



CITY OF
BLOOMINGTON
WORK SESSION
MEETING
NOVEMBER 14, 2016

AGENDA



CITY COUNCIL WORK SESSION MEETING AGENDA

**CITY HALL – CITY COUNCIL CHAMBERS
109 EAST OLIVE STREET; BLOOMINGTON, IL 61701
MONDAY, NOVEMBER 14, 2016; 5:45 PM**

1. Call to Order
2. Roll Call
3. Public Comment
4. Presentation and discussion regarding the route changes with Connect Transit public transportation. (*Presentation by Andrew Johnson, General Manager, Connect Transit 10 minutes. Council discussion 20 minutes.*)
5. Presentation on the Estimated Tax Levy for the Bloomington Public Library. (*Presentation by Jeanne Hamilton, Library Director 10 minutes. Council discussion 15 minutes.*)
6. Presentation on the Estimated Tax Levy for the City of Bloomington. (*Presentation by David Hales, City Manager and Patti-Lynn Silva, Finance Director 10 minutes. Council discussion 15 minutes.*)
7. Adjourn (approximately 6:50 PM)



WORK SESSION AGENDA ITEM NO. 5

FOR COUNCIL: November 14, 2016

SUBJECT: Presentation on the Estimated Tax Levy for the Bloomington Public Library.

RECOMMENDATION/MOTION: Discussion only.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1c. Engaged residents that are well informed and involved in an open governance process.

BACKGROUND: In responding to feedback from the Council and the public, the FY18 budget approved by the Library Board of Trustees includes a new full time position focused on outreach to the community. This outreach position will include fostering relationships with agencies serving the West side population and developing a plan to enhance services to the Bloomington community. The FY18 budget also includes a transfer of \$213,944 to the Library's fixed asset fund. This is an investment in the Library's future equipment. In the past, the fixed asset fund has been used to fund purchases like the bookmobile. Some future project plans include a techmobile (a van with equipment that would support technology programs in the community) and preparing for the fixed asset needs of a building expansion project. As of 9/30/16, the Library's fixed asset fund balance was \$935,762.80 and the Library's capital fund balance was \$2,292,697.07.

The Bloomington Public Library does not receive any sales tax revenues and the property tax rate is much lower than its nearby counterparts: Normal is .4505, Urbana is .566, Champaign is .4222, and Peoria is .43966.

In spite of the limited funds, the Bloomington Public Library continues to be a responsible fiscal steward with a 483% return on investment per taxpayer dollar. In FY16, there is a substantial amount of savings between budget and actual expenses, this is due in a large part to the departure of former director Bouda. Her departure caused lower salary and benefits expenses and also resulted in the delay of several projects. In order to continue the high return on investment and level of service, it is imperative that we capture the new growth reflected in the EAV.

It is estimated that by increasing the 2016 dollar levy by \$136,311 it would increase a \$165,000 home owner's property tax by \$0.03 and slightly increase the tax rate from the prior year. Finance recommends this approach to provide property tax revenue to support the growing population that the Library is servicing.

2016 Tax formula Estimate	\$ 4,683,111	= 0.2510%
(Preliminary EAV):	\$ 1,865,422,518	

Historically the Library expenditures included in the property tax levy are approximately 19% of the total tax levy.

Except for a \$33,233 increase in FY15, the Library property tax levy has been flat for the past 7 years, resulting in a continually decreasing tax rate. In the past year, the Library also received a \$36,000 decrease in state funding. These decreases have occurred at the same time that people are turning to libraries for more and more. This includes things like books, movies, music, eResources, access to technology, access to physical spaces, and educational programs.

COUNCIL COMMITTEE BACKGROUND: N/A

FINANCIAL IMPACT/ANALYSIS: The Library Board recommends the Council adopt the tax levy estimate of \$4,683,111 which increases the overall levy by \$136,311 to support the growing population that the Library is servicing.

The attached four exhibits have been created to facilitate Council's decision making process. Exhibit 1 shows the 2016 proposed levy and historical levy information. Exhibit 2 depicts the impact of the \$136,311 increase in levy to a \$165,000 homeowner. Exhibit 3 is the FY18 Budget Approved by the Library Board of Trustees, which includes the 2016 proposed levy. Exhibit 4 depicts the FY16 Bloomington Public Library Return on Investment.

Respectfully submitted for Council consideration.

Prepared by: Jeanne Hamilton, Library Director
Carla Murillo, Budget Manager

Reviewed by: Patti-Lynn Silva, Finance Director

Legal review: Jeffrey R. Jurgens, Corporation Counsel

Attachments:

- Ordinance
- Exhibit 1 - Estimated Tax Levy Proposals
- Exhibit 2 – Estimated Impact to Homeowners
- Exhibit 3 – FY18 Library Board of Trustees Approved Budget
- Exhibit 4 - Bloomington Public Library FY16 Return on Investment
- Certificate

Motion: Discussion only

ORDINANCE 2016 - ____

**AN ORDINANCE LEVYING TAXES FOR THE CITY OF BLOOMINGTON –
LIBRARY, MCLEAN COUNTY, ILLINOIS FOR THE FISCAL YEAR BEGINNING
MAY 1, 2016 AND ENDING APRIL 30, 2017 FOR THE CITY OF BLOOMINGTON**

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF BLOOMINGTON, ILLINOIS:**

Section One: (a) The sum of four million six hundred eighty-three thousand one hundred eleven dollars (\$4,683,111) being the total sum of the appropriation heretofore legal made which is to be collected from the tax levy of the fiscal year of the City of Bloomington, McLean County, Illinois beginning May 1, 2016 and ending April 30, 2017 for the Public Library as appropriated for the fiscal year beginning May 1, 2016 and ending April 30, 2017 as passed by the City Council of said City at its regular meeting held on the 11th of April, 2016, shall be and the same is hereby levied on all taxable property within the said City of Bloomington, subject to taxation for said current fiscal year. The specific amounts as levied for the various objects heretofore named appear in the right hand column under the designation “Amount to be raised by Taxation,” the said tax so levied being for appropriations heretofore made for said tax levy, the current fiscal year which are to be collected from said tax levy, the total amount of which has been ascertained as aforesaid for the objects and purposes as follows:

CITY OF BLOOMINGTON – LIBRARY, MCLEAN COUNTY, ILLINOIS

(b) The tax rate against the said taxable property of the City of Bloomington for the year 2016 for and on account of the aforesaid tax levy be, and the same is hereby set for said taxable year as follows:

Public Library Fund	\$4,683,111
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Section Two: The City Clerk shall make and file with the County Clerk of said County of McLean, a duly certified copy of this Ordinance; the amount levied by Section One of this Ordinance is required by said City to be levied by taxation as aforesaid and extended upon the appropriate tax books for the fiscal year of said City beginning May 1, 2016 and ending April 30, 2017.

