

**SUMMARY MINUTES OF THE
WORK SESSION CITY COUNCIL MEETING
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS
SATURDAY, MARCH 12, 2016; 8:00 A.M.**

The Council convened in Work Session in the Osborn Room, 305 East St., at 8:00 a.m., Saturday, March 12, 2016.

1. CALL TO ORDER

The Meeting was called to order by Mayor Renner who directed the City Clerk to call the roll and the following members answered present:

2. ROLL CALL

Aldermen: Kevin Lower, David Sage, Amelia Buragas, Mboka Mwilambwe, Karen Schmidt, Scott Black, Diana Hauman, Joni Painter and Mayor Tari Renner.

Alderman Absent: Jim Fruin

Staff Present: David Hales, City Manager; Steve Rasmussen, Assistant City Manager; Cherry Lawson, City Clerk; Patty-Lynn Silva, Finance Director; Carla Murillo, Budget Manager; Nora Dukowitz, Communications Manager; Eric Veal, Community Engagement Manager; Eric Vaughn, Deputy Fire Chief; Jay Tetzloff, Zoo Supervisor; Scott Sprouls, Director Information Services; Tom Dabareiner, Plan/Code Enforcement Director; Austin Grammer, Economic Development Coordinator; Nicole Albertson, Human Resources Director; Brett Lueschen, Superintendent Water Purification; Ken Bays, Assistant Police Chief; Brian Mohr, Fire Chief; Jim Karch, Public Service Director.

3. PUBLIC COMMENT

Mayor Renner opened the meeting to receive Public Comment. No individuals offered comments during the meeting.

4. WELCOME & OPENING REMARKS

Mayor Renner thanked David Hales, City Manager and Patty-Lynn Silva, Finance Director, along with all the Department Heads for the work put in on the budget. He provided a brief summary of the budget priorities. He requested that any changes Council would like to make be clear and precise.

5. OPENING REMARKS

David Hales, City Manager, thanked staff for preparing for the budget session. He stated this session would be four (4) hours of high-level discussions on how to continue to move forward on long-term financial stability. The first (1st) two (2) hours would review the recommended FY2017 budget; give feedback and recommendations for change. A Public Hearing was tentatively scheduled for the last meeting in March, 2016. The first (1st) meeting in April, 2016 would be tentatively scheduled for opportunity to approve the budget. The budget would need to be approved by the end of April, 2016.

The next two (2) hours would be high-level discussions on: 1.) the Five (5) Year Capital Improvement Program (CIP), 2.) Proposed \$30 million street resurfacing bond and 3.) Sanitary sewer & storm water fee. The final discussion would be on long-term financial sustainability.

Review of the Five Council Priorities 1.) Economic Development, 2.) Infrastructure, 3.) Financial Planning, 4.) Reduced Emergency Response Times and 5.) Downtown Implementation Plan would be the guide for the budget review.

6. PRESENTATION & DISCUSSION OF THE FY17 OPERATING AND CAPITAL BUDGETS

Economic Development

Austin Grammer, Economic Development Coordinator, reviewed accomplishments in the last year including Greentop Grocery, Constitution Trail, Colonial Plaza Redevelopment Project, Redevelopment Agreement, Kroger's Marketplace, Downtown Front-N-Center block, property acquisitions and the Sugar Creek Packing Plant demolition. Budget highlights included funding for the Bloomington-Normal Economic Development Council, the Downtown Bloomington Association and the Convention and Visitors Bureau for proposed level funding same as last year's budget. Although level funding was proposed, he expressed concerns going forward with maintaining the level of benefits brought to the City by these organizations. The Mitsubishi Plant would need to attract redevelopment.

Mr. Hales stated \$390,000 for Economic Development was set aside as a placeholder for distribution for other initiatives. Intergovernmental Agreements would be needed for Connect Transit with increased funding and for Mental Health with McLean County to outline more details.

Police

Ken Bays, Assistant Police Chief, believed the Police Department (Force) was doing a great job. Accomplishments from last year included an 11.3% drop in crime. The March, 2015 President's Interim report on 21st Century Policing showed Law Enforcement's credibility and effectiveness was gauged on its relationship with the community. He stated the Force would continue with community contact through Social media and a patrol Omni-presence on the street.

