

**CITY COUNCIL WORK SESSION MEETING
Bloomington Police Department – Osborn Room
305 East Street, 2nd Floor; Bloomington, IL
Saturday, March 10, 2018; 8:00 AM**

Call to Order

The Council convened in Work Session in the Bloomington Police Department – Osborn Room, 2nd Floor, at 8:00 a.m., Saturday, March 10, 2018. The meeting was called to order by Mayor Renner.

Roll Call

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

Aldermen Dave Sage, Mboka Mwilambwe, Karen Schmidt, Jamie Mathy, Scott Black, Kim Bray, Amelia Buragas, Diana Hauman and Mayor Tari Renner.

Staff Present: Steve Rasmussen, Interim City Manager; George Boyle, Assistant Corporation Counsel; Cherry Lawson, City Clerk; Patti-Lynn Silva, Finance Director; Jim Karch, Public Works Director; Bob Yehl, Water Director; Nicole Albertson, Human Resource Director; Jay Tetzloff, Director of Parks, Recreation, Cultural Arts and Miller Park Zoo; Brian Mohr, Fire Chief; Brendan Heffner, Police Chief; Bob Mahrt, Interim Director of Community Development; Melissa Hon, Assistant to the City Manager; Austin Grammer, Economic Development Coordinator; Nora Dukowitz, Communication Manager, and other City Staff.

Public Comment

Mayor Renner opened the meeting to receive Public Comment. The following citizen offered comments.

Donna Bolen
Mike Fitzgerald
Glen Ludwig

Presentation, discussion and possible direction on the three (3) remaining Budget Balancing Efforts; Fees, Parking and Business Registration. (Presentation and discussion by Steve Rasmussen, Interim City Manager, Bob Mahrt, Interim Director of Community Development, and Russ Waller, Facility Manager.)

Mr. Rasmussen provided an overview of the purpose of the meeting and indicated that there will be a public hearing on the proposed budget on Monday, March 12, 2018. The proposed budget has been made available to the public, and it is a balanced budget that is being presented to Council. The proposed budget adoption is scheduled for Monday, April 9, 2018. As the City moves forward with the proposed budget, staff seeks Council's direction on that budget will look. He discussed the Capital

Improvement Plan stating, we have talked for more than two or three years about our long-term Capital Improvement Program. The total amount equals \$500 million worth of unfunded projects. Staff has narrowed it down to those projects that could be completed in first five years that totals \$74 million.

City staff is seeking direction from Council on whether to move forward with an Aquatic Center; O'Neil Pool. He is unsure whether the pool will be able to open for another year due to the age of the pool and the repairs that are needed. This is a 43 year old pool within the Recreation Department, and is their number one priority in the Priority Based Budgeting as quality of life, parks and recreation continues to be at the top.

The other is street resurfacing and brick streets. Public Works cannot repair the streets with the current funding that has been allocated. We have to put some money in the budget in order to accomplish that project. He presented PowerPoint slides to Council for its review, and discussed the possibility of issuing a 20 year bond. Mr. Rasmussen stated, we need a steady amount of funding every year, or need to find a new source of revenue. Council discussed the addition of a four cent Motor Fuel Tax; some of Council did not like it. However, Public Works recommends a constant source of revenue and that one continues to surface to the top, and is the most likely way to solve the problem. That would be the staff's recommendation.

When we talked about video gaming, it did not get very much support from Council. It is still an option. We also talked about a utility tax. We are not at where Normal is on utility tax. However if we came up to where they were, that would generate some revenue on a regular basis. He placed the motor fuel tax there. Of course, if you take those three off the list we are left with one property tax. If we raised the property tax to the same as where Normal is, you can see the amount of money that costs the average taxpayer. That amount is generated every year. All of those or some combination of all of those could add up to the money that we would need to repair the streets and to do the pool on the west side.

Mr. Rasmussen discussed partnerships, donations and sponsorships as they are generally in two categories. He referred to the first category as 'big things:' Convention and Visitors Bureau, Connect Transit, and Mental Health. Those amount to approximately \$4 million out of the \$4.5 to \$4.8 million. The other category is 'smaller things.' He did not want to invite 20 organizations or individuals to talk about their projects, but rather asked Lauren Lacy from the McLean County Museum of History to speak on behalf of the three museum items listed in this category related to partnerships, donations and sponsorships.

He stated the last item is consultants. There has been much talk and complaints publically and from Council over the use of consultants. In the 2018 budget, there is not much that was spent on consultant fees. In fact, approximately \$100,000 had been budgeted. He explained there are three types of consultants: 1) Engineering services and that's where they come in and they do work for us providing diagrams, drawings, bid-ready specifications that we don't have the engineer staff to do; 2) Contractual services which may consist of HR, background checks, \$22,000, or some other type of service related consultant; 3) Professional and technical services for example, police dog training, \$33,000. We can hire somebody to come in and put them on our staff and they could be somebody who would be our dog trainers, but it's easier for us to get a "consultant" to do that and we task out our dogs to be trained.

Mr. Rasmussen invited Bob Mahrt, Interim Director of Community Development to discuss fees and the Business Registration Program.

Mr. Mahrt explained, this is a continuation of our discussion that was held at the BCPA on January 9 where we outlined some of the cost recovery items for the City. We provide a wide range of fees throughout our departments and divisions basically for programming, and for services that we provide. Those individual fees are currently scattered throughout the 45 Chapters in the Municipal Code. Undertaking a fee adjustment in a comprehensive way is somewhat difficult to undertake.

We have an outdated fee structure in comparison to...when we compare the cities in our region and as our neighbor. Community Development updated its fees in 2011 and Public Works has not been able to do it in over 15 years. So you kind of see how far behind we are in updating those fees for the city and that's not necessarily keeping up with inflation for the needs of the department. There are some general benefits that are outlined that supports established programs; fees that are compatible with comparable communities, and the cost recovery to match our program service levels. The types of fees that we have within the city are those that are codified within the municipal code.

Within those codified fees are building permits, liquor licenses and, under the Fire Department, for the Emergency Medical Services fees. There are non-codified fees at the departmental discretion. You might have appropriate recreation program fees or classes like Zumba, zoo entrance fees and the pavilion rental fees. So the City Council doesn't routinely get involved in those types of fees.

The City is looking for a one-time fee adjustment as our fees are relatively out of line with comparable communities in the region. He provided examples of what service fees would be adjusted as compared with other communities. Community Development fees adjustments could raise an additional \$67,000 a year if we were to implement those. Most of our fees represent roughly a five (5%) percent increase over the previous funding levels or fee levels, but these would be the extremes. When we talk about the fee adjustments and doing it as a one-time, that might be a hard hit for our development community, our citizens. We are talking about a biennial fee adjustment that might be a phased approach to our changing needs to fee structures so that we might come in with a five (5%) percent increase over a two-year period and we implement that over time.

Mr. Rasmussen stated, what we're proposing is that when we write the ordinance that it have an automatic process in it and that is that the department heads can do that every two years up to five (5%) percent. If you came in with a fee increase for some item, what would happen is the department would look at what the cost of doing business was and then we would bring it back to the Council and we would say these are the proposed increases that we would propose for this year unless you tell us otherwise. That way, instead of having to keep coming back to you every year, it would move forward on a regular basis.

Alderman Mwilambwe asked for clarification on the initial adjustment. Mr. Rasmussen stated, it can be accomplished in two different approaches. Referring to one of the slides, Mr. Rasmussen provided an example of the approach by discussing the annexation fee increase.

Alderman Bray, with the idea that we have certain fees that are significantly misaligned with the market-based fees and with neighboring communities, what would be the harm in a combination approach between right-sizing certain fees? These are one-time fees for different people to come into the community for development purposes. Why would we incrementally increase something like that? She would prefer to take a combination approach between proposal one and two so to ensure that we don't fall short in budget years.

Mr. Rasmussen stated, if the council would like to do that, we would come back with a proposed ordinance that speaks of a combination approach. He asked Mr. Mahrt to provide Council with the working draft of the Community Development spreadsheet for fee adjustments. Mr. Rasmussen stated this list does not include Police and Fire or all of the other City Departments. We're in the process of working through that, but what we wanted to do is give you an example of what it might look like in one department.

Alderman Schmidt asked whether the fees listed are directly tied to the City's cost. Mr. Rasmussen stated that it is. What happens is, just as Community Development, for example, was recovering about 80% of their costs 20 years ago and they're recovering 40% of their costs now. The reason is because those fees have not gone up in...commensurate with the cost of doing business. It has to do with the salary increases for the employees and it has to do with the cost of gasoline for cars going back out into the inspection. It is a fee, the recovery of the cost of doing business in the departments.

Alderman Schmidt stated that is a very important principle that we need to articulate. Mayor Renner, it went from 80% to 40%? Mr. Rasmussen affirmed over the course of 20 years. This has not been addressed as we become engrossed in the issues of the moment. The year goes by and we don't take care of it. After five (5) or 10 years we come together and, we wring our hands and wonder why this happened.

Mr. Rasmussen stated, this summer we are going to have automated our parking decks, much like what you see in Normal. That gives us great ability to adjust the time that we charge for parking. Right now we charge for parking based upon how much it costs us to hire the parking attendants. When the system is automated, we can adjust the fee as needed. If we charged 24/7, the City could possibly see a net return of \$400,000. Having a 24/7 parking system doesn't work for many reasons, as there are times when we want to have free parking downtown, or perhaps charge for an 8 hours a day; but open on weekends and open at night.

Mr. Waller provided some options of potential parking fees as a way we could get increased revenue from the parking operation. As of now we run the Lincoln deck from 9 a.m. to 6 p.m. The other decks vary as there does not exist hourly service provided at the other garages. That could be changed to running the Lincoln deck from 6 a.m. to 6 p.m. That's one potential change, limited revenue increase there, but it is an option. Currently, we do not charge for Saturdays, any weekend or holiday. There is potential for additional revenue if we wanted to start charging for Saturdays. The City can charge instead of an hourly parking, we can do overnight flat rate. In comparing the Town of Normal to Bloomington, Normal does assess a charge to all of those parking situations. Also, the amount varies from the time of the year, and what events are occurring within its community. However, Normal does charge a Saturday rate, as well as charge for a flat overnight rate of \$8.00. The Town of Normal charges daily and monthly rates that are equivalent to Bloomington. He just wanted to highlight some of the options that are available once the automate system is installed.

Mr. Waller discussed special events parking stating, we are looking to potentially charge for five (5) events a year at \$5 per event. The City would realize approximately \$30,000. However, if the amount is increased to 10 events at a charge of \$5 per event, that amount increases to \$60,000. He briefly discussed high event or the high potential revenue just for special event charge parking. There are several combinations that can be looked at regarding parking fees for special events.

Alderman Schmidt asked why Pepsi Ice Center was not included as it is premium parking for the arena.

Mr. Waller stated, when VenuWorks came into the management of the arena, they stopped charging for parking in the Pepsi Ice Center and the Butler Lot. The former management company actually set up barricades and had people out there stationed and collected cash for parking. VenuWorks does not like that operation as it takes additional staff to manage parking. They implemented a dollar per ticket for a parking fee to all of their events. Due to that addition to the ticket, a dollar parking fee is assessed per ticket sale, and the City does not believe it can charge an additional use fee.

Alderman Schmidt reiterated that Pepsi Ice is premium parking. She ask whether the City has the ability to renegotiate that contract. Mr. Rasmussen stated, not with our current contract. Within the current management contract, whenever they have an event at the arena they get both of those facilities. VenuWorks gets the Butler lot as well as the Pepsi Ice Center garage.

Alderman Schmidt stated, VenuWorks gets to keep all the revenue. Mr. Waller stated, part of the revenue does come back to the City. Fifty (\$.50) cents of that dollar comes back to the City.

Discussion continued on the parking situation at Pepsi Ice and Butler Parking Lot without a resolution.

Mr. Rasmussen discussed the issue of instituting a business licensing fee. There are advantages and disadvantages to having this program; there is some revenue generated from it but we want to be careful to say that this is not meant as a money grab. Instead it is an effort to recover the fees that we...the cost that we have for running inspection programs. The Chamber of Commerce liked the idea because it gives them more data; it allows them to see who is doing business in the community. They just didn't like any fees associated with it. However, they understand the premise behind it. The City is proposing a nominal fee that helps us recover the cost of our managing the program.

Mr. Mahrt stated, there is a difference between a Business Registration Program where you can charge a nominal fee for essentially registering that business versus a Business Licensing Program. We are not looking to implement a business licensing program. From the 2016 City Directory, there are 6,000 businesses within the Bloomington, Normal area. There are probably between 2,000 and 4,000 within the City of Bloomington, and that could range from a mom and pop business to a corporate giant like State Farm.

The Business Registration Program could be implemented in the same manner as what we currently have with our Rental Property and Inspection Program as well as our contractor registration. This would be ran through the Community Development Department. We've talked before about some of the benefits, zoning compliance verification, building safety and data collection for our economic development efforts. Mr. Mahrt discussed the possible flat fee for the annual registration of a business, and whether it be an annual versus a one-time fee. He also discussed the potential revenue that may be realized from the program, and how cost-recovery for inspections would likely occur.

Alderman Mathy asked whether there would be online registration to allow businesses to register online. Or is this something we would be asked to go out and buy software to do this or spend money developing something like this? Mr. Mahrt replied that it depends on the features and functions that the City wish to capture from the program.

Council continued to discuss the Business Registration Program and how it may impact the business community.

Presentation, discussion and possible direction on the Capital Improvement Plan. (Presentation and discussion by Steve Rasmussen, Interim City Manager.)

Presentation, discussion and possible direction on Potential New Revenue Sources. (Presentation and discussion by Steve Rasmussen, Interim City Manager.)

Presentation, discussion and possible direction on Cost Review, Partnerships/Donations/Sponsorships, and Consulting: (Presentation and discussion by Steve Rasmussen, Interim City Manager.)

Each of the presentations were discussed interchangeably during the meeting and is summarized below.

Mr. Rasmussen discussed sponsorships, partnerships and donations and stated, staff is seeking direction from Council on how it wishes to proceed. He asked Isaac Thorne, General Manager for Connect Transit to provide some brief remarks regarding the \$1.1 million dollar partnership the City has with Connect Transit.

Mr. Thorne explained the intergovernmental agreement between Connect Transit, Town of Normal and the City of Bloomington that was approved in 1972. Part of that intergovernmental agreement is a local capital share provided by the Town of Normal and the City of Bloomington. Connect Transit uses that local capital money to apply for federal grants because when you apply for a federal grant, and some of that grant money we actually get from the federal government, it is formula based funds that requires an 80/20 split. The federal government provides 80% per capital items, Connect Transit has to come up with 20%. Now, over the years, that's kind of shift, that philosophy has shift and the federal government now wants you to provide 50% of the funding with their grants.

In some cases, the federal government only wants to provide 20% and Bloomington, Normal and Connect Transit provide 80% of that local match. In 2016, through the sales tax, Connect now receives operating funds to provide Sunday service. These communities never had before is a fixed route and the Connect Mobility services operating on Sunday. That service started in August of 2016. As of today, that service has grown 37%. Connect Transit does provide 2.2 million fixed route rides per year as of last year and then 83,000 rides with Connect Mobility, and 65% of those trips are for work, health care, getting to school, and shopping.

Alderman Schmidt stated she is unaware as to manner the City receives information from Connect Transit. She requested to receive quarterly summary reports from Mr. Thorne. Mr. Thorne stated he could provide that to Council on a quarterly basis.

Alderman Mathy asked how many people take advantage of the Sunday service. Mr. Thorne replied, we have about 5000 on Saturdays and about 3000-3500 on Saturdays or on Sundays I mean.

Alderman Sage asked for clarification on the number of riders stating, when you say we have 5000, is that 2500 in the morning, 2500 at night. Mr. Thorne stated, 5000 total rides on Saturday, and approximately

3500 to 2800 on Sunday. Alderman Sage encouraged Mr. Thorne to use exact numbers within his report as opposed to percentages.

Alderman Black inquired about the percentage of non-students who use a pass versus pay cash. Mr. Thorne stated, more people are using cash now in the last six months than they have been buying the passes.

Alderman Black stated, suppose the Council decides that we only want to have our contributions at a million dollars. What a \$200,000 impact have on Connect Transit? Mr. Thorne stated, if Connect Transit lost that \$200,000 in funding we would eliminate three but routes or the equivalent of nine full-time employees. We need to find basically a cut where we have to cut some services and maybe pick transit premium service we could look at, but all options would be on the table on what we need to cut.

Mr. Rasmussen introduced Lauren Lacy from the McLean County Museum of History to discuss the partnership between the Museum and the City of Bloomington.

Ms. Lacy provided an overview of the Museum including the number of staff persons, volunteers and board members serving. Seventy (70%) percent of our funding comes from private sources. That remaining 30% is predominantly in kind services from the county. The historic courthouse is rented from the county, and they provide custodial services, repairs; those in-kind donation is a huge part of our not private budget. She spoke of the number of people that come through the museum on a yearly basis as well as the type of programming it provides for K-12 students, senior citizens and the general public. They have waived student and chaperone admission fees to our Evergreen Cemetery Walk. Generally it was a barrier for some students, so we've been waiving that to make sure all students and teachers who want to attend can make it to this program.

Our library and archives house more than 15,000 rare books and documents and an estimated \$1 million historic negatives donated by "The Pantagraph." We actually won't have a final count until we finish digitizing them. They are in rough shape, so we're trying to find the grant to preserve those. The Museum and the Visitors Center when taken together is probably the strongest economic engine in Downtown Bloomington. Together they have generated nearly \$900,000 last year in spending on shopping, dining, hotel use and construction within the museum as we continue to build these new exhibits. The Visitors Center lately has also really been focusing on boosting Route 66 tours through a variety of means. They are creating a new Route 66 map. There were four different routes through our community.

Ms. Lacy stated the support from the City assist the Museum in building on the quality of life for all persons in the community through education and tourism. Without the support of the \$20,000, they would have to cut some of the educational program they offer. The Capital Campaign, the City made of \$250,000 pledge to be paid over five (5) years has had a huge impact. In fact, the Town of Normal made a matching gift of that amount. So without that, you know, \$500,000 of a \$3 million goal is substantial.

Alderman Sage asked for clarification regarding the \$250,000 proposed in the FY 19 budget related to mental health. He asked whether that contribution comes out from the sales tax, and whether it is a percentage or fixed amount.

Alderman Schmidt expressed concern with the funds allocated to mental health and ask where the funding is being applied too, brick and mortar or service programs. Ms. Hon stated those dollars were not specified in the agreement by Council. Alderman Schmidt stated Council needs to revisit this item.

Alderman Hauman stated, she has a meeting with Chairman McIntyre on Monday at 10. She asked him to keep an accounting of how the funds have been spent to date. The lion share that has been allocated to the jail. There have been other small initiatives that they have interest in.

Alderman Schmidt asked for clarification of Alderman Hauman comment. Alderman Hauman stated, the building construction.

Alderman Sage stated, it was presented that way when Council voted for the sales tax, that it would be used for facilities.

Alderman Black stated, he recalls part of the conversation as it was presented as a savings that the City would face as a result of persons who may be in crisis after interaction with the Police. It would make logical sense to him to have a representative from the City to serve on a committee as we are contributing \$2 million plus or minus a couple \$100,000 depending on sales tax fluctuations.

Alderman Painter stated that she currently serves on the committee; however, there has not been much comment provided from service providers.

Alderman Schmidt, she wanted to follow-up on the list as she has very specific questions. She would like to have additional information on the entities that are listed as an example, Extending Excellence Campaign for the museum; and the Taste of the West. Alderman Hauman added, County Health and Regional Planning, Martin Luther King, Jr. event...which one do we have any say over or has an intergovernmental agreement.

Alderman Black stated, it is all hotel/motel tax. If they don't bring in conventions to fill hotel rooms, they don't get the money.

Mr. Grammer stated, the Convention and Visitor's Centers are under Economic Development budgets. In his research, there is not a current agreement between the City and the Commission. There is not a bureau that specifically ties any portion of both hotel/motel tax and the CVB. At one time 13 years ago, there was a specific percentage of hotel/motel tax that was allocated. Due to the growth of hotels and the amount of money that they generated, it became to be such a large amount of money that it was best to decide that the CVB should receive a certain amount of money; not necessarily tied to hotel/motel tax. It is his understanding that it comes out of a General Fund--with no act of agreement in place that money would be up for discussion.

Alderman Black stated, he serves on the Convention and Visitor's Bureau Board representing the City, and have general discussions of how its revenue comes directly from those funds. He appreciates Mr. Grammer remarks; however stated, with an expired intergovernmental agreement Council could review

the amount that is sent to them. It is all been tied to that hotel/motel tax.

Alderman Mathy stated, it is not 100% of what we're collecting, but it is directly coming out of what we're collecting. Alderman Black confirmed clarifying that the tax portion of the bill goes to fund the CVB, it does not come from property tax, general fund or sales tax.

Mr. Rasmussen stated, the City is generally collecting more in the hotel/motel tax than we give back to the CVB; we're not subsidizing them. Alderman Black the services that the City receives from CVB benefits the entire community, and the revenue that is received does not directly impact taxpayers.

Alderman Bray commented on matching funds through grants as the subject was discuss this day with McLean County; that information was not provided on the page. She would like to know the impact or outcome of whether Council reduce the amount of its contribution where we use grant money.

Mr. Rasmussen offered to provide to Council a summary of the donations that are provided to those entities that have previously approved.

Alderman Mwilambwe stated, it would be helpful to Council to have information related to the level of usage, fund grant amount, and its history.

Alderman Schmidt asked that the summary includes Melissa Hon's original spreadsheet, she had the actual for FY-16 and FY-17. That gives us a nice trajectory.

Discussions continued among staff and Council regarding donations, cost reductions and the overall general philosophy of the City related to donations, sponsorships and partnerships.

Mr. Rasmussen stated, if there is a consensus of the Council, staff can proceed forward in its review of each of those items listed.

Alderman Hauman, she is ready to provide her comments on the donor listing as follows: the Gala goes; we are obligated to the Commission; Friends for Forever goes; Freedom Banquet goes; review McLean County Museum three donations as they are partially funded through the CVB, and the City helps sponsor the Route 66 Visitor Center; there an overlap there. Though she is a firm believer in the Multicultural Leadership Program, it goes; Martin Luther King, Jr. Luncheon goes. With Mr. Hamm leaving the EDC and B-N Advantage, the City has a golden opportunity to determine its future with economic development. Additionally, the City is committed to the Small Business Center and CVB, however, would look at those as well. Connect Transit and Sister City goes as well. That completes her list.

Mr. Rasmussen asked whether Alderman Hauman was including McLean County Regional Planning Commission. Alderman Hauman stated, the City has a contract. In order to obtain additional funding, we need to maintain that as it would be a required cost.

Alderman Bray commented on the philosophy of how Council is arriving at a decision as to fund or not to fund a sponsored event. She wants to ensure that it is a comparative process as opposed to selecting the first item that appears on the list. In the end, it represents event tickets for city leaders to attend the

event. Mr. Rasmussen affirmed. Alderman Bray stated, she just want to ensure that Council know what they are voting for.

There was cross discussion among Council and Mr. Rasmussen as to the purpose of sponsorships and purchasing event tickets.

Alderman Bray expressed concern with Council cutting small sponsorship and how the over impact will be when there is no City presence at important events. She encouraged Council to be careful in its desire to choose as there are entities within City putting on fundraisers, and the City to want to show its' supportive. Perhaps a budget fund needs to be established for all the events. Then Council can select the events they wish to attend.

Alderman Black asked to revisit the sponsorships and partnerships one slide stating, he will identify a few places that the City can save money. He mentioned the following: mental health service, Connect Transit and, combining EDC and B-N Advantage to look at what some scalable cost is. If we cut \$100,000 from each one of those budgets, what is the impact of those programs? Then, Council can consider those at another time. His attention is not on the smaller donations/partnerships or sponsorships at this time. He would like to know what those service levels look like that the City funds. Perhaps if Mr. Thorne comes back and states that if the Council cut \$200,000 out of the Connect Transit budget, that loses \$200,000 from the state, \$400,000 for them, they have to cut Sunday service. That's a conversation that we should broach, yes.

Alderman Mwilambwe stated, the City have some intergovernmental agreements between those individuals. One must consider what it says about our values and what we promised to do. If the Council has said that it is going to do something, I think we should be extremely careful about changing those kinds of things. However, if there is an out in those agreements that allows us to do that, I would say, by all means, let's explore that. But if there is not, I'd be reluctant to say renege on that promise.

Alderman Schmidt agreed with the sentiments of Alderman Mwilambwe. She would be in favor of revisiting all of the History Makers Gala, the NAACP Freedom Banquet, the Multi-Cultural Leadership Program sponsorship, the Martin Luther King Jr. event, the Chamber of Commerce Gala. She would also question the EDC and Be an Advantage.

Mayor Renner stated, there is not currently a funding agreement for the EDC, the B-N Advantage funding. The last meeting in December, the Council authorized funding for the rest of this current fiscal year. No further funding is authorized for B-N Advantage for this next fiscal year, but this is what you're working on now is the budget for the next fiscal year.

Alderman Painter asked what the City was receiving for the amount of money that it has contributed to B-N Advantage and the EDC. Mr. Rasmussen stated, we still have the Small Business Development Center for a small amount of money up there that is proposed.

Alderman Schmidt stated the Small Business Development Center is very important and that's exactly the kind of homegrown business we need to grow in order to... Mayor Renner stated the Council approved a three-year funding agreement for the Small Business Development Center, so that's a contractual obligation.

Alderman Mathy stated that he mostly agree with Alderman Mwilambwe comment. If he should attend and event, he has no issue paying for it as he and his wife prefer to sit together, as some of the events that he attends he pays for them. He cautioned disrupting intergovernmental agreements that the City has entered into with other entities. He does not have an issue revisiting EDC and B-N Advantage; however, our largest employer in the area has been making some significant shifts, which we're already seeing sales tax revenues that are... When that happens, you know, when you face a down environment, you don't cut off your sales and marketing at that time. He expressed concern about having that particular conversation but is willing to have it. Then Connect Transit and mental health services, we can look at those, but if we have got contracts that say we should be doing those, then I think that we should probably pay attention to and honor those contracts.

Council requested staff to provide a list of intergovernmental agreements that the City currently have with community partners so that Council could have a more in-depth conversation.

Alderman Hauman stated she is not advocating for making cuts to back on EDC and B-N Advantage. With the departure of the executive director, now would be the time to revisit the City's support.

Alderman Black addressed the City's philosophy on fee increases as opposed to property tax increase that the City is not capturing the natural growth in our community and we will constantly be having these conversations. Even going the statutory limit for utility tax, that is fluctuating on usage, as we get more energy efficient our residents come and go. It's not capturing the growth in our community whereas property tax would do that. Fire or false alarms, he would like to see some details on what that looks like. The Special Events Street Closure, he would like to have more information on how that is calculated. For the Public Works Special Events Street Closure, we need to be good partners with people that do things in our downtown or elsewhere in the community. He has a hard time charging someone for if they're going to bring in a couple of hundred people to an event and it costs us, some staff time, we can work that out internally and I'm not interested in moving forward there.

He stated he was against Parking and Business Registration. He has outlined \$400,000 in things that needs reviewed. That's \$300,000, we are coming out \$100,000 ahead. Parking I think is a bad idea across the board. We are backing into it the wrong way. We should be charging for street parking and free parking in the garages. If Council is serious about parking, he would vote for paying for parking on the streets of downtown and then try to get that too little to no cost in the garages.

Mr. Rasmussen stated, that is a million dollars that Council put into that, and it cannot be undone. However, facilities can adjust that. The City could charge for events but have free parking in the evenings. Mayor Renner stated, the City had potentially up to \$200,000 even if we had free parking as I recall on weekends and in the evenings with just focused on events, depending on how many events we got. Mr. Rasmussen stated it could get us to \$100,000.