Section Three: If any section, subdivision, sentence or clause of this Ordinance for any reason is held invalid or to be unconstitutional, such decision shall not affect the validity of the remaining portion of this Ordinance.

Section Four: Where a rate is shown in Section 1(b), the County Clerk is directed to levy a tax at that rate without regard to either statutory rate for such levy or the number of dollars shown in that fund. Where no rate is shown in Section 1(b), the rate of tax for each such fund shall be the rate necessary to collect the number of dollars levied by the City for such fund.

Section Five: This Ordinance is enacted pursuant to and as an exercise of the City of Bloomington's authority as a home rule unit pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois. Any and all provisions of the Statutes of the State of Illinois regarding rates of tax are hereby declared to be superseded to the extent that they conflict herewith.

Section Six: This Ordinance shall be in full force and effect from and after its passage, signing, approval, and recording, according to law.

Passed this 14th day of November, 2016.

Approved this ___ day of November, 2016.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk

APPROVED AS TO FORM

Jeffrey R. Jurgens, Corporation Counsel

Library - Exhibit 1: 2016 Proposed & Historical Tax Levy

<i>Levy Type</i>	<i>2016 Proposed Tax Levy</i>	<i>2015 Adjusted Levy Amount</i>	<i>2014 Adjusted Levy Amount</i>	<i>2013 Adjusted Levy Amount</i>	<i>2012 Adjusted Levy Amount</i>	<i>2011 Adjusted Levy Amount</i>
LIBRARY	\$ 4,683,111	\$ 4,546,800	\$ 4,546,682	\$ 4,546,793	\$ 4,513,489	\$ 4,513,477
Dollar Increase/(Decrease)	\$ 136,311	\$ 118	\$ (111)	\$ 33,304	\$ 12	\$ 12
Percent Increase/(Decrease)	3.00%	0.00%	0.00%	0.74%	0.00%	0.00%
Estimated Tax Rate	0.2510%	0.2510%	0.2532%	0.2581%	0.2562%	0.2507%

Library - Exhibit 2: 2016 Tax Levy Impact to the Taxpayer

Information Table	
Prior Year Tax Levy	\$4,546,800
Prior Year Tax Rate	0.2510%
Avg Home Value	\$165,000
**2016 Preliminary EAV	\$1,865,422,518

2016 Preliminary EAV \$1,865,422,518 ** *The preliminary EAV is subject to change through the tax appeals process.***

Proposed Levy Increase	Revised Levy	New Rate	Avg Home Value	Old Bill	New Bill	Increase/(Decrease)
\$136,311	\$4,683,111	0.2510%	\$165,000	\$138	\$138	\$0.03