Additional accomplishments included implementation of Narcan to assist with Heroin overdoses, a Youth Intervention specialist, Social media campaign and Recruitment efforts.

Highlights to move forward included adjustments to get the Indoor Range completed for an approximate \$400,000 savings and body-worn cameras to add credibility and legitimacy. The challenges with the cameras included the Freedom of Information Act (FOIA) and equipment cost along with records retention. Partnership with other agencies was being reviewed to turn the Youth Intervention position into a full-time position with no increased expense to the Force.

Challenges included body-worn camera costs, staff for FOIA requests with the body-worn cameras implementation, personnel staffing, training, recruitment and the mental health issues class.

Mr. Hales commended the Force on recruiting to add diversity within the ranks.

Fire

Brian Mohr, Fire Chief, stated the Fire Department budget addresses three (3) of the five (5) Council Priorities: 1.) Infrastructure, 2.) Long term financial planning and 3.) Public Safety Response Times. He reviewed the 2015 accomplishments. Implementation of the Firefighter Priority Dispatch system would go live Monday, March 14, 2016. Updated response territories from four (4) to ten (10) to include all stations and apparatus available. This improvement would identify the right resource available at the right location at the right time. He identified issues with the traffic preemption system not working properly and implemented plans for continuous improvement. Development of the Firefighter Wellness program in conjunction with Human Resources and Local 49 would be implemented in FY2017. The Department Safety Committee was reinstated to reduce Firefighter injuries. Four (4) retirements and five (5) new Command staff in little over a year resulted in loss of knowledge but new insight and energy gains. Staff was down by five (5) positions with no eligibility list to hire at this time. The Aircraft Rescue and Firefighting (ARFF) services agreement with the Central Illinois Regional Airport (CIRA) had been developed with negotiations completed by FY2017 end.

Highlights for the Fire Department: adoption of the Fire Department Master Plan which included 1.) Implementing the new Station Alerting System to improve response time and 2.) Architectural design phase for Station 3 renovation project. Development of a sustainable fire apparatus replacement program was implemented, to balance out the vehicle and equipment replacements. Two (2) Fire engines, a Medic unit and two (2) Commanding Officer vehicles would be replaced FY2017. There would be an addition of an Advanced Life Support (ALS) ambulance to support the heavy call volume and reduce response times at Headquarters (HQ) station.

Challenges included a long-term plan for traffic signal preemption system; focus on improving the recruitment efforts process; video conferencing capabilities for training; distance traveled from current stations to the North East area as growth and development continued

required research for an additional Fire Station location; and resource availability for the heavy call volume and to reduce response time.

Public Works

Jim Karch, Public Service Director, highlighted the Mission Statement for Public Works Department. He reviewed the 2015 accomplishments. The Sidewalk Master Plan won a state-wide award and was up for a national award. He stated the department was preparing for a presentation to the American Public Works Association (APWA) on the Plan. Promotions of staff have occurred within the City. Projects completed last year include 1.) Removal of the barrier at Jefferson St. and Allin St. and 2.) Street repairs on Chestnut St. between Oak St. and Mason St. He asked Council for assistance to implement a five (5) year plan for future projects.

Concerns included adequate funding in the enterprise funds to complete infrastructure projects. A traffic engineer was needed. The City would need to plan for McLean County Landfill closing in the next few years. He thanked Council for all the support last year.

Water

Brett Lueschen, Water Purification Superintendent, stated the budget for FY2017 for the Water Department consisted of approximately \$23 million, with \$15 million in revenue and \$9 million for Labor and Utilities. Major Projects included an Infrastructure Master Plan, upgrades at the Treatment Plant and a Master Plan for the Supervisory Control and Data Acquisition (SCADA) system. Water research would be conducted with the University of Illinois for groundwater and to reduce Nitrate levels. Multi-year shoreline stabilization of the City's Reservoir and various water main projects were highlights for the FY2017 budget.

Challenges included an open position for an engineer to address water pipe issues; Nitrate levels at Lake Bloomington; monitoring water quality and maintaining long-term water supplies. Highlights from FY2016 included extending the contract with Maurer-Stutz, Inc.; approval to add an engineer position; completed over 2000 feet of shoreline protection at both reservoirs and the continued meter project throughout the City.

