

**SUMMARY MINUTES OF THE
WORK SESSION CITY COUNCIL MEETING
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS
MONDAY, FEBRUARY 8, 2016; 5:00 P.M.**

The Council convened in Work Session in the Council Chambers, City Hall Building, at 5:00 p.m., Monday, February 8, 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 (arrived 5:22 p.m.), David Sage, Amelia Buragas, Mboka Mwilambwe (Telephonically attending), Jim Fruin, Karen Schmidt, Scott Black (arrived 5:22 p.m.), Diana Hauman, Joni Painter and Mayor Tari Renner.

Staff Present: David Hales, City Manager; Jeffery Jurgens, Corporate Counsel; Steve Rasmussen, Assistant City Manager; Brendan Heffner, Police Chief, Cherry Lawson, City Clerk, Patty-Lynn Silva, Finance Director; Carla Murillo, Budget Manager; Bob Yehl, Water Director; Nora Dukowitz, Communications Manager; Eric Veal, Community Engagement Manager; Jim Karch, Public Services Director; Eric Vaughn, Deputy Fire Chief; Jay Tetzloff, Zoo Supervisor; Scott Sprouls, Director Information Services; Tom Dabareiner, Plan/Code Enforcement Director.

3. PUBLIC COMMENT

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

4. DISCUSSION TOPIC

Presentation on Comprehensive Fee Study

David Hales, City Manager, provided a background summary of the Comprehensive Fee Study. He introduced the representatives from Fiscal Choice Consulting, LLC, Bruce Cowans and Jerry Wolf.

Bruce Cowans, of Fiscal Choice Consulting, LLC, provided a summary of the Full Cost Allocation Plan and Comprehensive Fee Study. He stated the point to having a fee is to pay for a

service. There was no direct link between the amount of taxes a person pays and the level of service you will receive. Fees should not be greater than the underlying work, per an Illinois appellate court case.

Fines are behavioral incentives and do not have to be linked to cost.

Licenses grant permission to do business. This does not have to be based on the cost to license an applicant.

Taxes are a generalized exaction of wealth. If you earn more, you pay more income tax. If you shop more, you pay more sales tax.

Two (2) options for a tight budget were discussed: 1.) Increase Revenue and 2.) Reduce Expense.

Two (2) deliverables were presented: 1.) Full cost allocation plan and 2.) Fee study of individual offices.

Cost Allocation Plan. The report showed how much it costs for departments who support those that serve the public directly when that expense is not found entirely within their own budget. It showed where the City is at with charging other funds, intergovernmental agreements, etc. and the administrative cost of supporting each fee service.

User Fee Analysis. The study drilled down to determine what each process costs for a department compared with the department budget.

Files and training have been provided to the Finance Department for updating the models, with tech support provided by Fiscal Choice Consulting, LLC.

The study determined that the City is using tax dollars, approximately \$1.4 million a year, to support fee services. This does not mean that every fee is undercharged, but collectively the price charged is less than the cost of the service provided, with the difference coming from tax dollars.

Individual departments were analyzed. Community Development Building Safety fees are typically 1% of the cost of a development project. The City was about \$1 million short in permit prices and recovering only about 38% of the cost for development.

Community Development Planning was recovering \$8.33 an hour with the rate being charged. The study determined that what is charged for a Commission case is not out of line. The user fees should be thought of as “cost is a fact” as this is what it costs to do the work, but “price is a policy choice” and the City needs to determine how much they want to charge for fees to recover some of the costs of service.

City Clerk Fee Services are operating at a profit. It appeared some charges trend more towards a license than a fee. Therefore, this department was generating more revenue than the cost to provide the services.

Fire Department policy increases fees annually by 3%. Ambulance billings are recovering a 45% cost compared to the expected 40%, although Ambulance standby costs at sporting events operate at a loss.

Police Department cost of billed services compared to recovery of these costs is approximately \$1 million in difference. Fees charged may be mandated by the state making the ability to collect fully difficult.

Public Works fees almost break even.

Comparisons of fees charged were made of surrounding cities in Central Illinois such as Peoria, Springfield, Champaign, Normal, Urbana and Decatur. Only higher-volume activities were compared.

Next steps: Council was asked to think about the findings. The departments working through the City Manager would firm up their recommendations on what should be done. Council would need to make decisions on what to enact. Time will be needed to update price lists, including on the website, and communicate with the public on the increases. It was recommended that an increase in fees be annual, equaling this to the percent of change in appropriation growth.

Alderman Painter questioned whether garbage fees were reviewed in Public Works department. Mr. Cowans stated garbage fees were not reviewed. Mr. Hales stated excluded items from this study were garbage fees, storm water and sanitary sewer fees due to other research already done.

Alderman Schmidt questioned whether the recommendations on the report were from the City Clerk's Office. Mr. Cowans stated it was the City Clerk's Office recommendations.

Alderman Schmidt questioned whether the difference in liquor fees between communities was due to rationale of fees or situations that are different. Mr. Cowans stated that it appears communities do not review fees annually and some do not increase even after many years. He commended the City for taking the challenge in reviewing our fees.

Alderman Buragas questioned whether the liquor application fee was the same as the liquor license. Mr. Hales stated there is a one-time fee for the application process that is different from the annual renewal liquor license fee. Mr. Cowans added that the price for the license will vary depending on what type of license was obtained.

Alderman Buragas questioned whether the liquor license fees were completely captured with this study. Mr. Cowans noted there are things outside of the actual transaction that may not have been included and each city has its own definitions on what is to be included. Alderman Buragas questioned whether the scope of the study included the fees already being charged or if avenues for additional fees were included. Mr. Cowans stated there were some exceptions requested to analyze new fees, with certain specifications, but typically the study only reviewed current fees.

Alderman Sage questioned the role of the Council as to setting prices or setting a policy to subsidize at a set level, compared with what other communities have done. Mr. Cowans stated setting a policy to subsidize at a set level, with the departments asked to come back with a recommendation.

Alderman Lower expressed caution in setting fees too high.

5. ADJOURNMENT

Mayor Renner asked for a motion to adjourn the meeting.

Motion by Alderman Schmidt, seconded by Alderman Hauman, that the meeting be adjourned. Time: 5:36 p.m.

Motion carried, (Viva Voce).

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk