

# Alton mulling possible hotel tax for first responders

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**ALTON** - The Alton City Council voted to "lay over" a potential tax increase on hotel stays until next month's meeting, Alton Mayor Brant Walker said Friday morning.

The decision was made at the Wednesday, July 12 meeting of the Alton City Council. The increase, Walker said, would be a \$2 a night tax on hotel stays with some sort of financial cap, possibly around \$4, to ensure long stays would not discourage hotels from

operating in the area. Walker said all the money generated by the possible new taxation would be funneled to first responders by city ordinance.

"Like many municipalities, we are in financial dire straits," Walker said. "We're facing 30 years of underfunded pensions, totaling close to \$85 million. What we are looking for is a way to raise revenues without breaking the backs of our citizens. A lot of communities have some sort of hotel tax."

Walker said the tax would not affect many Altonians, but it is still facing a bit of pushback from hotel operators in the area, who worry about it harming their business. Walker also acknowledged some entities claiming taxes will go exclusively toward first responders often misappropriate those funds. He said he was sure the hotel operators would feel a bit better about the situation if the tax was capped and if they could be certain the money went towards first responders.

Those first responders are in need of some extra revenue as well. Walker said the Alton Police Department recently lost a patrol SUV to a transmission failure. Other vehicles in the police fleet are climbing desperately toward hefty mileages, meaning they will need replaced in the very near future.

In a data sheet provided to Riverbender.com from Walker, seven of the police department's 37 vehicles have more than 100,000 miles - with a Chevy Trailblazer being used in the investigations division having as many as 190,000 miles. Another six vehicles in the fleet are approaching 100,000 miles with at least 90,000 miles on their odometer.

"Those cars are never turned off, either," Walker said. "So some of those mileages might as well be quadrupled."

Alton's fire department may also find itself in need of new vehicles in the future. Walker said Alton Fire Chief Bernie Sebold said a new piece of equipment may cost as much as \$1 million.

If the proposed tax passes, Walker believes the police department will replace as many as three cars a year, while the fire department may save revenue for a few years before making a new purchase.

Vehicle replacement is not the only possible benefit from the proposed tax, Walker said. The unfunded pensions, which are mandated by a court settlement to be paid by the city, are some of the city's largest current debts. Walker said the fire and police departments sued the Sandidge administration for pension payments and won, meaning the city is required by that court order to fund a certain amount for the pensions.

Such unfunded mandates are commonplace in Illinois. Walker said the new budget recently passed in Springfield does not allow for any pension relief to Illinois municipalities, but still takes as much as 20 percent from corporate taxation, which would have otherwise gone to the city.

"That means we're still under the gun for those pensions," Walker said.

While Walker describes the last four years of Alton's economic development as "good," last year the city had an estimated \$2 million budget deficit. Walker said that deficit came from a spike in the city's insurance rate, because the city is self-insured. The current city expenses for insurance is as much as \$6 million with payroll being as high as \$16 million.

Even with these daunting figures, Walker is optimistic for the future of Alton. He used examples of new businesses such as Sherry's Snacks, Nicky G's and Germania Brew Haus as proof of Alton's economic growth. He said the new businesses coming to town and finding economic successes will be the key to Alton's future growth.

"The last four years have been good," he said. "But, we're up against 30 years of debt. It's almost like we got a bill 30 years ago and haven't paid it since. There's a lot to it now."