

**COUNCIL PROCEEDINGS
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS**

The Council convened in regular Session in the Council Chambers, City Hall Building, at 7:05 p.m., Monday, October 22, 2012.

The Meeting was opened by Pledging Allegiance to the Flag followed by moment of silent prayer.

The Meeting was called to order by the Mayor who directed the City Clerk to call the roll and the following members answered present:

Aldermen: Judy Stearns, Mboka Mwilambwe, David Sage, Robert Fazzini, Jennifer McDade, Steven Purcell, Karen Schmidt, Jim Fruin and Mayor Stephen F. Stockton.

City Manager David Hales, City Clerk Tracey Covert, and Asst. Corporate Counsels George Boyle and Rosalee Dodson were also present.

Staff absent: Todd Greenburg, Corporation Counsel.

Motion by Alderman Sage, seconded by Alderman Mwilambwe to allow Alderman Anderson to participate remotely via telephone.

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried, (viva voce).

The following was presented:

Oath of Office for Police Patrol Officers: David Ashbeck, Jared Johnson, and Luke Maurer.

Randy McKinley, Police Chief, introduced David Ashbeck, Jared Johnson and Luke Maurer, Police Patrol Officers. He stated that each individual was accompanied by their families. Each had served in the military. He added that every probationary police patrol officer does not complete probation successfully. Chief McKinley introduced Luke Maurer. Mr. Maurer's employment with the City commenced in January 2011. Mr. Maurer had been employed with the Charleston, SC Police Department. He had served in the Army and was currently in the Army Reserves. He cited a commendation received by Mr. Maurer. Chief McKinley introduced David Ashbeck. Mr. Ashbeck was also a student at Illinois State University. He had served in the Army and the Guard. He noted a service award given to Mr. Ashbeck. Chief McKinley introduced Jared Johnson. Mr. Johnson

graduated from Lincoln Community High School. He had served active duty tours in Afghanistan and Iraq.

Tracey Covert, City Clerk, administered the Oath of Office. Mayor Stockton presented each with their certificate. He expressed his appreciation to them for their service to the nation and the City.

The following was presented:

SUBJECT: Appointments to the Beautification Committee and Cultural District Commission

RECOMMENDATION/MOTION: That the appointments be approved.

BACKGROUND: I ask your concurrence in the appointment of Amy Davis of 501 S. Clayton St., to the Beautification Committee. Her four (4) year term will begin October 22, 2012.

I ask your concurrence in the appointment of Sherry Galbreath of 3 Mallard Ct., to the Cultural District Commission. Her four (4) year term will begin October 22, 2012.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable.

Respectfully submitted for Council consideration.

Prepared by:

Recommended by:

Kathryn Buydos
Executive Assistant

Stephen F. Stockton
Mayor

Mayor Stockton introduced Amy Davis. Ms. Davis was an attorney. She had been employed with McLean County as both an Asst. State's Attorney and a Public Defender. She currently chaired the Master Gardeners. She believed that she had skills which would assist the Beautification Committee.

Mayer Stockton introduced Sherry Galbreath. Ms. Galbreath was a small business owner. She was interested in the Bloomington Center for the Performing Arts, (BCPA). Ms. Galbreath regularly attended events at the BCPA. She hoped to see this facility grow and prosper.

Mayor Stockton expressed his appreciation to citizens who were willing to serve the City.

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the appointments be approved.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

Barbara J. Adkins – ICMA 25 Years of Service Award.

Mayor Stockton recognized Barb Adkins, Deputy City Manager, for her twenty-five (25) years of service to the City. He noted her knowledge of the City's history. Ms. Adkins had the ability to see that things are completed.

David Hales, City Manager, addressed the Council. Ms. Adkins was a member of the ICMA (International City/County Managers Association). He noted the ICMA's Code of Ethics and Best Practices. The ICMA's focus was on professional government management. Ms. Adkins commenced her employment with the City in the Parks & Recreation Department. She served in park security. She had also held positions in Community Development and Human Relations. He cited her institutional knowledge. Ms. Adkins served as his right hand man. He assigned complicated issues to her as he knew they will be handled.

Ms. Adkins addressed the Council. She extended her appreciation to all. She had always wanted to work in city government. She was humbled to serve as a public servant. She recognized the assistance received from City staff.

Mayor Stockton spoke on behalf of the Council that working was Ms. Adkins was enjoyable.

The following was presented:

SUBJECT: Council Proceedings of October 8, 2012, Work Session Minutes of October 8, 2012 and Executive Session Minutes of May 29, 2012

RECOMMENDATION/MOTION: That the reading of the minutes of the previous Council Proceedings of October 8, 2012, Work Session Minutes of October 8, 2012 and Executive Session Minutes of May 29, 2012 be dispensed with and the minutes approved as printed.

BACKGROUND: The Council Proceedings of October 8, 2012, Work Session Minutes of October 8, 2012 and Executive Session Minutes of May 29, 2012 have been reviewed and certified as correct and complete by the City Clerk.

In compliance with the Open Meetings Act, Council Proceedings must be approved within thirty (30) days after the meeting or at the Council's second subsequent regular meeting whichever is later.

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:

Recommended by:

Tracey Covert
City Clerk

David A. Hales
City Manager

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the reading of the minutes of the previous Council Proceedings of October 8, 2012, Work Session Minutes of October 8, 2012 and Executive Session Minutes of May 29, 2012, be dispensed with and the minutes approved as printed.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Bills and Payroll

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

BACKGROUND: The list of bills and payrolls will be posted on the City's website on Thursday, October 18, 2012 by posting via the City's web site.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Total disbursements information will be provided via addendum.

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)

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the Bills and Payroll be allowed and the orders drawn on the Treasurer for the various amounts as funds are available.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Economic Development Strategic Plan and Incentive Guideline

RECOMMENDATION/MOTION: That the Economic Development Strategic Plan and Incentive Guideline be approved and the Resolutions adopted.

BACKGROUND: With the recent economic recession, the City lost sources of revenue critical to the day-to-day operation of our community. Now, in an attempt to minimize losses and provide citizens with the same high level of services and overall quality of life, the City is proposing the implementation of a more aggressive, proactive and business-friendly approach to economic development.

The Bloomington community is fortunate to have successful and rooted businesses like State Farm to maintain its foundation, and prosperous economic development organizations like the

Economic Development Council of the Bloomington-Normal Area, (EDC), to assist in the attraction of new industries. Despite these factors, the cost of City services continues to rise and individual taxpayers can no longer afford to share the burden. As such, it is imperative that the City expand upon the business tax base. Given that forty percent (40%) of the City's General Fund dollars are generated by sales taxes and twenty percent (20%) are generated by property taxes, the City should strive to compliment the EDC's efforts by actively collaborating in the development process and leading the charge toward retail retention and expansion.

Per the Council's direction, and in accordance with one of the action items for 2012, staff has prepared the enclosed Economic Development Strategic Plan and Incentive Guideline. These documents emphasize retail development and contain a secondary focus for collaborative efforts with the EDC. Throughout the short and long term, the City's economic development office will focus on the community's image and its reputation within the business community; it will serve to facilitate municipal processes pertinent to business and create a cultural shift whereby the City utilizes a customer service approach when dealing with local enterprises.

The Strategic Plan and Incentive Guideline are inclusive of feedback received at the Council's September 10, 2012 Work Session and also various pieces of correspondence received from several local groups and residents. By taking a proactive approach, the plan and guideline reflect a community approach to economic development.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: EDC meetings were held on July 11 and August 30, 2012; McLean County Chamber of Commerce meeting were held on September 9 and 20, 2012; Downtown Bloomington Association meetings were held on September 12 and October 9, 2012; Downtown Property Owners Association meetings were held on September 12 and October 9, 2012; Bloomington-Normal Area Convention & Visitors Bureau meeting was held on September 12, 2012; Center for Emerging Entrepreneurs meeting was held on September 12, 2012; West Bloomington Revitalization Project meeting was held on September 12, 2012; Bloomington-Normal Association of Realtors meeting was held on September 13, 2012; Bloomington-Normal Area Home Builders Association meeting was held on September 21, 2012 and various developers which included CBL Properties meeting was held on September 21, 2012; Snyder Companies meeting was held on September 21, 2012 and Shirk companies meeting was held on September 21, 2012.

FINANCIAL IMPACT: While the adoption of the proposed resolutions poses no direct financial impact, indirectly, the economic development office will work to execute the Strategic Plan and Incentive Guideline in such a way so as to increase the municipal commercial tax base and relieve the burden on individual taxpayers.

Respectfully submitted for Council consideration.

Prepared by:

Recommended by:

Justine Robinson
Economic Development Coordinator

David A. Hales
City Manager

RESOLUTION NO. 2012 - 33**A RESOLUTION ADOPTING AN ECONOMIC DEVELOPMENT STRATEGIC PLAN
POLICY**

WHEREAS, the City of Bloomington seeks to enhance the economic viability of its community and its residents through the use of economic development practices and collaboration with other economic development organizations; and

WHEREAS, when evaluating projects in relation to economic development, the City of Bloomington will reference the following goals and objectives:

- (1) Initiate retail retention and recruitment efforts that will expand the commercial tax base in such a way so as to enhance municipal operations and relieve the burden on individual taxpayers;
- (2) Actively collaborate with the Economic Development Council, McLean County Chamber of Commerce, Center for Emerging Entrepreneurs, Small Business Development Center, Central Illinois SCORE and other economic development organizations of the Bloomington-Normal area to promote capital investment and job creation;
- (3) Establish a downtown Bloomington strategy and relevant priorities;
- (4) Consider the ramifications of economic development decisions when planning for public services and facilities;
- (5) Improve the financial viability of properties and programs owned, managed or funded by taxpayer dollars;
- (6) Enhance the overall quality of life of the citizens of the City of Bloomington in order to promote economic growth;
- (7) Ensure that investment in economic development will add economic value and increase employment within the City; and

WHEREAS, the purpose of the Economic Development Strategic Plan Policy is to provide a catalyst for commercial development and improve the socioeconomic status of the City of Bloomington and its residents; and

WHEREAS, the City of Bloomington has determined that the Economic Development Strategic Plan Policy is in the best interest of the municipality and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON, ILLINOIS, that:

The City of Bloomington Economic Development Strategic Plan Policy, attached, is hereby adopted and approved; and be it further

RESOLVED, that the City Clerk of Bloomington shall attest the same after signature of the Mayor.

ADOPTED this 22nd day of October, 2012.

APPROVED this 23rd day of October, 2012.

APPROVED:

Stephen F. Stockton
Mayor

ATTEST:

Tracey Covert
City Clerk

RESOLUTION NO. 2012 - 34

A RESOLUTION ADOPTING AN ECONOMIC DEVELOPMENT INCENTIVE GUIDELINE

WHEREAS, the City of Bloomington may, at its discretion, provide financial or in-kind assistance to new or existing development through the use of incremental and other revenues accrued by the City; and

WHEREAS, the Economic Development Council of the Bloomington-Normal area will assist developers in seeking financing and incentives available through alternate, non-municipal programs; and

WHEREAS, when evaluating opportunities for financial assistance, the City of Bloomington will reference the following goals and objectives:

- (1) Economic incentives considered by the City of Bloomington must provide a distinct financial return to the City;
- (2) Economic incentives considered by the City of Bloomington must be initiated by a formal application process;

- (3) Economic incentives considered by the City of Bloomington should be derived from new incremental revenue sources unless the “but for” theory is proven and the City will benefit from a distinct financial return;
- (4) Economic incentives considered by the City of Bloomington must be of an appropriate amount and extend over an appropriate amount of time as related to the proposed project;
- (5) Economic incentives considered by the City of Bloomington will be provided on a project basis;
- (6) Economic incentives considered by the City of Bloomington will be subject to a development agreement inclusive of performance based measurements and appropriate claw back provisions;
- (7) Economic incentives considered by the City of Bloomington will be subject to conformity with applicable State and Federal provisions;
- (8) Economic incentives considered by the City of Bloomington will not be considered on a retroactive basis; and

WHEREAS, the purpose of the Economic Development Incentive Guideline is to assist in attracting and retaining high quality development that is compatible with the long-range goals expressed in the Strategic Plan; land uses as outlined in the Comprehensive Land Use Plan, and certain priority areas as outlined in the Target Area Map; and

WHEREAS, the City of Bloomington has determined that the Economic Development Incentive Guideline is in the best interest of the municipality and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON, ILLINOIS, that:

The City of Bloomington Economic Development Incentive Guideline, attached, is hereby adopted and approved; and be it further

RESOLVED, that the City Clerk of Bloomington shall attest the same after signature of the Mayor.

ADOPTED this 22nd day of October, 2012.

APPROVED this 23rd day of September, 2012.

APPROVED:

Stephen F. Stockton, Mayor

ATTEST:

Tracey Covert, City Clerk

Economic Development Strategic Plan

PURPOSE: The purpose of this policy is to provide a catalyst for commercial development wherein the policy, related goals and objectives will serve to improve the socioeconomic status of the City of Bloomington and its residents.

Ultimately the efforts outlined below should serve enhance the citywide Comprehensive Plan and provide an economic perspective for critical questions such as:

- What are the priorities for City economic development?
- What is the role of retail development in the City's overall economic development strategy?
- What are the priorities for recruiting new "good" jobs near workers? For retaining/expanding existing businesses?
- What is the appropriate mix of land use types in the City to meet these goals – economic, fiscal, social, environmental, etc.?
- How can mixed use development be promoted in the City, particularly as part of multifamily developments?
- What type of nonresidential development is worth incentivizing from both an economic and fiscal perspective?
- What can the City do from a land use planning perspective to support economic development efforts?

GENERAL POLICY: The City of Bloomington seeks to enhance the economic viability of its community and its residents through the use of Economic Development practices and collaboration with other Economic Development Organizations.

GOALS: The City of Bloomington will reference the following goals and objectives when evaluating projects in relation to Economic Development.

1. Retail Retention & Recruitment:

Initiate retail retention and recruitment efforts that will expand the commercial tax base in such a way so as to enhance municipal operations and relieve the burden on individual tax payers.

Objectives:

- a. Assist existing retail businesses with operational and expansion strategies in order to secure the foundation and stimulate growth of current retailers.

- b. Exercise efforts to attract and recruit commercial retailers so as to improve upon shopping center occupancy rates and encourage revitalization of older commercial properties.
- c. Engage the community's twenty (20) largest sales tax sources on a semi-annual basis to gather commentary on the current business environment and identify trends in business productivity and municipal services.
- d. Participate in networking opportunities sponsored by organizations like the International Council of Shopping Centers and the McLean County Chamber of Commerce whereby relationships can be forged and productive dialogue can be initiated with retail professionals including leasing agents, brokers, managing companies and business and property owners.

2. Regional Economic Development Efforts:

Actively collaborate with the Economic Development Council of the Bloomington-Normal Area (EDC), Center for Emerging Entrepreneurs (CEE), Small Business Development Center (SBDC), Central Illinois SCORE and other regional economic development organizations to promote capital investment and job creation.

Objectives:

- a. Assist in the EDC in the Executive Pulse business retention survey program in an effort to facilitate the retention and expansion of existing local businesses and start-up of new businesses, especially where retail job creation and retention are a top priority.
- b. Coordinate with the EDC to host an annual BN by the Numbers focused on retail trends. Event should be held in the second quarter and should include a private session with retailers, EDC and City Staff to be followed by the public, formal presentation and discussion.
- c. Serve as a conduit through which current and start-up businesses become aware of programs sponsored by local economic development organizations.
- d. Contribute to efforts that will promote and market the City of Bloomington to outside businesses for the purpose of business recruitment.
- e. Collaborate and provide information for the Location One Information System (LOIS), which maintains a supply of commercial and industrial sites useful for new and expanding businesses looking to locate or remain in the City of Bloomington.
- f. Encourage regular updates of inventories of land utilization, land demand and suitable properties for residential, industrial, commercial, public facility and agricultural use.

3. Downtown Development:

Establish Downtown Bloomington Strategy and relevant priorities

Objectives:

- a. Work cooperatively with the Downtown Bloomington Association (DBA) and Downtown Property Owners to construct a list of economic development priorities and timelines for Council consideration and adoption.

- b. Research opportunities that, when implemented, will result in innovative funding sources suitable for the DBA and downtown improvements.

4. Public Services & Facilities:

Consider the ramifications of economic development decisions when planning for public services and facilities.

Objectives:

- a. Work with public service providers to deliver the services and facilities necessary to support a high quality of life and attract business investment.
- b. Review land use and permitting procedures to assure that regulatory processes are understandable, predictable, and can be accomplished within reasonable time periods in a manner that meets or exceeds state statutory requirements.
- c. Examine, evaluate and enforce City Codes intended to assist business owners and improve the climate for commercial activity.
- d. Plan for a diversity of ready-to-build sites with sufficient support infrastructure and services needed to meet the demand for commercial and industrial growth.

5. City Properties:

Improve the financial viability of properties and programs owned, managed or funded by taxpayer dollars.

Objectives:

- a. Encourage local businesses partnerships that provide financial support and enhance the overall quality of life of the citizens of the City of Bloomington.
- b. Work with City Departments to identify solutions that, when implemented, will result in City funding being reduced or eliminated when appropriate.

6. Quality of Life:

Enhance the overall quality of life of the citizens of the City of Bloomington in order to promote economic growth.

Objectives:

- a. Identify community retail leakage and surplus opportunities through surveys, social media and other mediums applicable for public input
- b. Publish a retail environment report wherein leakage, surplus, community demand and sales tax trends are referenced.
- c. Encourage a range of commercial retail and service businesses to meet local resident needs and serve visitors to the City of Bloomington.
- d. Encourage commercial and industrial developments that incorporate innovative applications and demonstrate an ability to conserve natural resource and/or protect or enhance environmental quality.
- e. Support local efforts to improve and market visitor services.

- f. Provide for siting and development of quality residential neighborhoods.
- g. Encourage development of human and social service facilities that create job opportunities, meet community needs, and maintain the City's quality of life. These include, but are not limited to, healthcare, education, transportation and other services for persons with special needs.

7. Prosperous Community:

Ensure that investment in economic development will add economic value and increase employment within the City.

Objectives:

- a. Increase the commercial and industrial tax base by actively working towards initiatives that positively impact business taxes including, but not limited to, property taxes, sales taxes, food and beverage taxes and hotel/motel taxes.
- b. Provide normal and customary incentives to new and existing businesses that locate within the City and create jobs.
- c. Carefully scrutinize requests for non-customary assistance or incentives to ensure a favorable return on any City investment and minimize risk to City taxpayers.

Economic Development Incentive Guideline

PURPOSE: The purpose of this policy is to assist in attracting and retaining high quality development that is compatible with the long-range goals expressed in the Strategic Plan and land uses outlined in the Comprehensive Land Use Plan. Furthermore, it serves to stimulate development within certain priority areas as outlined in the Target Area Map, wherein enhanced incentive tools and levels may be deemed necessary. It is important to note that a guideline is intended to provide a recommended practice that allows some discretion or leeway in its interpretation, implementation or use, depending on the circumstances surrounding the particular project being evaluated.

GENERAL POLICY: The City of Bloomington may, at the City's discretion, provide financial or in-kind assistance to new or existing development through the use of incremental and other revenues accrued by the City. The Economic Development Council of the Bloomington-Normal Area will assist developers in seeking financing and incentives available through alternate, non-municipal, programs.

GOALS: The City of Bloomington will reference the following goals and objectives when evaluating opportunities for financial assistance.

1. Strategic Use of Incentives:

Economic incentives considered by the City must provide a distinct financial return to the City.

Objectives:

- a. Developer will be required to provide either an affidavit to support their “but for” claim or proof of a competing incentive offer from a location outside of McLean County.
- b. Careful consideration will be given in order to evaluate the financial situation of the developer and attest to the legitimacy, or lack thereof, of said affidavit.
- c. If a financial return is not identified, other types of incentives can be considered so long as the direct result of the incentive is the encouragement of development and the City's goals and objectives are met.
- d. Economic incentives considered by the City of Bloomington will additionally factor in the economic impact an incentive to a specific applicant has to revitalize a particular area of the City beyond just the applicant’s property.

2. Incentive Application Process:

Economic incentives considered by the City must be initiated by the formal application process.

Objectives:

- a. Requests for economic development assistance must be in the form of a completed Application.
- b. Applications must be accompanied by detailed financial information that demonstrates the anticipated revenue that the project is expected to generate and also includes a ‘sources and uses statement’.
- c. Information of a detailed financial nature will be regarded as proprietary and will remain confidential.

3. Incentive Sources and Uses:

Economic incentives considered by the City should be derived from new incremental revenue sources unless the ‘but for’ theory is proven and the City will benefit from a distinct financial return.

Objectives:

- a. For projects that are requesting sales or property tax rebate incentives, only those City revenues which are directly accrued on an annual basis by the proposed project, will be considered for use to assist in the development or redevelopment activities and costs.
- b. Incremental revenues are those which annually result from the proposed project in excess of current City revenues being generated from the project site or area.
- c. Projects that involve relocation of an existing activity from one location to another within the boundaries of Bloomington Normal should be accompanied by a testimonial whereby the affected business’ operations would not continue ‘but for’ the alternate location.
- d. The redevelopment of an existing activity shall have the incremental revenue generation amount based upon the amount in excess of the revenue previously accruing to the City at the existing location.

4. Incentive Guidelines:

Economic incentives considered by the City of Bloomington must be of an appropriate amount and extend over an appropriate amount of time as related to the proposed project.

Objectives:

- a. Normally, not more than 20% of the total project cost will be supported by incentive revenues.
- b. Total project cost is the cost of development of the project including all land, site, and public infrastructure, and building and site amenity costs necessary to constitute an operating commercial or industrial project.
- c. Financial assistance will not normally exceed 50% of the incremental City revenue to be generated by retail commercial uses and will be limited to a 5 year period.
- d. In those instances when City funds are provided at the beginning of the project, assistance will not normally exceed 10% of the total project cost and funds will be subject to reimbursement within three (3) years of the date of completion.
- e. For those projects where a competing offer is provided, the proposed incentive will be evaluated against the criteria found herein.

5. Incentive Limitations:

Economic incentives considered by the City of Bloomington will be provided on a project basis.

Objectives:

- a. For multi-phase projects, or those having multiple buildings, assistance will be provided based on the overall development program and channeled through a single development agreement with the prime developer.
- b. No separate financial incentives or assistance to owners or developers of parcels that are sub-components of the primary project will be provided.

6. Incentive Terms and Agreements:

Economic incentives considered by the City of Bloomington will be subject to a development agreement inclusive of performance based measurements and appropriate claw back provisions.

Objectives:

- a. All project assistance from the City will be provided based on a negotiated development project agreement between the City and the developer and is subject to performance based measurements as adopted by the City Council.
- b. The agreement will contain a cost recovery process whereas in the event that the assisted project fails prior to the completion of the period covered by the incentive, claw back measurements will ensue to ensure recovery of assistance.

7. State and Federal Regulations:

Economic incentives considered by the City of Bloomington will be subject to conformity with applicable State and Federal provisions.

Objectives:

- a. All projects for which City financial assistance is requested (except those within the TIF District) will be required to conform to all local, state and federal regulations and shall meet all of the stipulations and requirements therein.
- b. Projects proposed within a TIF Districts shall be subject to the provisions of the Illinois Tax Increment Allocation Redevelopment Act (TIF Act, 65 ILCS 5/11-74, 4-1), as amended.

8. Incentives for Future Development:

Economic incentives considered by the City of Bloomington will not be considered on a retroactive basis.

Objectives:

- a. No assistance will be provided to any project for expenditures incurred prior to the adoption of the ordinances required to implement the project.

DUE CONSIDERATION: In addition to the policies set forth above, the following provisions should be noted by any applicant/developer seeking economic development financial assistance from the City of Bloomington:

- a. The adoption of these policies by the City Council in the form of a resolution should not be construed to mean that the provision of financial incentives is inherently approved for any applicant and/or project that may be able to comply with the policies as set forth herein. Each project will be approached as an entity to be independently evaluated.
- b. The City reserves the right to amend, modify, or withdraw these policies; revise any requirement of these policies; require additional statements, sworn affidavits or other information from any applicant/developer, to negotiate or hold discussions with any applicant/developer/and or project which does not completely conform to the policies as set forth above, to waive any nonconformity with these policies, to eliminate these policies in whole or in part, if the City deems it is in its best interest to do so, and to waive any timetables established by ordinance, resolution or motion.
- c. Submission of an application for economic development assistance that complies with the spirit and intent of these policies does not commit the City to approval of the development/ redevelopment project associated with said application.
- d. The City may exercise the foregoing rights at any time without notice and without liability to any applicant, developer and/or project or any other party for its expenses incurred in the preparation of an application for economic development assistance. The preparation of any such application and related costs associated with responding to the City in its review of such application shall be the sole responsibility of the applicant/developer.

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the Economic Development Strategic Plan and Incentive Guideline be approved and the Resolutions adopted.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Extension of Fuel Agreement for Fleet Vehicles and Equipment

RECOMMENDATION/MOTION: That the Fuel Purchasing Agreement with Evergreen FS be extended for one (1) year, and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: In 1999, the City fuel contract was let for bid and awarded to Evergreen FS for a three (3) year period. From 2002 to 2008, the contract was extended in two (2) year intervals after checking with other vendors to see if the current vendor was competitive. On February 11, 2008, Council approved an extension with Evergreen FS until April 30, 2009. On December 9, 2008, a bid package was let for the City's annual fuel purchase and only one (1) bid package was returned. At the January 12, 2009 Council meeting, the bid was opened and staff recommended the bid be awarded to Evergreen FS from May 1, 2009 to December 31, 2010 with four (4), one (1) year renewal options. On October 25, 2010, the first of four (4), one (1) year renewal options was approved by Council. Staff emphasized the best time to purchase fuel was in January and/or February.

Evergreen FS is the only known vendor that can meet all of the current contract specifications. These services include, bulk fuel transport to the bulk tank at the Public Works fuel station, deliveries to various smaller fuel tanks at the parks, golf courses, emergency generators, and to fire apparatus at working fires. It also includes a fuel card to purchase fuel from local FS stores when the Public Works Department fuel station is out of service for maintenance. Operate and maintain a local tank farm with the ability to deliver fuel from the tank farm to the City in the event of a natural or manmade disaster. The City used this service last winter during the big snow event when bulk fuel transports could not deliver fuel. Evergreen FS offers a fuel risk management program that allows schools, (a total of eighteen in the area), and municipalities, (Bloomington Normal Public Transit and Town of Normal participated last year), to pool their fuel purchases for volume discounts and guaranteed fuel costs. Evergreen FS provides fuel storage tank sampling and testing with storage tank maintenance recommendations at no charge to the City on an annual basis.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: The FY 2013 Budget has appropriated \$1,730,000 for gasoline and diesel fuel for City vehicles and equipment. The \$1,730,000 is budgeted in the Fleet Management division of Public Works in line item 10016310-71070.

Respectfully submitted for Council consideration.

Prepared by:

Reviewed by:

Reviewed by:

Jim Karch, PE CFM
Director of Public Works

Patti-Lynn Silva
Director of Finance

Barb Adkins
Deputy City Manager

Financial reviewed by:

Recommended by:

Tim Ervin
Budget Manager

David A. Hales
City Manager

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the Fuel Purchasing Bid Renewal with Evergreen FS be extended for one (1) year, and the Purchasing Agent be authorized to issue a Purchase Order for same.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Client Agreement between Vision Service Plan, Inc., (VSP), and the City for Employee Vision Benefit

RECOMMENDATION/MOTION: That the contract renewal be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: The City obtains its employee and retiree vision benefit from Vision Service Plan, Inc., (VSP). This is a fully insured plan which means that the insurance company holds the risk that the premiums will cover expenses and profit. The City accesses this plan through Heartland Healthcare Coalition, (HHC), which is a purchasing cooperative of forty-four, (44), local and regional employers representing more than 365,000 covered lives.

Through the HHC arrangement the City is able to obtain this benefit with a slight reduction in premiums despite a rather high utilization rate. In the City's 2011 renewal with VSP, there was a 4.35% reduction in premiums and a small improvement in benefits. The term of the agreement presented here is January 1, 2013 through December 31, 2014 with a two (2) year rate guarantee. The rates in the proposed agreement as compared to the prior renewal are shown below. The

City shares the premium fifty/fifty (50/50) with employees while retirees pay 100% of their own premiums.

	<u>Single</u>	<u>Employee + 1</u>	<u>Family</u>
Jan. 2011 – Dec. 2012	\$8.05	\$12.80	\$17.54
Jan 2013 – Dec. 2014	\$8.07	\$12.83	\$17.59

A sample contract was provided to the Council. The final contract will include the terms outlined in the renewal letter, Option 5 which provides for the current benefit level.

VSP has provided a strong network of local and national providers, benefits that do not require claim forms and excellent employee web support. This past summer VSP brought their mobile vision clinic to the City and with the help of local optometrists, provided free eye exams and glasses to uninsured and underserved individuals, (an article was published in the Pantagraph on July 25, 2012).

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: None.

FINANCIAL IMPACT: The FY 2013 budget for this benefit totals \$100,833 and may be found within the employee and retiree health insurance fund divisions 60200250 and 60280250. During the FY 2013 budget process, staff estimated that the City’s cost for the vision benefit would increase by six percent (6%) in January 2012 and \$40,533 was budgeted for the City’s share of this expense. As a result of the relatively flat premium, it is estimated the City’s cost for the vision benefit will be approximately \$39,800 for the current fiscal year or a savings of about \$730 from the budgeted expense.

Respectfully submitted for Council consideration.

Prepared by:

Reviewed by:

Laurie Wollrab, MBA, PHR
Compensation and Benefit Manager

Emily Bell, IPMA – CP
Director – Human Resources

Reviewed as to legal sufficiency:

Recommended by:

Rosalee Dodson
Asst. Corporation Counsel

David A. Hales
City Manager

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the contract renewal with Vision Service Plan, Inc., for Employee Vision Benefit be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Client Agreement between MetLife and the City for Employee Life Insurance and Accidental Death and Dismemberment, (AD&D), Insurance and Retiree Life Insurance

RECOMMENDATION/MOTION: That the Client Agreements be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: The City offers group term life and AD&D to its full-time employees and to the retirees remaining on its health insurance plans. The death benefit varies between \$5,000 and \$50,000 depending on the employee group. Retirees have a life benefit, (no AD&D), of \$5,000 or \$2,500 depending on age. The City pays 100% of the cost for this benefit.

Lincoln Financial Group is the City's current vendor for this benefit. Mr. Sauder, the City's insurance agent, received quotations from seven (7) firms. The best quote was from MetLife which matched the current benefit levels for a cost of \$37,203 or \$8,424 (18.5%) below Lincoln. The companies quoted on the same enrollment and benefit levels. MetLife is offering a two (2) year rate guarantee with the following rates:

	2012 Rates	2012 Total	2013 Renewal	2013 Total
Lincoln Financial				
Life Insurance	\$.18/\$1000		\$.20/\$1000	
AD&D	\$.03/\$1000	\$41,639.40	\$.03/\$1000	\$45,627
Total	\$.21/\$1000		\$.23/\$1000	
MetLife				
Life Insurance			\$.154/\$1000	
AD&D	NA	NA	\$.027/\$1000	\$37,203
Total			\$.181/\$1000	

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: None.

FINANCIAL IMPACT: A total of \$41,138 is budgeted for group life insurance within the employee and retiree health insurance fund divisions 60200290 and 60280290 for FY 2013. The MetLife pricing would save \$1,462 in this fiscal year assuming the same enrollment level.

Respectfully submitted for Council consideration.

Prepared by:

Laurie Wollrab, MBA, PHR
Compensation and Benefit Manager

Reviewed as to legal sufficiency:

Rosalee Dodson
Asst. Corporation Counsel

Recommended by:

David A. Hales
City Manager

Reviewed by:

Emily Bell, IPMA – CP
Director of Human Resources

Financial review by:

Patti-Lynn Silva
Director of Finance

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the Client Agreements with MetLife, for Employee Life Insurance and Accidental Death and Dismemberment Insurance and Retiree Life Insurance be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: AccuMed Ambulance Billing Contract

RECOMMENDATION/MOTION: That the unit prices from AccuMed, for Ambulance Billing Services be accepted, and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: In 2005, the Fire Department under direction from Council upgraded its service level from Basic Life Support, (BLS), to Intermediate Life Support, (ILS). During this upgrade a decision was made to begin charging for Emergency Medical Services, (EMS), by those using the service. The intent was to collect on insurance and other eligible benefits

available for healthcare, (such as Medicare and Medicaid), and to offset some of the expense with this change in service since the existing BLS service was provided free of charge.

Within nine (9) months of this transition, Lifeline Mobile Medics, the local Advanced Life Support, (ALS), provider, ceased operations in the community. Again, under direction of the Council, the Fire Department trained and hired personnel and transitioned into ALS service to the community. The collection of revenue from EMS billing was designed to defer part of the cost associated with the move from BLS to ALS service.

When the decision to charge for service was made, research into the best means to bill for service was investigated. Due to the complexity of healthcare billing, including legal requirements, federal and state guidelines for Medicare and Medicaid billing, recordkeeping, and ongoing training and compliancy issues, the decision was made to outsource the billing as opposed to hiring staff, acquiring hardware and software, and know how to internally provide this service. A City staff team that included three (3) members of the Fire Department, (Deputy Chief of Administration, Training Officer, and Administrative Assistant), three (3) members of Finance Department including purchasing, and one (1) member from Information Services and Corporation Counsel, was established. A total of eight (8) reviewed the Request for Proposal, (RFP), and then reviewed all RFP responses received. From those, interviews were conducted with the top three (3) vendors and one (1) was chosen. This process involved over 160 hours of staff time.

In addition to evaluating vendor bids for qualifications and compliance with the City's RFP requirements, the Evaluation Committee's scoring criteria measured the following elements unique to EMS billing operations: Compliance Record and Compliance Resources; Relative Experience; Services Offerings, (including cost free consultation services); Customer Services Approach; Recovery Success; and Fee. Based on the evaluation criteria, AccuMed Billing prevailed by a significant margin in the formal RFP process and has delivered exceptional service and results to the City since.

Compliance with Medicare law continues to be assigned the greatest priority and weighting as staff monitors overall EMS billing effectiveness. This is because EMS providers like the City have been targeted for federal and state fraud and abuse audits.

Compliance is the focus of federal and state regulatory entities and strict adherence to Medicare law is necessary to maintain licensure, avoid fraud and abuse convictions and or criminal punishment. These regulatory agencies have, through fines and litigation, collected over \$4.1 billion dollars in 2011, and prosecutions for fraud are up 157% over the past five (5) years. Medicare Recovery Audit Contractors have already identified just under \$400 million in overpayments during the first quarter of 2012.

As supported by AccuMed's internal compliance resources, including oversight of City's conformity to federal and state billing regulation, the City has maintained a perfect compliance record. As supported by AccuMed's cost free consultation services, the City is able to adjust and remain compliant with evolving regulation.

With and through the Finance Department, staff closely monitors AccuMed's recovery performance, which continues to produce at expected levels, consistent with similar EMS systems, with like payor mix, (demographics), charge strategy, data capture methods, and collection policies.

Of significant interest, two (2) recent case studies are relevant: the Town of Normal is also an AccuMed client. In August 2012, the Town studied this same issue and renewed a contract with AccuMed for five (5) years at the reduced rate of 6.5%. Also in August 2012, Leroy Ambulance Service initiated a formal bidding process and selected AccuMed. The Leroy Ambulance Service billing rate is 6.75%. Leroy Ambulance found AccuMed to be both the most qualified and competitive amongst the bidders. Again however, pricing is simply one (1) variable to consider when selecting the most qualified, result engineered billing vendor. Lastly, in the course of ongoing benchmarking with other communities, staff has concluded that in addition to qualifications, AccuMed delivers the results, (recovery), customer service, compliance, and resources at a price point which would best position AccuMed to prevail in a formal bidding environment.

Therefore, it is the recommendation of the Fire and Finance Departments to execute an addendum to replace the expired Agreement with AccuMed. The recommended term is five (5) years at a rate of six percent, (6%), along with a credit of \$15,035.39. The credit represents the 14.28% price reduction between the current fee of seven percent, (7%), to the new fee of six percent (6%), retroactive to January 1, 2012.

Using actual 2012 City recovery data, over the five (5) year term, the proposed 14.28% price reduction along with the retroactive credit will equate to a \$115,271.32 cost reduction to the City.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: None.

FINANCIAL IMPACT: In FY 2013, the City's Budget for revenue of basic and advanced ambulance service was \$3,922,795 million. The receivables generated for this service are recognized in object code 10015210-54910. In FY 2013, the City's Budget appropriated \$124,390 for billing and collection services for ambulance billing. The payments paid by the City for AccuMed to process the ambulance billings are expended from object 10015210-70643.

Respectfully submitted for Council consideration.

Prepared by:

Reviewed as to legal sufficiency:

Michael Kimmerling
Fire Chief

J. Todd Greenburg
Corporation Counsel

Financial review by:

Recommended by:

Patti-Lynn Silva
Director of Finance

David A. Hales
City Manager

**THIRD AMENDMENT TO
BILLING SERVICE AGREEMENT**

AccuMed:AccuMed Billing, Inc.
a Michigan corporation
P. O. Box 212
Riverview, MI 48192
Phone: (734) 479 - 6300
Facsimile: (734) 479 - 6319

Customer: City of Bloomington
310 N. Lee Street
Bloomington, Illinois 61701
Contact: Chief Michael Kimmerling
Phone: (309) 434 - 2500
Facsimile: (309) 434 - 2291

Effective Date: November 1, 2012

THIS THIRD AMENDMENT is made by and between AccuMed and Customer.

1. AMENDMENT. AccuMed and Customer hereby agree that the Billing Service Agreement with an Effective Date of February 1, 2005 and the First Amendment thereto which had an Effective Date of June 1, 2006 and the Second Amendment thereto which had an Effective Date of March 1, 2008 (the "Agreement") be and the same hereby is amended as hereinafter set forth. With the exception of the provisions of the Agreement specifically or by necessary inference amended hereby, all of the provisions of the Agreement shall remain in full force and effect.

2. TERM. The provisions of Section 2 of the Agreement shall be read and interpreted so that the Initial Term as defined therein shall commence on February 1, 2005 and shall end on October 31, 2017. At the end of Initial Term, this Agreement shall renew for additional one (1) year terms until canceled by either party, by giving to the other written notice of such cancellation not more than ninety (90) days nor less than thirty (30) day's prior to the expiration of the current term.

3. PAYMENT AND COLLECTION. The provisions of section 4 A. of the Agreement shall be amended to read:

A. In full payment for AccuMed's services provided herein, Customer agrees to pay the following amounts:

An amount equal to six (6.0%) percent of the amount collected each month for EM Services until this Agreement is terminated

A one-time credit in the amount of \$15,035.39 shall be issued to Customer to reflect the price differential of 7.00% to 6.00% from January 2012 to November 1, 2012.

All other provisions of Section 4 of the Agreement shall remain in full force and effect. .

ACCEPTANCE:

ACCEPTANCE:

ACCUMED BILLING, INC.

CITY OF BLOOMINGTON

BY: _____

BY: Stephen F. Stockton, Mayor

NAME: _____

DATE: _____

DATE: October 23, 2012

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the contract with AccuMed, for Ambulance Billing Services, be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Lake Bloomington Lease Transfer Petition for Lot 1, Block 22 of Camp Potawatomie from CDTD, LLC to Daniel J. O'Brien

RECOMMENDATION: That the Lake Lease be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: Staff has reviewed the Lake Bloomington Lease Transfer Petition for Lot 1, Block 22 of Camp Potawatomie from CDTD, LLC to Daniel J. O'Brien. The sewage disposal system inspection was completed in June 2012. The septic system was functioning properly at that time. However, the sewage disposal system was almost sixty (60) years old. The septic tank was undersized. The septic field could not be probed to verify its size and condition. The McLean County Health Department estimates sewage disposal systems have an average life span of approximately twenty to twenty-five (20 - 25) years. This can be affected greatly by usage patterns of the premises, (seasonal versus full time occupancy), and system maintenance. The sewage disposal system has a subsurface discharging system. This means that the system effluent, following treatment, does not directly discharge to the Lake Bloomington Reservoir. The effluent flows slowly through a leach field and then into the ground. If there were a problem with the system, it would back up into the premises and poses little direct threat to the reservoir.

The septic tank has been replaced on this system and currently meets code. The leach field has been functioning properly in past as this system has not had any percolation problems.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: There were no community groups contacted for this petition as it is a routine matter.

FINANCIAL IMPACT: This petition will have a neutral financial impact in that the lease uses the current formula, (\$0.40 per \$100 of Equalized Assessed Value), for determining the Lake Lease Fee. The current lake lease formula generates about \$380 per year in lease income. This lake lease income will be posted to Lake Lease revenue account 50100140-57590.

It should be noted that the term of this lease is until December 31, 2131, the same term as other lease renewals since 1998.

Respectfully submitted for Council consideration.

Prepared by:

Reviewed by:

Craig M. Cummings
Director of Water

Barbara J. Adkins
Deputy City Manager

Financial review by:

Reviewed as to legal sufficiency:

Recommended by:

Patty-Lynn Silva
Director of Finance

J. Todd Greenburg
Corporation Counsel

David A. Hales
City Manager

Motion by Alderman Sage, seconded by Alderman Mwilambwe that the Lake Lease be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Client Agreement with Blue Cross/Blue Shield of Illinois (BC/BS) for Third Party Administrator, (TPA), Services and Individual Stop Loss, (ISL), Insurance for the Employee and Retiree Preferred Provider Organization (PPO) Health Plans; Client Agreement with Health Alliance Medical Plans, (HAMP), for Employee and Retiree Health Maintenance Organization, (HMO), Plan Option; Client Agreement between BC/BS for TPA Services for the Employee and Retiree Dental Plan; Client Agreement with Clemens and Associates for Broker Services

RECOMMENDATION/MOTION: That the Client Agreements be approved and the Mayor and City Clerk be authorized to execute the necessary documents.

BACKGROUND: The City provides health and dental options to its employees and retirees. Employees and retirees have a choice between two (2) City provided health plans; a PPO plan and an HMO plan. Sworn police personnel have an additional option of a union plan which is not being discussed here. The City has used the broker services of Phil Sauder of Clemens and Associates in procuring and assisting with these benefits and the group life insurance plan.

The PPO plan elements consist of medical and pharmacy claims, administrative fees and individual stop loss. The pharmacy benefit management portion of the plan is administered by a separate entity, Catamaran and the contract for those services was approved by City Council at the October 8, 2012 Council meeting.

The PPO plan is self-insured by the City whereas the HMO plan is fully insured. With a self-insured plan the City holds the risk that the claims will not exceed planned for expenses. Stop loss insurance covers some of this risk. In a fully insured plan the insurance company holds the risk that plan expenses and a profit margin will be covered by the premiums charged.

Blue Cross PPO Administration: The City utilizes Blue Cross as its Third Party Administrator (TPA) to administer its employee and retiree PPO health plans. Through the Administrative Services Only arrangement (ASO) the City has access to the Blue Cross provider network, provider discounts and a variety of services for members and administrative staff. Blue Cross's rate is increasing 5.3% for the ASO contract to \$47.43 per employee per month (PEMP).

Blue Cross also charges an Illinois Facility Access Fee enabling them to develop and maintain an extensive discounted provider network. The Illinois Facility Access Fee is based on Illinois inpatient hospital claims and is a percentage of the savings resulting from the Blue Cross discounting arrangements with the providers. There is no change (0%) to the Facility Fee for 2013.

Individual Stop Loss (ISL) for PPO Plans: Individual stop loss, or reinsurance, insures the City in the event that any member of its PPO health plan incurs catastrophic claims during the plan year in excess of a certain dollar amount known as the "deductible". Last year the ISL deductible was increased to \$155,000. Mr. Sauder of Clemens and Associates and Blue Cross have analyzed the specifics of the City's PPO claims and recommend no increase to the deductible for 2013.

Staff requested that Mr. Sauder bid out the City's ISL. Blue Cross is currently providing the ISL for the City's PPO plans. Mr. Sauder received quotes for ISL. The least expensive quote was received from Blue Cross. That rate is \$46.55 per employee per month which is an increase of five percent (5%) over the 2012 rate.

PPO Total Costs

The following shows the total projected plan totals for calendar 2012 and 2013. The medical claims figures were developed by actuaries at Blue Cross.

	2012 Plan Year	2013 Plan Year	Percent Change
Projected Enrollees	485	464	-4.3%
Projected Net Paid Medical Claims	\$3,826,427	\$4,155,064	8.6%
Administrative Fee	\$262,249	\$264,090	0.7%
Illinois Facility Access Fee	\$43,746	\$46,977	7.4%
Individual Stop Loss	\$258,001	\$259,190	0.5%
Broker Fee	\$9,500	\$9,500	0.0%
Total Projected Cost	\$4,399,923	\$4,734,821	7.6%
Recommended Change in Reserves	\$18,555	\$44,255	

Plan premiums are currently being calculated as they will need to include an amount for the pharmacy benefit. They are anticipated to increase between eight and twelve percent (8 - 12%). The City shares this cost with employees based on an average split of seventy-five percent (75%) City and twenty-five percent (25%) employee. Retirees pay the full premium.

Health Alliance Medical Plan (HAMP) HMO: The City utilizes HAMP to provide an HMO health plan option to its employees and retirees. This is a fully insured product. The City offers two (2) levels of HMO plans. Currently, one (1) option is provided to some union employees and another option, with higher out-of-pocket costs, is offered to classified employees and other union employees.

The HAMP HMO premiums are increasing eight percent (8%) for 2013 over those for 2012. Based on 109 enrollees, the estimated total cost for the calendar 2012 plan year is \$1,587,276.

Dental Plan: The City uses Blue Cross/Blue Shield of Illinois to administer its self-funded employee and retiree dental plan. Through the contract the City has access to a small local and nationwide provider network and the discounts which Blue Cross has negotiated.

The dental premiums are comprised of an administrative fee and an actuarial projection of claim costs for plan participants. The following shows the total projected plan totals for calendar 2012 and 2013. The dental claims figures were developed by actuaries at Blue Cross.

	2012 Plan Year	2013 Plan Year	Percent Change
Projected Enrollees	651	661	1.5%
Projected Net Paid Claims	\$473,407	\$485,518	2.6%
Administration Fee	\$30,467	\$32,125	5.4%
Total Projected Cost	\$503,874	\$517,643	2.7%
Recommended Change in Reserves	\$3,249	\$3,109	
Recommended Premium Increase			.6%

Due to the only slightly higher per enrollee costs, dental premiums will increase only .6% for 2013 over 2012. The City splits the costs of this plan fifty/fifty (50%/50%) with its employees. Retirees pay full premium costs (0% City/100% retiree).

Broker Services: The City has worked with Phil Sauder of Clemens and Associates since 2009 for broker and other services to the plans described above. In addition to obtaining for the City the plans and quotes discussed and group life insurance, Mr. Sauder and the Clemens staff help the City with day-to-day operational and larger scale issues with the insurance plans, assist in communicating information to employees and retirees, and with open enrollments. Staff often relies on Mr. Sauder and the Clemens' staff to resolve the more complex claim issues that plan members sometimes have. Plan participants can call their office directly for assistance if they choose. Mr. Sauder provides staff with reports and updates on local provider issues.

For the above work Mr. Sauder quoted the City an annual flat fee of \$9,500 for calendar 2013 to be paid quarterly. His fee has not changed since 2009.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: None.

FINANCIAL IMPACT: The total amounts cited above represent the anticipated full cost to provide health and dental insurance for employees, retirees and for Township employees. The Township reimburses the City for their benefit costs. Once premiums and reimbursements from all sources are factored in, the City pays for approximately fifty-eight percent (58%) of the total health insurance costs and about forty-eight percent (48%) of the dental costs.

The following illustrates the projected impact the current renewals may have on the budget. The actual figures will depend on January's open enrollment and on the actual claims paid under the

PPO and dental plan. Broker services were budgeted within the PPO fund divisions and there is no change to the cost of this service.

	Blue Cross PPO Medical	HAMP HMO	Dental Plan
Total Budgeted Amt.	\$4,633,217	\$1,614,166	\$528,905
Budgeted City Amt.	\$2,707,517	\$1,538,890	\$296,815
Budgeted Increase %	7.0%	7.0%	6.0%
Renewal Increase %	7.6%	8.0%	2.7%
Est. Projected Impact To Total Budget	+\$9,300	+\$5,400	-\$5,800

The items in this memo are budget for FY 13 as follows:

Blue Cross PPO, Claims, Administration and Stop Loss: fund divisions 60200210 and 60280210.

Health Alliance Medical Plans HMO: fund divisions 60200232 and 60280232.

Dental Claims and Administration: fund divisions 60200240 and 60280240.

Broker Services: Budgeted for FY 13 in fund divisions 60200210 and 60280210. There will be no increase for this service in FY 13.

Respectfully submitted for Council consideration.

Prepared by:

Laurie Wollrab, MBA, PHR
Compensation and Benefit Manager

Reviewed as to legal sufficiency:

Rosalee Dodson
Asst. Corporation Counsel

Recommended by:

David A. Hales
City Manager

Reviewed by:

Emily Bell, IPMA – CP
Director of Human Resources

Finance review by:

Patti-Lynn Silva
Director of Finance

Mayor Stockton introduced this item.

Alderman Fruin noted that Laurie Wollrab, Compensation and Benefits Manager, and Bill Sauder, City's insurance consultant, were present at the meeting.

David Hales, City Manager, addressed the Council. The annual review had been completed. The recommendation was to continue the City's health insurance program for another year. He noted that the process had been time consuming.

Laurie Wollrab, Compensation and Benefits Manager, addressed the Council. She reviewed the Council memorandum. The City offered two (2) health insurance plans: a PPO, (Preferred Provider Organization), or an HMO, (Health Maintenance Organization). In addition, the City offered a dental plan and retained an insurance broker. She reviewed the components of the PPO and HMO. She addressed the stop loss coverage. She noted that BlueCross/Blue Shield, (BC/BS), was the lowest cost provider. She addressed cost projections for the PPO which were completed on the calendar year. She noted the lower number of City employees. The projections were also completed by an actuary. The estimated change was 7.86%. The premium increase would be twelve to fifteen percent (12- 15%). She reviewed the HMO's components. The projections were completed by an actuary. The estimated change was eight percent (8%). The City's pharmacy benefit was a separate plan. The Dental Plan was self insured and administered by BC/BS. The estimated increase was two percent (2%). The premium increase would be .6%. There would be no increase to the broker fee. This fee was \$9,500 annually. The City will be invoiced quarterly. She noted the financial projections and the current fiscal year.

Alderman Fruin expressed his concern regarding management's part in controlling claim costs. He questioned the focus on the pharmacy side. He cited high dollar claims and case management. Ms. Wollrab noted that the Council approved the pharmacy plan on October 8, 2012. There was case management for specialty drugs. There was a pharmacy benefit manager. She noted the City's limited capability. All benefit changes must be bargained. The City encouraged wellness. She cited health risk assessments as an example. The City's Wellness Coordinator offered a variety of programs. Alderman Fruin stated the high dollar claims for prescription drugs and case management were important. He also questioned if the access fee would be waived.

Bruce Sauder, City insurance consultant, addressed the Council. There needed to be 1,000 insured lives for this fee to be waived. This fee was a small percentage of the total cost. He addressed case management. Stop loss occurred at \$155,000. This provided added protection to the City. Alderman Fruin noted that the access fee was \$46,000. He questioned stop loss coverage for the pharmacy plan. Ms. Wollrab responded negatively. She restated that there was specialty drug case management. City staff could look at stop loss coverage for pharmacy benefits in the future. Alderman Fruin expressed his opinion that the City needed stop loss coverage on the pharmacy side. Medical cost represented a huge employer expense.

Alderman Fazzini questioned if it was critical to approve this item this evening. He noted the delay in the Council receiving the information. Ms. Wollrab noted the number of reviewers. She noted open enrollment. City staff was currently working on the Fiscal Year

2014 budget. She stated her preference that this item be approved this evening. City staff had acted in good faith. She understood that the Council wanted adequate time to review same.

Mayor Stockton noted the lateness of the addendum.

Motion by Alderman Fruin, seconded by Alderman Schmidt that the Client Agreements with BlueCross/Blue Shield of Illinois for Third Party Administrator Services and Individual Stop Loss Insurance for the Employee and Retiree Preferred Provider Organization Health Plans; and with Health Alliance Medical Plans for Employee and Retiree Health Maintenance Organization Plan Option; and with BlueCross/Blue Shield for Third Party Administrator Services for the Employee and Retiree Dental Plan; and with Clemens and Associates for Broker Services be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, and Fruin.

Nays: Alderman Purcell.

Motion carried.

The following was presented:

SUBJECT: Consent to Assignment of Indoor Football Lease at U.S. Cellular Coliseum

RECOMMENDATION/MOTION: That the consent to the assignment be approved and that the Mayor and City Clerk be authorized to execute the consent.

BACKGROUND: For the reasons set forth by John Butler, Central Illinois Arena Management, Inc.'s, (CIAM), President, in a memorandum dated October 15, 2012, James R. Morris, d/b/a Roar, LLC and Roar Football, LLC desires to assign the lease for Indoor Football to Hockey Sensation, LLC.

As you are aware, Sandra Hunnewell is the primary owner of Hockey Sensation, LLC. A provision of the Indoor Football lease is that CIAM and the City will not "unreasonably withhold" their consent to assignment of the lease. The staff concurs with Mr. Butler's recommendation.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: None.

FINANCIAL IMPACT: None.

Respectfully submitted for Council consideration.

Prepared by:

Recommended by:

Todd Greenburg
Corporation Counsel

David A. Hales
City Manager

**ASSIGNMENT AND ASSUMPTION
OF
INDOOR FOOTBALL LICENSE AGREEMENT
-U.S. CELLULAR COLISEUM**

This Assignment and Assumption is dated October 12, 2012 by and between Roar, LLC and Roar Football, LLC, an Illinois Limited Liability Company as Assignor and Hockey Sensations, LLC as Assignee.

This is the Assignment of the Indoor Football License Agreement as described in an Asset Purchase Agreement dated October 12, 2012 between Assignor as Seller and Assignee as Buyer for the sale and purchase of the Bloomington Edge Football team assets.

Therefore pursuant to the terms of the Asset Purchase Agreement, Ten Dollars (\$10.00) in hand paid, the mutual promises herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Assignor does hereby sell, assign, transfer, convey and deliver to Assignee, its successors and assigns all its right, title and interest as Licensee in, to and under of Indoor Football License Agreement dated January 9, 2012 by and among the City of Bloomington, Illinois (the City), Central Illinois Arena Management, Inc., (the Operator), (the City and Operator jointly as Licensor thereunder) and Assignor as Licensee thereunder (the Football License), intending hereby to convey all of its right, title and interest therein, subject only to the consent of the Operator and the consent of the City.
2. Assumption. Assignee hereby assumes, undertakes and agrees to discharge in accordance with all the terms of and to the full extent provided in the Football License all obligations and liabilities of the Licensee arising on or after October 12, 2012 and to hold Assignor harmless from all liabilities to the City and Operator arising from the Football License.
3. Mutual Release. Upon execution and delivery of this Assignment and Assumption Agreement, the Operator and City release the Assignor and the Assignor releases the Operator and the City from all claims of every nature the City and Operator may have against the Assignor as Licensee under the Football License Agreement and all claims of every nature the Assignor as Licensee may have against the City and Operator (jointly the Licensor) under the Football License Agreement.

This Assignment and Assumption shall inure to the benefit and be binding upon the successors and assigns of the Assignor and Assignee.

In witness thereof, Assignor and Assignee have caused this Assignment and Assumption Agreement to be duly executed and delivered as of the date first set forth above.

ASSIGNOR:ASSIGNEE:

Roar, LLC

Hockey Sensations, LLC

By: James R. Morris
Its Manager
Title: President

By: David Holt
Its General Manager

Roar Football, LLC

By: Roar Entertainment & Sports, LLC

Central Illinois Arena Management, Inc.

James R. Morris
Its Manager

John Y. Butler
President

City of Bloomington

By: Stephen F. Stockton, Mayor

CONSENT

Central Illinois Arena Management, Inc., Operator under the Football License Agreement, pursuant to paragraph 21F hereby consents to the Assignment and Assumption of the Football License Agreement as described herein.

Dated this 12th day of October, 2012

Central Illinois Arena Management, Inc.

By: John Y. Butler, President

CONSENT

The City of Bloomington, the City under the Football License Agreement, pursuant to paragraph 21F hereby consents to the Assignment and Assumption of the Football License Agreement as described herein.

Dated this 23rd day of October, 2012

City of Bloomington

By: Stephen F. Stockton, Mayor

Mayor Stockton introduced this item. He noted that Roar, LLC and Roar Football, LLC, (last year's owner), wished to terminate the business relationship. The indoor football team had been sold to the hockey team's owner.

David Hales, City Manager, addressed the Council. He recommended approval. He described this development as significant and positive. Hockey Sensations, LLC had purchased the assets of the indoor football team. He believed that there would be a synergy and cost efficiencies. He cited marketing and promotions as examples. He added that there would be a long term presence with winning teams. This assignment was a one (1) year agreement. Hockey Sensations would negotiate a new agreement with Central Illinois Arena Management, (CIAM). He noted that John Butler, CIAM's President and David Holt, Hockey Sensation's General Manager, were present at this evening's meeting.

Alderman Fazzini noted that the terms were the same and the owner would be stronger. The hockey and football teams would have a single owner.

Alderman Purcell questioned the number of teams in the league and the number of games in the season. David Holt, Hockey Sensation's General Manager, addressed the Council. There would be ten (10) teams and six (6) home games.

Mayor Stockton questioned the additional teams. Mr. Holt stated that there would be official announcements next week. He restated that the league total would be ten (10) teams. He added that a number of these cities also have hockey teams.

Motion by Alderman Fazzini, seconded by Alderman Schmidt that the consent to the assignment from Roar, LLC and Roar Football, LLC to Hockey Sensation, LLC be approved, and the Mayor and City Clerk be authorized to execute the consent.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

The following was presented:

SUBJECT: Text Amendment to Chapter 6. Alcoholic Beverages, Additional License Classifications

RECOMMENDATION/MOTION: The Liquor Commission recommends to the City Council that the Text Amendment be approved and the Ordinance passed.

BACKGROUND: The Bloomington Liquor Commissioner Steve Stockton called the Liquor Hearing to order to address the Text Amendment regarding the creation of a class “E”, Entertainment and “Q”, Qualified restaurant. Present at the hearing were Liquor Commissioners Stephen Stockton, Richard Buchanan, Marabeth Clapp, Steve Petersen, Mark Gibson, and Geoffrey Tompkins; George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk

Commissioner Stockton opened the liquor hearing to address the proposed Text Amendment. He noted that the Commission held a Work Session on September 18, 2012 and a Public Hearing on September 20, 2012.

George Boyle, Asst. Corporation Counsel, addressed the Commission. The draft ordinance had been prepared based upon these two (2) meetings. He noted that the language addressed an application for an “A”, All types of alcohol, license. He offered to draft additional language which would address a “B”, Beer & wine only, license/application. He had removed language from the previous drafts which addressed floor space and occupancy. He cited Chapter 6. Alcoholic Beverages, Section 4 C. Conditions of Creation. He added his intention to add the proposed class E and Q license classification into Section 7. Classification.

He added that language regarding ineligibility for a class E if eligible for an “R”, Restaurant and/or Q had also been removed.

Commissioner Stockton questioned language regarding a cover charge for the class E. Mr. Boyle noted that based upon the Commission’s two (2) previous meetings on this subject no conclusion had been reached regarding a cover charge.

Commissioner Stockton recommended that the Commission take a few moments to review the proposed text amendment language.

Commissioner Buchanan addressed the cover charge issue. He noted that this would be a new concept for the City. He added the sale of nonalcoholic items and the City’s current definition of tangible items. He questioned where cover charges would fall. Mr. Boyle noted that this was his first attempt at ordinance language. The current language included all revenue derived from the business.

Commissioner Stockton addressed the cover charge issue. Revenue would include alcohol and non alcohol sales. He believed that a cover charge should be required for a class E liquor license. This was an important issue and would be included in the computation of the ratio of

alcohol versus non alcohol sales. He restated the belief that there should not be any additional tavern liquor licenses in the Downtown.

Commissioner Tompkins supported the addition of a statement regarding the class E and the cover charge requirement. He recommended that this text amendment be sent on to the Council. There were applications pending. The City needed to move forward on this item.

Commissioner Stockton also added that in order to be eligible for a class E, the applicant could not be eligible for a class R and/or Q. Mr. Boyle restated same and affirmed Commissioner Stockton's statement. He cited the percentage of alcohol sales for each - sixty percent (60%) for an E license and seventy percent (70%) for a Q license.

Commissioner Gibson expressed his opinion that currently the Commission was unsure if establishments holding an R license truly meet the fifty-one percent (51%) or greater food sales criteria. He expressed his concern regarding enforcement as both the E and Q classifications listed a percentage of alcohol sales. He saw this as added complexity. He did not believe that these two (2) classifications would address Downtown issues. He restated his concerns regarding enforcement and management of these proposed classifications.

Commissioner Stockton noted that the Downtown Entertainment Task Force (DETF) had raised other issues. He cited alcohol sales training for servers/sellers. He suggested that an R licensed establishment might file a simple form at year end renewal. The Commission/City did not have the resources to audit each R licensed establishment. As Commissioner, there were R licensed establishments that have been required to provide receipts. He could not recall a single true audit being conducted during his tenure on the Commission. The City would need to retain a skilled auditor. If the City received questions/complaints, then an investigation is begun. He restated that a simple one (1) page form could be designed which would require the license holder to certify that the business was eligible for an R liquor license.

Commissioner Clapp noted that the DETF had met on Monday, October 8, 2012. The issue was control. She recommended that the Commission review the DETF's latest comments. Commissioner Stockton recommended that this item be added to the Commission's October 19, 2012 meeting. Commissioner Clapp added that the DETF added specificity and provided positive direction. Commissioner Stockton directed that the Commission be provided with copies of same.

Commissioner Gibson questioned if the DETF addressed the Commission's concerns. He noted that Alderman Karen Schmidt chaired the DETF. There needed to be joint perspective. The Commission and the DETF needed to be in alignment with each other. The efforts by each group needed to be coordinated. The Commission has responsibilities.

Commissioner Stockton noted that the Council expected a Text Amendment regarding these two (2) license classifications on their October 22, 2012 meeting agenda. The Council may return the proposal back to the Commission. He added that the DETF had made its final recommendations in June 2011. The Commission had continued to work on this group's recommendations. The DETF has continued to meet and refine its recommendations. The

Commission needed to move forward on this issue. He noted that there was at least one (1) pending Downtown application that might benefit from the Q license classification.

Commissioner Stockton expressed his comfort level with the proposed Text Amendment. The Commission would see how the Council responded to same.

Commissioner Buchanan noted the various expectations of the Commission, Council and DETF. He expressed his willingness to support the draft ordinance.

Commissioner Stockton questioned the Commission's comfort level. He noted that this was a general concept which could be fine tuned in the future.

Commissioner Petersen noted the complexity due to the legal language. He questioned if the definitions could be simplified. The draft ordinance was well written. He appreciated Commissioner Stockton's and Mr. Boyle's efforts on same. He questioned where these two (2) classifications might fit in the Downtown. Commissioner Stockton provided the following examples: Castle Theater, located at 209 E. Washington St., - class E and Elroy's located at 102 W. Washington St., - class Q. Commissioner Petersen added that the class EA2 might be a good fit for the Castle Theater. Commissioner Stockton responded affirmatively.

Commissioner Buchanan noted that he considered existing licensed establishments when reviewing the proposed text amendment.

Commissioner Gibson questioned the US Cellular Coliseum's, (USCC), license classification. He added that he did not believe that the USCC was a restaurant or a tavern. He added his belief that the Commission was establishing a new standard. Commissioner Stockton restated that if an establishment was eligible for an R license than it was not eligible for an E license. (*BMIA Concessions, LLC holds an RAS license at the USCC.*) Commissioner Buchanan viewed the USCC as a unique venue. He did not believe that there would be another similar facility located in the City. Commissioner Stockton noted that the Commission could consider what other cities with similar venue have done. Currently, the City has three (3) major classes, R, Restaurant, T, Tavern, and P, Packaged. The R and T addressed on premise consumption and the P addressed off premise consumption. The proposed E and Q classifications would address special circumstances and the presence of eighteen to twenty (18 - 20) year olds. He added that the Q addressed when an establishment operated as a restaurant during the day and had a different atmosphere at night, i.e. tavern.

Commissioner Gibson expressed his confusion. He cited Reality Bites, located at 414 N. Main St., as an example. This establishment currently held an R license. He questioned why it would not be classified as a Q license. Commissioner Tompkins noted the earlier closing hour for class Q establishments.

Commissioner Gibson cited bowling alleys and entertainment venues as examples of an E license. He restated his belief that the USCC should be an E licensed establishment. The City needed to have an option for the USCC. He was attempting to understand the difference.

Commissioner Stockton restated his belief that the USCC qualified for an R license. This building was unique.

Commissioner Petersen questioned the EA1 classification. Mr. Boyle acknowledged that the USCC might fit under this classification with the exception that only those eighteen (18) years and older were permitted on the premise. Commissioner Stockton restated his belief that the USCC was a restaurant. Mr. Boyle noted the definition of restaurant, (See Chapter 6. Alcoholic Beverage, Section 7A. Classification, (13) and (14). He cited sales of tangible items which excluded services and rentals. He believed that the USCC could be addressed by the City. Commissioner Stockton added that cover charges would be included as revenue for a class E license.

Commissioner Buchanan expressed his opinion that these two (2) proposed classes provided something between the current class R and T. The proposed text amendment was needed and would be modified and enhanced over time.

Commissioner Petersen questioned the application of the class Q. Commissioner Stockton cited establishments that served lunch. If the business held a class T liquor license then no one under twenty-one (21) years of age was allowed on the premise. Commissioner Petersen noted that the class Q had an earlier closing hour.

Commissioner Stockton addressed the class E which stated that no alcohol could be served or consume on premise after 12 midnight Monday through Friday, or 1:00 a.m. on Saturday and Sunday. The class Q stated that “restricted” periods for alcohol service were the earlier of 1.) one hour after the “qualified food service” ends; 2.) 10:00 p.m. for A, All types of alcohol, licensed establishments or 3.) 11:00 p.m. for B, Beer and wine only, licensed establishment. There was no requirement to close at an earlier hour. Mr. Boyle acknowledged that he did not include an earlier closing hour for the class Q. Commissioner Stockton noted that if an establishment qualified for an R license, it is allowed to sell alcohol until closing time. Under the class Q, the percentage of sales from alcohol was limited to seventy percent (70%). Individuals under the age of twenty-one, (21), were not permitted on the premise during “restricted” hours.

Commissioner Clapp noted that the establishment could remain open until the close of business hours. Commissioner Stockton believed that a class Q establishment should also have an earlier closing time. Commissioner Petersen expressed his opinion that Elroy’s, located at 102 W. Washington St., would not apply for a class Q. Commissioner Stockton noted that Elroy’s has a number of options: class T, which it currently holds, class R which it has been approved for, or class Q if approved by the Council.

Commissioner Petersen questioned the closing time for the class Q. Commissioner Stockton cited the September 20, 2012 *Initial Draft - for Preliminary Discussion Purposes Only, Restrictions on Hours of Operation*. Alcohol service/consumption would stop at 12 midnight on Monday through Friday, and at 1:00 a.m. on Saturday and Sunday. He recommended that this language be included in the proposed draft ordinance. He restated that to be eligible for a class E

and establishment could not be eligible for a class R and/or Q. He restated the closing time for a class Q.

Jay Balmer, 16 Fountain Lake Ct., addressed the Commission. He noted that he had not seen the most recent draft of the proposed ordinance. He believed that the proposed class E and Q were contradictory. He noted that liquor sales were supposed to be ancillary of the business. At sixty to seventy percent, (60 - 70 %), liquor sales would be the primary revenue source. He expressed his opinion that additional restrictions were needed.

Commissioner Stockton noted that the percentage of alcohol sales was greater than a class R license. He added that other privileges had been taken away. Mr. Balmer questioned the verification process. As a member of the DETF, he had attended their meetings. Liquor distributors were required to provide sales information to the state by law. He noted the relationship between sales taxes and alcohol sales. The City should require written documentation as proof. He did not believe that additional man hours would be required. In addition, he recommended that the Commission continue this discussion regarding the class E and Q as the recommendations were vague in his opinion.

Daniel Rolph, 1027 Maple Hill Rd., #2, Six Strings' owner/operator and license holder, addressed the Commission. He noted that the statement submitted to the state was an ILST - 1. He recalled when the discussion of the class E license started. He noted the challenge of operating a business with limited hours, i.e. twelve (12) hours per week. He recommended that the City have a liquor license. The Commission would manage the parameters. Each license would be designed to address the individual license holder. This approach would provide flexibility. He added that the highest profit hour was the last hour of business.

Commissioner Stockton noted that Mr. Rolph has strayed from the proposed text amendment. Mr. Rolph stated that currently there were a variety of license types with a variety of parameters. He acknowledged that there were management issues. Commissioner Stockton summarized that Mr. Rolph's recommendation was for the City to have a single liquor license which would be controlled by various conditions placed upon each establishment.

Motion by Commissioner Tompkins, seconded by Commissioner Buchanan that the proposed amended text amendment, (additional language to address to be eligible for a class E the business could not be eligible for a class R and/or Q and closing hour for class Q), be approved and forwarded on to the Council for their October 22, 2012 meeting.

Motion carried, (viva voce).

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: The Commission held a Work Session on September 18, 2012 and a Public Hearing on September 20, 2012. In addition, the Agenda for the October 9, 2012 Meeting of the Liquor Commission was placed on the City's web site. There also is a list serve feature for the Liquor Commission.

FINANCIAL IMPACT: None.

Respectfully,

Stephen F. Stockton
Chairman of Liquor Commission

Mayor Stockton introduced this item. He reviewed the history of same. He noted the Council's request to reduce the number of conditions placed upon liquor licenses. He noted the proposed liquor license classifications: E1, E2 and Q, (Entertainment and Qualified). The Commission's proposed classifications were based upon their understanding of the Council's questions and concerns. He introduced Marabeth Clapp, Liquor Commissioner and Downtown Entertainment Task Force, (DETF), member.

Marabeth Clapp, Liquor Commissioner, addressed the Council. She reviewed the background of this item. She noted that currently there were only two (2) liquor licenses which addressed sale by the glass: restaurant or tavern. All liquor license applications do not always fit into these two (2) options. In the past, the Commission placed conditions upon restaurant and/or tavern liquor licenses to address special situations. She addressed potential venues for the E, Entertainment license classifications. She cited bowling alleys, the US Cellular Coliseum, (USCC), located at 101 S. Madison St., and Bloomington Center for the Performing Arts, (BCPA), 600 N. East St., as examples of E venues. She noted discussions regarding events for eighteen to twenty (18 – 20) year olds. The E license classification would provide a better fit for establishments which were not focused on alcohol consumption. The new E classification might bring new venues to the Downtown. The E license classification if properly developed would bring balance to the Downtown's atmosphere.

She addressed the Q, Qualified license classification. There were restaurants that morphed into taverns after 9:00 – 10:00 p.m. Liquor sales exceeded food sales. She cited Elroy's located at 102 W. Washington St. and Reality Bites, 414 N. Main St., as examples. The Q license could be distinguished from a tavern due to the earlier closing hour, (one hour earlier). This would have a positive impact on the Downtown at closing time. There needed to be appropriate license classifications. In addition, there needed to be appropriate oversight when a license is created.

Ms. Clapp addressed the Downtown's history and tavern locations. She cited the Downtown's north end. The goal was to change the Downtown's atmosphere. There needed to be a better balance. Other cities have been successful. Liquor license applications were complicated. The Commission had drafted an ordinance.

Mayor Stockton noted a trend amongst college students. They were consuming alcohol prior to coming Downtown. Their behavior had become more intense. He expressed his concern regarding over serving. There needed to be alternatives to consuming alcohol. He cited bowling alleys as examples. He believed that individuals would be interested in patronizing piano bars, jazz cafes and comedy clubs. The goal of this ordinance was to address something beyond alcohol consumption. He hoped to see E

liquor licenses issued. The Commission had tried to answer questions regarding functionality. If the Council rejected this item, then the Commission would need guidance. The E license classification might be applicable to the BCPA, USCC, and the City's golf courses. There needed to be appropriate parameters for City facilities.

Alderman Fazzini noted the number of restrictions. This was already being done by the City by placing conditions upon a liquor license. Conditions could be posted at each establishment. He noted that the City was already doing this. He added that the proposed ordinance would give the City something official. The City would be able to offer something beyond a tavern. He was unsure if the Council was committed to approving this item.

Alderman Schmidt stated that she would vote against this item on behalf of the DETF. At the DETF's last meeting the conversation addressed better control over existing license types. She described the DETF as a lively, independent group. She believed that the Commission needed to increase the scope. The first issue that needed to be addressed was how alcohol was handled.

Mayor Stockton noted that these classifications would be applied throughout the City.

Alderman Purcell expressed his opinion that the proposed ordinance was confusing. He noted the issue of college students being over served in the Downtown. He believed that college towns faced similar issues with their taverns. The Downtown's taverns have created issues in the Downtown. Currently, these taverns have had a negative impact upon the Downtown.

Commissioner Clapp noted enforcement as one of the DETF's focus areas. She noted the role of the Police Department. Police officers issue citations and ordinance violations. She believed that the DETF's recommendations could be effective. Key areas identified were over serving, over crowding and maintenance.

Alderman Purcell noted issues in Carbondale and Southern Illinois University's students. The police department started arresting college students. He described these students as wild and intoxicated.

Commissioner Clapp questioned the monitoring entity. Liquor license conditions needed to be reviewed. Mayor Stockton added that enforcement was important. He noted the state's Liquor Control Commission's 4th Annual College Town Summit, held in Springfield on October 17, 2012. He had attended same. Those in attendance were all facing common problems. Enforcement was important. The Commission had drafted a text amendment which addressed server training, (BASSETT – Beverage Alcohol Sellers & Servers Education & Training). In addition, the Commission would consider additional limitations beyond the state's Happy Hour Law. He restated that over serving was an issue. In addition, an audit letter had been draft for restaurant liquor license holders.

Alderman Purcell expressed his opinion that the Downtown taverns knew when they were over serving. He had visited the Downtown between the hours of 10:00 p.m. and 2:00 a.m.

Mayor Stockton noted the City of Springfield's plan. The City will start by reducing occupancy, business hours, etc. to address the over serving issue.

Alderman Anderson concurred with the Commission's direction. He expressed his opinion that the City was losing the confidence of the citizens and businesses. He stated his opinion that no additional liquor licenses be approved until the City addresses what it has. The City needed to take a step back.

Alderman McDade cited her email. She expressed her appreciation to the Commission for their efforts. There were issues with alcohol in the community. She noted the creation of the DETF and BNCCC, (Bloomington Normal Community Campus Coalition), as examples of the community trying to address these issues. The City was not the only community dealing with these issues. The City was not addressing the problem. This issued needed to be solved. The City continues to micromanage liquor. The percentage of food sales was unknown. The Police Department tried to keep the people safe. The City needed to enforce what it had. Action was overdue.

Alderman Sage expressed his appreciation to Commissioner Clapp for her service on the Commission and DETF. He examined her comments. There had been a number of conversations regarding license management during the past four (4) years. He noted Commission discussions and papers. The DETF under Alderman Schmidt's leadership was a collaborative effort. The issues needed to be addressed with deliverables. He expressed his appreciation to Alderman Schmidt. He agreed with the comments made by the other Aldermen. He recognized the Commission's attempts to address the issue. He planned to vote no on this item.

Alderman Stearns had participated in police ride alongs. She had seen what happens in the Downtown from personal experience. The Downtown was out of control. The police cannot provide adequate enforcement. There were enforcement issues with liquor licenses and bands of youth. Newer licensed establishments were out of control. There had been two (2) fatalities in the Downtown. Another individual had been injured. The City needed to look to the Town of Normal. She believed that the problem could be solved. There was a discrepancy between the DETF and the Commission. She expressed her opinion that there would be another fatality. She would not support this item.

Alderman Fruin encouraged the Council to take a step back. He appreciated the efforts made. He noted what had been accomplished. Things were better. The Council, Commission and DETF had difficult jobs. He noted various entertainment venues, USCC, Castle Theater located at 209 E. Washington St., and the City's golf courses. He believed that a check list could be posted by an establishment's door for police enforcement. Balance needed to be found for each issue. He cited the City's two (2) major Downtown investments: USCC and BCPA. The Downtown was the place for people who come to live,

work and play. The Downtown was a mixed use area. It was here to stay. There needed to be collaborative solutions. Individuals and businesses had purchased property and relocated within the Downtown. It had been suggested that the City tell people where to go if they were interested in a liquor license. He cited W. Front St. and/or the warehouse district. He cited the former Montgomery Wards building located at 102 N. Center St. and the former Elks building located at 110 N. Madison St. He questioned if this suggestion was even possible. He cited the cost of same. He had attended a number of Commission and DETF meetings. He noted the diversity of opinions and solutions. The rules needed to be enforced. There needed to be a sound business climate to support Downtown growth. There were responsible restaurant and tavern owners. Some have been in the Downtown for a number of years. These venues needed to be nurtured to compliment the USCC and BCPA. He hoped that the Commission and Council were not discouraged. Solutions must be found for the Downtown to grow.

Alderman McDade noted that the hardest thing was that this issue was outside the scope of the Council's control. Information had been provided to the Commission. The Commission needed to visit other communities. The problem must be labeled. The work must be done by the Commission.

Mayor Stockton noted that from the Commission's standpoint worked has been done. The Commission worked with/on the DETF's recommendations. He noted the issues of enforcement and over serving. The Commission was attempting to find ways to encourage other activities beyond alcohol consumption. He cited the role of BASSETT training. The Commission had discussed liquor license fee increase to address the cost of enforcement. Liquor license fees could be based upon alcohol sales, occupancy, etc. There were a number of possible text amendments. The Commission saw some of the problems.

Alderman Mwilambwe expressed his appreciation for the work completed to date. All parties involved had the best interest of the Downtown and City in mind. He added that the expectations for the proposed class E and Q were clear. The placement of conditions upon a liquor license was not ideal. There were issues in the Downtown. The City needed to find ways to address same. Enforcement was an issue. The City needed to come up with a plan and allocate the necessary resources. There were painful decisions to be made. The work was exhausting.

Alderman Stearns stated that she needed to hear something new beyond be flexible. She had received a telephone call from a developer who would not locate within the Downtown. She refused to share any other information citing confidentiality.

Mayor Stockton stated that the Commission would continue its work. He added that the Commission needed specific ideas/information from the Council.

Motion by Alderman Fazzini, seconded by Alderman Mwilambwe that the Text Amendment be approved.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Mwilambwe and Fazzini.

Nays: Aldermen Stearns, Schmidt, McDade, Anderson, Sage, Fruin and Purcell.

Motion failed.

The following was presented:

SUBJECT: Application of Setinthebar, d/b/a Gat's Jazz Cafe, located at 424 N. Main St., for a TAS liquor license, which will allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days week

RECOMMENDATION/MOTION: The Liquor Commission recommends that a TAS liquor license for Setinthebar, Inc., d/b/a Gat's Jazz Cafe, located at 424 N. Main St., be created, contingent upon compliance with all applicable health and safety codes with the following conditions: 1.) the establishment will be run as a Jazz Cafe; not a traditional tavern - the Commission reserves the right to modify this condition to insure compliance; 2.) the business will be committed to the promotion of live jazz music and commits to stay with the jazz music theme, as opposed to other forms of music; 3.) the hours of operation of the business will be Sunday through Thursday from 11:00 a.m. until 10:00 p.m. and Friday and Saturday from 11:00 a.m. until 12:00 a.m.; 4.) the tables and chairs will not be removed from the premise so as to maintain a close, intimate Jazz Cafe atmosphere at all times; 5.) food, as shown on the sample menu or substantially similar and comprehensive menu will be served up until one hour prior to closing with continued work towards establishing a full kitchen with a vaster meal type menu; 6.) marketing house events which for a set price, reserves a table for entertainment viewing and provides certain food and drink for one price; and 7.) with all of these conditions, there was confidence that a successful Jazz Cafe will be established at 424 N. Main St. which will add to the Downtown's quality of life and the area as a whole without adding to the issues cited by the Downtown Entertainment Task Force (DETF).

BACKGROUND: The Bloomington Liquor Commissioner Stephen Stockton called the Liquor Hearing to order to hear the application of Setinthebar, Inc., d/b/a Gat's Jazz Cafe, located at 424 N. Main St., requesting a TAS liquor license which would allow the sale of all types of alcohol by the glass for consumption on the premises seven (7) days week. Present at the hearing were Liquor Commissioners Stephen Stockton, Richard Buchanan, Steve Petersen, and Geoffrey Tompkins; George Boyle, Asst. Corporation Counsel, Bob Wall, Asst. Police Chief, and Tracey Covert, City Clerk; and James Gaston, owner/operator and Applicant representative, and Jim Bass, Applicant's attorney.

Commissioner Stockton opened the liquor hearing and requested that the Applicant address this request. James Gaston, owner/operator and Applicant representative, and Jim Bass, Applicant's attorney, addressed the Commission. It was described as the same request with possible conditions upon the license. Mr. Bass noted that the Council's vote, 4 to 5. The application was turned down by one (1) vote. A list of proposed conditions had been provided to the

Commission. In addition, there was a statement of intent. It was noted that the business needed to be profitable. It had been Mr. Gaston's dream to operate a Jazz Cafe.

Commissioner Stockton noted Mr. Gaston's background. He added that for a number of years concerns had been expressed regarding the number of Downtown "T", Tavern, liquor licenses. He noted recent comments from the Council regarding same. He added that there was an informal moratorium on tavern liquor licenses in the Downtown. He cited Laugh Comedy Club located at 108 E. Market St. as an example of a Downtown T liquor license with conditions. Concerns had been raised that this establishment would become another Downtown tavern. The Applicant needed to convince the Commission, Council, and citizens that safeguards were present to insure that Gat's Jazz Cafe would not become another Downtown tavern. He read the list conditions submitted by Mr. Gaston. Another issue was a sufficient operations plan.

Mr. Bass noted that the tables would not be removed at anytime. He believed that the strongest argument to support this application was the closing hours. Gat's Jazz Cafe would not be just another Downtown tavern. Gat's Jazz Cafe would not be a young person's tavern. Commissioner Stockton acknowledged the weekend closing time: midnight. He questioned what would happen at the Jazz Cafe from 11:00 a.m. until the music started. Mr. Gaston stated that the Jazz Cafe would not be just a tavern. It would be a cafe that served food, coffee and cocktails.

Commissioner Stockton noted that the Commission needed to understand his vision. Mr. Bass stated that a sample menu had been provided. Mr. Gaston planned to work towards a full kitchen.

Commissioner Petersen questioned if the Cafe would serve lunch. Mr. Gaston stated that the Cafe would serve upscale appetizers, hors d'oeuvres and tapas.

Commissioner Tompkins stated that he had never seen such onerous, burdensome conditions. This Cafe would be an outstanding venue. He believed that Mr. Gaston was a quality applicant and that he would make this business a success. He questioned what the City wanted the Downtown to be. Mr. Gaston should be given a fair chance to operate this business.

Commissioner Petersen noted that the Commission recommended this application to the Council. The Council did not approve it. He questioned what was needed for the Council to change its mind.

Commissioner Tompkins restated that Mr. Gaston provided the list of conditions. The Commission could include any of them or none of them. Commissioner Stockton stated that a number of conditions had been placed upon a number of Downtown establishments. Commissioner Tompkins described these conditions as onerous and burdensome. Mr. Gaston would comply with the rules. Mr. Gaston would have everything to loose.

Commissioner Petersen questioned who drafted the conditions. Mr. Gaston noted himself with the assistance of his attorney. Commissioner Petersen described the situation as unfortunate. The Downtown was volatile. He described the conditions submitted as good. Mr. Bass restated

that there was not a commitment to install a full kitchen. It was a goal with no set date. He noted Mr. Gaston appearance before the Commission. He addressed Mr. Gaston's past experience. There were individuals present at the hearing who wanted to address the Commission. Mr. Gaston had experience in the liquor business and with jazz music.

Commissioner Stockton noted that the Council did not approve this application without conditions. Commissioner Tompkins noted that the Commission could include the list of conditions provided by the Applicant.

Commissioner Stockton reviewed the list. He described the first condition as a general statement. Mr. Bass added that there would be a jazz piano on weekdays. Mr. Gaston added that there would be live music only during certain hours. There would be jazz music at all times. The decor would have a jazz theme. He restated his commitment to jazz. Commissioner Stockton questioned the hours for live performance. Mr. Gaston noted the in the evening: weekdays - 6:00 until 9:00 p.m. and weekends - 7:00 until 11:00 p.m. Commissioner Stockton noted that during other business hours recorded jazz music would be played. He noted that the Cafe would be open for lunch.

Mr. Gaston added that there would be a jazz brunch available on Sundays. He did not plan to be open every Sunday. He stressed that he knew what he wanted the business to be, a jazz club. There would be no reason to remove the tables.

Commissioner Stockton questioned if food would be available one (1) hour prior to the Cafe's closing. Mr. Bass noted that the menu submitted was a sample. Similar items might be offered.

Commissioner Buchanan questioned logistics. Mr. Gaston stated that if approved a kitchen would be established which would not require a hood. Commissioner Buchanan stated that a full scale kitchen was not needed to open. Mr. Gaston responded affirmatively.

Linda Gaston, Applicant's spouse, addressed the Commission. The food would be prepared ahead of time and served cold. There would not be a hood and/or fryers in the kitchen. The food preparation area would be simple.

Commissioner Stockton questioned if the menu would attract a lunch crowd. Mrs. Gaston noted the community's conservative food tastes. The Cafe would offer quality items. She believed that the community would be willing to try an offering of different food. Between lunch and dinner, coffee, tea, desserts and snacks would be available.

Commissioner Stockton questioned condition 6. Mr. Gaston cited Friday/Saturday night events with live music. Food, a bottle of wine and a reserved table would be available for a set price. Commissioner Stockton noted that the goal of this type of event would be to bring people in for the full experience. The business was being called a cafe and food would be offered. He questioned if non alcoholic beverages would be available for sale. He also questioned if the Cafe would use a cover charge. He questioned if the Applicant had considered an R liquor license. He questioned the financial model.

Mr. Gaston described the Cafe as a place for adults. He wanted to discourage young persons. A T liquor license would mean that no one under twenty-one (21) years of age would be admitted. Mr. Bass added that there was unsurety about a commitment to fifty-one percent (51%) non alcohol sales. A full scale kitchen was not affordable at this time. A cafe was different than a tavern. It would not be a typical tavern.

Commissioner Stockton questioned the percentage of sales from alcohol. Mr. Gaston believed that initially the Cafe would sell more liquor than food. He restated that there would not be a full scale kitchen. He added that percentages were unknown at this time. He had done a limited study of the demographics.

Commissioner Buchanan expressed his concern that this application had been cast in with the idea of what a Downtown tavern was and conclusions were made. He believed that persons who would frequent the Cafe would do so for the jazz and its ambiance. He hoped Mr. Gaston would bring in quality performers. He believed that these customers would support the Cafe's food offerings. Mr. Gaston restated his intention to create a complete jazz package, (music, decor, menu, etc.). Commissioner Buchanan described the typical customer as a jazz enthusiast. He questioned anticipated liquor sales. Mr. Gaston cited cocktails and wine.

Commissioner Petersen recommended that condition 6 change the word specials to events and remove the second appearance of the word specials.

Commissioner Stockton addressed the proposed "E", Entertainment, and "Q", Qualified liquor license classifications. A "Q" liquor license would be between an R and T liquor license. It would allow for a higher percentage of alcohol sales.

Commissioner Stockton opened the hearing to public input.

Susan Heiser, Crossroads, 428 N. Main St., addressed the Commission. She served as a volunteer at Crossroads. She addressed her concerns regarding the expansion of liquor establishments into the 400 block of N. Main St. Crossroads had been at its locations for seventeen (17) years. She cited the addition of First Fridays to the Downtown. She expressed her hope for more retail establishments in the Downtown. It was exciting to be a part of the Downtown. She had hoped for a new business to replace Twin City Consignments. More people in the Downtown would be good for Crossroads. She added her preference for an R as oppose to a T liquor license. She added her concern regarding compatibility. She cited the Downtown Entertainment Task Force, (DETF), report which recommended no expansion of liquor licenses on this block. She restated her opposition to this application. She believed that people liked to eat and shop in the Downtown. A jazz club would be something different and interesting. She described the request for a T liquor license as a stunner.

Commissioner Stockton reviewed the proposed list of conditions. He requested Ms. Heiser's feedback to same. He added that there were restaurants that morphed into taverns. Ms. Heiser stated that Reality Bites, located at 414 N. Main St., held an R liquor license. She stated that there was a difference between a restaurant and a tavern. She was not comfortable with a T application. She expressed concern regarding food sales. Commissioner Stockton noted the

essence of Ms. Heiser's objections. He questioned if there was an acceptable percentage. Ms. Heiser stated that the Cafe would be located next door. Alcohol would be served through out the day. She restated her belief that the establishment would be a restaurant.

Commissioner Buchanan expressed his concern regarding the reliance upon the liquor license classification, R versus T. The key issue should be what it is and what it is intended to be. He acknowledged the risk that the marketplace would decide. He noted Mr. Gaston's intentions. The business needed to be viable financially. He did not believe that one could take comfort or be concerned about an R versus a T license classification. Ms. Heiser noted that she could not address the future.

Commissioner Stockton noted that a T liquor license can be more restrictive based upon conditions. He recommended that individuals be careful when comparing a T versus an R. Ms. Heiser stated her belief that the City verified the balance sheets for each R licensed establishment on an annual basis.

Commissioner Petersen questioned enforcement of conditions which have been placed upon a liquor license. He addressed his concerns.

Commissioner Tompkins assured those present that as a Liquor Commissioner that the Commission and citizens would watch the Jazz Cafe's operations. He encouraged those present to think about the possibilities. He believed that the Jazz Cafe would create a synergy. He hoped that those present would place their trust and belief in the Commission. He hoped the City would grant Mr. Gaston the opportunity.

Ms. Heiser stated that the issue was not about Mr. Gaston. It was about the business and its compatibility with Crossroads. She informed the Commission that four (4) other Crossroad volunteers had attended the hearing with her.

Commissioner Stockton thanked Ms. Heiser for attending and sharing her comments with the Commission. He readdressed Laugh Comedy Club located at 108 E. Market St. It held a T liquor license with conditions. There had been no complaints with this business. It was not a typical T. He noted the belief that there was an unofficial moratorium on Downtown taverns. A jazz cafe would be something different than a college bar. The Downtown needed to offer something different. He cited his willingness to support a jazz club. A key concern was how to arrive there and insure it happens. Mr. Gaston had explained what he planned to attempt in the Downtown.

Bruce Meeks, 1402 Wright, addressed the Commission. He cited his attendance at Council meetings. He expressed his opinion that the Commission had reached the right decision. There was a problem with the word taverns. He noted that the DETF's report and its recommendations had not been put into ordinance form and/or adopted as an official policy by the City. Individuals seemed to believe that the DETF has promised them something. There had been no formal action taken by the Council. A moratorium on Downtown taverns had not been adopted. He expressed support for recommending this application for a T liquor license without conditions. The Downtown needed a transition. He believed that this business had the ability to

generate sales taxes. He noted recent Council discussions regarding leakage. This appeared to be a viable business. The City's alcoholic beverage ordinance was antiquated. This application should be expedited to the Council. The Council would be asked to consider an Enterprise Zone for the Downtown.

Commissioner Tompkins noted that the DETF's report called for a tavern moratorium in the 500 and 600 blocks of N. Main St. The Commission has stayed within this recommendation. It was a sad day when there was opposition to a jazz cafe.

Commissioner Stockton added that the Council appeared interested in a moratorium which was wider than the DETF report specified. The Commission had attempted to focus on taverns in the Downtown's south end.

Willie Brown, 3208 Dorset Ct., addressed the Commission. He was a life long resident of the City and a Crossroads customer. He noted the concerns raised regarding the word "tavern". This would be a jazz cafe. The clientele would be different. The Jazz Cafe would offer high end cocktails, appetizers and jazz. Customers would come to eat, drink and listen to the jazz music. He noted the Downtown's college bars and taverns. He believed that the City would continue to have college bars. He was familiar with Mr. Gaston. The Jazz Cafe would be locked down with conditions. Mr. Gaston was willing to accept same. He encouraged the Commission to move forward. The Jazz Cafe would attract the proper clientele. It would offer something different to the Downtown. It would be located in the 400 block of N. Main St. Mr. Gaston and his investors were willing to accept the conditions. The Jazz Cafe would not be an additional load upon the Police Department. He noted that Laugh Comedy Club located at 108 E. Market St. was working with conditions. He questioned if he would be willing to go forward with the Jazz Cafe with all of the conditions proposed. He added his support of this application.

Doug Lane, 213 Vale, addressed the Commission. He had known Mr. Gaston for twenty-two (22) years. He informed the Commission of his eleven (11) years of experience at Rosie's Pub located at 106 E. Front St. It took hard work to build a reputation. He believed that a jazz club could be successful in the Downtown. He noted the planned decor and pricing for the Jazz Cafe. He cited Mr. Gaston's dedication to the business plan. He encouraged the Commission to grant Mr. Gaston the opportunity. He stated his support for this application. He also was a Crossroads' customer.

Kevin Stearns, ADDRESS, addressed the Commission. He addressed Mr. Gaston's character and his relationship with Mr. Gaston. They had known each other since the second grade. He noted their mutual interest in sports and music. Mr. Gaston was well liked and respected throughout the community. Mr. Gaston was a musician, entertainer and small business owner. He noted their collaboration on a local talent search project. He had also been involved in a fundraising project at Heartland Community College for the Tsunami. They had worked together on a three (3) day wheelchair billiards tournament. He described Mr. Gaston as a catalyst. He had been dedicated to entertainment and the betterment of the community. The Jazz Cafe would not add to Downtown issues. It would create something unique. He encouraged the Commission to give Mr. Gaston the opportunity. He expressed his faith and confidence in Mr. Gaston. He was looking forward to the Jazz Cafe. It would offer a bit of sophistication to the

Downtown and enhance other businesses. He thanked the Commission for the opportunity to address them.

Marlene Gregor, 107 W. Market, addressed the Commission. She added that she had addressed the Commission at the first hearing for the Jazz Cafe. She liked the concept of a jazz club. She preferred a hot lunch. The license classification needed to be an R. She added that there needed to be other considerations. As a Downtown resident, she offered a different point of view. The location was wrong. A jazz club should not be located in the 400 block of N. Main St. She cited the 600 block of N. Main St. as an alternative. She encouraged the Commission to visit the property to view its exterior and interior. The building's first restaurant rehabilitation happened in 1981. She had served on a number of Downtown organizations. Her goal was a moratorium on Downtown taverns. She cited damage to her property's awnings and flowers over the weekends. She addressed the New Urbanism. Diversity was good and the Downtown residents were a strong component.

Tricia Stiller, 305 W. Monroe, addressed the Commission. She introduced herself as the Downtown Business Association's, (DBA), Executive Director. She made a brief statement. She thanked the Commission for the time to address them. She expressed her concern for the Downtown's health. A jazz club would be a great addition to the Downtown. She recommended that the applicant consider an R component. She cited support for the comments made by Ms. Heiser, (Crossroads). She added her concern regarding spillover. She believed those in attendance at the hearing were more educated about the application. An earlier closing hour had alleviated some of her concerns. She questioned who would watch and enforce these conditions. The Downtown was for all. She wanted to protect the integrity of the Downtown and move forward. She questioned the urgency and believed that a better fit could be found. The bottom line was that the Commission had been presented with a proposal. She noted the length of this hearing.

Commissioner Stockton noted that Ms. Stiller believed that the best fit for the 400 block of N. Main St. would be a restaurant. Ms. Stiller noted the emphasis placed on an R versus a T liquor license. An R liquor license was more palatable.

Commissioner Stockton stated that there was another group looking at the area for a restaurant. Ms. Stiller added the increased demand for residential space. She cited quality of life. The Downtown offered dining, shopping and entertainment. Commissioner Stockton added that conditions were placed upon liquor licenses to address personal concerns raised by Downtown residents. Ms. Stiller stated that her interest in the Downtown went beyond her employment. The Downtown was her neighborhood. She walked to work. Commissioner Stockton questioned if Ms. Stiller had been speaking for herself or on behalf of the DBA. She responded that her comments were personal statements.

Commissioner Tompkins expressed his opinion that Mr. Gaston would be true to his word. The Jazz Cafe would enhance the Downtown. Ms. Stiller cited past experience. If a Downtown liquor license holder found the business to not be financially viable, then the business plan was changed. Commissioner Tompkins hoped that Ms. Stiller would believe that this would be a jazz club which would benefit the Downtown. Ms. Stiller noted that as the DBA's Executive

Director there were many development opportunities. She noted the Downtown's south end and the former Montgomery Wards building. She described Mr. Gaston's proposal as admirable. As the DBA's Executive Director, she must listen to every voice.

Commissioner Buchanan stated that Ms. Stiller's comments were interesting and credible. He noted his experience on the Commission. Some licensed establishment's business plans did not work out. Many of these businesses did not last. He also noted that there were R licensed establishments that become a T. He cited late night as an example of when this was likely to occur. Ms. Stiller noted that her concerns regarding business plans addressed T licensed establishments.

Commissioner Stockton noted that there were no comments from the Police Department.

Commissioner Buchanan cited the Commission's deliberation on this application. He noted the Commission's function and role. He believed that a good job had been done on this application.

Commissioner Stockton hoped that the Commission would pull together a recommendation that might be successful before the Council. He noted that the Council supported the Laugh Comedy Club located at 108 E. Market St. He believed that this would be a true jazz club and the applicant had provided the Commission with a reasonable degree of certainty. The Commission had spent time on the details. The Commission had a number of alternatives: 1.) reject this location for a liquor license; 2.) grant a T liquor license with suitable conditions; 3.) grant an R liquor license with earlier closing hours; and 4.) lay this item over until the "Q", Qualified, license classification is available. He questioned if there was a win-win position for the City and the Applicant. He also questioned the Applicant's willingness to wait for a new liquor license classification. Finally, the Commission could approve a T liquor license with conditions. He added that the Commission could present a preferred recommendation to the Council with alternatives. He cited the Council's 4 to 5 vote on July 9, 2012. He hoped that conditions with alternatives might give this application the chance to be supported by the Council.

Commissioner Tompkins cited Eleven located at 105 E. Front St. This establishment had exceeded the Commission and Council's expectations. The Commission would watch the Jazz Cafe. He did not want the City micro managing the Applicant. Commissioner Stockton recalled Sidecar's application which would have been located at 907 E. Oakland Ave.

Commissioner Petersen expressed his willingness to support a motion which included conditions. The Commission had heard from the Applicant. He believed that Mr. Gaston was sincere. The Commission had heard from those in support of and in opposition to this application. He questioned condition enforcement. The Commission would be placing faith in the business plan.

Commissioner Tompkins noted that enforcement would be done by the Commission, Police Department, Corporation Counsel Office, and the Mayor.

Commissioner Petersen questioned the Applicant's willingness to accept an "R" license classification. He also questioned if the Council would be more willing to create same.

Commissioner Stockton reviewed the revised conditions. He added that the Commission could 1.) present the Council with alternatives; 2.) lay this item over for the propose “Q”, Qualified, license classification; 3.) change the classification from a T to an R for a certain period of time. The Jazz Cafe may need to have cover charges.

Commissioner Buchanan believed that it would take a year for development of the “Q”, Qualified, license classification. He expressed his support for a “T” liquor license with conditions.

Motion by Commissioner Petersen, seconded by Commissioner Buchanan to call for the question.

Ayes: Commissioner Stockton, Buchanan, Petersen and Tompkins.

Motion carried.

Motion by Commissioner Tompkins, seconded by Commissioner Buchanan that the application of Setinthebar, Inc., d/b/a Gat’s Jazz Cafe, located at 424 N. Main St., requesting a TAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week be approved with the following conditions: 1.) the establishment will be run as a Jazz Cafe; not a traditional tavern - the Commission reserves the right to modify this condition to insure compliance; 2.) the business will be committed to the promotion of live jazz music and commits to stay with the jazz music theme, as opposed to other forms of music; 3.) the hours of operation of the business will be Sunday through Thursday from 11:00 a.m. until 10:00 p.m. and Friday and Saturday from 11:00 a.m. until 12:00 a.m.; 4.) the tables and chairs will not be removed from the premise so as to maintain a close, intimate Jazz Cafe atmosphere at all times; 5.) food, as shown on the sample menu or substantially similar and comprehensive menu will be served up until one hour prior to closing with continued work towards establishing a full kitchen with a vaster meal type menu; 6.) marketing house events which for a set price, reserves a table for entertainment viewing and provides certain food and drink for one price; and 7.) with all of these conditions, there was confidence that a successful Jazz Cafe will be established at 424 N. Main St. which will add to the Downtown’s quality of life and the area as a whole without adding to the issues cited by the DETF.

Motion carried, (viva voce).

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Public notice was published in the Pantagraph on August 6, 2012 in accordance with City Code. In accordance with City Code, approximately ninety-one (91) courtesy copies of the Public Notice were mailed on August 7, 2012. In addition, the Agenda for the August 14, 2012 Meeting of the Liquor Commission was placed on the City’s web site. There also is a list serve feature for the Liquor Commission.

FINANCIAL IMPACT:

Respectfully,

Stephen F. Stockton
Chairman of Liquor Commission

Motion by Alderman Fazzini, seconded by Alderman Purcell that the item be laid over until the Council's November 13, 2012 meeting.

The Mayor directed the clerk to call the roll which resulted in the following:

Ayes: Aldermen Stearns, Mwilambwe, Schmidt, McDade, Anderson, Fazzini, Sage, Fruin and Purcell.

Nays: None.

Motion carried.

CITY MANAGER'S DISCUSSION: David Hales, City Manager, addressed the Council. He noted an article regarding the sell of assets of Di Paolo Construction Company, Glen View, IL.

He added that there would be an Economic Development Council update meeting on Wednesday, October 24, 2012 at 5:00 p.m. in the Government Center, 115 E. Washington St.

He informed the Council that he had attended the Illinois Municipal League, (IML), Conference in Chicago, from October 18 -20, 2012.

MAYOR'S DISCUSSION: Mayor Stockton cited the state's Liquor Control Commission's College Town Summit. He had attended same with Rich Buchanan, Liquor Commissioner, George Boyle, Asst. Corporation Counsel, and Bob Wall, Asst. Police Chief. There were a number of discussion topics. One issue was the state licensure of party buses. He noted the City of DeKalb's serious issues involving violent crime. In Champaign Urbana, things were better. He noted that underage individuals were allowed in the campus town bars. For Macomb and Carbondale, the issues were similar. Alternative events were scheduled. Keys to success were building consensus and participation from tavern owner/operators. He added overarching collaboration from subcommittees with each focused on a specific issue. The City of Springfield's problems were not solved. He noted reductions to sale hours and occupancy. Evanston was no longer dry and was experiencing issues. The City needed the bars to participate in the process.

ALDERMAN'S DISCUSSION: Alderman Anderson left the meeting at 8:45 p.m.

Alderman Schmidt addressed the Commission's October 19, 2012 meeting. She noted that Tracey Covert, City Clerk, had provided the Council with a time line. She added that there were individuals who wanted to be a part of the conversation.

Mayor Stockton informed the Council that he had spoken with the City Clerk earlier in the day. Another Commission meeting would be scheduled. The Council's next meeting would be November 13, 2012. There were three (3) weeks in between meetings. He noted that the list serve feature appeared not to be working. City staff has taken additional steps. He noted that there were a number of people who spoke in opposition to Six Strings' application at the Commission's September 11, 2012 meeting. There was an opportunity to promote understanding. He cited the restriction on occupancy. Two (2) tavern licenses would be surrendered near the 500 block of N. Main St. He cited the food court and an indoor Farmer's Market. The Commission's recommendation would be advanced to the Council.

Alderman Schmidt addressed notification. The City did not provide courtesy notices when an item was laid over. She believed that this practice needed to be reviewed.

David Hales, City Manager, addressed the Council. He cautioned the Council to be careful of additional notifications. He noted the City's email notification. Mayor Stockton noted that the October 19th Liquor Commission's Meeting Agenda was placed on the City's web site on October 17, 2012. In addition, this meeting was scheduled during the Commission's October 9, 2012 meeting. Mr. Hales did not want to provide false expectations.

Alderman Fazzini also attended the IML Conference. He attended sessions which addressed the Emerald Ash Borer, street resurfacing, Open Meetings Act/Freedom of Information Act (FOIA), pension reform, municipal aggregation, and council teamwork. He visited with individuals from different cities. A number of cities attended the IML Conference as a team building experience. He had written a three (3) page report to the Council. He requested that Mr. Hales, City Manager, distribute same to the City's department heads. He offered to make it available to the public.

Alderman Stearns had also attended the IML Conference. She had a CD, (Compact Disk), from same. Mr. Hales offered to place the information on the City's web site. Alderman Stearns reviewed topics of interest and speakers. She added that personal account emails were subject to FOIA. Entire councils attended the IML Conference and attended different sessions.

Motion by Alderman Purcell, seconded by Alderman McDade, that the meeting be adjourned. Time: 8:56 p.m.

Motion carried.

**Tracey Covert
City Clerk**