Library - Exhibit 3: FY18 Library Board of Trustees Approved Budget

LIBRARY MAINTENANCE & OPERATING BUDGET								
FISCAL YEAR 2016-2018								
Account	Account	FY 16	FY 16	FY 17	FY 17	FY 18	\$ Diff From	% Diff From
Number	Title	Budget	Actual	Budget	Actual Thru 9/26	Proposed	FY 17 to FY 18 Budget	FY 17 to FY 18 Budget
50110	Property Taxes	4,546,710	4,544,765	4,546,710	4,412,280	4,683,111	136,401	3.0
53020	Replacement Tax	130,400	130,400	130,400	130,400	130,400	-	-
53120	State Grants	95,000	95,763	95,000	59,055	59,000	(36,000)	(37.9)
53370	From Golden Prairie PL Dist	370,000	373,125	392,000	365,886	400,000	8,000	2.0
54490	Library Fees & Rentals	80,000	81,496	83,000	29,282	85,000	2,000	2.4
54720	Copies	3,800	3,593	3,200	1,428	3,500	300	9.4
56010	Interest from Investments	1,000	5,748	1,000	4,332	5,000	4,000	400.0
56020	Interest From Taxes	-	27	-	-	-	-	#DIV/0!
57110	Sale of Property	1,000	2,775	1,000	631	1,000	-	-
57310	Donations	20,000	24,221	28,000	24,932	27,150	(850)	(3.0)
57350	Other Private Grants	-	1,150	-	-	-	-	#DIV/0!
57610	Cash Over/Short	-	(24)	-	23	-	-	#DIV/0!
57990	Other Misc Income	30,000	39,921	40,000	15,154	41,200	1,200	3.0
	Total Revenues	5,277,910	5,302,960	5,320,310	5,043,403	5,435,361	115,051	2.2
61100	Full Time Salaries	2,015,233	2,007,991	2,149,887	808,024	2,139,895	(9,992)	(0.5)
61110	Part Time Salaries	453,600	362,143	402,086	135,879	435,888	33,802	8.4
61130	Seasonal Salaries	35,586	47,073	47,701	36,711	62,005	14,304	30.0
61150	Overtime Salaries	1,100	-	1,100	-	1,100	-	-
62101	Dental Insurance	11,273	9,763	12,400	4,139	13,122	722	5.8
62102	Vision Insurance	2,894	2,379	3,050	968	2,155	(895)	(29.3)
62104	Health Insurance PPO BC/BS	210,104	250,621	294,901	112,969	236,544	(58,357)	(19.8)
62106	Health Insurance HAMP HMO	118,062	78,889	100,429	29,445	84,996	(15,433)	(15.4)
62110	Life Insurance	3,097	2,958	3,100	1,247	3,100	-	-
62120	IMRF	299,867	280,208	310,000	116,891	318,417	8,417	2.7
62130	FICA	162,368	143,046	163,000	58,248	170,762	7,762	4.8
62140	Medicare	36,315	33,513	39,000	13,623	38,248	(752)	(1.9)
62160	Worker's Comp	37,675	13,188	17,000	(467)	17,075	75	0.4
62190	Staff Uniforms	600	347	600	69	700	100	16.7
62210	Tuition Reimbursement	30,000	36,252	-	488	20,000	20,000	#DIV/0!
62990	Other Benefits	-	17,400	20,000	10,886	20,000	-	-
70420	Equipment Rental	22,000	19,816	22,000	6,668	30,000	8,000	36.4
70510	Building Maintenance	135,000	73,300	120,000	24,234	123,600	3,600	3.0
70520	Vehicle Maintenance	5,000	6,525	5,000	1,038	5,500	200	3.8
70530	Office/Equipment Maintenance	165,000	122,543	165,000	107,444	169,950	4,950	3.0
70590	Other Property Maintenance	25,000	1,045	-	-	-	-	#DIV/0!
70610	Advertising	19,000	19,260	32,574	16,169	33,000	426	1.3
70611	Printing/Binding	19,000	16,135	19,000	3,004	19,570	570	3.0
70630	Travel	6,000	11,498	1,000	28	1,000	-	-
70631	Membership Dues	5,000	3,770	5,000	1,794	5,150	150	3.0
70632	Professional Development	8,000	6,738	13,000	2,351	14,000	1,000	7.7
70690	Other Purchased Services	100,000	128,719	184,918	43,848	130,000	(54,918)	(29.7)
70714	Property Insurance	23,000	19,699	24,000	-	25,000	1,000	4.2
70715	Vehicle Insurance	5,000	3,063	4,000	-	4,200	200	5.0
70790	Other Insurance	5,000	5,067	5,500	-	5,700	200	3.6
71010	Office Supplies	20,000	17,637	12,000	4,799	15,000	3,000	25.0
71013	Computer Supplies	85,000	76,010	82,462	17,307	82,400	(62)	(0.1)
71015	Copier Supplies	3,300	3,810	3,400	1,359	3,500	100	2.9
71017	Postage	12,000	9,595	12,000	2,858	12,360	360	3.0
71020	Library Supplies	72,000	82,031	75,000	20,480	77,250	2,250	3.0
71024	Janitorial Supplies	16,000	10,413	16,000	3,244	16,480	480	3.0
71070	Fuel	8,000	3,253	4,290	1,128	4,500	210	4.9
71080	Bldg & Maint Supplies	10,000	12,427	10,000	2,788	10,300	300	3.0
71310	Natural Gas	35,000	18,562	32,000	4,594	25,000	(7,000)	(21.9)
71320	Electricity	95,000	88,148	80,000	45,185	89,000	9,000	11.3
71330	Water	8,500	8,435	8,000	2,011	8,500	500	6.3
71340	Telecommunications	26,000	33,474	26,780	13,937	35,000	8,220	30.7
71410	Professional Collection	7,000	1,144	3,500	288	1,000	(2,500)	(71.4)
71420	Periodicals	35,000	37,451	36,050	19,599	38,000	1,950	5.4
71430	Adult Books	170,000	164,705	159,100	63,474	162,000	2,900	1.8
71440	Children's Books	125,000	120,381	128,000	49,392	130,000	2,000	1.6
71470	A/V Materials	168,000	166,900	151,000	71,501	147,000	(4,000)	(2.6)
71480	Public Access Software	140,000	149,360	144,200	92,452	148,000	3,800	2.6
71490	Ebooks	70,000	70,000	60,000	24,680	70,000	10,000	16.7
79120	Employee Relations	6,000	3,760	6,000	1,359	6,180	180	3.0
79990	Other Misc. Expenses	13,000	6,103	9,000	2,814	9,270	270	3.0
89112	To ERI Reimbursement	36,732	36,732	36,732	36,732	-	(36,732)	(100.0)
89237	To Library Equip Replacement	156,604	156,604	122,104	122,104	213,944	91,840	75.2
	To Capital Fund	-	-	-	-	-	-	#DIV/0!
	Total Expenses	5,277,910	4,999,884	5,383,164	2,139,783	5,435,361		
	Total Revenues	5,277,910	5,302,960	5,320,310	5,043,403	5,435,361		
	Rev Over Exp (Surplus)	-	303,076	(62,854)	2,903,620	(0)		

Library - Exhibit 4: Bloomington Public Library FY16 Return on Investment

Dollar Value of Select Materials, Services, and Programs at the Bloomington Public Library

Books:

702,854 checkouts @ \$20
Based on the estimated average cost of books in the collection
\$14,057,080.00

Movies:

502,862 checkouts @ \$3.50
Based on the cost of renting a new release at a video store
\$1,760,017.00

Audio Books/Music:

86,834 checkouts @ \$40
Based on the average cost of audio books/music CDs in the collection
\$3,473,360.00

Magazines:

15,378 checkouts @ \$4
Based on the average cost of a magazine
\$61,512.00

Other Items:

16,877 checkouts @ \$15
Based on the average cost of miscellaneous items, i.e. kits, games, etc.
\$253,155.00

Items Requested from Other Libraries:

6,405 items requested @ \$3
Based on the estimated cost to mail a book
\$19,215.00

eMaterials:

67,317 checkouts @ \$13
Based on the average cost of a Kindle book
\$875,121.00

Internet Access (Public Computers & Wireless Access):

181,884 sessions @ \$.67
Based on a monthly residential rate of \$19.99
\$121,862.28

Online Databases:

56,733 sessions @ \$20
Estimated value to purchase similar information online
\$1,134,660.00

Meeting Rooms:

1,477 reservations @ \$75
Based on the estimated cost of renting a local meeting room
\$110,775.00

Children's Programs:

13,986 attendees @ \$5
Based on the average cost of a children's activity

\$69,930.00

Teen's Programs

575 teens @ \$5
Based on the average cost of a teen activity

\$2,875.00

Adult Programs:

2,300 adults @ \$8
Based on the average cost of an adult activity

\$18,400.00

Additional services with no quantitative data for value placement:

Research, reference questions, genealogy, homebound delivery, use of technology, fostering connections, and much MORE.

<p style="text-align: center;">GRAND TOTAL: \$21,957,962.28</p> <p style="text-align: center;">In fiscal year 2016 (May 2015-April 2016), Bloomington city residents provided <u>\$4,544,764.95</u> in real estate taxes in support of the Library. Users of the Bloomington Public Library received over \$21,957,962.28 in materials, services, and programs.</p>	<p style="text-align: center;">Community Return on Investment</p> <p style="text-align: center; font-size: 2em;">483%</p> <p style="text-align: center;">For every \$1 received, Bloomington Public Library provides <u>over</u> \$4.83 in materials, services, and programs!!</p>
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STATE OF ILLINOIS)
)SS
COUNTY OF MCLEAN)

CERTIFICATE

I, Cherry L. Lawson, certify that I am the duly appointed and qualified municipal clerk of the City of Bloomington, County of McLean, Illinois.

