

CITY OF BLOOMINGTON
CITY COUNCIL COMMITTEE OF THE WHOLE
MEETING AGENDA
109 E. OLIVE – COUNCIL CHAMBER
MONDAY, OCTOBER 21, 2013, 5:30 P.M.

- 1. Call to order**
- 2. Public Comment (*6 minutes*)**
- 3. Items to be Presented:**
 - A. Approve Minutes from final Aldermanic Committee Meetings (*4 minutes*)**
 - i) Public Safety – August 13, 2013**
 - ii) Administration & Finance – September 10, 2013**
 - iii) Infrastructure – September 16, 2013**
 - B. Recommended Police & Fire Pension Funding Policy**
 - i) Presentation (*10 minutes*)**
 - ii) Council Discussion (*40 minutes*)**
 - C. Library Board Recommended Property Tax Levy (*15 minutes*)**
 - D. 2013 Estimated Property Tax Levy**
 - i) Presentation (*15 minutes*)**
 - ii) Council Discussion (*30 minutes*)**
 - E. Electronic Voting Training (*15 minutes*)**
- 4. City Manager Comments**

PUBLIC SAFETY COMMITTEE
Police Department Osborn Room
August 13, 2013

Council present: Aldermen David Sage, Karen Schmidt and Judy Stearns.

Staff present: David Hales, City Manager, RT Finney, Interim Police Chief, Clay Wheeler, Asst. Police Chief, Amanda Williams, Graduate Student Intern, and Tracey Covert, City Clerk.

Alderman Sage called the Public Safety Committee to order at 5:02 p.m.

PUBLIC COMMENT

Alderman Sage opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

Kirk Null, 1703 Wintergreen Pkwy., Normal, addressed the Committee. He served as President of the LeRoy Rifle & Pistol Club. This Club was located on private property and was forty (40) years old. The Club needed to find a new location. It was a non profit club with 320 member families. Organizational activities occurred from April to November. The Club had a web site. The Club was interested in an agreement with the City. The Club would manage the facility and grant priority access to the City. He believed that public and private entities would benefit. He cited access to the five (5) trap fields which were no longer used. There was a small pond that could be used for fishing. The clubhouse would be used for meetings/events. It was difficult to find a property. A zoning request would take McLean County Board approval. He restated the benefit to the public and the City. There would be an economic impact upon the City and the community. He cited the potential for long range rifle events which would draw participants from the tristate area.

Francis Smith, 404 Carolas, LeRoy, addressed the Committee. He was a founding member of the LeRoy Rifle & Pistol Club. He encouraged the Committee to visit the Club's web site. The Club provided six (6) hours of training. An individual must pass a test. Members were required to join the NRA (National Rifle Association) and hold a FOI (Firearms Owner's Identification) card. He currently chaired the Education/Training Committee. The Club offered Range Safety Officer Training. The Club worked with the LeRoy Police Department. He expressed the Club's willingness to work with the City.

MINUTES

Motion to Alderman Schmidt, seconded by Alderman Stearns to approved the Minutes of the July 11, 2013 meeting.

Motion carried, (viva voce).

2012 – 2015 POLICE STRATEGIC PLAN Q1 UPDATE

Alderman Sage introduced the topic.

David Hales, City Manager, addressed the Committee. He cited the City's Action Plan. The Police and Fire Departments have Strategic Plans. There would be written progress reports. Public safety comprised forty percent (40%) of the General Fund. These departments needed to be held accountable.

Clay Wheeler, Asst. Police Chiefs – Operations, addressed the Council. He addressed increased accountability and the change of management style. GANT charts were being used for command projects. He cited POP, (Problem Oriented Policing), projects as an example of projects that were being tracked. He noted that there was a teamwork atmosphere. The department has set five (5) broad goals and identified sixty-two (62) projects. The focus was on the first quarter. Projects were reviewed every two (2) weeks. The Committee had been provided with an update, (see 2012 – 2015 BPD Strategic Plan, Quarter 1, 2013).

Project 3. Smart Phone Beta Project. The department needed the City's Information Services staff's support to move forward. He noted the need for a City Digital Device Policy.

Project 5. Improve Department Website and Increase Content Provision. Project highlights included BPD YouTube channel and "Caught on Camera", which involved the use of surveillance camera videos.

Project 8. Evaluate Off-site Gun Range and Future Use. Full report will be made as part of this meeting.

Project 9. Annual Firearms Training and Qualification. This project will determine the department's training needs and develop a program. He cited hand gun training as a needs area.

Project 11. Increase St. Level Gang Contacts/Working with IDOC, (Illinois Department of Corrections). IDOC Investigator housed at BPD. Have an agreement with IDOC regarding high risk offenders and repeat gang offenders.

Project 12. Staff Members Participate in Community Programs & Committees/Seek New Departmental Partnerships. Noting an increase in youth gang activity, officers attended west side meetings. Creation of "Moving Forward" summer program.

Project 13. 911 Communications Center Study. Study completed and draft reports given to City Manager.

Project 15. Conduct a Comprehensive Policy Review (Lexipol). 107 BPD policies analyzed. Compared to Lexipol policies. Team assembled to perform review. Three (3) of ten (10) chapters completed. This was described as a long term project.

Mr. Hales added that eventually Lexipol would provide daily training bulletins. Asst. Chief Wheeler added that these would be five (5) minute bulletins with a focus on risk assessment.

Project 22. Conduct an Annual Employee Survey for 2012/2013. This project was completed.

Project 25. Downtown Alcohol Enforcement. The goal of the PBD was continuity. The plan was to assign a Sgt. to coordinate efforts. Two (2) additional officers from third shift to supplement Downtown detail on nights with increased activity.

Project 27. Identify Habitual Violent Gang Offenders. The goal was to decrease violence. Enforcement activity led to arrest of eight (8) members of two (2) competing gangs. Expert testimony during sentencing phase of several trials led to extended prison terms.

Project 28. Track & Eradicate Graffiti While Working with PACE. Decrease in graffiti reporting.

Project 29. Provide Gang Training to Public & Private Industry. Gang training sessions offered four (4) times to schools and citizens.

Project 32. Increase the Number of Cameras in the Downtown Corridor. Phase II – future cameras added at intersection of Washington/Main, center of 500 block of N. Main St., & intersection of Front/Main or on W. Washington facing east towards bars. Planned dates for Phase II: May 2013. Camera installation scheduled for September 2013. BPD working with Information Services Department.

Project 33. Improve Internal Problem Oriented Policing (POP) Intranet System. Information Services Department will contract with an outside vendor to improve site functionality.

Project 38. Working with IDOT (Illinois Department of Transportation) to Enhance Use of Existing IDOT Traffic Cameras. Goal – web based access to IDOT's traffic control cameras.

Project 39. Explore the Use of Portable Computer Tablets in Squad Cars. Replace existing computers with tablets. Possible cost savings.

Project 40. Migrate Computer Aided Dispatch (CAD) Server. Project funded. CAD server migrated this month.

Project 44. Replace Communication Center Consoles by 2016. Estimated cost - \$600,000. Replacement needed for full StarComm compatibility.

Project 46. Improve the Processing of DUI and DWI Through Training. Employees assigned to draft outline of project needs.

Project 47. Overhaul and Update the Departmental Training Database. Reports reformulated. Highlight officers in need of renewal.

Project 54. Increase DUI and DWI Enforcement. 91 DUI issued, this number is ahead of 2012.

Project 61. Explore Future Use of Video Feed Aggregation known as a "PSIM" (Physical Security Information Management). Allow BPD to accept outside video feeds from schools, banks, private citizens, etc. In research/development phase. Need for Information Services Department support.

Project 64. Identify Top Accident Addresses, Work with STAC. Identify & address eight (8) traffic project areas involving traffic violations, speeding complaints & other moving violations.

Project 65. Engage in Corridor Drug Interdiction Efforts. Meet with Task Force 6 and IL State Police to create operations targeting regional bulk transportation.

Mr. Hales restated that the purpose of quarterly reports were to keep the Committee informed, provide project progress and/or issues.

RT Finney, Interim Police Chief, addressed the Committee. He noted that these projects were narrowly focused on goals. They provided strategic direction. Each project must be tied to a goal.

Alderman Sage expressed his appreciation to the Police Department for their efforts. He noted that results were measurable.

FIRING RANGE

Alderman Sage introduced this topic.

David Hales, City Manager, addressed the Committee. He was impressed with the results. The City provided a regional law enforcement range facility which was used by the Town of Normal, McLean County, Illinois State University and the City. A key question was how to provide a facility that went beyond the minimum requirements. A key issue was safety. Options included a private/public partnership. He noted the distance to the range facility. A draft report had been provided to the Committee. City staff needed their feedback which would be forwarded on to the Council. Recommendations were needed which would allow staff to move forward on this issue.