Alderman Mathy stated that he ultimately aligns with Alderman Black. He has discussed it publicly for years about the challenges to parking in the downtown area.

Alderman Schmidt referred to the property tax and utility tax stating, she continues to be really concerned about raising utility tax. Melissa provided in the Priority Based Budgeting Brief the cost of living factors for Bloomington, and it has increased by \$10.00 per month. In her opinion, a utility tax is very regressive,

whereas a property tax increase begins to build on where we're growing. We should have some honest conversations about property taxes and those who are going after utility taxes and the potential impact.

Mr. Rasmussen stated, the City can have that conversation with Council as the Motor Fuel Tax maybe tied to the streets and sewers. There was not a strong feeling from Council about including a video gaming fee. Although by having a moratorium on more gaming, people who do have gaming machines are not going to see more competition. Those businesses that have video gaming machines are getting more business, and perhaps they can return that favor in some way to the City. He proposed as an example stating, it doesn't get us a more money but Peoria charges \$500 for each terminal; so there is something there.

There was cross conversation related to parking fees, and the business registration program. Alderman Schmidt stated, Mr. Mahrt just spoke of how our fees and cost of doing business need to be honest and reflective of the work. She spoke of the possibility of collecting data from this process for other planning opportunities. Mr. Rasmussen stated, having the data is more useful as Ms. Silva indicated earlier, the City is not collecting taxes from some of those businesses. The City is not aware of some of these businesses; however, by having a registration program, the City would be able to collect taxes on those businesses who do not self-report.

Mayor Renner stated, Council may not be resolved on fees. Though it appears there is some agreement except with special events. Mr. Rasmussen stated, it appears that Council is leaning towards a one-time fee registration program. If that is the direction and consensus of the Council, then Mr. Mahrt would begin the process of preparing an ordinance to bring back for Council's consideration.

Alderman Bray stated, Council is not sure whether it fully support that yet. It might be ideal that if the business is static, once registered and pays its first fees, going forward annually. Annually, a business has to update its records to include telephone numbers. If there is a change in ownership, there has to be a reaction to do some data. It should be a fee paid then. As there are additional services that the City has to provide when changes occur to a business. There should be a cost recovery. She is not on board with a one-time only, for a 50-year business that pays one fee even though over the years, the City provides many services including inspections. There needs to be additional study on this.

Mayor Renner stated his understanding was that Code Enforcement could be something different than just registering a business. Mr. Rasmussen stated, staff will begin to look at the program and bring options to Council for its consideration. Alderman Mwilambwe stated, it would be important to outline the City's cost so that it does not come across as a money grab.

Alderman Black expressed concern over having reducing programs and services, yet creating a new program or service that has to be managed by staff. Mr. Rasmussen stated, staff is already doing it, just not getting paid for it. Alderman Black stated, he is against the program at this time.

Alderman Hauman referenced the utility tax and asked whether it included phones. Mayor Renner stated no. However, there is a Telecom Tax and the City is at the maximum amount. That prior to Alderman Hauman coming onto Council. The City increase the level to what Normal on cell phones. However, we did not increase the level up to Normal on the other issues. Alderman Hauman asked for clarification on whether cell phones were included as the materials she has states electric, gas, and

water. Mayor Renner stated it does, but the City would not be increasing cell phones. Mr. Rathbun stated the \$1.4 million does not include anything related to Telecom.

Alderman Hauman asked whether it would be possible to increase the Motor Fuel Tax without increasing the tax on diesel fuel. Mr. Rasmussen deferred to Mr. Karch for clarification. Mr. Karch indicated to his understanding, the tax can be created higher or lower.

General discussion and possible direction regarding the Fiscal Year 2019 Budget.

Mayor Renner stated, under the fees he did not hear any negative voices except for special events and street closure. He does agree with Alderman Black and Alderman Mathy that having special events downtown for brings people into the area. He does not believe the City want to discourage people from having a Jazz Fest or other event.

Alderman Mathy stated other areas of town also sponsors events throughout the City. Alderman Schmidt asked whether there could be a nominal fee assessed so that people see some value. Mr. Karch explained there are regular hours and overtime hours. Public Works had not been trying to track those hours. However, the department has spent approximately \$65,000 or more in overtime costs associated with special event fees. It's not just in the downtown area. We shut down major arterial roads that impact traffic that there are choices that could be made to keep them on non-impacted routes or minimally impacted routes. They work to minimize the impact of the positive aspects of special events, but may try to channel and look at how they can focus some of those efforts into minimize costs and maximize the positive aspects of special events.

Alderman Hauman asked of Chief Heffner whether the police are involved when roads are closed. Chief Heffner stated they are.

Mr. Rasmussen stated, regarding the fees staff will move forward with a combination or a hybrid between some one-time fee increases, which brings us up to where we should be and then some phased increases over time.

Alderman Black suggested Council create some funding mechanisms that go towards downtown. A special district that we charge 10% or \$1 a beer on booze that goes directly and is earmarked for downtown development improvements. Mr. Rasmussen stated, two summers ago during the Budget Task Force Committee we tried to have an earmarked fee for downtown liquor establishment which was going to be earmarked for police buyback and we were not able to do.

Alderman Bray stated, she does not have the opportunity to review and consider what that might look like. Based on some of the challenges that the City is likely to experience, Council need to look at our city holistically. Council has recognized the economic engine the downtown area can be. However, let us forget, the economic engine that are some of our major corridors that do not happen to be in the downtown area like Veteran's Parkway and the east side connector out GE Road. The City have some real opportunity for economic growth in some of these areas, which can really put money in the coffers that then funds everyone. It is best to take a holistic approach when we think about how we can grow our economic base. Alderman Black, we spend a lot of time and resources on downtown specifically, but we have not discussed those funds directly. When it comes to people mingling downtown or in downtown bars, an

extra dollar a beer is going to make a huge impact and pay specifically for those projects that Council approved and talked about through the downtown plan without having to impact the engines that are elsewhere in the community.