Mr. Hales stated the Water Department was working on a presentation on water quality in collaboration with University of Illinois (U of I) to ensure a healthy community.

Parks

Jay Tetzloff, Zoo Supervisor, stated he had twelve (12) independent budgets. Budget plans included: increases in Golf revenue; Capital equipment needed; Golf path resurfacing at Prairie Vista Golf Course; replacement of a 1983 Grapple Boom truck; O'Neil Park swimming pool needed a repair feasibility study as it was forty-two (42) years old with original equipment; Lincoln Leisure Center needed a new building; user fee study for revenue and expense recoupment from staff assistance for events and US Cellular Coliseum (USCC) changes would affect the department.

He stated staff morale had gone up and down due to budget cut fears and lack of financial support causing job losses. The department used less staff to do the work needed than other communities consulted. The department was not fully staffed causing a reactive-based management instead of proactive.

Accomplishments from FY2016 included: Eagle View Park opening and fifty percent (50%) cost recovery with forty percent (40%) as the National average. This year would have several anniversary celebrations: 25th year for Prairie Vista Golf Course, 10th year for Bloomington Center for the Public Arts (BCPA) and Pepsi Ice Center and 125th year for the Miller Park Zoo.

Community Development

Tom Dabareiner, Plan/Code Enforcement Director, stated accomplishments for the department included being fully staffed. Younger staff replaced retirees and a third (1/3) of staff received promotions. The Comprehensive Plan which won a statewide award was completed. The decreased budget, \$3.5 million, was accomplished by retirements, contracting out the Zoning Code rewrite, along with spending and revenue down for the Community Development Block Grant (CDBG) program.

Challenges included new staff with training needs; Fire Inspection Program was backlogged due to lack of man hours; lack of an easily searchable Municipal Code and computer hardware to access while in the field.

Mr. Hales stated there was a critical need to review programs and services within the City to validate any need for changes.

Finance

Patti-Lynn Silva, Finance Director, reviewed responsibilities of the Finance Department. FY2016 accomplishments, with a staff of twelve (12), included the Budget Task Force implemented to help resolve the fiscal deficit; implemented the one percent (1%) sales tax; reviewed the methodology of the storm water and sewer rates; recorded the first (1st) year of the Internal Audit program; participated in the City's Economic Development efforts; completed the 2015 annual City's Audit; resolved some Internal Control issues; completed the coordination of the Firefighter's and Police audits; earned the Certificate of Excellence in Financial reporting for the thirty-ninth (39th) year; participated in the 5 Year Capital Plan; participated in the Citizen's Academy; adopted the 2016 Calendar Property tax levy; developed a monthly meeting with other departments to work on the budget; produced the first (1st) Formal Quarterly Report with narratives; implemented the Procurement Policy the Council adopted; made sure the Pension Funding policy was complied with and two (2) members of Finance have been appointed to the Pension Board.

Challenges within the department included Debt and Treasury management; long-term fiscal planning and the Water finance transition plan.

Mr. Hales commended the transformation of the Finance Department staff.

Information Services

Scott Sprouls, Information Services Director, reviewed accomplishments which included supporting the accomplishments of other departments; the MUNIS project was not worked on as much as desired but planned to ramp progress up in the coming fiscal year to handle the utility billing module. Ground work for the module was completed; created a tracking and reporting tool for state and local sales tax information to support the Economic Development Council goals; worked with departments on the Fiscal Choice Unity Study; increased data storage for the Cyber Training Unit in the Police department; created an online private security registration form for a camera process for the Police department; close to finalizing migration for the Fire department Firehouse software with upgrades and migrating into the Cloud; worked on a solution with the Legal department for recording capabilities for the Adjudication Court hearings in the Council Chambers and the Osborn Room; assisted departments with Social Media tools; the “My Bloomington” app went live; managed approximately 3,000 network devices throughout the City along with training users; over one hundred (100) business line applications supported and maintained at over forty (40) locations.