I further certify that on the Corporate Authorities of the above municipality passed and approved Ordinance No. 2016-__, entitled, An Ordinance Levying Taxes for the City of Bloomington – Public Library, McLean County, Illinois for the fiscal year beginning May 1, 2016 and ending April 30, 2017 for the City of Bloomington, which provided by its terms that it should be published in pamphlet form.

The pamphlet form of this Ordinance, including the Ordinance and cover sheet thereof, was prepared, and a copy of the Ordinance was posted in the municipal building, commencing on _____ and continuing for at least ten days thereafter. Copies of the Ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated at Bloomington, Illinois, on _____.

Cherry L. Lawson, C.M.C
City Clerk



WORK SESSION AGENDA ITEM NO. 6

FOR COUNCIL: November 14, 2016

SUBJECT: Presentation on the Estimated Tax Levy for the City of Bloomington.

RECOMMENDATION/MOTION: Discussion only

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1c. Engaged residents that are well informed and involved in an open governance process.

BACKGROUND: Ideally, each year the City would adjust its property tax levy in relation to *new* growth in assessed values in order to build capacity into the levy for costs associated with City services used by those new residents or businesses. Approximately \$14M of the preliminary EAV is estimated to be from new residential and commercial construction. Under this assumption the levy should be increased by \$150K, which would not increase the tax rate.

Based on total appreciation of property values in the preliminary EAV, the City can raise its levy by \$545K without increasing the tax rate. This would not only capture new growth but could provide an incremental increase to help sustain existing services, lessening the need to increase the tax rate in the future. Finally, these dollars could be used to add to a critical or underperforming service level, keeping in mind that there is no increase in the tax rate for taxpayers.

Upon reviewing Council priorities, it is evident that improving emergency response time is a high priority. The National Fire Protection Association 1710 is a standard concerning personnel deployment and response times to fires and medical emergencies. The City achieves a NFPA-recommended six minute response time approximately 73% of the time in fire calls, 83% of the time in structure fires and 67% of the time on EMS calls. Moreover, the City's 90% percentile response times are eight minutes for fire and nine for EMS.

Frequently an ambulance from one of the outstations is dispatched to respond into the Headquarters response district. This has a negative impact on response times throughout the community when resources are not available in their primary response district. Based on its location Medic 3 (Empire St.) is often called as closest response to downtown. This adds to the northeast response time when Medic 3 is out of district because Medic 2 will be called in if available, which continues as a ripple effect.

Staff recommends using these funds to add six (6) Firefighter/Paramedics to staff a second ambulance at Fire Headquarters. At this time, no additional ambulance vehicle is needed, only personnel. Therefore adding the six (6) personnel to staff this ambulance would cost

approximately \$88K per firefighter/paramedic, or \$528K per year. Firefighting costs, i.e. academy and turnout gear, would be absorbed in the fire status quo 2018 budget.

Although, it is difficult to project the return on investment (ROI) at this time, adding this additional resource would have an immediate impact on Medic 3 on Empire St., allowing it to stay in its district in the northeast where two new extended care facilities will be opening. This would not cure the needs of the northeast but would mitigate the upcoming increased demand on Medic 3 and improve response times throughout the community.

It is estimated that by increasing the 2016 dollar levy by \$545,000 it would decrease a \$165,000 homeowner's property tax by (\$1.02) and slightly lower the tax rate from the prior year

$$\begin{array}{l} \text{2016 Tax formula Estimate} \\ \text{(Preliminary EAV):} \end{array} \quad \frac{\$ 20,061,265}{\$ 1,865,422,518} = 1.0754\%$$

Historically, expenditures included in the property tax levy are related to public safety pension and operations (45%), non-public safety pensions (16%) and bond debt service payments (9%).

Tax Levy Procedure:

According to the Illinois Property Tax Code Division 2 Truth in Taxation (35ILCS 200/18-60), the City must formally adopt an *estimated* tax levy not less than 20 days prior to the adoption of the final tax levy. 35ILCS 200/18-85 requires said estimate be compared to the prior year aggregate levy (excluding amounts for bond debt service), and if a 5% increase exists then a public hearing in addition to a public notice must occur.

The final tax levy ordinance must be passed by a vote of the Council and a certified copy, thereof, filed with the County Clerk on or before the last working Tuesday in December, which is December 27, 2017. Therefore, the adoption of the 2016 Tax Levy Ordinance is recommended to be placed on the Council's December 12 meeting agenda. In addition, it is our goal to abate taxes at this same meeting. The City can abate debt service payments needed to keep the bond and interest portion of the levy flat, which has been the practice historically. By bond covenant any debt service payments abated are guaranteed from other revenues sources.

The City adopts its *estimated* tax levy based on a preliminary EAV provided by the Bloomington Township, which is subject to the tax appeals process. The Final EAV is completed by January 1, 2017. The tax rate generated is later applied to individual property owner's tax bills on April 1, 2017, and bills are sent out on May 1 and due in June and September.

COUNCIL COMMITTEE BACKGROUND: N/A

FINANCIAL IMPACT/ANALYSIS: Finance recommends the Council adopt the tax levy estimate of \$20,061,265 which increases the overall levy by \$545,000 to help decrease emergency response times. The tax rate is projected to decrease by -.0019.

Finance has created the attached two exhibits to facilitate Council's decision making process. Exhibit 1 shows the 2016 proposed levy and historical levy information. Exhibit 2 depicts the impact of the \$545,000 increase in levy to a \$165,000 homeowner.

Respectfully submitted for Council consideration.

