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**CITY OF MT. VERNON, ILLINOIS
SPECIAL CITY COUNCIL MEETING**

Monday, March 13, 2017

4:45 P.M.

MINUTES

The Mt. Vernon City Council held a Special City Council Meeting on Monday, March 13, 2017 at 4:45 p.m. at the old Council Chambers, 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 Jeff May, Dennis McEnaney, Donte Moore, Todd Piper and Mayor Mary Jane Chesley. Also in attendance were City Manager Mary Ellen Bechtel, Finance Director Merle Hollmann and Nathan McKenna.

VISITOR/CITIZEN REQUESTS/ADDRESSES FROM THE AUDIENCE

No visitors addressed the City Council.

RESOLUTION FOR WEEDY ACRES PROPERTIES, LLC

Bechtel presented for Council's consideration a Resolution Approving a Subordination Agreement for the Weedy Acres Properties, LLC Project. The City is a holder of a mortgage upon property purchased by Weedy Acres Properties LLC for the Phoenix Modular Elevator project within the new Industrial Park. Community First Bank of the Heartland previously provided financing and obtained a mortgage for the construction by Weedy Acres Properties, LLC of improvements upon the property purchased from the City; and, the City previously subordinated its mortgage to the mortgage of Community First Bank of the Heartland. Weedy Acres Properties is refinancing the mortgage indebtedness and has requested a subordination agreement from the City.

Council Member Moore made a motion to approve a Resolution Approving a Subordination Agreement for the Weedy Acres Properties, LLC Project. Seconded by Council Member McEnaney. Yeas: May, McEnaney, Moore and Chesley. Abstain: Piper.

3RD QUARTER BUDGET REVIEW

Bechtel and Finance Director Merle Hollmann presented the following spreadsheets:

After nine months of the fiscal year, the city's general corporate fund is at 71.2 percent of its projected revenues and at 69.1 percent of its projected expenditures. City Finance Director Merle Hollmann said the expenditures are down mainly due to the layoffs of seven employees in November and implementing furloughs for remaining city employees. Bechtel noted that all department heads have made a point to be sure to spend less than their allotments during the first nine month of the fiscal year.

Health insurance for 91 retired employees is \$500,000 a year. Several other retired employees have been moved to Medicare Plan F coverage for health insurance. The City projected a 20 percent increase in health insurance costs, but have experienced a 40 percent increase.

Hollmann stated that the public utilities fund actual revenues are at 82.4 percent (should be at 75 percent) while the actual expenditures are at 76.4 percent (should be at 75 percent). Several large water breaks occurred during the year requiring more overtime hours than anticipated. The City budgeted for \$77,500.00 for the year but have spent \$109,000.00 for nine months.

**CITY OF MT. VERNON, ILLINOIS
THRD QUARTER BUDGET REVIEW
AS OF JANUARY 31, 2017**

Description	General Corporate Fund	Comments	3/10/2017	
			Public Utilities Fund	Comments
Operating Cash Balance @ 4/30/2016	\$ 2,574,362		\$ 601,220	
Operating Cash Balance @ 7/31/2016	\$ 2,597,330	No extra payrolls in quarter	\$ 248,169	No extra payrolls in quarter
Operating Cash Balance @ 10/31/2016	\$ 2,835,462	1 extra payroll in quarter	\$ 736,063	1 extra payroll in quarter
Operating Cash Balance @ 1/31/2017	\$ 3,102,310	No extra payrolls in quarter	\$ 529,083	No extra payrolls in quarter
Operating Working Fund Balance @ 4/30/2016	\$ 3,344,823	Projected in budget to be \$3,485,701	\$ 558,784	Projected in budget to be \$579,277
Operating Working Fund Balance @ 7/31/2016	\$ 2,979,834		\$ 518,777	
Operating Working Fund Balance @ 10/31/2016	\$ 3,240,376		\$ 699,711	
Operating Working Fund Balance @ 1/31/2017	\$ 3,658,804		\$ 680,202	
Actual Revenues as % of Budget	71.2% Should be 75.0%		78.5% Should be 75.0%	
Actual Expenditures as % of Budget	69.1% Should be 75.0%		76.4% Should be 75.0%	
Originally Budgeted Operating Surplus (Deficit) FY 2016-2017	\$ 25,899		\$ 4,922	
Originally Budgeted Transfer to Capital Projects Fund	\$ -		\$ -	
Total Originally Budgeted Operating Surplus (Deficit) FY 2016-2017	\$ 25,899		\$ 4,922	
Actual Operating Surplus (Deficit) after 9 months	\$ 311,981		\$ 121,418	
3/4 Budgeted Annual Transfer to Capital Projects	\$ -		\$ -	
Total Actual Operating Surplus (Deficit) after 9 months	\$ 311,981		\$ 121,418	
Operating Surplus at 1/31/2017	\$ 311,981			
1% Sales Tax estimated underbudget for remainder of year	\$ (87,410)			
1% Home Rule Tax estimated underbudget for remainder of year	\$ (41,973)			
State Income Tax estimated underbudget for remainder of year	\$ (55,846)			
Fire Dept Overtime Under Budget for remainder of year	\$ 2,482			
Savings from 7 layoffs for remainder of year	\$ 93,013			
Savings from 1 day furlough for remainder of year	\$ 11,907			
Savings from cut to JCDC for remainder of year	\$ 12,500			
Savings from cut to DDMC for remainder of year	\$ 14,375			
Savings from cutting demo expenses for remainder of year	\$ 34,125			
Savings from switching Commercial Insurance for remainder of year	\$ 140,249			
Estimated Deductible costs for remainder of year	\$ (10,000)			
Budget Overage for Health Insurance for remainder of year	\$ (121,002)			
Estimated Operating Surplus for FYE 4/30/2017	\$ 324,111			