Amanda Williams, Graduate Management Intern, addressed the Committee. She addressed the purpose of this study. She cited Goal 2. Upgrade City infrastructure & facilities. Objectives, Challenges/Opportunities related to Goal 2 had been drafted. There was a problem statement: “Should the City continue to utilize the current range for the purposes of the department firearms program or is there an alternative option that provides greater benefit?”

Ms. Williams addressed the Firearms Program Objectives: 1.) meet state mandates and 2.) improvement to the firearms training program. Two (2) surveys had been conducted: 1.) best practices: comparative analysis and 2.) department range survey. She addressed the results of each study and the meaning. There was the opportunity to improve the current training program to a level consistent with best practices. In addition, uniformed officers supported and identified the need for increased firearms training.

A needs assessment was completed. It was divided between Facility Needs and Training Resources. A list of important items for each was provided. Facility Needs listed long range firing capability (outdoor); training facility; instructional classroom; storage and weapons cleaning area. Training Resources listed barricade/obstacles; updated targets; shoot house/room entry configuration; updated/moving targeting system; and disabled vehicle.

An overview of the current facility was provided. The facility was City owned and located in Colfax, IL. It was located 16.7 miles from the Police Station. It was purchased in 2000. The Committee was provided with an aerial view which showed the location of various buildings/features, (i.e. training facility, indoor range, outdoor range, garage, and Morton shed). Information was presented regarding each structure, its size, current/future use, and age if known.

Information was presented regarding Facility Use. The facility current served 294 uniformed officers. A three (3) year history was presented regarding days used per year by entity.

Four (4) options were presented: 1.) Maintain ownership of current facility & perform necessary repairs; 2.) Build an indoor facility closer to police headquarters & sell current facility; 3.) Create regional law enforcement facility; and 4.) Enter into public/private partnership.

Each option was addressed with a listing of benefits and challenges.

Option 1. Repair Current Facility. Benefits: 1.) indoor/outdoor facility; 2.) long-range firing, rifle shooting; 3.) building & special use permit established; and 4.) accommodates current scheduling. Challenges: 1.) proximity to police headquarters; 2.) repair/updates costs; and 3.) administrative time coordinate scheduling. A cost estimate was provided with total of \$490,416. It was noted that the range was included in the City’s Facilities Condition Assessment. A draft report had been provided by Faithful & Gould, Inc. in July 2013. However, the outdoor range, Morton shed, garage and grounds were outside

of the scope of this report. Option 1 was summarized as indoor/outdoor shooting including long-range rifle shooting; meets current scheduling needs; stakeholders noted condition impacts range operations; land, buildings & special use in place; potential expansion & training opportunities; department support for maintaining; logistical challenges regarding scheduling; and limitations on training frequency.

Option 2. Build an Indoor Facility Closer to Police Headquarters and Sell the Current Facility. Benefits: 1.) closer proximity; 2.) increase scheduling capabilities; and 3.) greater oversight & security. Challenges: 1.) most expensive option; 2.) potential for unexpected events, expenses, etc., 3.) land requirements & special use permits must be obtained; 4.) no long-range/rifle shooting; and 5.) no outdoor facility or private rental required. Possible locations were presented with the cost of available land. The cost estimate to build an indoor facility was \$2,270,860. City staff had visited a range that had been built in the last five (5) years. An Initial versus Annual Cost Comparison between the Current and New Range was presented. There was little cost difference. Option 2 was summarized as lower annual operating costs; closer proximity allows for greater oversight & security & increase training frequency; new construction subject to unknown expenses & building requirements; high initial cost; and no outdoor range facility, no long-range/rifle firing capability.

Option 3. Create a Regional Law Enforcement Range Facility. Benefits: 1.) shared costs and physical resources and 2.) increased input & participation. Challenges: 1.) detailed agreements could become burdensome; 2.) soliciting buy-in/interest; and 3.) long-term participation. This option would require increased participation from other agencies and increasing the number of participating agencies. A new indoor range would also involve shared initial costs. It was noted that the Normal Police Department and McLean County Sheriff's Office were generally satisfied with potential of the current range for scheduling and capacity to meet their needs. The challenge is the facility's condition. Information was presented regarding the current usage and vacancy rates at the range. There appeared to be room for growth based upon current scheduling. Boise, ID was presented as an example of a Regional Range Facility. Option 3 was summarized as needing increased collaboration & regional partnerships; shared initial investment toward future needs supporting improved training program; continue to strengthen communication & outreach efforts; initial & subsequent meetings with stakeholders; and would likely apply to an indoor facility.

Interim Chief Finney addressed the Committee. Currently, the Town and the County each pay the City \$8,000 per year to use the range.

Ms. Williams added that room for growth would allow the City to increase participants. She added that the Boise, ID's regional range facility included an outdoor facility.

Option 4. Enter into a Public/Private Partnership. Benefits: 1.) transferring financial & administrative responsibility; 2.) decrease cost of initial investment; and 3.) potential for closer proximity. Challenges: 1.) scheduling at discretion of privately owned club and 2.) increased demand has potential to impact price. Two (2) existing facilities were

presented: Darnall's Gun Works & Ranges and CI Shooting Sports. Concerns/Disadvantages were cited: 1.) not created for purposes of law enforcement; 2.) public facilities would not accommodate training needs; and 3.) one indoor facility only. Option 4 was summarized as transfer building costs and responsibility of maintenance to a private entity; 2.) facilities are closer to police headquarters than City owned range; 3.) state mandates must be met, potential unfunded mandates; 4.) designed for public not law enforcement use; and 5.) subject to market demands, pricing & scheduling.

Staff's recommendation was to continue to utilize the current City owed range, (Option 1). Secondary recommendations consider adoption of additional options when combined with option to repair of current range to provide the greatest benefit. Consideration should be given to increased revenue options, (participating agencies, rental, grant opportunities), and rental portion of activities from private facility if proven cost effective. Staff's recommendations also addressed the reasons for same: 1.) capacity to meet needs in terms of available resources and scheduling; 2.) specific to law enforcement use; and 3.) cost effective.

Ms. Williams addressed next steps: 1.) start necessary repair projects based on recommendations; 2.) continue to communicate with stakeholders to determine their priorities & meet expectations; and 3.) identify additional opportunities to address continued challenges of this option.

Interim Chief Finney noted that the range was an important training facility.

Alderman Sage thanked City staff for their effort. He believed that the City had a regional facility.

Ms. Williams stated that a regional facility would require an investment from the other agencies. Each agency would make a contribution.

Interim Chief Finney added that the facility's condition impacts the City's fees.

Alderman Sage noted that Normal Police Department used the facility twenty-eight percent (28%) and the McLean County Sheriff's Office used the facility twenty-three percent (23%). The City needed to request greater cost sharing.

Asst. Chief Wheeler noted the interest in an outdoor usage. There also was hope that the indoor facility would be improved. If improvements were made, the Town and County would use the facility and the City would have the ability to increase revenue. The City also needed to assess a cost of maintenance.

Alderman Stearns thanked staff for the information. She left the meeting at 6:02 p.m.

Alderman Schmidt addressed financing. She questioned outreach to private users.

Ms. Williams cited a private/public facility. She noted utilization at the current range.

Asst. Chief Wheeler addressed Option 1 repair the facility. Other ideas could be incorporated into this option. He expressed his willingness to sit down and meet with the Leroy Rifle and Pistol Club and explore options.

Mr. Hales noted public use excluding law enforcement agencies presented another revenue possibility.

Alderman Schmidt noted that the opportunity presented. The City needed to explore the potential partnership.

Mr. Hales cited the state's new concealed carry law. There were potential revenue sources.

Alderman Sage noted that the LeRoy Rifle and Pistol Club would be vacating their existing location. The City needed to explore a partnership.

Mr. Hales noted that at one time someone lived at this facility. On site personnel would provide twenty-four (24) hour security. The City needed to protect this asset.

Alderman Sage expressed interest in a leveraged public/private partnership. The City needed to make good use of taxpayer dollars.

Ms. Williams added that a public/private partnership might include rentals. There might be additional rental options at the City's facility.

Alderman Schmidt questioned the value of the City's facility which had not been maintained. Ms. Williams stated \$300,000.

Mr. Hales noted that an environmental assessment had not been done. Site clean up would be required.

Asst. Chief Wheeler expressed his concern regarding renting a facility. There would be too many unknowns. An indoor facility was limited to shooting. He also cited the cost to build a new facility.

Alderman Sage noted the opportunity for a conversation with the LeRoy Rifle and Pistol Club. He believed this represented the potential to maximize value. The City should partner with other communities.

