



ADDENDUM I
BLOOMINGTON CITY COUNCIL AGENDA
NOVEMBER 13, 2012

ADDITION TO CONSENT AGENDA

- Item 7B. Bills and Payroll. (Recommend that the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.) *City Council Memorandum with Attachment I.*

- Item 8C Proposed 2012 Tax Levy and Process. (Presentation and Discussion.) (30 minutes) *Item material not available.*

- Item 8E Proposed 2012 Tax Levy, (City and Library), and Adoption of Estimated Levy. (Recommend that the proposed tax levy be adopted as the estimate of \$24,393,923 for the 2012 Tax Levy). (10 minutes)

FOR COUNCIL: November 13, 2012

SUBJECT: Bills and Payroll

RECOMMENDATION: That the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.

FINANCIAL IMPACT: Total disbursements to be approved \$6,253,265.44, (Payroll total \$2,387,261.49, and Accounts Payable total \$3,866,003.95).

Respectfully submitted for Council consideration.

Prepared by:

Recommended by:

Patti-Lynn Silva
Director of Finance

David A. Hales
City Manager

(ON FILE IN CLERK’S OFFICE)

Attachment: Attachment 1. Bills and Payroll on file in the Clerk’s office. Also available at www.cityblm.org.
Attachment 2. Summary Sheet Bills and Payroll Report

Motion: That the bills and payroll be allowed and orders drawn on the Treasurer for the various amounts as funds are available.

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Stearns				Alderman McDade			
Alderman Mwilambwe				Alderman Anderson			
Alderman Fazzini				Alderman Schmidt			
Alderman Sage				Alderman Fruin			
Alderman Purcell							
				Mayor Stockton			

CITY OF BLOOMINGTON FINANCE REPORT

Council of November 13, 2012

PAYROLL

Date	Gross Pay	Employer Contribution	Totals
10/26/2012	\$ 225,155.95	\$ 74,212.20	\$ 299,368.15
11/1/2012	\$ 1,182,532.58	\$ 271,069.67	\$ 1,453,602.25
11/2/2012	\$ 233,902.90	\$ 75,552.75	\$ 309,455.65
11/9/2012	\$ 245,248.73	\$ 78,774.49	\$ 324,023.22
Off Cycle Adjustments	\$ 829.60	-17.38	\$ 812.22
PAYROLL GRAND TOTAL			\$ 2,387,261.49

ACCOUNTS PAYABLE

Date	Bank	Total
11/13/2012	AP General	\$ 3,116,568.64
11/13/2012	AP BCPA	\$ 24,054.65
11/13/2012	AP Comm Devel	\$ 79,232.00
11/13/2012	AP IHDA	\$ -
11/13/2012	AP Library	\$ 41,225.83
11/13/2012	AP MFT	\$ 132,131.60
10/23/12 - 11/13/12	Off Cycle Check Runs	\$ 472,791.23
AP GRAND TOTAL		\$ 3,866,003.95

PCARD

Date	Total
PCARD GRAND TOTAL	

WIRES

Date	Total
WIRE GRAND TOTAL	

TOTAL DISBURSEMENTS TO BE APPROVED:	\$ 6,253,265.44
--	------------------------

Respectfully,

Patti-Lynn Silva
Director of Finance

SUBJECT: Proposed 2012 Estimated Tax Levy

RECOMMENDATION: The Council makes a motion to set the estimated 2012 property tax levy in the amount of \$24,393,923 or adoption of Scenario A.

DISCUSSION:

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 a final tax levy.

35ILCS 200/18-85 requires said estimate be compared to the prior year extension and if a 5% increase exists then a public notice and a public hearing must occur.

In addition, the tax levy ordinance must be passed by a vote of the City Council and a certified copy, thereof, filed with the County Clerk on or before the last Tuesday in December. The last working Tuesday in December which is the 18th therefore, the adoption of the 2012 Tax Levy Ordinance should be placed on the Council's December 10, 2012 meeting agenda. It is our goal to abate any taxes at this meeting.

BACKGROUND:

Factors affecting the property tax levy range from changes in the Equalized Assessed Value (EAV) of real property to increases in city expenditures required to be levied. The cities tax levy is one of nine overlapping levies from multiple taxing districts which affect taxpayers in the City of Bloomington. The tax rates which result from these overlapping levies create a composite tax rate which is applied to 1/3 of the market value of real property. The City of Bloomington's tax levy is made up of the following components explained briefly below:

1. General Corporate – this levy is used the general operations of the City, in FY2013 this component was increased by \$1,046,867 to supplement the Road Resurfacing Program due to the Cities growing deferred road maintenance. Total dollars budgeted for road resurfacing in FY2013 is \$3,500,000.
2. Fire Protection - this levy is used to fund costs associated with fire protection. Fire protection costs (net of departmental revenue) are approximately \$11,568,424 for FY2013. The City levies roughly 10% of this cost.
3. Police Protection – this levy is used to fund costs associated with police protection. Police protection costs (net of departmental revenue) are approximately \$14,374,493 for FY2013. The City levies 9% of this cost.

4. Public Parks – this levy is used to fund costs associated with public parks. Park costs which include: administration, maintenance, recreation, aquatics, Miller Park Zoo, and the Pepsi Ice Center (net of departmental revenues) are approximately \$5,434,917 for FY2013. The City levies about 19% of these costs.
5. Bonds & Interest – this levy is used to fund costs associated with city owned debt instruments. The general obligation debt service is approximately \$14,415,593 for FY2013 (excluding capital leases and IEPA loans for enterprise funds). The City levies approximately \$2,180,143 or 15.2%; the balance is abated and paid for with general revenues.
6. IMRF – this levy is used to fund portions of the annual pension contribution for employees eligible for the Illinois Municipal Retirement Fund. The FY2013 minimum statutory contribution (excluding the early retirement payment *) was \$2,750,069. The City levied for 90% of the required minimum contribution in FY2013 and paid the balance, in addition to a \$250,000 supplemental contribution out of general revenues.
7. Fire Pension – this levy is used to fund the minimum annual statutory required contribution for employees eligible for a fire pension. The FY2013 minimum statutory contribution was \$2,861,552. The City levied 108% of this contribution making an additional \$250,000 supplemental pension contribution for a total levy of \$3,111,552.
8. Police Pension – this levy is used to fund the minimum annual statutory required contribution for employees eligible for a police pension. The FY2013 minimum statutory contribution was \$3,056,933. The City levied 108% of this contribution making an additional \$250,000 supplemental pension contribution for a total levy of \$3,306,933.
9. Social Security – this levy is used to fund costs associated with the cities portion of social security for eligible employees. The FY2013 social security costs are estimated at \$1,904,524. The City levies roughly 77% of this cost.
10. Library – this levy is used to fund costs associated with the Library. The FY2013 estimated Library costs are \$4,566,548 net of departmental revenue. The City levied for 99% of the net Library costs in FY2013.

Expenditure estimates noted above are primarily related to operations with the exception of the Library estimate which includes contributions to capital and the Road Resurfacing Program contribution reflected in the General Corporate component.

** The early retirement was paid in full to IMRF with the issuance of the 2012 Taxable Bond. The annual debt service related to this payment is reflected in the Cities general obligation debt seen in item #5 above. Refinancing this liability saved the City approximately \$1,000,000 in interest costs.*

FINANCIAL IMPACT/ANALYSIS:

The Council has adopted a “level dollar” tax levy for the last three fiscal years of \$23,586,801 *as extended*. The City Manager and Finance Director recommend the Council adopt tax levy of \$24,393,923. Increasing the levy by \$807,122 enables the City to ensure revenues to fund the Library’s FY2014 budget request, a \$500,000 increase in the Road Resurfacing Program and funding the increase in the statutory minimum contributions for the Police and Fire Pensions, in addition to adding a supplemental contribution \$250,000 to each.

Finance has created the attached exhibits to facilitate Council’s decision making process over the next 20 days. The Exhibit 1 has five levy scenarios A through E, each scenario shows the estimated impact on the tax rate, cents per EAV and how the potential results may affect the homeowners of varied assessments. The Exhibit 2 is various charts depicting the allocation of the 2011 tax levy, General Fund Revenues, and outstanding debt by category.

Respectfully submitted for Council consideration.

Prepared by:

Patti-Lynn Silva, CPA

Recommended by:

David A. Hales
City Manager

Motion: That the proposed tax levy be adopted as the estimate of \$24,393,923 for the 2012 Tax Levy.

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Stearns				Alderman McDade			
Alderman Huette				Alderman Anderson			
Alderman Hanson				Alderman Schmidt			
Alderman Sage				Alderman Fruin			
Alderman Purcell							
				Mayor Stockton			

Exhibit 1

		Scenario A - Pensions/Road/Library Increase	
	FY 2013 Adjusted		
Description	Levy as Extended	FY2014 Adjusted Levy	Increase/(Decrease)
General Corporate	\$ 2,973,822.00	\$ 3,473,822.00	\$ 500,000.00
Bonds & Interest	\$ 2,180,143.00	\$ 2,180,143.00	\$ -
IMRF	\$ 2,502,907.00	\$ 2,502,907.00	\$ -
Fire Protection	\$ 1,183,228.00	\$ 1,183,228.00	\$ -
Fire Pension	\$ 3,111,532.00	\$ 3,158,472.00	\$ 46,940.00
Police Protection	\$ 1,354,421.00	\$ 1,354,421.00	\$ -
Police Pension	\$ 3,306,847.00	\$ 3,431,581.00	\$ 124,734.00
Public Parks	\$ 1,001,415.00	\$ 1,001,415.00	\$ -
Social Security	\$ 1,459,009.00	\$ 1,459,009.00	\$ -
Library	\$ 4,513,477.00	\$ 4,648,925.00	\$ 135,448.00
Total:	\$ 23,586,801.00	\$ 24,393,923.00	\$ 807,122.00
		Tax Rate % Increase:	5.21%
		Cents per EAV:	\$ 0.068
		\$100,000 Home:	\$ 22.77
		\$150,000 Home:	\$ 34.15
		\$200,000 Home:	\$ 45.53
		\$250,000 Home:	\$ 56.92
		Levy % Increase:	3.42%

This scenario would result in approximately a .07 cents increase per \$100 of EAV or a 5.21% increase in tax rate. Please note the estimated impact to taxpayers of different home values. These estimates make the assumption that individual homeowner's EAV trends with the overall 2012 EAV decrease.

Scenario A is recommended by the City Manager and depicts an \$807,122 increase over the prior year levy based on adjusting the following components:

- Increasing the General Corporate levy by \$500,000 for the Road Resurfacing Program.
- Increasing the Fire Pension levy by \$46,920 for the increase in the statutory minimum contribution and making an additional \$250,000 supplemental contribution.
- Increasing the Police Pension levy by \$124,000 for the increase in the statutory minimum contribution and making an additional \$250,000 supplemental contribution.
- Increasing the Library levy by \$135,448 for the FY2014 budget request.

* The Town of Normal has proposed a .07 cents increase per \$100 EAV and a 4.65% increase in tax rate.

Exhibit 1

Description	FY 2013 Adjusted Levy as Extended	Scenario B Library/Road/Pension Increase	
		FY2014 Adjusted Levy	Increase/(Decrease)
General Corporate	\$ 2,973,822.00	\$ 3,473,822.00	\$ 500,000.00
Bonds & Interest	\$ 2,180,143.00	\$ 2,180,143.00	\$ -
IMRF	\$ 2,502,907.00	\$ 2,502,907.00	\$ -
Fire Protection	\$ 1,183,228.00	\$ 1,183,228.00	\$ -
Fire Pension	\$ 3,111,532.00	\$ 2,908,472.00	\$ (203,060.00)
Police Protection	\$ 1,354,421.00	\$ 1,354,421.00	\$ -
Police Pension	\$ 3,306,847.00	\$ 3,181,581.00	\$ (125,266.00)
Public Parks	\$ 1,001,415.00	\$ 1,001,415.00	\$ -
Social Security	\$ 1,459,009.00	\$ 1,459,009.00	\$ -
Library	\$ 4,513,477.00	\$ 4,648,925.00	\$ 135,448.00
Total:	\$ 23,586,801.00	\$ 23,893,923.00	\$ 307,122.00
		Tax Rate % Increase:	3.05%
		Cents per EAV:	\$ 0.040
		\$100,000 Home:	\$ 13.35
		\$150,000 Home:	\$ 20.02
		\$200,000 Home:	\$ 26.69
		\$250,000 Home:	\$ 33.36
		Levy % Increase:	1.30%

This scenario would result in approximately a .04 cents increase per \$100 of EAV or a 3.05% increase in tax rate. Please note the estimated impact to taxpayers of different home values. These estimates make the assumption that individual homeowner's EAV trends with the overall 2012 EAV decrease.

Scenario B depicts a \$307,122 increase over the prior year levy based on adjusting the following components:

- Increasing the General Corporate levy by \$500,000 for the Road Resurfacing Program.
- Increasing the Fire Pension levy by \$46,920 for the increase in the statutory minimum contribution and making no supplemental contributions. *
- Increasing the Police Pension levy by \$124,000 for the increase in the statutory minimum contribution and making no supplemental contributions.*
- Increasing the Library levy by \$135,448 for the FY2014 budget request.

** Please note the Fire and Police Pension levies appear to be decreasing due to the 2011 tax levy. These levies were "grossed up" for \$250,000 in supplemental contribution each. The minimum statutory contributions for Fire and Police for the 2011 tax levy were \$2,861,552 and \$3,056,933 and have increased for the 2012 levy.*

Exhibit 1

Description	FY 2013 Adjusted Levy as Extended	Scenario C - Pensions/Library/Road Increase	
		FY2014 Adjusted Levy	Increase/(Decrease)
General Corporate	\$ 2,973,822.00	\$ 3,473,822.00	\$ 500,000.00
Bonds & Interest	\$ 2,180,143.00	\$ 2,180,143.00	\$ -
IMRF	\$ 2,502,907.00	\$ 2,502,907.00	\$ -
Fire Protection	\$ 1,183,228.00	\$ 1,183,228.00	\$ -
Fire Pension	\$ 3,111,532.00	\$ 3,111,532.00	\$ -
Police Protection	\$ 1,354,421.00	\$ 1,354,421.00	\$ -
Police Pension	\$ 3,306,847.00	\$ 3,306,847.00	\$ -
Public Parks	\$ 1,001,415.00	\$ 1,001,415.00	\$ -
Social Security	\$ 1,459,009.00	\$ 1,459,009.00	\$ -
Library	\$ 4,513,477.00	\$ 4,648,925.00	\$ 135,448.00
Total:	\$ 23,586,801.00	\$ 24,222,249.00	\$ 635,448.00
		Tax Rate % Increase:	4.47%
		Cents per EAV:	\$ 0.059
		\$100,000 Home:	\$ 19.53
		\$150,000 Home:	\$ 29.30
		\$200,000 Home:	\$ 39.06
		\$250,000 Home:	\$ 48.83
		Levy % Increase:	2.69%

This scenario would result in approximately a .06 cents increase per \$100 of EAV or a 4.47% increase in tax rate. Please note the estimated impact to taxpayers of different home values. These estimates make the assumption that individual homeowner's EAV trends with the overall 2012 EAV decrease.

Scenario C depicts a \$635,448 increase over the prior year levy based on adjusting the following components:

- Increasing the General Corporate levy by \$500,000 for the Road Resurfacing Program.
- Increasing the Fire Pension levy by \$46,920 for the increase in the statutory minimum contribution and making an additional supplemental contribution of \$203,060 keeping this year's levy level with last years.*
- Increasing the Police Pension levy by \$124,000 for the increase in the statutory minimum contribution and making an additional supplemental contribution of \$125,266 keeping this year's levy level with last years.*
- Increasing the Library levy by \$135,448 for the FY2014 budget request.

* Please note the Fire and Police Pension levies appear to be decreasing due to the 2011 tax levy. These levies were "grossed up" for \$250,000 in supplemental contribution each. The minimum statutory contributions for Fire and Police for the 2011 tax levy were \$2,861,552 and \$3,056,933 and have increased for the 2012 levy.

Exhibit 1

			Scenario D -Level Dollar Levy	
	FY 2013 Adjusted			
Description	Levy as Extended	Increase/(Decrease)	FY2014 Adjusted Levy	Increase/(Decrease)
General Corporate	\$ 2,973,822.00	\$ 1,046,737.00	\$ 3,302,148.00	\$ 328,326.00
Bonds & Interest	\$ 2,180,143.00	\$ 275.00	\$ 2,180,143.00	\$ -
IMRF	\$ 2,502,907.00	\$ (91.00)	\$ 2,502,907.00	\$ -
Fire Protection	\$ 1,183,228.00	\$ 97.00	\$ 1,183,228.00	\$ -
Fire Pension	\$ 3,111,532.00	\$ (295,906.00)	\$ 2,908,472.00	\$ (203,060.00)
Police Protection	\$ 1,354,421.00	\$ 10.00	\$ 1,354,421.00	\$ -
Police Pension	\$ 3,306,847.00	\$ (751,169.00)	\$ 3,181,581.00	\$ (125,266.00)
Public Parks	\$ 1,001,415.00	\$ -	\$ 1,001,415.00	\$ -
Social Security	\$ 1,459,009.00	\$ (113.00)	\$ 1,459,009.00	\$ -
Library	\$ 4,513,477.00	\$ (87.00)	\$ 4,513,477.00	\$ -
Total:	\$ 23,586,801.00	\$ (247.00)	\$ 23,586,801.00	\$ -
			Tax Rate % Increase:	1.73%
			Cents per EAV:	\$ 0.023
			\$100,000 Home:	\$ 7.56
			\$150,000 Home:	\$ 11.34
			\$200,000 Home:	\$ 15.12
			\$250,000 Home:	\$ 18.90
			Levy % Increase:	0.00%

This scenario would result in approximately a .02 cents increase per \$100 of EAV or a 1.73% increase in tax rate. Please note the estimated impact to taxpayers of different home values. These estimates make the assumption that individual homeowner's EAV trends with the overall 2012 EAV decrease.

Scenario D illustrates a level dollar levy or no increase over last year's levy based on adjusting the following components:

- Increasing the General Corporate levy by \$328,326 for the Road Resurfacing Program.
- Increasing the Fire Pension levy by \$46,920 for the increase in the statutory minimum contribution and making no supplemental contributions. *
- Increasing the Police Pension levy by \$124,000 for the increase in the statutory minimum contribution and making no supplemental contributions.*
- Leaving the Library levy flat no increase for the FY2014 budget request.

** Please note the Fire and Police Pension levies appear to be decreasing due to the 2011 tax levy. These levies were "grossed up" for \$250,000 in supplemental contribution each. The minimum statutory contributions for Fire and Police for the 2011 tax levy were \$2,861,552 and \$3,056,933 and have increased for the 2012 levy.*

Exhibit 1

Description	FY 2013 Adjusted Levy as Extended	Scenario E - Reduced EAV	
		FY2014 Adjusted Levy	Increase/(Decrease)
General Corporate	\$ 2,973,822.00	\$ 2,901,180.00	\$ (72,642.00)
Bonds & Interest	\$ 2,180,143.00	\$ 2,180,143.00	\$ -
IMRF	\$ 2,502,907.00	\$ 2,502,907.00	\$ -
Fire Protection	\$ 1,183,228.00	\$ 1,183,228.00	\$ -
Fire Pension	\$ 3,111,532.00	\$ 2,908,472.00	\$ (203,060.00)
Police Protection	\$ 1,354,421.00	\$ 1,354,421.00	\$ -
Police Pension	\$ 3,306,847.00	\$ 3,181,581.00	\$ (125,266.00)
Public Parks	\$ 1,001,415.00	\$ 1,001,415.00	\$ -
Social Security	\$ 1,459,009.00	\$ 1,459,009.00	\$ -
Library	\$ 4,513,477.00	\$ 4,513,477.00	\$ -
Total:	\$ 23,586,801.00	\$ 23,185,833.00	\$ (401,215.00)
		Tax Rate % Increase:	0.00%
		Cents per EAV:	\$ -
		\$100,000 Home:	\$ -
		\$150,000 Home:	\$ -
		\$200,000 Home:	\$ -
		\$250,000 Home:	\$ -
		Levy % Increase:	-1.70%

This scenario would result in approximately a .00 cent increase per \$100 of EAV or a 0% increase in tax rate. Please note the estimated impact to taxpayers of different home values; these estimates make the assumption that the taxpayer's individual EAV trends with the overall 2012 decrease. *** If a homeowners EAV increases then under this scenario their taxes would still increase.*

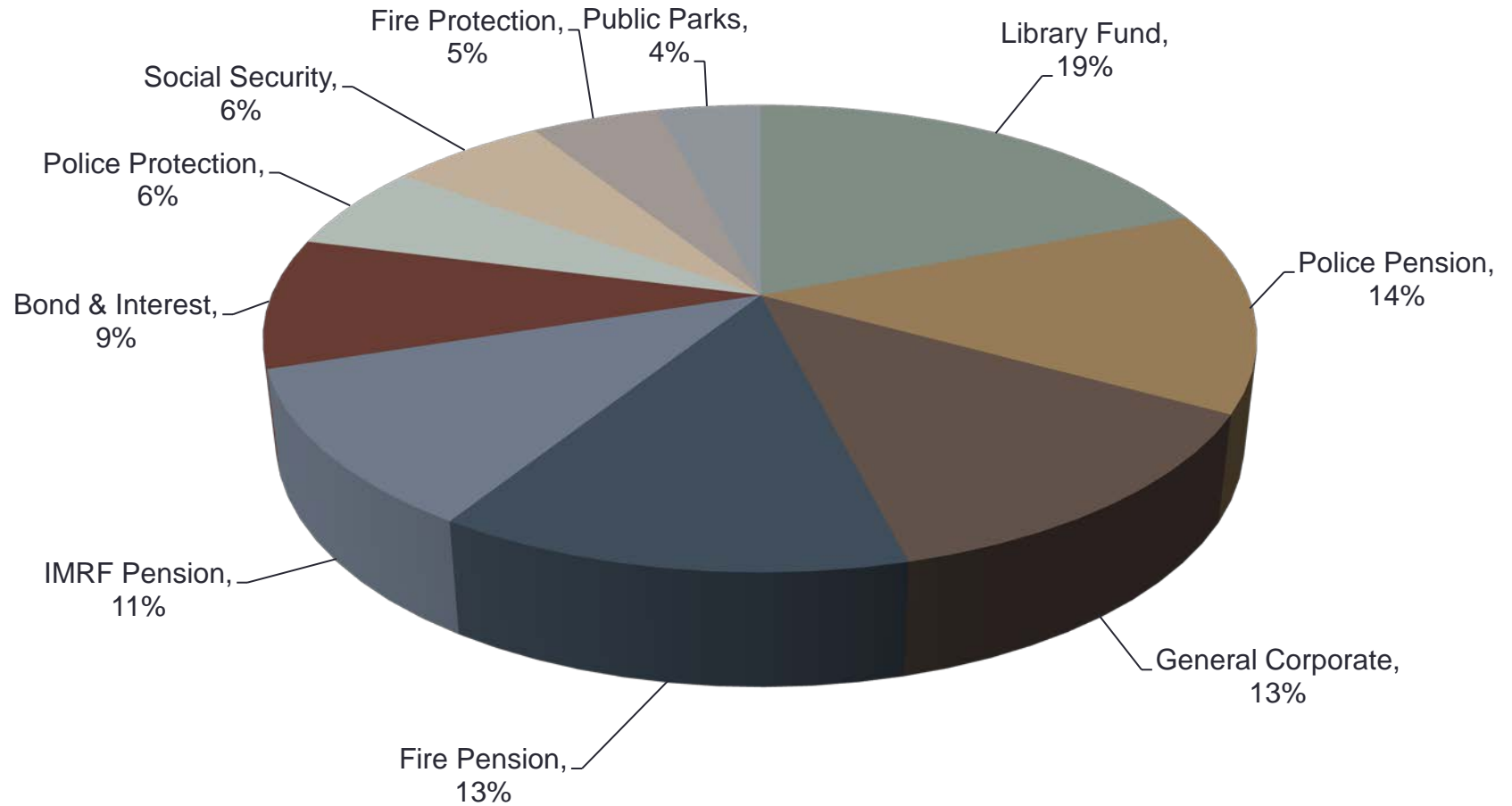
Scenario E is not recommended. In this scenario general revenues would lose approximately \$400,000 in property tax revenue. Adjusting the following components could achieve a reduced levy:

- Decreasing the General Corporate levy by \$72,642 for the Road Resurfacing Program.
- By increasing the Fire Pension levy for the increase in the statutory minimum contribution of \$46,920 with no supplemental contribution (this increase is required by law). *
- By increasing the Police Pension levy for the increase in the statutory minimum contribution of \$124,000 with no supplemental contribution (this increase is required by law). *
- Leaving the Library levy flat no increase for the FY2014 budget request.

** Please note that the Fire and Police Pension levies appear to be decreasing due to last year's levy "gross ups" for \$250,000 in supplemental contribution payments each. The minimum statutory contributions for Fire and Police for the 2011 tax levy were \$2,861,552 and \$3,056,933.*

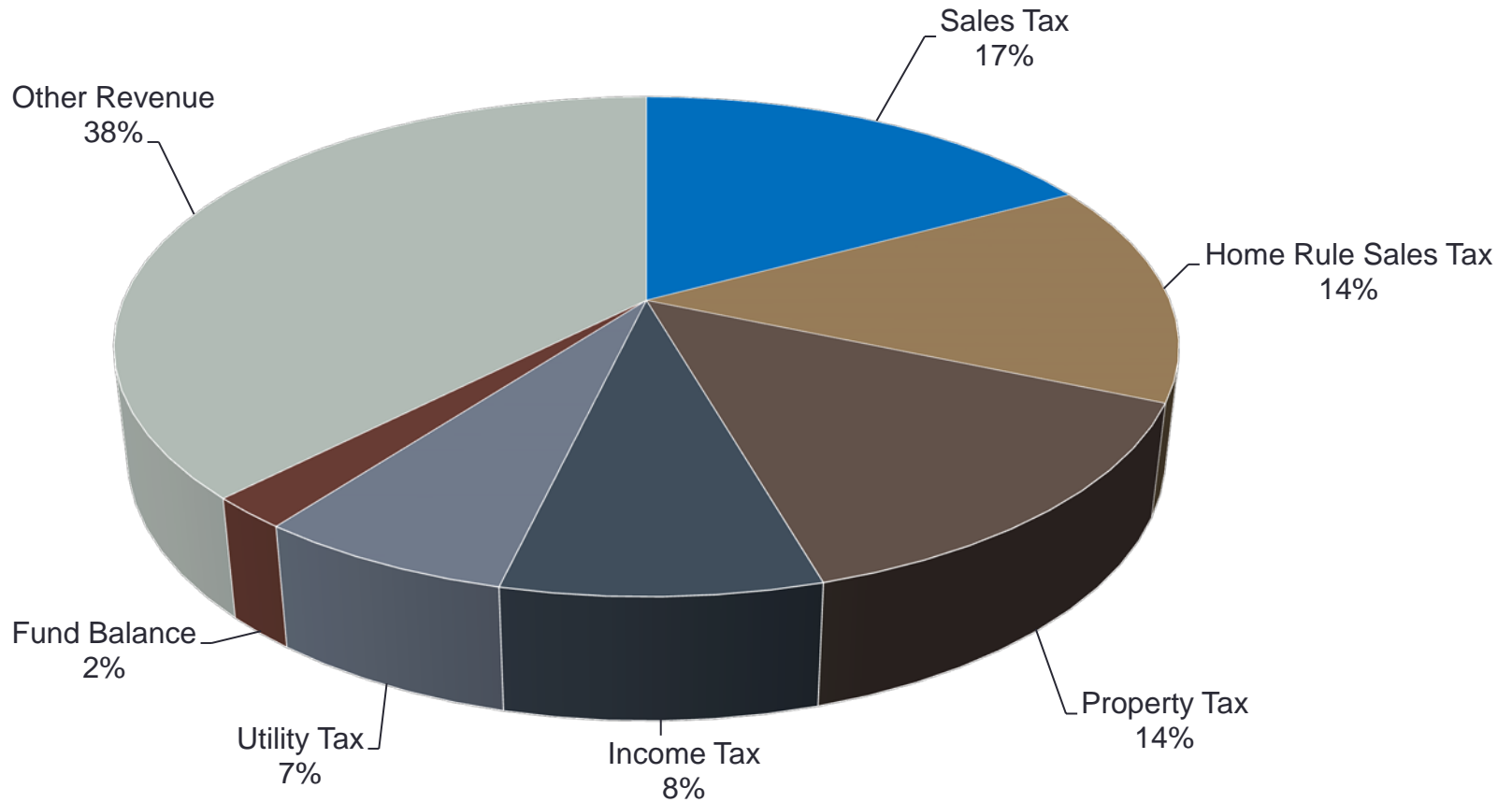
Exhibit 1

City of Bloomington Allocation of Property Tax Levy



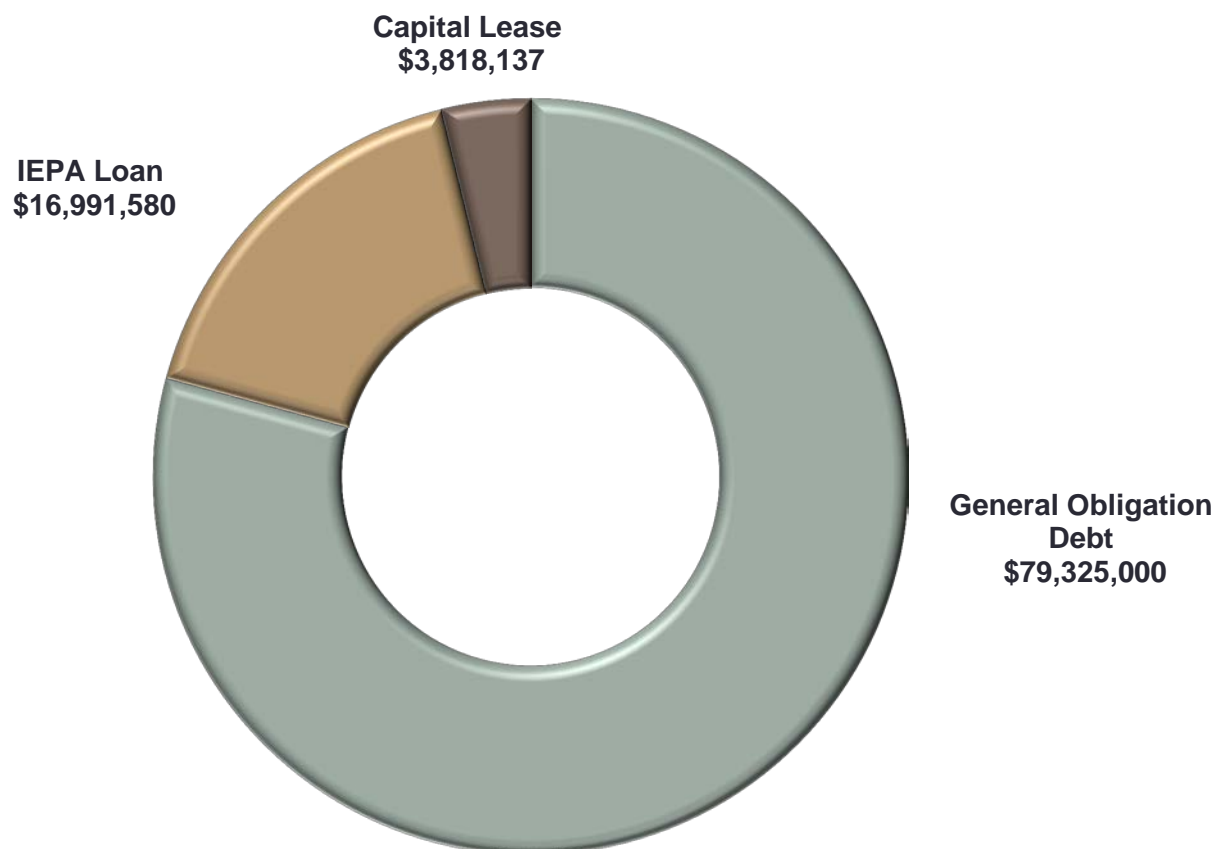
Total 2011 Tax Levy \$23,586,799

Total General Fund Revenue of \$74,543,699 for FY 2013



86% of the Revenue for the General Fund is elastic, while the 14% Property Tax is guaranteed with a historical collection rate exceeding 99%

City of Bloomington Debt Totals \$118 million for FY 2012



This chart does not include debt from the Public Building Commission or unfunded liabilities such as pension, OPEB, and compensated absences