This is a standard budget with salaries as the larger line items, along with maintenance on hardware and software, replacement hardware and telecommunication connectivity. Challenges included supporting technology requests; looking for efficiencies within the department; services provided could be managed through the Cloud; eliminating or outsourcing some services provided; aging infrastructure; focus on security for FY2017 and Freedom of Information Act (FOIA) requests.

Projects for FY2017 included Video Conferencing solutions for the Fire Department; storage and data requirement solutions for Body-worn cameras and Time and Attendance software installation.

Mr. Hales stated the Information Services (IS) department was a hybrid department with two (2) full-time employees that contract with an outside company to meet the City’s growing needs.

Human Resources

Nicole Albertson, Human Resources Director, stated she was proud of her staff with such a busy year. Accomplishments for FY2016 included applicant process software installed; first (1st) employee survey completed in over ten (10) years; implemented a Retirement Health Plan for Medicare eligible retirees; supervisory training; the Wellness plan had been recognized by the American Heart Association; a new Employee Handbook was almost completed; worked with Internal Investigations to address claims of workplace bullying and workplace harassment

with possible terminations. There were approximately twenty (20) internal investigations which were time consuming to assure compliance with contracts, bargaining agreement and Legal.

In FY2017, the theme was “Getting Back to Basics” and included providing services to employees and management efficiently; talent acquisition and development for diversity recruitment; professional development for employees and managers; resurrected the New Employee Orientation program and Benefits and Compensation review. Payroll would be migrating from the Finance department to Human Relations (HR) effective May 1, 2016. A Payroll supervisor position was open. There was one (1) person handling the Payroll process with assistance from four (4) to five (5) employees for data processing. Performance Management would include improvement of evaluation tools to hold employees accountable for the function they were hired for. Technology would be reviewed for tools to leverage services including Time and Attendance software.

Mr. Hales commended the HR department and believed they had done an excellent job with initiatives and looking for ways to build morale. He commended all staff as the workload was great and staff was lean. He congratulated all on an outstanding job in each department. He mentioned the Legal department and commended them for an outstanding job as many compliments had been received.

Mayor Renner stated the budget was balanced and should be proud of the hard work done by all.

Mr. Hales thanked Council on behalf of staff for the one percent (1%) sales tax increase and other critical decisions made to bring forward a balanced budget.

Mayor Renner questioned the \$390,000 for Economic Development Council (EDC). Mr. Hales stated Bloomington, Normal and McLean County have each contributed \$100,000 to the Regional Economic Development Council. The B-N Advantage Plan had not set a specific dollar amount for the projects desired. The \$390,000 had been set aside as a place-holder matching the Town of Normal’s (Town) budget. All of the dollars would not have to be directed to the EDC. The Council would decide how the dollars were used to benefit economic development. Part of the money was expected to go to B-N Advantage. The \$390,000 along with another approximately \$600,000 for Connect Transit was coming from the one percent (1%) sales tax increase.

Alderman Schmidt questioned having conversations on subsidy levels and timelines. Mr. Hales stated this would be discussed in the presentation and discussion of Priority-Based Budgeting later. The same subsidy levels were desired with specific details for programs and services along with costs. It would be up to the Council to determine the policy level for the subsidy level per department. Fees and service charges would be reviewed for each program along with cost recovery and determination if new fees are needed.

Alderman Schmidt questioned when conversations would be had regarding the dollars needed for staffing challenges and the money set aside for B-N Advantage and Connect Transit.

Mr. Hales stated that would occur with the Priority-Based Budgeting discussion later. Alderman Schmidt stated the assumption was that Council would move ahead with the dollars stated in the budget for B-N Advantage and Connect Transit and work through the details throughout FY2017. Mr. Hales stated that was his recommendation.

Alderman Buragas stated the Council needed to set the subsidy levels and goals or others would set them for us. She believed performance expectations needed to be set as a matrix to see what was working and what was not. She questioned staffing concerns and what fully staffed looked like. Mr. Hales stated that would be discussed further with Priority-Based Budgeting.

Alderman Sage questioned gaining more understanding of where funding would be spent on some of the projects in the budget such as B-N Advantage, Connect Transit and Mental Health. He questioned having a metrics package put together to have available for the tax payers to show how the dollars were spent outside of the control of the City. Mr. Hales responded affirmatively. He stated Connect Transit should address this to show expansion and enhancements with the funding received along with performance measures. This should be part of the agreement with Connect Transit.