Alderman Bray stated Council should exercise caution as the discretion to spend money that people have, it's only so much.

There was cross discussion by Council on this subject matter.

Alderman Mathy stated he likes the idea of generating funding solutions as ultimately it has to be done the right way.

Alderman Schmidt asked what decisions were made on potential new revenue. Mayor Renner stated Council did not come to a decision.

Mr. Rasmussen commented on the O'Neil Pool stating if Council decided to move forward, for example, it would take staff the remainder of the year to develop plans and do the work so that the City could increase the property tax going forward. In removing some of the funding for sponsorships from the budget and additional cuts, the City does not have the needed funding to fix the roads. Alderman Schmidt stated, Council have to have that conversation at some point.

This vision that we have is this is the long-term Capital Improvement Plan and we do not want to make a decision this today. If we could know which two, or three, or four we ought to look at in this list or perhaps something else; ultimately, we are going to have to match up our appetite for the project versus our stomach for the funding.

Alderman Bray asked about the item called "Additional Street Resurfacing and Brick Streets." Council had ask to have those separated out, because Council has not voted to fund brick streets. She requested to see those numbers separately and questioned whether it in the proposed budget.

Alderman Mathy stated, no funds have been budgeted for brick streets. It is just titled that but there's zero dollars for brick streets.

Mr. Karch affirmed Alderman Mathy comments stating, Council passed a Master Plan for brick streets but there's no funding dedicated to that currently.

Mr. Rasmussen stated for discussion purposes, if the City were to do a Motor Fuel Tax of some amount, you would get some additional amount of funds. Further if the City moved on that, we may have \$6.9 million in there for overlay. Well, every time you wanted to do a block of brick streets, you'd have to take \$500,000 or \$600,000 out of that for that brick street, as that is the way that that would work. Mr. Karch stated that is a fair estimate.

Alderman Mathy referred to the Hamilton Bun to Commerce stating, the City has discussed this project for 10 years right. He recalled reading something that the City finally had some agreement from the railway to allow that crossing at grade level which was a big deal. He expressed his concerns on the item. With all of the restructuring in town, he asked whether that project is as high of a priority need. Secondly,

if the City does not act soon, are we jeopardy of that agreement with the railway.

Mr. Karch stated, yes. He reminded Council of the Federal Aid Urban, federal money was designated through the federal government through IDOT; that regulates that for 80% of the majority of that crossing. That 5.5 that they are talking is the money that would be going to that siding replacement. There is some railroad siding that is currently that would force a replacement of that. The rest of that funding we're looking at having come through Motor Fuel Tax funds and we're trying to find other ways to be able to expand that. But we have a lot of our motor fuel tax funds are typically committed to those larger fuel dollar projects. And that's what that Hamilton Road project is currently, how it's being funded.

It is his plan to bring forward this summer for Council consideration for a decision on this project. We have to keep that ball moving. If we fall short again on an agreement with the railroad that would be the third time, and we just may as well forget that arterial for at least the remainder of his career.

Mr. Rasmussen asked when the City have to fund it and how much. Mr. Karch explained, the vast majority of it is now committed by IDOT, that federal funding. The remainder of it we have designated in our Motor Fuel Tax funding. This 5.5 is something right now our consultant is working on drilling down on that siding replacement costs. We don't have that drilled down. That 5.5 was in the fall, and we tried to get some number for budget consideration. Staff anticipate this summer being able to bring something back to the Council for that final action and having better numbers.

Mayor Renner stated, in reference to State Farm, he does not recall the details but the economic development possibilities of that east/west corridor. If something like it would reduce at peak times 20% of the traffic on Veteran's to have that, as that area is economically challenged.

Mr. Rasmussen stated, Hamilton Bun to Commerce is still there, staff is working that. And the other thing is the top of Fire Station Five, \$5.5 million was a placeholder if you wanted to pay for it right now. He deferred to Fire Chief Mohr asking whether the City can still set aside funding there, maybe \$400,000 or \$500,000 of your budget, for land acquisition. Chief Mohr stated yes.

Alderman Hauman asked about the annual debt payment and whether it is all 20 years. O'Neil pool had a 20-year bond. She asked would those all be 20-year bonds. Ms. Silva stated the City used a blended organization of years based on the life of that aspect. Alderman Hauman expressed that if the City talks about a 20-year bond on O'Neil pool, and if the pool has a 20-year life expectancy; then we're going to looking at a maintenance concern as Alderman Mwilambwe stated in our last meeting.

Mr. Rasmussen stated, the City has not done the engineering work on that. Therefore the amount that staff has provided is an estimation of what the City believes it will cost to address the pool and ongoing maintenance. Mr. Tetzloff stated, they would have a concrete pool constructed as it last longer than aluminum pools, as aluminum pools last 25 years. Concrete pools typically last about 40 years. Every fiscal year, they budget for pool maintenance.

Alderman Hauman asked whether there is any potential for Fire Station No. 5 to be shared with the Town of Normal. Mayor Renner stated, he does not think that is out of the question. However, he deferred to Mr. Rasmussen as he had ran some figures on this. Mr. Rasmussen stated that it would cost the City approximately \$2 million per year. With that amount, the City may want to explore having its own station.

Mayor Renner stated, staff at this point is looking for direction on which of these might be the highest of priorities, and whether there needs to be any some follow-ups with this. He asked Council, which ones they work on next.

Alderman Karen said her number one priority is street resurfacing. She is really interested in Alderman Hauman suggestion about looking at diesel versus non-diesel Motor Fuel Tax. I'd like to get some numbers on that. She is not interested in economic development/land acquisition, nor the Library expansion. That's something that would get funded out of a library leavecc.

Mr. Rasmussen stated the reason the library is on there is on the list as Council discussed the capital improvement plan a year ago or six months ago. Those items were listed. When he return with the updated list, it will be reduced.

Alderman Schmidt continued stating, the library may require a separate conversation. Although she understands conceptually why this is being looked at, she does not understand where the numbers are coming from. She asked whether there are opportunities to collaborate with either the Town of Normal or the County. She would like to have more conversation, as she does not have enough information on that. She is also very interested in the Aquatic Center.

Alderman Hauman stated, in looking at \$4.5 million and even if Council removed a couple of the items, where would those funds come from. Mayor Renner stated, the four cent a gallon gas tax is on the table.

Mr. Rasmussen stated, what we are really talking about is the Aquatic Center which is \$600,000 a year for 20 years. It increases the property tax by a dollar amount for an average household, and it is a progressive tax. Mayor Renner stated it would be approximately \$19 to \$20 a year. Alderman Hauman stated there would still be a shortfall.

Mr. Rasmussen stated, this is the five-year Capital Improvement Plan that we've been working on for five (5) years and we'll work on it for another five (5) years. After the budget has been approved, and in the next two to three months, we can revisit these items and how to fund those that are ranked in the highest priority. What he is hearing from Council are the Aquatics Center, Street Resurfacing and maybe the Public Works Garage.

Alderman Hauman asked whether Council could send to Mr. Rasmussen its top three priorities.

Mayor Renner stated, he was unsure whether the Public Works Garage was named as one of Alderman Schmidt's priorities.

Alderman Schmidt stated she is interested in Alderman Mathy comments regarding Bunn to Commerce. Alderman Sage stated, at a recent Council Meeting where Council discussed a couple of items that are listed. One of which was the Aquatic Center that he could not recall whether there was a majority consensus. He believe there were a significant number of Aldermen who questioned the amount to replace the pool. However expressed that he continues to see an amount of \$10 million. There needs to be some sense from Council regarding the scope of work to be performed. Ten million dollars is a non-starter for

him. He wants to do something that will open the facility by perhaps replacing what we already have. There are some profound realities that this city must start to deal with from a revenue perspective. The second item Council discussed was street resurfacing and brick streets. He is not interested in brick streets and would like to see it disappear. There were a number of Aldermen who were opposed to brick streets at that meeting. Council could have a philosophical conversation about whether or not brick streets should even be included in the street resurfacing budget.

This give a more clear direction to staff in terms of Council's priorities. For him, replace Aquatic Center with what we have now at a significant cost of less than \$10 million. Then address how to fund street resurfacing.

Alderman Bray stated, she is looking at what those essential services for the City are such as: Public Safety, infrastructure, deliverables. Maybe the City could do a study regarding public/private partnerships that looks at the cost to resurface a street, and for those residents that live on a particular who want to maintain or resurfacing brick streets to have them contribute to so that it is privately funded. Number one for her would be street resurfacing.

Number two is to ensure the City is able to deliver emergency services to all areas of our City. The fire station is important. She understand the City has some regional partners that are studying this for us. We are waiting to hear back on what our projected service challenges will be in the future as we have some new eldercare facilities being built on the east side of town. Number three would be the public works project. She is focused on what essential services the city delivers. At this juncture, it has to be the infrastructure and the public safety.

Mr. Rasmussen stated, in his conversations with Chief Mohr, we talked about the fire station, as they have placed \$5.5 million in the budget. They spoke about money for a future sight but a fire station doesn't appear quickly. However, they have made the response time in the northeast corner a number one priority and are doing that right now.

Chief Mohr, currently, they are addressing the response time by adding that separate ambulance. We're still in process with that. He will need to get the data on how that affects our responses throughout our community. Conversations relating to putting a station on the line with Normal, is not going to change necessarily our staffing level, but it would just reduce the cost of construction. Our staffing level is an annual expense. Once we try to find that strategic location moving forward, we get the data to see how we are affecting those response times. Putting the right resource in the right location currently, we know that our calls for service is going to change in that northeast.

Alderman Mathy stated, as he review the list, he will always look towards infrastructure and things that generate economic activity. This is our five-year plan of projects that we would like to do, Council will need to figure out how to pay for these projects.

The one thing that was discussed in the Budget Task Force, is a long-term solution to figure to getting our employee compensation under control. We need a long term solution to address pay, benefits and pensions of our employees. The City does not have a long term plan for dealing with this. It is his belief that the City's total compensation provided to city employees is out of line with the private sector. He spoke of comparative positions with the City and private sector. He looked through the City of Transparency

website and pulled some numbers on what we provide and what healthcare costs the city and I can't help but contrast that to healthcare package to city employees.

Mr. Rasmussen stated, between now and the end of April, the City will balance the budget. He will make sure that we get on the employee compensation and the capital improvement problems on the five-year program and will bring those back with an emphasis on the ones that you've identified today.

Alderman Sage stated, that is a perpetual conversation that Council say we need to have. Over the last few years Council looked at outsourcing. Council has not had an in-depth discussion on this matter as he does not believe there is not been the political courage to do that. He asked, where do staff go with that when they don't see the political courage to deal with some of the deliberate results completed staff work that might come back to us from a compensation perspective?


Mr. Rasmussen thanked the Council for attending the budget session, as well as its work on solid waste.


Adjourn (approximately 12 PM)

Motioned by Alderman Mwilambwe and seconded by Alderman Black to adjourn the Special Session. Meeting adjourn at 12:40 PM

Motion carried: Viva Voce.

CITY OF BLOOMINGTON


Tari Renner, Mayor

ATTEST

Cherry L. Lawson, City Clerk