Interim Chief Finney informed the Committee that the roof was leaking. The City needed to take action.

Mr. Hales informed the Committee that the City's Facility Assessment Report which addressed thirty-nine (39) facilities would be provided next month. There was \$10 million in deferred maintenance over the next two (2) years. Some items were urgent/immediate needs. Over the long term, the budget for asset management was

\$500,000 per year. There needed to be a long range financial plan. He offered the Committee the opportunity to tour this facility. The City needed to be innovative. The range would involve cost sharing, be multi use, and establish partnerships. He also recognized the LeRoy group. The first priority must be to meet law enforcement training needs.

DOWNTOWN NIGHT LIFE

Alderman Sage introduced this topic.

David Hales, City Manager, addressed the Committee. City staff was developing a short list. He questioned if this list should be presented to the Committee or the Council. He planned to continue forward movement.

Alderman Sage recommended that this issue be presented to the Council. All would hear the information at the same place and time. Alderman Schmidt concurred.

Mr. Hales stated that ordinances were being drafted. There would be recommendations and priorities. The Illinois State University (ISU) students were scheduled to move in this week. He questioned the Police Department's plans.

Asst. Chief Wheeler noted that the department would be visible. He also cited compliance checks.

Alderman Schmidt stated that the City needed to be proactive with ISU and Illinois Wesleyan University, (IWU).

Alderman Sage questioned the cause effect linkage at ISU/IWU regarding student behavior and academic life.

Interim Chief Finney believed the best option was to work with ISU & IWU.

Motion by Alderman Schmidt, seconded by Alderman Sage to adjourn. Time 6:24 p.m.

Respectfully submitted,

Tracey Covert
City Clerk

ADMINISTRATION AND FINANCE COMMITTEE
City Hall Council Chambers
September 10, 2013

Council present: Aldermen Scott Black, Mboka Mwilambwe, and Rob Fazzini.

Council absent: Mayor Tari Renner.

Staff present: David Hales, City Manager; Emily Bell, Director of Human Resources; Laurie Wollrab, Compensation & Benefits Manager; and Tracey Covert, City Clerk.

Others present: Phil Sauder, Clemons & Associates.

Alderman Fazzini called the Administration & Finance Committee to order at 5:30 p.m.

PUBLIC COMMENT

Alderman Fazzini opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

No one came forward to address the Committee.

MINUTES

Motion by Alderman Mwilambwe, seconded by Alderman Black to approved the minutes of the August 5, 2013 Administration & Finance Committee.

Motion carried, (viva voce).

CITY HEALTH INSURANCE

Alderman Fazzini introduced the topic.

Overview of Health Plans: Laurie Wollrab, Compensation & Benefit Manager, addressed the Committee. The City administered three (3) plans. The largest plan was the City's self insured PPO plan. This plan was administered by Blue Cross/Blue Shield. The pharmacy plan was administered by Catamaran, Inc. The City also offered an HMO plan with Health Alliance. This was described as the smaller plan. The City must provide retirees with access to health insurance as required by state law. Finally, there was a police plan. This was a union plan. The union had total control over the plan. BlueCross/Blue Shield also administered this plan. The City's dental plan also was self insured and administered by BlueCross/BlueShield. The vision plan was fully insured. A group life plan was provided at one times annual salary with a \$50,000 cap. She added that union contracts specify the insurance benefits. In addition, voluntary life insurance was available. The pension plans also provide access to life insurance.

Enrollment Timeline & Process: Ms. Wollrab addressed the Proposed Timeline for 2014 Health Insurance Renewal. She cited the various milestones. The timeline commence with today's presentation. She noted that another presentation was scheduled for October 7, 2013. It was her understanding that the Committee's last meeting would be today. She stressed that the timeline listed October 14, 2013 for approval by the Council. The City's Corporation Counsel and Finance Department would need to review the contracts prior to placement on a Council agenda. Open enrollment would commence on November 4, 2013. She stressed the data entry that would be needed to accomplish this.

Alderman Mwilambwe noted City staff's goal to place the insurance contracts on the Council's October 14, 2013 meeting agenda.

David Hales, City Manager, addressed the Committee. City staff planned to have all of the insurance contracts included in the Council packet. Contract receipt and review would need to be completed by October 9/10, 2013.

Alderman Fazzini expressed his hope that the Council's experience with these contracts would be better than last year.

Ms. Wollrab stressed that there needed to be ample time for the City's Corporation Counsel to review the contracts.