Alderman Lower stated he would like to know more about the traffic preemption program and body-worn cameras to understand expectations of Council and cost. Mr. Hales stated a detailed memorandum on traffic signal preemption plans was being prepared to bring to Council in a work session. The body-worn cameras had funding set aside but no recommendation for purchase or the full comprehensive cost of same. More information would be gathered and brought back to Council.

Alderman Lower questioned the increase in staff in the Police and Fire Departments to gain efficiencies. He believed the purchase of another ambulance was a high priority for the Council.

Alderman Schmidt stated it would be helpful to understand the cost of the challenges faced by each of the departments in order to set priorities. She expressed appreciation for the work of Austin Grammer and the EDC. She questioned the need for a comprehensive plan for Downtown to attract the right businesses in the right locations.

Alderman Painter questioned whether the one-stop shop assisting small business start-up would be available for the entire City. Mr. Hales questioned the resources available to assist small businesses on a day-to-day basis. Mr. Dabareiner stated staff was actively pursuing a one stop approach with a roll-out started next week. Mr. Hales requested a presentation at the next City Council Committee of the Whole meeting, March 21, 2016.

7. BREAK

Council broke at 10:15 a.m. and reconvened at 10:30 a.m.

8. PRESENTATION & DISCUSSION OF THE 5-YEAR CAPITAL IMPROVEMENT PROGRAM

a. 5-year CIP update

b. Street resurfacing bond, \$20-30M

c. Sanitary sewer & storm water fee increase & \$20M +/- bond

Mr. Hales provided introductory remarks. The 5-year Capital Improvement Program (CIP) status update would be given. Some high-level feedback from the Council would be given on the two (2) items: 1.) Street resurfacing bond and 2.) The sanitary sewer and storm water fee increases &/or bond. An affordable 5-year CIP was desired. Master Plans were to be the guiding documents for Council to adopt and amend as priorities shifted and new projects arose.

Immediate issues were the \$20 - 30 million Street Resurfacing Bond and Sanitary Sewer and storm water fee increase with sewer projects of \$20 million +/- bond.

Alderman Sage questioned whether the \$20-30 million in street resurfacing was part of the CIP or outside of same. Mr. Hales stated Council would have to approve the proposal and then it would become part of the 5-year CIP.

Patti-Lynn Silva, Finance Director, provided an introductory statement. The Finance Department was tasked with developing a plan to have \$24 million with no additional revenue for road resurfacing. The recurring revenue the City had after this summer could be leveraged to provide \$24 million for roads over the next three (3) years and \$40 million over five (5) years.

Jim Karch, Public Service Director, stated the difference in the roads would be significant. \$8 million a year was manageable and would make a marketable difference in the community. Alderman Schmidt questioned whether the underground work would be done. Mr. Karch stated the sewer issues and street resurfacing would be a joint effort in accord with the prepared Master Plans. The sewer rates tie in with the six (6) year Plan. Enterprise funds were not there for this work to be done. Support for these fee increases were requested from the Council. Alderman Schmidt clarified the \$8 million was just for resurfacing but would go hand-in-hand with the fee increase for sewers. Mr. Karch replied affirmatively.

Alderman Lower believed the request would be a stop-gap. He agreed the work needed to be done. He stated the funds should come out of the property taxes not have a fee increase. There was a finance expense charged every time something was refinanced. He believed the funds should be built into the budget for these projects and lower priority items dropped.

Ms. Silva stated the infrastructure needs were great and the bond rates were low. A revolving solution for both would be needed. The City's credit rating would be positively affected.

Alderman Buragas stated the Council was dealing with issues that had been neglected. The City needed to get on track to have revenue available for these issues. She questioned whether the plan included State funding. Mr. Karch stated it did not include the Motor Fuel Tax or the .25% sales tax. The large Capital projects and projects for the road crews were not included as part of this project.

Mayor Renner stated this was not like buying a vehicle as your credit rating would go down with same, whereas the City's credit rating would go up.

Alderman Mwilambwe questioned Public Services department's capacity to do the work. Mr. Karch stated it would be a hybrid approach with outside resources assisting along with some increases in staff.

