



CITY OF MOUNT VERNON
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Where's My Money Going?

MOUNT VERNON - In 2017, the citizens of Mount Vernon voted for a one-half percent additional income tax levy. After two years of collections, how much has been generated and where is that money going?

“The voters decided the additional one-half percent income tax increase was going to fund police, fire and EMS services, and that is precisely where the money is going”, said City Auditor Terry Scott.

To understand part of the history of the income tax levies in Mount Vernon, the city initiated an unvoted three-fourths percent (¾%) income tax in 1966, a measure taken by Council. The state statute allows municipalities to institute up to one percent unvoted tax. In the early 1970's, Council approved the additional quarter percent, reaching the full one percent for the municipality. In 1982, Mount Vernon voted to pass a one-half percent income tax levy specifically for the police, fire and EMS. Now, the safety services are receiving both one-half percent tax levies that assure their funding each from 1982 and 2017. This restricted income will continue unless voters decide otherwise. The measure is starting to pay off.

“It is worth noting that when we estimated revenues from the 2017 income tax levy, a major employer, Siemens, was leaving town” said Scott. “We were anticipating lost revenue close to \$1M and had adjusted our estimates as such. In fact, if you look at our estimated revenue from the 2017 tax levy, we were expecting the workforce to generate about \$3,550,000 but we actually collected \$4,004,985. Again, in 2019, we estimated about \$3,575,000 and collected \$4,239,435. Something happened that we didn't expect but are glad for it”.

That something was the economy. “Terry showed us where the money was coming from, and it was in the payroll withholdings” said Mayor Matt Starr. “When you see revenues like that, it can only mean one of two things; first more people are working, and/or those working are getting paid more”.

More specifically, over the past two years, Scott explained, that in 2018 withholdings totaled \$11,675,758 compared to \$12,183,379 in 2019. This money comes from the workforce who is employed in Mount Vernon. It does not include corporations, small businesses and LLCs, and resident taxpayers who live in Mount Vernon but work in another community. In any regard, the economy is helping the city tackle much needed projects while securing a funding stream for the safety services.

So, what happens to the other money out of the general fund that was supplementing the safety services before the 2017 income tax levy? As it turns out, the investment into the intended allocation has not only surpassed the expectations of funding the Mount Vernon Police and Fire/EMS departments, but the restructuring of the other monies originally supplementing police and fire/EMS, have resulted in a sizable increase in investment back into the citizens neighborhoods through projects that had been on hold for years. In addition, the restructuring has helped purchase much needed equipment in order for Mount Vernon's service delivery effectiveness. This was due in large part to the last City Council restricting

certain funds for projects concerning Capital Improvements and Roads and Bridges - two specific funds now on the city books.

“One thing that City Council insisted on doing was making sure that we took active measures to restructure areas that were in the general fund to be sure they are utilized for a direct benefit to the citizenry”, Scott said. “Since then, we have been able to leverage more money to pay for much needed equipment and fund infrastructure projects which has enabled us to directly put money back into the community”.

Over the past two years, the Capital Projects list included the completion of:

- Pleasant Street brick project;
- Replacement of the City Hall steps;
- In 2019, the City was able to assist with the ODOT paving of U.S. Route 36;
- 2019 saw more capital projects that included a partial upgrade to the elevator in the Plaza building at 5 North Gay;
- The additional building construction for new pool heaters at Hiawatha Water Park;
- Initiated the Newark Road sidewalk project;
- Digital speed monitor was purchased to help monitor and control motorists in high traffic areas;
- More computer upgrades, trucks, mowers, and a tractor were purchased for the service departments, as well as a front end loader, which has helped the street crew provide better service.

The Roads and Bridges fund:

- Began work on the Parrott Street - South Main Street intersection;
- Completed the Parrot Street/South Main Street intersection;
- Initiated Phase I of the Yellow Jacket Drive project, which includes new water lines for the school complex;
- Made improvements to Plum Alley;
- Initiated the Mount Vernon Avenue bridge project;
- Completed the Beech Street sidewalk project;
- Conducted a city-wide resurfacing project.

“What this translates is about 40% of the unvoted 1% income tax which is allocated for citizen-based projects. The addition of the storm water utility will also help us continue to speed up the process of replacing and/or implementing changes to the drainage infrastructure under the surface of the ground,” said Starr.

Some of the Capital Project Improvements slated for 2020 include finishing an upgrade to the Plaza Building, making improvements to the cemetery building, assisting with ODOT’s work on the bike path underpass at the viaduct on South Main Street, wrapping up the Newark Road sidewalk project (which will extend to Snyder Funeral Home, constructing Shellmar Park in the West end, and replacing a dump truck and a zero-turn mower. For Roads and Bridges, the City has plans to improve the North Main Street - Chestnut Street intersection, begin work on the Sandusky Street Safety Project-Tilden Avenue and Belmont Street intersections, participate with ODOT’s resurfacing of State Route 229 East, complete \$550,000 of city-wide paving, completing Phase II of the Yellow Jacket Drive project including curbs, gutters, and asphalt, begin work on the Belmont Street and Mulberry Street sidewalks and stormwater, complete downtown traffic signal upgrades to Ohio Avenue and Vine Street intersections with South Main Street, complete brick street work for two blocks on Oak Street and three blocks on Catherine Street, and wrap up construction on the Mount Vernon Avenue bridge.

City Council approved the supplemental appropriations last evening which includes funding for the above projects. Both Scott and Starr are looking forward to Monday night's discussion with Council and are impressed with how active and informed the group has been in the appropriations process.

“Council members asked very good questions and have been taking the appropriation process to heart”, said Scott. “It’s been an enjoyable experience going through the different line items and project list with them and seeing their enthusiasm for Mount Vernon”.

Starr agreed. “The groundwork started with the department heads in the fall of 2019 during the transitional period with former Mayor Mavis and Joel Daniels as well as the thoughtful dialogue with the new City Council members has been a true example of teamwork. I have high hopes for the city making a lot of improvements in safety, quality, and productivity in the coming years.”

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