Alderman Black questioned the timeline. Ms. Wollrab expressed her confidence in same.

Alderman Black expressed his opinion that either a Council Work Session or a committee meeting of the whole would be needed to address this topic.

Mr. Hales noted that City staff had planned to provide the Committee/Council with two (2) opportunities to address this issue. There would be limited change to benefit levels. Changes to the City's various union contracts required additional time. The Council set the strategy regarding benefit levels. This year, he anticipated cost changes which would impact premiums. The Committee was being provided with a high level presentation. He hoped that next year there would be a preview in September. Health insurance was controlled by the City's various union contracts.

Insurance Renewals & Administrative Services: Phil Sauder, Clemmons & Associates, addressed the Committee. The Committee had been provided with handouts which addressed insurance rates for BlueCross/Blue Shield and Health Alliance. He addressed the proposed timeline which might limit his ability to negotiate/obtain lower prices. Insurance was more transparent, (i.e. the price was the price). Insurance contracts have a lot of boilerplate language. He noted the October deadline and added that the contracts might not have the cost information. He added that the difference would be the cost.

Alderman Fazzini questioned if Mr. Sauder would be able to provide a range.

Mr. Hales stated that there could be a cap which could be negotiated lower. The goal was to have the final numbers. He restated that Mr. Sauder might have the ability to negotiate lower pricing.

Mr. Sauder stated that flexibility would provide him with the opportunity to find benefit for the City. Clemons & Associates received the renewals. He noted that the HMO was fully insured. BlueCross/BlueShield based rates on claims, stop loss, etc. He directed the Committee to Health Alliance's handout.

Mr. Hales requested that Mr. Sauder address highlights and past year's experience.

Mr. Sauder directed the Committee to the Income Statement, (see page 2). Information was provided for 2011, 2012 and the first six (6) months of 2013. He reviewed the statement. 2011 was described as a good year, 2012 was neutral and 2013 was described as not well.

Mr. Hales added that the HMO was fully insured and premiums were based upon experience.

Mr. Sauder added that the HMO's focus was the Central IL area. There was an overall business plan across the state. There was a renewal formula. From the employees' viewpoint, the HMO was a good rich plan.

Mr. Sauder directed the Committee to Claims Experience Summary (see page 3) for the PPO. This document addressed claims experience for the City's Fiscal Year 2011/2012 and FY 2012/2013. There was an actuarial formula and the expected number of claims were considered. Mr. Sauder addressed Claim Projection (see page 4). Information was provided for the Prior Year (June 2011/May 2012) and Current Year (June 2012/May 2013). He informed the Committee that the stop loss figure was \$155,000. He cited the Annual Trend Rate, (Prior 6.5%/Current 7.1%). This number reflected the increase cost for medical services. He noted that the City had increased the deductible for all employees from \$250 to \$400.

The City was running better than book. He noted the City's lengthy history with BlueCross/BlueShield and the group's size. In calculating rates only the City's claims history is reviewed. He noted that the City's expected claims figures would be lower. The City paid for actual claims. The actual claims were important. Mr. Sauder noted that there were ACA (Affordable Care Act) mandates that would be added to the plan. He addressed the IL Facility Access Fee which was hospital fee savings. The Individual Stop Loss was premium protection over \$155,000.

Alderman Fazzini questioned this amount. Mr. Sauder informed the Committee that BC/BS made recommendations. Positive changes have been made over the years. The stop loss level impacted premiums.

Emily Bell, HR Director, addressed the Committee. The stop loss was monitored and reviewed annually. Adjustments have been made over time.

Mr. Sauder noted that an educated guess was made. The decision included a look at the numbers and price savings while considering the risk.

Mr. Sauder noted that there also was an Administrative Fee. The Total Projected Cost and Change in Reserves resulted in the Recommended Equivalent Premium.

Ms. Wollrab added that the pharmacy plan had a separate premium.

Mr. Sauder noted the premium decrease (Rate Action) of 2.4%. He noted an alternative stop loss. The trend was to increase the figure and take on additional risk. The recommended figure was \$165,000. This increase would result in \$16,000 in savings for taking on an additional \$10,000 in risk. The savings were not significant. In the past, the savings were substantial, \$25,000 - \$35,000. Insurance makes money off the risk. A self insured product was good for the City. The product was driven by the claims experience.

The City's dental plan was also self insured. The Administration Fee was stable. The dental claims experience drove the cost of premium. There had been a slight decrease. Mr. Sauder noted that this was the City's only dental plan.

Ms. Wollrab added that full time employees chose to enroll in dental insurance.

Ms. Wollrab addressed the VSP (vision plan). This was a fully insured plan offered through the health care coalition. The City had entered into a two (2) year contract. She described the benefits as limited. There would be a slight cost increase due to the Affordable Care Act (ACA).

Ms. Bell addressed employee contributions. Employees paid twenty-five percent (25%) of the premium for themselves; employees paid twenty-five percent (25%) of the premium for family coverage; and employees paid fifty percent of the premium for dental and vision.

Mr. Hales added that these percentages were more aggressive than other municipalities. He added that all City employees including union employees paid these percentages.

Ms. Bell added that all employees had a \$400 deductible.

Ms. Wollrab noted that the PPO co pay had been increased from \$10 to \$20.

Alderman Mwilambwe noted that the City had implemented wellness benefits and a nurse triage program.

Ms. Bell reminded the Committee that the nurse triage was part of the City's Workers Compensation program. She acknowledged the wellness initiatives. She believed that there were positive results from same.

Ms. Wollrab noted that there were additional steps which would have to be negotiated.

Mr. Hales stated that future policy ideas would address health care cost containment. He cited past actions and proposed future actions. The emphasis would be on enhanced communication with the employees. The City needed to address trends and the role for employees. He cited the impact of the ACA's fees and taxes.

Alderman Mwilambwe agreed that the City needed to partner with the employees.

Alderman Black expressed his appreciation for the presentation. He questioned policy direction regarding wellness as there were benefits to same.

Ms. Wollrab cited smoking cessation as an example. All City employees were in a single pool. The City could work towards a smoke free campus.

Mr. Sauder noted that smoke free discounts were available.

Mr. Sauder addressed the ACA. Clemons and Associates along with Ms. Bell and Ms. Wollrab were on top of this issue. He acknowledged the confusion. He referred the Committee to the handout which addressed the ACA Taxes and Fees. For Health Alliance there would be a Patient Centered Outcomes Research Institute Fee (PCORI); a Transitional Reinsurance Fee (TRP) and an Insurer Fee. The total cost for these fees was \$50,870. The figure would be included in the premium renewal for 2014. The premium estimate used an eight percent (8%) increase. The fee increase would also probably increase each year. The figures provided were rough estimates. There was no Insurer Fee for BC/BS. Employees who worked thirty (30) hours per week were eligible for health insurance.

Alderman Fazzini noted that this issue would be reviewed again in a month.

Mr. Sauder added that the excise tax was unknown at this time. Mr. Hales cited the potential cost of \$500,000. Mr. Sauder believed that no one would want to pay this tax. Health insurance plans would be changed. This tax would penalize employers for providing great benefits.

Alderman Fazzini made the following recommendations as ways to improve the presentation to Council. At the presentation's start 1.) address the self insured plans, the whys and financial advantages; 2.) percentage paid by the employees compared to other municipalities; 3.) different insurance plans provided, i.e. self insured versus fully insured; 4.) ACA.

Alderman Mwilambwe believed that a PowerPoint presentation would be helpful. The handouts provided to the Committee were a good reference tool.

Alderman Fazzini expressed his appreciation for the presentation.

Motion by Alderman Mwilambwe, seconded by Alderman Black to adjourned. Time: 6:35 p.m.

Respectfully submitted,

Tracey Covert
City Clerk

INFRASTRUCTURE COMMITTEE
City Hall Council Chambers
September 16, 2013

Council present: Aldermen Jennifer McDade, Kevin Lower and Jim Fruin.

Staff present: David Hales, City Manager, Mark Huber, Director – PACE, Jim Karch, Director of Public Works, and Tracey Covert, City Clerk.

Alderman McDade called the Infrastructure Committee to order at 5:02 p.m.

PUBLIC COMMENT

Alderman McDade opened the Public Comment section of the meeting. She added that there would not be a response from the Committee under the Public Comment portion of the meeting.

No one came forward to address the Committee.

MINUTE APPROVAL

Motion by Alderman Fruin, seconded by Alderman Lowry to approve the Committee's August 5, 2013 Minutes.

Motion carried, (viva voce).

RENTAL INSPECTION PROGRAM

Alderman McDade introduced the topic.

