



CITY OF
BLOOMINGTON
SPECIAL SESSION
MEETING
SEPTEMBER 25, 2017

AGENDA



**SPECIAL MEETING SESSION AGENDA
OF THE CITY COUNCIL
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, SEPTEMBER 25, 2017; 6:15 P.M.**

1. Call to Order
2. Roll Call of Attendance
3. Public Comment
4. Consideration of approving the minutes of the Special Meeting of September 11, 2017.
(Recommend the Minutes be approved and dispensed as presented.)
5. Closed Special Meeting
 - A. Claims Settlement – Section 2(c) (12) of 5 ILCS 120/2) (5 minutes)
 - B. Review of Minutes Section 2(c) (21) of 5 ILCS 120/2) (5 minutes)
6. Adjourn Closed Session
7. Return to Open Session
8. Adjourn (approximately 6:30 PM)



**SPECIAL SESSION MEETING
AGENDA ITEM NO. 4**

FOR COUNCIL: September 25, 2017

SUBJECT: Consideration of approval the minutes of the Special City Council Meetings for September 11, 2017.

RECOMMENDATION/MOTION: That the reading of the minutes be dispensed and approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: The Special City Council Meeting Minutes have been reviewed and certified as correct and complete by the City Clerk.

In accordance with the Open Meetings Act, Council Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Council approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable.

Respectfully submitted for Council consideration.

Prepared by: Cherry L. Lawson, C.M.C., City Clerk

Recommended by:

A handwritten signature in black ink, appearing to read "David A. Hales".

David A. Hales, City Manager

Attachments:

- September 11, 2017 Special Session Meeting Minutes

SPECIAL SESSION CITY COUNCIL MEETING
City Hall Conference Room
109 E. Olive Street, Bloomington, IL 61701
Monday, September 11, 2017; 5:30 PM

1. Call to Order

The Council convened in Special Session in the Council Chambers, City Hall Building at 5:30 p.m., Monday, September, 2017. The meeting was called to order by Mayor Pro Tem Schmidt.

2. Roll Call

Mayor Pro Tem Schmidt directed City Clerk Cherry Lawson to call the roll and the following members of Council answered present:

Aldermen Joni Painter, Diana Hauman (Absent), Mboka Mwilambwe, Jamie Mathy, Scott Black, Kim Bray, Karen Schmidt, David Sage, Amelia Buragas and Mayor Tari Renner (Absent).

Staff present: David Hales, City Manager; Steve Rasmussen; Assistant City Manager; Jeffrey Jurgens, Corporation Counsel; and Cherry Lawson, City Clerk, Nicole Albertson, Human Resource Director; Brian Mohr, Fire Chief; Angie Brown, Assistant Human Resource Director; and Lisa Calloway, Legal Counsel with Sorling Northrup.

3. Public Comment

Mayor Pro Tem Schmidt opened the meeting to receive Public Comment. No comments was offered.

4. Consideration of approving the minutes of the Special Meeting of August 28, 2017.
(Recommend the minutes be approved and dispensed as presented.)

Mayor Pro Tem Schmidt asked for a motion to approve the minutes.

Motion by Alderman Painter second by Alderman Mathy to approve the minutes with the correction noted by Alderman Bray.

Ayes: Aldermen, Painter, Schmidt, Black, Mwilambwe, Buragas, Mathy, Sage and Bray.

Nays: None

Motion carried.

5. Closed Special Meeting

Mayor Pro Tem Schmidt requested a motion to go into Closed Session per Section 2(c) (21) of 5 ILCS120 and Section 2(c) (11) of 5 ILCS120.

- A. Claims Settlement – Section 2(c) (12) of 5 ILCS 120/2) (5 minutes)
- B. Collective Bargaining Section 2(c) (2) of 5 ILCS 120/2) (30 minutes)

Motion by Alderman Bray second by Alderman Black to enter into Closed Session Meeting per Section 2(c) (15) of 5 ILCS120, and Section 2(c) (2) of 5 ILCS 120/2.

Ayes: Aldermen, Painter, Sage, Mathy, Schmidt, Buragas, Black, Mwilambwe, and Bray.

Nays: None

Motion carried.

- 6. Adjourn Closed Session

Mayor Pro Tem Schmidt requested a motion to adjourn the Closed Session Meeting.

Motion by Alderman Painter second by Alderman Bray to enter adjourn the Closed Session Meeting.

Motion carried (Viva Voce).

- 7. Return to Open Session

Mayor Pro Tem Schmidt asked for a motion to return to the Open Session Meeting.

Motion by Alderman Painter seconded by Alderman Mwilambwe to return to the Open Session Meeting.

Ayes: Aldermen, Painter, Sage, Black, Mathy, Schmidt, Buragas, Mwilambwe and Bray.

Nays: None

Motion Carried.

- 8. Presentation and discussion on an Ordinance Amending Chapter 37 of the City Code enact provisions changing Sanitary Sewer and Stormwater Rates. (*Presentation by David Hales, City Manager, Jim Karch, Public Works Director and Patti-Lynn Silva, Finance Director 15 minutes; and Council discussion 20 minutes.*)

Mr. Hales stated this is a continuation of prior discussions on the Sanitary and Stormwater portions of our Capital Improvement Plan. He acknowledged the hard work of the Public Works director and staff together with Patti-Lynn Silva in putting together the specific proposal for review.

One of the objectives in bringing this forward is to see whether we can achieve some sort of direction from the Council on whether or not this particular rate increase proposal is something that is found acceptable.

Mr. Karch stated that this was a topic that had been discussed for five years and that in 2012, a Master Plan was started. It was completed and adopted in 2015. We are trying to find a way to reasonably move the ball forward so we can have a plan to address our underground infrastructure. We have been underfunded for a long time. Our Master Plan calls for \$136 million dollars over the next 20 years. He then addressed the issue of General Fund versus Enterprise and then addressed the issue of rate increases.

Alderman Mathy stated that this gets us through all the projects that were on a list for the Capital Improvement Plan and the Master Plan, and asked does that include just regular ongoing maintenance of things we have already done at the same time. Mr. Karch replied that it did.

Alderman Bray asked about the five (5) year, the phased-in approach and wanted to know the reasoning behind a phased-in versus an immediate calculation for what these services really cost. Mr. Karch stated that it really is more of a political decision by the Council on how quickly we want to see these results.

Alderman Bray stated, if we said, well we would like to see some real changes here in the next 24 months are there any capability or obstacles. Mr. Karch replied that there was not. If the majority of the Council is supportive of it, we would work with Finance to do more of a quick one or two year type of increase to that level. Then, back off at that point and just have the ongoing maintenance and be sustainable. That is the kind of direction that we are really looking for tonight.

Mr. Hales stated that as long as we have the revenue projection showing the revenue increasing, we can borrow money up front, then use that increase approach to pay off those bonds in accordance with maybe the availability of revenue.

Alderman Painter stated, if we are looking at 20 years, we will never get it done. We are so far behind now that something really drastic needs to be done and felt that maybe raising the fees over a three-year period to pay for it and possibly get it done in five to eight years.

Alderman Mwilambwe asked if this took into account any of the efficiencies that people might realize over time in 20 years in terms of water consumption, because that is what we are relying on. Mr. Karch replied that with the sewer rates specifically, because it is water consumption driver, it actually does.

Alderman Mwilambwe then asked if this took into account a reserve-type of system so that funds budgeted in case of emergencies, so to prevent operating in crisis mode. Mr. Karch stated it did not and the reason is with a slow increase, there is not a lot of funds that are able to be put aside.

Alderman Buragas referenced, one of the hypotheticals that was discussed stating, when do we want these projects to be done, and I think if we talked to the individuals in the community who are most impacted by our failure to keep up with the infrastructure needs, they would say yesterday and needed to be done then because our need is so large and so eminent. She liked the idea of being proactive instead of reactive and with being more cash for capital.

Mr. Karch stated if we were able to do a two or three year increase, that really would allow staff to do more of that cash for capital-type program, and we would be equipped to respond sooner instead of the eight-year timeframe.

Alderman Sage stated, that five years was the absolute shortest that he would be willing to support. If we were to stretch it out to eight years in order to have the smaller percentage increase for people who really do live almost from month to month, would we still be able to borrow that money up front recognizing that we would have interest charges, but smaller monthly increases for our residents, and have access to money to get a jump start in years one, two and three.

Mr. Hales commented that the City can always structure how it is going to repay that debt. In doing that structure, for the first 5 or 6 years, we are going to start out with smaller repayments; maybe it is more interest up front. Later on, we start increasing the principle so there is a lot of adjustments or modifications we can make on the annual debt service, especially in the beginning.

Ms. Silva stated yes, we can issue debt, it can buy time in raising the rates.

Mr. Hales commented it is important to mention the primary revenue source in these Enterprise Funds should be the fees and service charges, but that does not mean that that has to be an absolute rule.

Mr. Karch stated the last item to stress is the type of capital projects we are looking to complete with this.

Mayor Pro Tem Schmidt inquired about the FTE positions, and how that fits in with either one of these two scenarios--adding people to our payroll and our pension. Mr. Karch stated that one of the aspects that the Master Plan addresses is over a 20-year period, they actually recommend 9.75 staff to be added to allow for the ability to be able to maintain and also manage the contracts, to manage the work that is done and do the inspection.

Alderman Bray asked about the basis of the minimum charges to folks. Mr. Karch stated with the minimum charge, the sanitary sewer, there is a consumption charge, and there also is an administration cost and the ability to just have the system.

Alderman Mathy asked whether Mr. Karch would get some information out about the line in the packet that states property owners can make certain stormwater accommodations and can qualify for credits up to 50%.

Alderman Black stated he was struggling with the monthly increase. Many people will not notice it, but some of the homes in West Bloomington/historic Bloomington have water bills that are higher than the value of their property taxes for the City. He questions if it is truly fair for the entire community to absorb some of these costs through these types of fees.

Mr. Karch responded that with economic development, you can talk about what increases it, but a nonfunctioning sewer is one of those basic things that would be an economic killer. You have to deal with the basic services for every property, and that is really where we are at.

Mayor Pro Tem Schmidt stated that in terms of direction to Mr. Hales and City staff, to bring forward at the Committee of the Whole a spreadsheet providing for the increase to compare what those numbers look like.

Mr. Karch stated if it would be okay, we could bring back, at the next time, multiple options based upon what we have heard for the Council to consider at the next meeting if the City Manager thinks that is a good approach.

Mr. Hales stated, staff could bring those numbers forward, and asked whether Council would like more time for general discussion of this topic before voting.

Alderman Sage stated he did not hear overwhelming support for anything past five years. Without that, he did not know if he would invest the time in looking at something beyond five years and would probably not be able to support anything unless it is beyond five years.

Alderman Mathy stated that he would like to see water rate fees all on one chart as opposed to looking at it separate because that is what people are going to get their monthly bills, and that is what we are looking at to be evaluating.

9. Adjournment

Motion by Alderman Black seconded by Alderman Painter to adjourn. Time: 6:59 PM.

Motion carried (Viva Voce).

CITY OF BLOOMINGTON

ATTEST

Karen Schmidt, Mayor Pro Tem

Cherry L. Lawson, City Clerk