Alderman Black stated government debt was different from individual debt. Alderman Sage agreed and questioned the authoritative entity of CIP to be responsible for keeping the highest priority Plans on track. Alderman Hauman agreed and added the entity would still provide the City with a Plan even when Council changes.

Alderman Lower questioned the interest expense and the economic forecasts. Ms. Silva stated four and a half percent (4.5%) was used on the model.

Alderman Buragas questioned the street lifespan compared to the bond term. Mr. Karch stated the street lifespan would exceed the bond term, although the lifespan will vary by street type.

Mr. Hales stated the on-going money sources such as the Motor Fuel Tax (MFT) and the .25% sales tax doesn't include the Street Master Plan. The MFT was being used for major, new projects. Ms. Silva agreed.

Alderman Schmidt questioned whether there was a single bond with the projects going together at the same time. Ms. Silva stated the bond was relative. Over a five (5) year period, beginning 2018, the City would be able to do \$40 million in sewers and storm water and \$40 million on street resurfacing. Alderman Sage questioned whether the debt/service ratio remained constant. Ms. Silva stated in this case it would be up and down but there was dedicated revenue to pay for it.

Mr. Hales reminded Council to review the information on sewer fee impacts to customers and discuss how this tied in with the conversations on the utility works. Ms. Silva stated the increase in fees was very affordable over the ten (10) year period. Mr. Hales stated the discussion would continue at the City Council Committee of the Whole.

8. PRESENTATION & DISCUSSION OF PRIORITY-BASED BUDGETING

a. Long-term financial projection

b. *How do we prepare to achieve long-term financial sustainability?*

c. *Priority-Based Budgeting, done “Bloomington Style”*

cc. *Examples = Golf courses, Fire, HR*

Mr. Hales provided a brief overview. He stated the City was in a strong financial position for the next three (3) years. Based on projections, year four (4) costs, in particular labor costs, could outgrow future revenue projections. In the Council’s Five Priorities it was recognized that the City must have a long-term financial sustainability plan. Prioritized programs and services would be needed to provide Council and the community with good information to make policy decisions quarter by quarter. He highlighted the Fire Department’s format for their budget. It focused on identifying programs and services to develop total costs. He proposed having each department use the same format.

Performance metrics would be a work in progress. Many programs and services were possibly performing in the “below expectations” or “needs improvement” levels. He questioned whether this could be identified with the budget book. A simple format to identify such was needed along with understanding what it would take to get to the “meets expectations” level.

He stated we needed to make sure what that costs, how was it being funded, what were the revenue sources, should there be other revenue sources and should the gap be closed with new policies, fees, etc. This analysis would provide outlooks for each quarter. The goal would be for the operating budget as a whole to provide for all programs and services at a “meets expectations” level.

Finance worked with Parks and Recreation to demonstrate understanding the facts of an operating budget, revenue from fees and taxes and expenditures for the Golf Courses. All Golf Courses nearly broke even for Net Profit/Loss. The total Capital Projects for the coming years would exceed profits. FY2017 highlighted proposed fees and rate increases. Two (2) Resolutions had been drafted to be placed on the Regular Agenda: 1.) stop the request for management outsourcing for the Golf Courses and 2.) Retention of the Golf Courses.

Alderman Schmidt questioned the Capital Improvement expenses for the Golf Courses and rate increases. Mr. Tetzloff stated increasing fees covers the operating expenses for the most part. Alderman Schmidt stated golfers would like to be engaged with Capital Improvements along with operating expenses.

Alderman Sage believed an RFP from a management firm was needed to fully understand the impact to the City for Capital expenses. He cautioned making decisions without all the facts. Mr. Hales stated more research was needed to build Capital into the business models. Alderman Sage questioned where potential reductions would come from. He was agreeable to stopping the RFP process. Mr. Hales mentioned options available: 1.) Having a firm buyout a Golf Course and 2.) Have an auditing firm analyze the operational business model.

9. WRAP UP & ADJOURNMENT

Mayor Renner asked for a motion to adjourn the meeting.

Motion by Alderman Hauman, seconded by Alderman Schmidt, that the meeting be adjourned. Time: 11:55 a.m.

Motion carried, (Viva Voce).

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk