,663.00	13.49%

SPECIAL SERVICE AREA# 1 LEVY					
SPEC'L SERVICE AREA (ADMINISTRATION)	1.64000	\$84,183.82	16.18	84,200.00	0.02%
TOTAL SPECIAL SERVICE AREA# 1	1.64000	\$84,183.82	16.18	84,200.00	0.02%

GRAND TOTAL	\$2,964,231.66	\$388,631.34	\$3,352,863.00	13.11%
	4.99% =	\$147,915.16		
	Amount over	\$240,716.18		
	4.99%			

		% Increase (Decrease) from previous year
2018 EQUALIZED ASSESSED VALUATION - CITY LEVY	\$228,903,950.00	0.70%
2018 TAX RATE	1.25819	
2017 EQUALIZED ASSESSED VALUATION - CITY LEVY	\$227,321,413.00	3.67%
2017 TAX RATE	1.23961	

VISITORS/CITIZENS REQUESTS/ADDRESSES FROM THE AUDIENCE

Mayor John Lewis asked if anyone from the audience had any concerns or suggestions on how to pay the \$491,205 obligation.

Bob Shaw stated that the City Council should propose budget cuts instead of a tax levy increase because it would be a disproportionate burden on the unprotected society in Mt. Vernon. He urged fiscal discipline and encouraged the City to live within their means. Mayor Lewis said that in meetings with people in the community, no one would tell him what services to cut in order to keep the levy down. Shaw stated that the only way, is to cut employees. Lewis explained the

Police Department is now down to four officers on the street for day shift and it cannot go down any further without affecting the public and officer safety. In the Fire Department, there are six man shifts with three stations or two firemen at each station. If the City closes a Fire Station, people will throw a fit, but he is willing to shut any of the stations down as long as he has the backing of the community. In the Public Works Department, the City is getting complaints daily on why things have not gotten done.

Mayor Lewis stated that other future financial challenges for the City includes the \$15 per hour minimum wage and the reconstruction of the Exit 95 overpass. The overpass reconstruction will effect sales tax revenue for three or four years.

City Manager Mary Ellen Bechtel explained that some positions which have not been filled are; Assistant Fire Chief, Inspector, Parks Director, Recreation Coordinator, and Public Utilities Director.

Council Member Donte Moore explained that tonight the First Reading on the Levy Ordinance will be helpful. This will provide the citizens with two weeks to review the budget and offer suggestions on what services to cut. He said that residents should be aware that a decrease in services will have an effect on those who need them the most.

John Lansdowne asked the difference between private and public pensions. Mayor Lewis explained public pension are mandated by the State of Illinois. The Illinois Municipal League has been fighting the mandate pensions for over 50 years. Public pensions are legislated by law. If the City does not pay the \$491,205 obligation, the Illinois Comptroller will deduct the money from any future Sales Tax payments to the City. Lewis hopes that Governor J.B. Pritzker's recently enacted Pension Consolidation Act will help with some of the pension problems.

Dan Black, President of the Concerned Citizens of Jefferson County (CCJC), said the City and other government bodies say that their budget is cut to the bone and there is no other place to cut. He said that it is basically not true, and the "buck" stops with the City Council. No one wants to cut services, but increasing taxes has to stop. The number of employees including police and fire should be cut and hours or days worked for all employees be reduced. Black said everything should be on the table to be cut, including shutting down the Aquatic Zoo Pool. Councilman Ray Botch asked Black if he had looked at the City budget. Black replied no because it is the City Council's job to decide what services to cut. Black stated that it is not fair for citizens without pensions to pay for the pensions of others who have pensions or retirements. He stated the CCJC feels that the 13.11% levy increase is unfair and unsustainable. The CCJC urges the Council to postpone action on the levy increase and find ways to reduce the City's budget.

Bob Hood of Woodlawn stated that since the City did not fill some positions, were the positions really needed in the first place. Hood stated that the State of Illinois is the highest taxed state in

the nation. He asked why the City was not aware that this pension obligation was coming. Mayor John Lewis replied that last year it was \$80,000 and the year before that it was \$240,000. City Manager Mary Ellen Bechtel explained that there is no way to predict future costs, because it is based on the market.

Debbie Lansdowne stated that she does not want cutbacks in the Police/Fire Departments or Aquatic Zoo Pool. She offered to go through the City budget and offer suggestions if she can find anything.

Brian McGovern asked if there is a means to verify the State of Illinois' calculations. Finance Director Merle Hollmann stated that the City does not receive advance notice on the cost, and it would take the hiring of an actuary to verify their calculations. The State of Illinois receives their data from the City auditors. McGovern asked if there was a means of appeal for the levy calculations. City Manager Mary Ellen Bechtel was not aware of any appeal process. McGovern urged the City to speak with the local representatives to push back against the State's levy calculations. He feels that the City should do their own levy calculations to have a prediction on the amount the State will levy. Hollmann stated that another issue is the pension laws that provide for automatic pension increase and pension benefits. Meanwhile, Hollmann stated that the City will try to obtain additional information from the State.

Bobby Farris reported that Craig Morton announced his intent to run for office. He feels that Morton will do a good job.

Roger Jacobs asked how the City's Police and Fire Departments compare to other similar communities. City Manager Mary Ellen Bechtel stated that she has the information available at her office. Mayor John Lewis explained that in addition to the number of Police and Fire Officers, the type of services needs to be compared too. Jacobs asked if the officers could increase the amount that they contribute to the pension. Lewis explained that the amount is determined by the State of Illinois and union contracts.

Council Member Donte Moore spoke on the services that could be cut. These are services that citizens rely on daily. He said that the legislators need to fix this problem.

Former City Councilman Jim Rippe urged the City to consider using an open mind to benchmark with similar communities and use their ideas. Mayor John Lewis stated that Mt. Vernon is part of the Illinois Municipal League and many ideas come from the 1,300 communities in the IML. Horton Petties stated that cutting staff would be dangerous and does not want the City to lose any ground that they have obtained. He stated that the City needs to be protected.

Jere Shaw said to look at redundant operations, benchmarking, and attrition of employees. He does not believe that the City should lay-off any employees. Shaw stated that the City Council

needs to make some hard-nosed decisions and bite the bullet on the cuts. Mayor John Lewis stated that he will do the cuts, but a majority of the community need to be in favor of the cuts.

ADJOURNMENT

Motion by Council Member Donte Moore to adjourn the Public Hearing. Seconded by Council Member Mike Young. All in favor.

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary Jo Pemberton".

Mary Jo Pemberton, City Clerk