Prepared by: Carla Murillo, Budget Manager

Reviewed by: Patti-Lynn Silva, Finance Director

Legal review: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



David A. Hales
City Manager

Attachments:

- Ordinance for Levy
- Exhibit 1 - Estimated Tax Levy Proposals
- Exhibit 2 – Estimated Impact to Homeowners
- 2016 Tax Levy Presentation

Motion: Discussion only

ORDINANCE 2016 - ____

AN ORDINANCE LEVYING TAXES FOR THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS FOR THE FISCAL YEAR BEGINNING MAY 1, 2016 AND ENDING APRIL 30, 2017 FOR THE CITY OF BLOOMINGTON

BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF BLOOMINGTON, ILLINOIS:

Section One. (a) The sum of Twenty-four Million, Sixty-three Thousand and Sixty Six dollars (\$20,061,384) being the total sum of the appropriation heretofore legally made which is to be collected from the tax levy of the fiscal year of the City of Bloomington, McLean County, Illinois, beginning May 1, 2016 and ending April 30, 2017, for all corporate purposes and including General Corporate Purposes, Payment of Bonds and Interest on Bonds, Public Library, Fire Pension Fund, Police Pension Fund, Public Parks Fund, Fire Protection Fund, Police Protection Fund, IMRF Fund, and FICA Taxes Fund as appropriated for the fiscal year beginning May 1, 2016 and ending April 30, 2017 as passed by the City Council of said City at its regular meeting held on the 11th of April, 2016, shall be and the same is hereby levied on all taxable property within the said City of Bloomington, subject to taxation for said current fiscal year. The specific amounts as levied for the various objects heretofore named appear in the right hand column under the designation "Amount to be raised by Taxation", the said tax so levied being for appropriations heretofore made for said tax levy, the current fiscal year which are to be collected from said tax levy, the total amount of which has been ascertained as aforesaid for the objects and purposes as follows:

CITY OF BLOOMINGTON, MCLEAN COUNTY ILLINOIS

(b) The tax rate against the said taxable property of the City of Bloomington for the year 2014 for and on account of the aforesaid tax levy be, and the same is hereby set for said taxable year as follows:

I.	General Corporate Purposes	\$1,287,311
II.	Police Protection Fund	\$1,526,473
III.	Fire Protection Fund	\$1,900,228
IV.	Public Parks	\$1,001,454
V.	Fire Pension Fund	\$4,196,000
VI.	Police Pension Fund	\$4,008,000
VII.	Illinois Municipal Retirement Fund	\$2,502,841
VIII.	FICA Taxes Fund	\$1,458,934
IX.	General Bond and Interest	<u>\$2,180,143</u>
		\$20,061,384

Section Two: The City Clerk shall make and file with the County Clerk of said County of McLean, a duly certified copy of this Ordinance; the amount levied by Section One of this Ordinance is required by said City to be levied by taxation as aforesaid and extended upon the

appropriate tax books for the fiscal year of said City beginning May 1, 2015 and ending April 30, 2016.

Section Three: If any section, subdivision, sentence or clause of this Ordinance for any reason is held invalid or to be unconstitutional, such decision shall not affect the validity of the remaining portion of this Ordinance.

Section Four: Where a rate is shown in the Table in Section 1(b), the County Clerk is directed to levy a tax at that rate without regard to either statutory rate for such levy or the number of dollars shown in that fund. Where no rate is shown in the Table above, the rate of tax for each such fund shall be the rate necessary to collect the number of dollars levied by the City for such fund. The rate at which a tax shall be levied for General Corporate purpose shall be that rate necessary, after rates for all other funds are established, to result in a total levy of \$24,063,066.

Section Five: This Ordinance is enacted pursuant to and as an exercise of the City of Bloomington's authority as a home rule unit pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois. Any and all provisions of the Statutes of the State of Illinois regarding rates of tax are hereby declared to be superseded to the extent that they conflict herewith.

Section Six: This Ordinance shall be in full force and effect from and after its passage, signing, approval, and recording, according to law.

PASSED this 14th day of November, 2016.

APPROVED this ____ day of November, 2016.

CITY OF BLOOMINGTON

ATTEST:

Tari Renner, Mayor

Cherry L. Lawson, City Clerk

APPROVED AS TO FORM

Jeffrey R. Jurgens
Corporation Counsel

**TRUTH IN TAXATION CERTIFICATE OF COMPLIANCE
ALL COUNTIES EXCEPT COOK**

I, the undersigned, hereby certify that I am the presiding officer of _____

_____, (Legal Name of Taxing District), and as such presiding officer I certify that the levy ordinance, a copy of which is attached, was adopted pursuant to, and in all respects in compliance with the provisions of Section 18-60 through 18-85 of the "Truth in Taxation" law.

Check one of the choices below:

- 1) The taxing district published a notice in the newspaper and conducted a hearing meeting the requirements of the Truth in Taxation Law.
- 2) The taxing district's aggregate levy did not exceed a 5% increase over the prior year's extension. Therefore, a notice and a hearing were not necessary.
- 3) The proposed aggregate levy did not exceed a 5% increase over the prior year's extension. Therefore, a hearing was not held. The adopted aggregate tax levy exceeded 5% of the prior year's extension and a notice was published within 15 days of its adoption in accordance with the Truth in Taxation Law.
- 4) The adopted levy exceeded the amount stated in the published notice. A second notice was published within 15 days of the adoption in accordance with the Truth in Taxation Law.

Date: _____

Presiding Officer: _____

City - Exhibit 1: 2016 Proposed & Historical Tax Levy

<i>Levy Type</i>	<i>2016 Proposed Tax Levy</i>	<i>2015 Adjusted Levy Amount</i>	<i>2014 Adjusted Levy Amount</i>	<i>2013 Adjusted Levy Amount</i>	<i>2012 Adjusted Levy Amount</i>	<i>2011 Adjusted Levy Amount</i>
BONDS & INTEREST	\$ 2,180,143	\$ 2,180,102	\$ 2,180,246	\$ 2,201,965	\$ 2,180,287	\$ 2,180,143
FIRE PENSION	\$ 4,196,000	\$ 4,196,070	\$ 4,196,026	\$ 3,945,921	\$ 2,908,399	\$ 3,111,532
FIRE PROTECTION	\$ 1,900,228	\$ 1,355,272	\$ 1,183,218	\$ 1,183,248	\$ 1,183,161	\$ 1,183,228
GENERAL CORPORATE	\$ 1,287,311	\$ 1,287,155	\$ 1,287,176	\$ 1,287,181	\$ 2,901,176	\$ 2,973,822
IMRF	\$ 2,502,841	\$ 2,502,932	\$ 2,502,893	\$ 2,502,841	\$ 2,502,855	\$ 2,502,907
POLICE PENSION	\$ 4,008,000	\$ 4,008,024	\$ 4,008,040	\$ 3,757,961	\$ 3,181,640	\$ 3,306,847
POLICE PROTECTION	\$ 1,526,473	\$ 1,526,470	\$ 1,354,507	\$ 1,354,473	\$ 1,354,399	\$ 1,354,421
PUBLIC PARKS	\$ 1,001,454	\$ 1,001,282	\$ 1,001,337	\$ 1,001,454	\$ 1,001,353	\$ 1,001,415
SOCIAL SECURITY	\$ 1,458,934	\$ 1,459,077	\$ 1,459,003	\$ 1,458,934	\$ 1,459,044	\$ 1,459,009
TOTALS	\$ 20,061,384	\$ 19,516,384	\$ 19,172,446	\$ 18,693,978	\$ 18,672,314	\$ 19,073,324
Dollar Increase/(Decrease)	\$ 545,000	\$ 343,938	\$ 478,468	\$ 21,664	\$ (401,010)	\$ (160)
Percent Increase/(Decrease)	2.79%	1.79%	2.56%	0.12%	-2.10%	0.00%
Estimated Tax Rate	1.0754%	1.0773%	1.0678%	1.0612%	1.0599%	1.0596%