The 1 percent Sales Tax is down 4.9 percent from last year's actual, which equates to \$207,000. The 1 percent Home Rule Sales Tax revenues are down 4.6 percent, which equals \$133,000.

CITY OF MT. VERNON, IL.
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	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	MONTHLY PERCENTAGE COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
APRIL	JULY	\$438,632.50	\$407,794.29	\$418,967.94	\$403,299.10	\$438,054.71	\$413,345.85	\$417,313.89	\$446,544.55	\$453,203.72	\$432,693.61	-4.6%
MAY	AUGUST	\$437,823.02	\$417,751.35	\$428,603.92	\$434,046.32	\$425,073.52	\$462,490.66	\$451,599.76	\$462,605.32	\$464,125.16	\$438,854.30	-5.4%
JUNE	SEPTEMBER	\$438,349.79	\$437,364.93	\$435,439.92	\$473,792.37	\$471,145.49	\$450,682.91	\$449,115.95	\$471,676.09	\$481,928.07	\$469,297.40	-2.6%
JULY	OCTOBER	\$415,210.14	\$408,698.43	\$400,426.58	\$433,021.47	\$475,730.14	\$431,115.53	\$439,483.29	\$468,015.09	\$467,011.54	\$417,697.36	-6.1%
AUGUST	NOVEMBER	\$394,597.50	\$400,432.01	\$406,111.58	\$422,792.11	\$440,940.37	\$431,643.75	\$427,230.95	\$463,591.46	\$457,652.17	\$446,577.07	-2.7%
SEPTEMBER	DECEMBER	\$404,666.14	\$417,077.49	\$398,092.87	\$422,938.76	\$430,492.03	\$424,095.71	\$423,086.66	\$455,783.48	\$436,302.03	\$430,267.86	-1.3%
OCTOBER	JANUARY	\$365,561.57	\$361,043.50	\$392,603.66	\$403,217.32	\$423,053.79	\$403,469.31	\$411,730.30	\$409,598.77	\$443,313.70	\$415,192.88	-3.8%
NOVEMBER	FEBRUARY	\$394,892.50	\$379,219.69	\$391,284.53	\$388,891.92	\$402,427.64	\$434,326.45	\$429,376.49	\$449,715.37	\$438,230.13	\$415,381.44	-0.7%
DECEMBER	MARCH	\$481,066.33	\$473,037.77	\$521,162.57	\$528,978.62	\$578,423.02	\$527,102.34	\$516,248.25	\$554,323.37	\$542,272.45	\$531,174.43	-2.1%
JANUARY	APRIL	\$356,690.15	\$329,298.04	\$360,605.42	\$367,556.57	\$402,637.47	\$393,161.21	\$376,020.98	\$413,605.65	\$391,898.84	\$0.00	100.0%
FEBRUARY	MAY	\$349,526.38	\$351,788.39	\$389,515.00	\$408,084.47	\$432,816.88	\$391,809.94	\$409,735.29	\$405,851.75	\$403,017.21	\$9.00	100.0%
MARCH	JUNE	\$419,798.42	\$396,569.80	\$415,972.00	\$444,939.91	\$486,576.94	\$431,163.08	\$460,339.39	\$468,445.96	\$449,141.99	\$0.00	100.0%
ANNUAL TOTALS		\$4,893,824.44	\$4,760,038.49	\$4,950,775.89	\$5,131,498.94	\$5,487,332.00	\$5,195,005.74	\$5,210,674.20	\$5,496,593.26	\$5,429,195.51	\$4,042,076.35	
% INCREASE/(DECREASE) OVER PREVIOUS YEAR			-2.3%	3.6%	3.7%	6.9%	-5.3%	0.3%	5.8%	-1.2%	n/a	
YEAR-TO-DATE AMOUNTS												
% INCREASE/(DECREASE) OVER PREVIOUS YEAR-TO-DATE												-3.4%
% INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET												-4.9%
TOTAL BUDGET FOR CURRENT YEAR												\$5,514,000.00

CITY OF MT. VERNON, IL
MULTI-YEAR COMPARISON OF 1% HOME RULE SALES TAX

LIABILITY MONTH	MONTH RECEIVED	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	MONTHLY PERCENTAGE COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
APRIL	JULY	\$297,006.70	\$275,753.13	\$266,099.80	\$301,146.94	\$315,948.25	\$301,330.71	\$296,518.85	\$303,214.00	\$307,703.98	\$289,545.13	-5.9%
MAY	AUGUST	\$312,168.53	\$296,374.22	\$297,474.87	\$302,600.21	\$313,652.01	\$320,847.45	\$316,153.60	\$318,545.12	\$313,410.24	\$293,500.86	-6.1%
JUNE	SEPTEMBER	\$296,592.70	\$314,824.22	\$309,316.91	\$318,679.87	\$330,904.19	\$321,667.13	\$317,664.36	\$327,308.90	\$330,631.84	\$304,514.12	-1.9%
JULY	OCTOBER	\$278,212.22	\$287,489.38	\$277,896.84	\$303,422.24	\$313,659.43	\$294,773.90	\$299,893.82	\$308,231.89	\$303,531.20	\$288,857.61	-4.8%
AUGUST	NOVEMBER	\$268,153.24	\$270,784.81	\$279,518.79	\$287,739.31	\$309,213.30	\$301,377.68	\$292,853.90	\$303,530.00	\$299,817.54	\$283,216.09	-5.5%
SEPTEMBER	DECEMBER	\$278,745.89	\$284,427.11	\$279,605.67	\$316,875.03	\$305,637.83	\$306,524.18	\$295,054.52	\$301,556.73	\$291,681.84	\$290,021.80	-0.6%
OCTOBER	JANUARY	\$254,649.67	\$258,565.23	\$295,164.49	\$272,788.62	\$294,529.37	\$280,437.17	\$281,033.82	\$300,200.89	\$288,061.89	\$274,376.68	-4.5%
NOVEMBER	FEBRUARY	\$284,400.15	\$261,873.92	\$283,192.14	\$297,492.65	\$306,433.22	\$305,744.52	\$302,811.23	\$306,622.74	\$297,195.59	\$307,803.62	1.6%
DECEMBER	MARCH	\$341,627.86	\$335,098.58	\$386,346.58	\$373,094.14	\$414,084.03	\$376,032.51	\$359,300.40	\$375,241.65	\$366,602.55	\$367,601.81	-1.3%
JANUARY	APRIL	\$236,642.22	\$215,307.54	\$245,779.54	\$244,906.39	\$275,478.80	\$260,799.71	\$259,218.00	\$272,046.52	\$266,803.24	\$260,000.00	-100.0%
FEBRUARY	MAY	\$235,609.28	\$227,547.61	\$269,925.78	\$261,457.66	\$297,334.87	\$270,192.20	\$269,300.23	\$275,956.26	\$263,750.04	\$260,000.00	-100.0%
MARCH	JUNE	\$287,445.05	\$281,497.64	\$308,470.36	\$331,441.71	\$341,993.80	\$308,863.26	\$317,725.46	\$300,710.02	\$302,215.94	\$300,000.00	-100.0%
ANNUAL TOTALS		\$3,370,253.50	\$3,309,343.36	\$3,497,483.77	\$3,617,643.97	\$3,818,870.00	\$3,648,470.42	\$3,602,116.27	\$3,682,330.83	\$3,610,529.53	\$2,707,872.40	
% INCREASE/(DECREASE) OVER PREVIOUS YEAR		-1.8%	-1.8%	5.79%	3.4%	5.5%	-4.4%	-1.3%	2.3%	-1.9%	-33%	
YEAR-TO-DATE AMOUNTS												
% INCREASE/(DECREASE) OVER PREVIOUS YEAR-TO-DATE												
% INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET												
TOTAL BUDGET FOR CURRENT YEAR												

Hollmann advised that the IML projections are used in preparing the budget, but he noted that their projections have not been accurate. The City's state income tax receipts are down 13.7% from this year's projected budget amount which equates to a loss of \$158,000.00 for nine months. Council urged Bechtel to inquire with the Department of Revenue and the Illinois Municipal League (IML) regarding the loss in state sales tax due to online shopping. She will also talk with IML regarding their projections.

CITY OF MT. VERNON, IL
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	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	MONTHLY PERCENTAGE COMPARISON OF MOST RECENT YR TO PREVIOUS YEAR
MAY	JUNE	\$135,791.44	\$132,441.18	\$165,801.91	\$85,731.11	\$91,194.53	\$100,923.46	\$88,556.52	\$96,004.56	\$113,725.06	\$99,405.00	-12.4%
JUNE	JULY	\$134,455.49	\$146,614.36	\$115,195.26	\$120,486.27	\$118,137.36	\$129,600.09	\$135,620.35	\$142,340.26	\$160,459.37	\$142,152.95	-11.4%
JULY	AUGUST	\$80,706.45	\$85,489.27	\$78,014.98	\$78,991.23	\$81,274.76	\$81,325.49	\$84,266.52	\$85,035.32	\$93,117.52	\$82,781.34	-11.1%
AUGUST	SEPTEMBER	\$82,786.63	\$82,191.89	\$74,873.29	\$81,008.07	\$78,230.17	\$80,688.15	\$82,208.52	\$81,199.62	\$80,689.06	\$90,421.61	2.0%
SEPTEMBER	OCTOBER	\$141,043.05	\$146,184.36	\$115,577.48	\$117,796.18	\$124,252.62	\$127,018.33	\$143,426.11	\$144,884.06	\$155,874.99	\$133,618.78	-14.5%
OCTOBER	NOVEMBER	\$90,655.69	\$91,299.29	\$86,929.89	\$88,486.87	\$79,131.47	\$95,975.85	\$94,968.68	\$97,679.95	\$102,777.46	\$99,683.00	-12.7%
NOVEMBER	DECEMBER	\$82,014.41	\$71,115.00	\$68,332.20	\$57,954.34	\$74,505.64	\$79,205.29	\$75,796.33	\$73,448.17	\$80,378.77	\$81,246.61	1.1%
DECEMBER	JANUARY	\$121,854.77	\$120,083.84	\$126,113.55	\$111,720.59	\$110,695.55	\$122,776.91	\$140,362.22	\$124,417.23	\$150,814.02	\$131,363.89	-12.9%
JANUARY	FEBRUARY	\$190,126.77	\$150,993.48	\$127,300.04	\$138,861.74	\$127,626.00	\$144,923.41	\$148,960.15	\$165,975.95	\$165,037.54	\$151,928.63	-7.9%
FEBRUARY	MARCH	\$96,167.28	\$81,833.38	\$78,789.09	\$68,859.84	\$85,146.93	\$81,268.69	\$85,079.83	\$81,000.64	\$95,545.41	\$80.00	-100.0%
MARCH	APRIL	\$138,004.26	\$126,335.83	\$122,886.82	\$118,461.84	\$132,205.69	\$141,117.32	\$148,780.08	\$165,528.86	\$147,139.33	\$90.00	-100.0%
APRIL	MAY	\$247,759.51	\$198,151.03	\$160,781.69	\$151,351.48	\$191,959.11	\$246,656.72	\$239,903.16	\$72,849.20	\$200,577.46	\$90.00	-100.0%
ANNUAL TOTALS		\$1,832,805.75	\$1,432,738.41	\$1,254,776.30	\$1,259,009.48	\$1,294,359.83	\$1,465,470.71	\$1,458,929.47	\$1,539,092.72	\$1,562,655.89	\$1,002,803.81	
% INCREASE/(DECREASE) OVER PREVIOUS YEAR			-6.5%	-12.4%	0.3%	2.6%	11.7%	0.9%	5.5%	1.5%		
YEAR-TO-DATE AMOUNTS												
% INCREASE/(DECREASE) OVER PREVIOUS YEAR-TO-DATE												-9.7%
% INCREASE/(DECREASE) OVER CURRENT YEAR-TO-DATE BUDGET												-13.7%
TOTAL BUDGET FOR CURRENT YEAR												\$1,634,000.00

Revenue from the 1% sales tax, the 1% home rule sales tax and the state income tax is \$495,000.00 less than the amount projected in the budget.

WORKING FUND BALANCE PROJECTIONS
ASSUMING SPENDING CUTS CONTINUE
3/10/2017

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
GENERAL CORPORATE FUND				
Working Fund Balance at Beginning of Year	\$ 3,344,823	\$ 3,668,934	\$ 3,214,036	\$ 2,474,632
Revenues	\$ 14,126,817	\$ 14,255,964	\$ 14,308,816	\$ 14,480,522
Expenses	\$ (13,802,706)	\$ (14,710,862)	\$ (15,048,220)	\$ (15,407,847)
Working Fund Balance at End of Year	\$ 3,668,934	\$ 3,214,036	\$ 2,474,632	\$ 1,547,308

(Assuming spending cuts for 2016-2017 continue on 5/1/2017 and thereafter)

REVENUE PROJECTIONS
3/10/2017

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
Originally budgeted revenue	\$ 14,787,730			
1% Sales tax adjustment	\$ (269,639)			
1% Home Rule adjustment	\$ (167,890)			
State Income Tax adjustment	\$ (223,384)			
Adjusted Revenue Year Ending 4/30/2017	\$ 14,126,817			
Sale of fixed assets will go down	\$ (177,488)			
Funding from Revolving Loan will go down			\$ (17,100)	
1.2% increase for Year Ending 4/30/2018		\$ 167,392		
Adjusted Revenue Year Ending 4/30/2018		\$ 14,255,964		
1.2% increase for Year Ending 4/30/2019			\$ 169,195	
Increase in licenses, permits, fees, etc.			\$ 40,000.00	
Adjusted Revenue Year Ending 4/30/2019			\$ 14,308,816	
Tax levy for ERI Payment		\$ 139,243	\$ (139,243)	
1.2% increase for Year Ending 4/30/2020				\$ 171,706
	\$ 14,126,817	\$ 14,255,964	\$ 14,308,816	\$ 14,480,522

Health insurance costs increased 42 % and are projected to increase another 39.7% this year. Retiree insurance costs amounted to more than \$1 million in 2015-2016, with the City paying for 95 retirees. Qualifying retirees were moved to Medicare Plan F for a large savings.

Council suggested that Bechtel prepare some matrix comparing Mt. Vernon to other communities containing trend items - revenue, debt maintenance, etc.

Bechtel is working on the budget for the next fiscal year, 2017-2018, and does not anticipate any increases in revenues.

EXPENSE PROJECTIONS
3/10/2017

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
Originally budgeted expenses for Year Ending 4/30/17	\$ (14,761,831)	n/a	n/a	n/a
Estimated Fire Dept Overtime over budget	\$ (97,221)	\$ (6,205)	\$ (6,377)	\$ (6,554)
Wage and Benefit Savings from 7 layoffs	\$ 155,021	\$ 436,883	\$ 429,988	\$ 402,422
Estimated Savings from 1 day furloughs (2017), including benefits	\$ 19,345	\$ -	\$ -	\$ -
Estimated Savings from no Dept Head raises (2017), including benefits	\$ 24,161	\$ -	\$ -	\$ -
Savings from cut to JCDC	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Savings from cut to DMDC	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500
Savings from laying off part-time ee's early/no part-time ee's	\$ 58,558	\$ 99,990	\$ 102,695	\$ 105,475 including benefits
Savings from cutting Demo expenses	\$ 77,591	\$ 168,250	\$ 168,250	\$ 168,250
Adjust to anticipated ending Working Fund Balance at 4/30/2017	\$ 170,608	\$ -	\$ -	\$ -
Originally budgeted expenses for Year Ending 4/30/17		\$ (14,761,831)	\$ (14,761,831)	\$ (14,761,831)
Estimated increase in wages and benefits @ 2.77%, 2.77%, 2.77%		\$ (240,757)	\$ (488,183)	\$ (755,985)
Estimated increase in health ins benefits @ (40%/5%), (0%/5%), (0%/5%)	\$ (117,498)	\$ (696,604)	\$ (708,274)	\$ (719,944)
Estimated savings from 5 employees switching to Plan F in 2017	\$ 15,064	\$ 52,824	\$ 50,183	\$ 47,674
Estimated savings from decrease in Plan F employees in 2017	\$ -	\$ 9,720	\$ 10,206	\$ 10,716
Estimated decrease in commercial insurance @4%, 4%, 4%	\$ 560,996	\$ 466,240	\$ 434,279	\$ 401,040
Estimated increase in commercial insurance deductibles	\$ (15,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Estimated increases in other expenses		\$ (57,628)	\$ (116,409)	\$ (176,366)
ERI Annual Debt Service Payments	\$ -	\$ (139,243)	\$ (139,243)	\$ (139,243)
	\$ (13,802,706)	\$ (14,710,862)	\$ (15,048,220)	\$ (15,407,847)

WORKING FUND BALANCE PROJECTIONS
ASSUMING NO SPENDING CUTS AFTER 5/1/17
3/10/2017

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
GENERAL CORPORATE FUND				
Working Fund Balance at Beginning of Year	\$ 3,344,823	\$ 3,668,934	\$ 2,501,414	\$ 1,034,581
Revenues	\$ 14,126,817	\$ 14,255,964	\$ 14,308,816	\$ 14,480,522
Expenses	\$ (13,802,706)	\$ (15,423,484)	\$ (15,775,649)	\$ (16,150,493)
Working Fund Balance at End of Year	\$ 3,668,934	\$ 2,501,414	\$ 1,034,581	\$ (635,390)
(Assuming spending levels go back to 2016-2017 original levels starting 5/1/2017)				

CITY OF MT VERNON, IL
REVENUE PROJECTIONS
3/10/2017

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
Originally budgeted revenue	\$ 14,787,730			
1% Sales tax adjustment	\$ (269,639)			
1% Home Rule adjustment	\$ (167,890)			
State Income Tax adjustment	\$ (223,384)			
Adjusted Revenue Year Ending 4/30/2017	\$ 14,126,817			
Sale of fixed assets will go down	\$ (177,488)			
Funding from Revolving Loan will go down			\$ (17,100)	
1.2% increase for Year Ending 4/30/2018	\$ 167,392			
Adjusted Revenue Year Ending 4/30/2018		\$ 14,255,964		
1.2% increase for Year Ending 4/30/2019		\$ 169,195		
Increase in licenses, permits, fees, etc.	\$ -	\$ 40,000.00		
Adjusted Revenue Year Ending 4/30/2019			\$ 14,308,816	
Tax levy for ERI Payment	\$ 139,243	\$ (139,243)	\$ -	
1.2% increase for Year Ending 4/30/2020			\$ 171,706	
	\$ 14,126,817	\$ 14,255,964	\$ 14,308,816	\$ 14,480,522

CITY OF MT. VERNON, IL
EXPENSE PROJECTIONS
ASSUMING NO SPENDING CUTS AFTER 5/1/17
3/10/2017

	Year Ending 4/30/2017	Year Ending 4/30/2018	Year Ending 4/30/2019	Year Ending 4/30/2020
Originally budgeted expenses for 4/30/17	\$ (14,761,831)			
Estimated Fire Dept Overtime over budget	\$ (97,221)	\$ (6,205)	\$ (6,377)	\$ (6,554)
Wage & Benefit Savings from 7 layoffs	\$ 155,021	\$ -	\$ -	\$ -
Estimated Savings from 1 day furloughs including benefits	\$ 19,345	\$ -	\$ -	\$ -
Estimated Savings from no Dept. Head raises (2017) incl. benefits	\$ 24,161	\$ -	\$ -	\$ -
Savings from cut to JCDC	\$ 50,000	\$ -	\$ -	\$ -
Savings from cut to DMDC	\$ 57,500	\$ -	\$ -	\$ -
Savings from laying off part-time emp. early/no part-time emp.	\$ 58,558	\$ -	\$ -	\$ -
Savings from cutting Demo expenses	\$ 77,591	\$ -	\$ -	\$ -
Adjust to anticipated ending WFB at 4/30/17	\$ 170,608	\$ -	\$ -	\$ -
Originally budgeted expenses for 4/30/17	\$ -	\$ (14,761,831)	\$ (14,761,831)	\$ (14,761,831)
Estimated increase in wages and benefits @ 2.77%, 2.77%, 2.77%	\$ -	\$ (240,757)	\$ (488,183)	\$ (755,985)
Estimated incr in health ins benefits @ (40%/5%), (0%/5%), (0%/5%)	\$ (117,498)	\$ (696,604)	\$ (708,274)	\$ (719,944)
Estimated savings from 5 employees switching to Plan F in 2017	\$ 15,064	\$ 52,824	\$ 50,183	\$ 47,674
Estimated savings from decrease in Plan F employees in 2017	\$ -	\$ 9,720	\$ 10,206	\$ 10,716
Estimated decrease in commercial insurance @4%,4%, 4%	\$ 560,996	\$ 466,240	\$ 434,279	\$ 401,040
Estimated increase in commercial insurance deductibles	\$ (15,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Estimated increases in other expenses	\$ -	\$ (57,628)	\$ (116,409)	\$ (176,366)
ERI Annual Debt Service Payments	\$ -	\$ (139,243)	\$ (139,243)	\$ (139,243)
	\$ (13,802,706)	\$ (15,423,484)	\$ (15,775,649)	\$ (16,150,493)

New sources of revenue are needed. Bechtel noted that the City's licensing fees have not been raised in 30 years and the present fees do not cover the cost of issuing them. City Clerk Jeri Hopkins previously presented Bechtel with a spreadsheet of proposed fee increases by about \$40,000.00 per year.

RESOLUTION FOR EWR ASSOCIATES, INC. FOR ARMORY PROJECT

Bechtel presented for Council's consideration a Resolution Approving an Agreement with EWR Associates, Inc. for Professional Services (Architects) Related to the Armory Project. The cost of these proposed services is \$89,000.00 plus hourly reimbursables. An architect is necessary to drill down on what is needed for the building, i.e. ADA compliance, historical renovation, etc. EWR has designed and renovated many YMCA facilities.

Previously, Poettker Construction was chosen by Council for construction management of the Armory project. Poettker submitted a budget estimate for the anticipated renovation of the former Illinois National Guard building (the old Amory) into a multi-use community recreation facility for recreation, civic and cultural activities. Bechtel reminded that the Armory is a way to grow amenities and revenues in the City with tournaments, trade shows and other activities in the building.

The handout distributed is an estimate summary. The estimated budget range is about \$2.1 million with a contingency of \$180,000.00. It was suggested that perhaps alternative bids may be sought to include the phasing-in of the air conditioning for the auditorium, the benefits of three phase power, and utilizing the building most efficiently. Some of the work will be performed in-house to reduce costs. The bids are expected to be ready in a month.

A stakeholders meeting is set for Wednesday, March 15, at 11:00 a.m. at City Hall. Those invited include the YMCA, Tourism Department, Parks Department, Jefferson County Sports Authority (JCSA) and Rachel's Dance Studio.

Corporate naming rights and donations will be discussed soon.

Council Member Piper made a motion to approve a Resolution Approving an Agreement with EWR Associates, Inc. for Professional Services Related to the Armory Project. Seconded by Council Member McEnaney. Yeas: May, McEnaney, Moore, Piper and Chesley.



BUDGET ESTIMATE

ESTIMATE SUMMARY

OWNER: City of Mt. Vernon
PROJECT: Multi-Use Recreational Facility
LOCATION: 205 S. 7th St. Mt. Vernon, IL

ESTIMATE DATE: March 13, 2017
SQFT: 26,000

ITEM DIVISION	ITEM DESCRIPTION	BUDGET		REMARKS	\$/SQFT
2	BUILDING DEMOLITION	\$ 70,670			\$ 2.72
	SAWCUT NEW DOOR OPENING				
	REM WOOD PARTITIONS TO DECK (660 SF)				
	DEMO STAGE WOOD FLOORING (1,147 SF)				
	DEMO SHOWER DIVIDER WALL			Public Works	
	DEMO URINAL DIVIDER SCREENS			Public Works	
	DEMO ALL MEP PIPING			Public Works	
	DEMO ALL PLUMBING FIXTURES			Public Works	
	DEMO INSULATION ON CEILINGS			Public Works	
	LEAD PAINT REMOVAL (First Floor Only)				
2.1	SITE DEMOLITION	\$ -			\$ -
	REMOVE/GRIND EYELETS IN PARKING LOT			Public Works	
	DEMO FENCING			Public Works	
2.2	SEWERS/UTILITIES	\$ 3,500			\$ 0.13
	NEW FIRE MAIN			Utility Department	
	STUB INTO THE BUILDING				
2.3	SITE IMPROVEMENTS	\$ -			\$ -
	STRIPING			Public Works	
	HANDICAP SIGNS			Public Works	
3	CONCRETE FLATWORK	\$ -			\$ -
	PATCHING CONCRETE SLAB			Public Works	
4	MASONRY				\$ -
5	STRUCT / MISC STEEL				\$ -
6	ROUGH CARPENTRY	\$ 14,481			\$ 0.56
	REPLACE STAGE FLOORING WITH PLYWOOD				
	REPAIR DAMAGED CEILING IN AUDITORIUM				
	Material				
	Labor				
	Equipment				
	Dumpster				
6.1	FINISH CARPENTRY				\$ -
7	ROOFING				\$ -
8	DOORS / FRAMES / HARDWARE	\$ 800			\$ 0.03
	REMOVE AND RELOCATE DOOR				
8.1	GLASS & GLAZING				\$ -
9	DRYWALL WORK	\$ 2,413			\$ 0.09
	METAL STUD PARTITION				
	INFILL SINGLE DOOR OPENING				
9.1	CERAMIC / QUARRY TILE	\$ -			\$ -
	CLEAN CERAMIC TILE FLOORING			Public Works	
9.2	ACOUSTICAL CEILINGS	\$ 10,493			\$ 0.40
	2X4 ACT & GRID				
9.3	FLOORING	\$ 114,102			\$ 4.39
	PLYWOOD ONLY FOR AUDITORIUM FLOOR				
	CONCRETE FLOOR SEALER				
9.4	PAINTING & WALL COVERING	\$ 69,330			\$ 2.67
	PAINT INTERIOR CEILINGS, WALLS, DOORS AND FRAMES				
	CLEAN EXTERIOR OF BUILDING			Public Works	
10	SPECIALTIES	\$ 22,340			\$ 0.86
	TOILET PARTITIONS Single (plastic lam.)				
	TOILET PARTITIONS ADA (plastic lam.)				
	LABOR FOR TOILET PARTITIONS				
	TOILET ACCESSORIES				
	FIRE EXTINGUISHERS				
	PLASTIC LAMINATE COUNTERTOPS				
11	EQUIPMENT	\$ 19,050			\$ 0.73
	PORTABLE BASKETBALL HOOPS (2 ea)				
	WALL MOUNTED BASKETBALL HOOPS (4 ea)				
	REFRIDGERATOR (1 ea)				
	MICROWAVE (1 ea)				
12	FURNISHINGS				\$ -
13	SPECIAL CONSTRUCTION				\$ -
14	FIRE PROTECTION	\$ 94,575			\$ 3.64
	WET SPRINKLER				
15	PLUMBING	\$ 237,200			\$ 9.12
	DEMO OF EXISTING FIXTURES AND PIPING				
	NEW FIXTURES & PIPING				

15.1	HVAC	\$ 617,500			\$ 23.75
	DEMO OF EXISTING PIPING				
	HEATING & COOLING FOR PERIMETER ROOMS				
	BATHROOM VENTILATION				
	HEATERS IN THE AUDITORIUM				
	FRESH AIR SYSTEM IN AUDITORIUM				
	NECESSARY GAS PIPING WORK				
16	ELECTRICAL	\$ 347,775			\$ 13.38
	DEMO OF EXISTING FIXTURES AND CONDUIT				
	LIGHTING - STANDARD FLOURECENT				
	120V STANDARD POWER				
	HVAC POWER				
	FIRE ALARM SYSTEM				
	CPA REPORT COSTS	\$ 1,000			\$ 0.04
	CM REIMBURSABLES	\$ 179,586			\$ 6.91
3.60%	ARCH, LIFE SAFETY, ADA W/ BID DOCUMENTS	\$ 89,000			\$ 3.42
0.48%	CM LIABILITY INSURANCE	\$ 9,893			\$ 0.38
	CADD SERVICES	\$ 9,200			\$ 0.35
	PRECONSTRUCTION SERVICES	\$ 22,000			\$ 0.85
10.00%	CONTINGENCY	\$ 180,481			\$ 6.94
4.30%	CM FEE	\$ 88,821			\$ 3.41
BUDGET RANGE:		\$2,100,000 - \$2,650,000			

Exclusions

1	Full MEP Engineering Services	\$ 61,000.00
2	Fire Pump (if required)	\$ 50,000.00
3	Solid Surface Countertops (if required)	\$ 4,725.00
4	Maple Wood Flooring in Auditorium	\$ 16,005.00
5	AC for Auditorium	\$ 120,000.00
6	Electrical Service Upgrade, 3 phase - 800 Amp	\$ 130,500.00
7	Excludes sawcutting any existing walls	
8	Excludes any work on the exterior of the building	
9	Excludes architectural review including ADA and life safety upgrades	
10	Excludes all enviromental abatement other than lead paint	

Note: The above budget is based on the revised drawings dated 2/23/17

ADJOURNMENT

Council Member Piper made a motion to adjourn the Special City Council Meeting. Seconded by Council Member May. Yeas: May, McEnaney, Moore, Piper and Chesley.

The meeting was adjourned at 5:55 p.m.

Respectfully submitted,

Jerilee Hopkins
City Clerk