City - Exhibit 2: 2016 Tax Levy Impact to the Taxpayer

Information Table

Prior Year Tax Levy	\$19,516,384	
Prior Year Tax Rate	1.0773%	
Avg Home Value	\$165,000	
**2016 Preliminary EAV	\$1,865,422,518	** The preliminary EAV is subject to change through the tax appeals process.

Proposed Levy Increase	Revised Levy	New Rate	Avg Home Value	Old Bill	New Bill	Increase/(Decrease)
\$50,000	\$19,566,384	1.0489%	\$165,000	\$593	\$577	(\$15.61)
\$100,000	\$19,616,384	1.0516%	\$165,000	\$593	\$578	(\$14.14)
\$250,000	\$19,766,384	1.0596%	\$165,000	\$593	\$583	(\$9.72)
\$450,000	\$19,966,384	1.0703%	\$165,001	\$593	\$589	(\$3.82)
\$500,000	\$20,016,384	1.0730%	\$165,001	\$593	\$590	(\$2.35)
\$545,000	\$20,061,384	1.0754%	\$165,014	\$593	\$592	(\$1.02)
\$600,000	\$20,116,384	1.0784%	\$165,015	\$593	\$593	\$0.60
\$750,000	\$20,266,384	1.0864%	\$165,016	\$593	\$598	\$5.02
\$1,000,000	\$20,516,384	1.0998%	\$165,017	\$593	\$605	\$12.40



2016 Property Tax Levy Information

Council Meeting
November 14, 2016

Property Tax & How is it Calculated

Property Tax is a local tax on the value of real property, land, buildings and homes.

- ▶ There are three main components in the Property Tax formula:
 1. The Levy (dollar amount desired)
 2. The Equalized Assessed Value (1 / 3 of market value)
 3. The Tax Rate

$$\text{Tax formula:} \quad \frac{\text{Dollar Levy}}{\text{Final EAV}} = \text{Tax Rate}$$

Bloomington Real Property Owners have 8 Overlapping Taxing Authorities/Districts

1. School District as applicable
2. City of Bloomington
3. Bloomington Public Library
4. McLean County
5. Heartland Community College
6. Bloomington Normal Water Reclamation District
7. Bloomington Normal Airport
8. Bloomington Township

City - Exhibit 1: 2016 Proposed & Historical Tax Levy

<i>Levy Type</i>	<i>2016 Proposed Tax Levy</i>	<i>2015 Adjusted Levy Amount</i>	<i>2014 Adjusted Levy Amount</i>	<i>2013 Adjusted Levy Amount</i>	<i>2012 Adjusted Levy Amount</i>	<i>2011 Adjusted Levy Amount</i>
BONDS & INTEREST	\$ 2,180,143	\$ 2,180,102	\$ 2,180,246	\$ 2,201,965	\$ 2,180,287	\$ 2,180,143
FIRE PENSION	\$ 4,196,000	\$ 4,196,070	\$ 4,196,026	\$ 3,945,921	\$ 2,908,399	\$ 3,111,532
FIRE PROTECTION	\$ 1,900,228	\$ 1,355,272	\$ 1,183,218	\$ 1,183,248	\$ 1,183,161	\$ 1,183,228
GENERAL CORPORATE	\$ 1,287,311	\$ 1,287,155	\$ 1,287,176	\$ 1,287,181	\$ 2,901,176	\$ 2,973,822
IMRF	\$ 2,502,841	\$ 2,502,932	\$ 2,502,893	\$ 2,502,841	\$ 2,502,855	\$ 2,502,907
POLICE PENSION	\$ 4,008,000	\$ 4,008,024	\$ 4,008,040	\$ 3,757,961	\$ 3,181,640	\$ 3,306,847
POLICE PROTECTION	\$ 1,526,473	\$ 1,526,470	\$ 1,354,507	\$ 1,354,473	\$ 1,354,399	\$ 1,354,421
PUBLIC PARKS	\$ 1,001,454	\$ 1,001,282	\$ 1,001,337	\$ 1,001,454	\$ 1,001,353	\$ 1,001,415
SOCIAL SECURITY	\$ 1,458,934	\$ 1,459,077	\$ 1,459,003	\$ 1,458,934	\$ 1,459,044	\$ 1,459,009
TOTALS	\$ 20,061,384	\$ 19,516,384	\$ 19,172,446	\$ 18,693,978	\$ 18,672,314	\$ 19,073,324
Dollar Increase/(Decrease)	\$ 545,000	\$ 343,938	\$ 478,468	\$ 21,664	\$ (401,010)	\$ (160)
Percent Increase/(Decrease)	2.79%	1.79%	2.56%	0.12%	-2.10%	0.00%
Estimated Tax Rate	1.0754%	1.0773%	1.0678%	1.0612%	1.0599%	1.0596%

Library - Exhibit 1: 2016 Proposed & Historical Tax Levy

<i>Levy Type</i>	<i>2016 Proposed Tax Levy</i>	<i>2015 Adjusted Levy Amount</i>	<i>2014 Adjusted Levy Amount</i>	<i>2013 Adjusted Levy Amount</i>	<i>2012 Adjusted Levy Amount</i>	<i>2011 Adjusted Levy Amount</i>
LIBRARY	\$ 4,683,111	\$ 4,546,800	\$ 4,546,682	\$ 4,546,793	\$ 4,513,489	\$ 4,513,477
Dollar Increase/(Decrease)	\$ 136,311	\$ 118	\$ (111)	\$ 33,304	\$ 12	\$ 12
Percent Increase/(Decrease)	3.00%	0.00%	0.00%	0.74%	0.00%	0.00%
Estimated Tax Rate	0.2510%	0.2510%	0.2532%	0.2581%	0.2562%	0.2507%

City - Exhibit 2: 2016 Tax Levy Impact to the Taxpayer

Information Table

Prior Year Tax Levy	\$19,516,384
Prior Year Tax Rate	1.0773%
Avg Home Value	\$165,000

2016 Preliminary EAV \$1,865,422,518 ** The preliminary EAV is subject to change through the tax appeals process.**

Proposed Levy Increase	Revised Levy	New Rate	Avg Home Value	Old Bill	New Bill	Increase/(Decrease)
\$50,000	\$19,566,384	1.0489%	\$165,000	\$593	\$577	(\$15.61)
\$100,000	\$19,616,384	1.0516%	\$165,000	\$593	\$578	(\$14.14)
\$250,000	\$19,766,384	1.0596%	\$165,000	\$593	\$583	(\$9.72)
\$450,000	\$19,966,384	1.0703%	\$165,001	\$593	\$589	(\$3.82)
\$500,000	\$20,016,384	1.0730%	\$165,001	\$593	\$590	(\$2.35)
\$545,000	\$20,061,384	1.0754%	\$165,014	\$593	\$592	(\$1.02)
\$600,000	\$20,116,384	1.0784%	\$165,015	\$593	\$593	\$0.60
\$750,000	\$20,266,384	1.0864%	\$165,016	\$593	\$598	\$5.02
\$1,000,000	\$20,516,384	1.0998%	\$165,017	\$593	\$605	\$12.40

Library - Exhibit 2: 2016 Tax Levy Impact to the Taxpayer

Information Table

Prior Year Tax Levy	\$4,546,800
Prior Year Tax Rate	0.2510%
Avg Home Value	\$165,000

2016 Preliminary EAV \$1,865,422,518 ** The preliminary EAV is subject to change through the tax appeals process.**

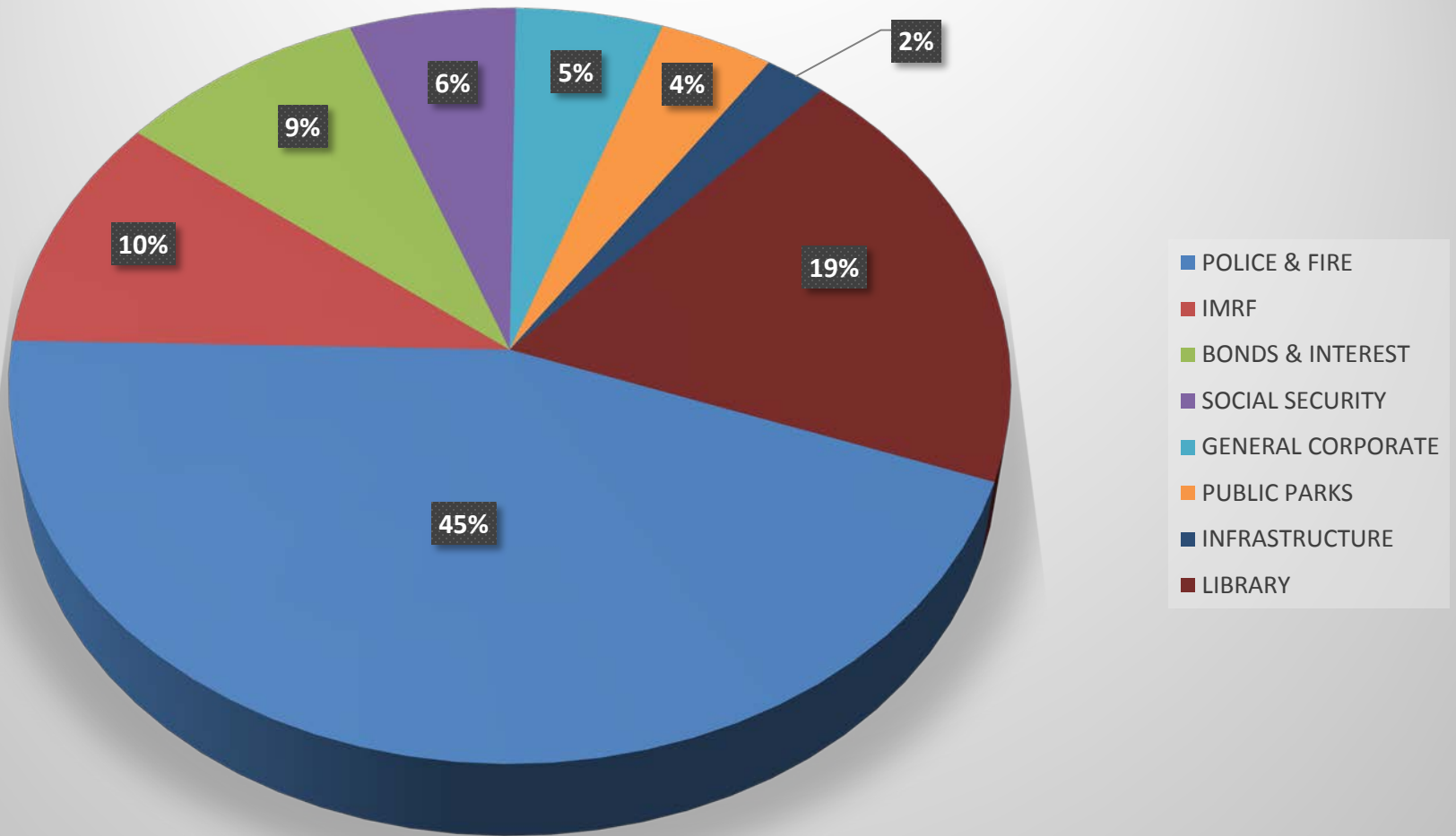
Proposed Levy Increase	Revised Levy	New Rate	Avg Home Value	Old Bill	New Bill	Increase/(Decrease)
\$136,311	\$4,683,111	0.2510%	\$165,000	\$138	\$138	\$0.03

For Every Tax Dollar a Taxpayer Pays in Property Tax



** 2015
Tax Levy Depicted Above

2016 Proposed Tax Levy



City - Direct Tax Rate

Library - Direct Tax Rate

Levy Year	City Tax Rate	% Change		Library Tax Rate	% Change	Total Direct Rate
2008	0.9954	-1.12%		0.2611	-0.49%	1.25651
2009	1.0762	8.11%		0.2547	-0.64%	1.3308
2010	1.0601	-1.49%		0.2509	-0.38%	1.3110
2011	1.0596	-0.05%		0.2507	-0.01%	1.3103
2012	1.0599	0.03%		0.2562	2.18%	1.3161
2013	1.0612	0.12%		0.2581	0.19%	1.3193
2014	1.0678	0.62%		0.2532	-1.89%	1.3210
2015	1.0773	0.89%		0.2510	-0.89%	1.3283
2016**	1.0754	-0.18%		0.2510	0.01%	1.3264

City 2016 rate includes a \$545,000K increase and the Library 2016 rate includes a \$136,311K increase.

Equalized Assessed Value (EAV)

Levy Year	Equalized Assessed Value	% Change
2006	\$1,559,440,896	4.71%
2007	\$1,648,273,644	5.70%
2008	\$1,728,787,894	4.88%
2009	\$1,772,326,819	2.52%
2010	\$1,799,164,559	1.51%
2011	\$1,800,134,282	0.05%
2012	\$1,761,705,365	-2.13%
2013	\$1,768,687,513	0.40%
2014	\$1,795,475,453	1.51%
2015	\$1,811,618,358	0.90%
2016	\$1,865,422,518**	2.97%

** This is the preliminary EAV estimate and subject to change through the tax appeals process.

City – Taxes Levied

Fiscal Year (effected)	Tax Year	Property Tax Levied	% Change
2008	2006	\$19,778,090	4.479%
2009	2007	\$20,976,683	6.060%
2010	2008	\$21,721,837	3.552%
2011	2009	\$23,586,675	8.585%
2012	2010	\$23,586,905	0.001%
2013	2011	\$23,592,905	0.025%
2014	2012	\$23,185,833	-1.725%
2015	2013	\$23,219,066	0.143%
2016	2014	\$23,719,066	2.153%
2017	2015	\$24,063,066	1.450%
2018	2016	\$24,608,066	2.265%

Library – Taxes Levied

Fiscal Year (effected)	Tax Year	Property Tax Levied	% Change
2008	2006	\$ 4,225,929	4.479%
2009	2007	\$ 4,384,573	3.754%
2010	2008	\$ 4,513,519	2.941%
2011	2009	\$ 4,513,585	0.001%
2012	2010	\$ 4,513,564	0.000%
2013	2011	\$ 4,513,477	-0.002%
2014	2012	\$ 4,513,489	0.000%
2015	2013	\$ 4,546,793	0.738%
2016	2014	\$ 4,546,682	-0.002%
2017	2015	\$ 4,546,800	0.003%
2018	2016	\$ 4,683,111	2.998%

2016 City & Library Tax Levy/FY18 Budget Proposed Timeline

1. November 14, 2016 – Present Estimated City & Library Tax Levy
2. December 12, 2016 – Adopt Final City & Library Tax Levy Ordinance
3. December 19th, 2016 – If Needed – Adoption of Tax Levy
4. December 27th, 2016 – Last day to file City & Library tax levy documents with County Clerk
5. February 13th, 2017 – Distribution of Proposed FY2018 Budget
6. March 11th, 2017 – Saturday, Budget Workshop with CC
7. March 27th, 2017 – FY 2018 Proposed Budget Public Hearing
8. April 10th, 2017 – Proposed Adoption of the FY2018 Budget
9. April 24th, 2017 – Backup Adoption of the FY2018 Budget

**February 13, 2017 through April 10, 2017 leaves a full eight weeks for public engagement and review of the proposed budget.

Appendix

Supplemental information includes:

- Definitions of Key Terms
- Key Dates in the Property Tax & Levy Cycle
- Historical Trend of Full Value

Definitions of Key Terms

- ▶ **Property Tax:** The local tax on the value of real property, land, buildings and homes.
- ▶ **Assess:** To place a value on property for tax purposes. Steven Scudder is the Township assessor.
- ▶ **Equalized Assessed Valuation (EAV):** The assessed valuation multiplied by the equalization factor.
- ▶ **Equalization Factor:** A factor determined by the Illinois Department of Revenue each year to ensure an equal assessment among all 102 counties in the state. State statute requires that the aggregate value of assessments within each county must be equalized at 33 1/3% of the estimated fair market value of real property in the county. This factor is also known as the "multiplier."
- ▶ **Tax Levy:** The dollar amount in real estate taxes adopted by each taxing body.
- ▶ **Tax Rate:** The tax levy (i.e. dollar amount) divided by the total equalized assessed valuation. This figure is compiled by the McLean County Clerk and applied to the equalized assessed valuation to determine the amount paid in property taxes.
- ▶ *State of Illinois Statute – (35 ILCS 200/) Property Tax Code.*

Property Assessment & Levy Cycle – need to verify these dates

County/Township Tax Cycle	Performed by	Fiscal Year
January 1 st , 2016 Real Property Assessed	Township Assessor	2016
September 30 th , 2016 <i>Preliminary</i> EAV Determined	Township Assessor	2017
December 31 st , 2016 Assessments Finalized	Township Assessor	2017
January 1 st , 2017 EAV Final Determination	County Assessor	2017
April 1 st , 2017 Tax Rate Applied and Levy Extended	County Clerk	2017
May 1 st , 2017 Tax Bills Sent	County Treasurer	2018
June 1 st , 2017 First tax payment due	County Treasurer	2018
September 1 st , 2017 Second tax payment due	County Treasurer	2018

Full Assessed Value

Levy Year		Fully Assessed Value	% Change year over year
2006	\$	4,678,322,688	4.71%
2007	\$	4,944,820,932	5.70%
2008	\$	5,186,363,682	4.88%
2009	\$	5,316,980,457	2.52%
2010	\$	5,397,493,677	1.51%
2011	\$	5,400,402,846	0.05%
2012	\$	5,285,116,095	-2.13%
2013	\$	5,306,062,539	0.40%
2014	\$	5,386,426,359	1.51%
2015	\$	5,434,855,074	0.90%
2016	\$	5,596,267,554	2.97%

** This is the preliminary EAV estimate and subject to change through the tax appeals process.