David Hales, City Manager, noted that this would be the last meeting of the Infrastructure Committee. Two (2) items were listed on the Committee's Agenda. Each item would appear before the Council in the future. The first topic listed was the revised Rental Inspection Program.

Mark Huber, Director – PACE, addressed the Committee. The Rental Inspection Program was ten (10) years old. It was created by the Council in 2003. A rating system was created. The program consisted of two (2) tiered fees, registration and inspection. The program was updated in 2006. The inspection period for properties with an A or B rating was extended. This change did not work. In 2009, the program was impacted by staff reductions. The program lacked adequate resources. In 2012, the City created the Property Review Board proposed fee changes and the elimination of the rating system. The focus of the program was changed to structures that were twenty-five (25) years old or older. Public input was solicited. A formal recommendation was not made to the Council.

At this time, staff proposed inspection rotation. In 2014, all rental properties would be re-registered. Buildings with an A rating would be set aside. There would not be any routine inspection. All other properties would be inspected and rated as either acceptable or unacceptable. Properties rated unacceptable would remain in the rotation. These properties would be worked through the process in order to correct any issues. The focus would be on buildings with issues. If a complaint is received, City staff would investigate. There would be two (2) fee schedules: 1.) \$30 per year – no inspection, building tracked and 2.) buildings needing inspection - \$130 single family home plus \$25 for each additional unit.

A public meeting was held. City staff received a range of responses.

Alderman Fruin suggested that City staff simplify the program's administration and fee collection. City staff needed to recover the City's costs while keeping the program simple.

Mr. Huber noted that was goal was to balance cost with the property's size.

Alderman Lower expressed his opinion that the City was building another level of bureaucracy. The goal was safe housing. The program should be complaint driven.

Mr. Huber noted staff's goal to develop a proactive program. Complaints were validated and then investigated. There were over 3,000 buildings and 2,000 of them were A rated. The focus would be on challenging properties.

Alderman Lower questioned if the City tracked change of ownership. Mr. Huber cited the annual renewal process.

Alderman Lower expressed his concern regarding liability/lawsuits. The City needed to minimize risk. He questioned if the rental inspection program was aligned with the City's building codes. Mr. Huber noted that the City had adopted the International Codes.

Alderman Lower questioned the scenario where the property owner was trying to repair the building and thing just did not work out. He cited occupancy certificates and new construction. He noted his past experience in the home construction industry.

Mr. Huber restated that the program was ten (10) years old. The number of complaints had decreased. The program would be changed/streamlined based upon resources. He noted that 1.25 full time equivalent staff was dedicated to this program. The City did not have the staff to complete the inspections. The focus would be on challenging properties.

Alderman McDade noted that the Council would need to be reminded about why this program was important. The goal was to improve neighborhoods. She noted the following challenges: multi family housing, safety, absentee landlords, (i.e. owners who do not reside on property), and not in control of the residents. There needed to be additional public feedback and stakeholder involvement. She recommended that the Property Maintenance Review Board hold another public meeting. She also questioned the role of the Police Department in the area of nuisance

abatement. City staff needed to set the stage. The goal was process improvement. Staff needed to clearly explain how a building would be returned to the inspection rotation.

Mr. Hales noted that this proposal was similar to the Town of Normal, (i.e. pass or fail). City staff had looked at the need for the program. He cited the program's past successes. He believed that there was an ongoing need for the program. He noted the program's longevity. He added the revenue projection which was not 100% cost recovery. The program's original intent had never been met. He questioned the Property Maintenance Review Board's support of this program.

Mr. Huber responded negatively. The Board lacked a quorum and an informational meeting was held. Mayoral appointments were needed. He noted the program's operation cost: \$205,000 and program revenue: \$109,000. The proposed fees should match the program's cost. He also acknowledged the Council's past decisions.

CURB & GUTTER REPLACEMENT

Alderman McDade introduced the topic.

David Hales, City Manager, addressed the Committee. He cited past experience. The City's engineering staff had determined what was needed. There also was the view point of the citizens. He cited property owner expectations. He cited the time to replace curb & gutter, (i.e. new street and new sidewalk). The issue was appearance. He noted Public Work's new Block by Block Total Rehabilitation Program. Curb & gutter replacement would be impacted by available revenue. He cited customer complaints (i.e. Locust/Colton Combined Sewer Overflow Replacement project). He also noted the impact of street overlay (i.e. little to no curb & gutter remaining). This issue was related to existing streets. He questioned the weight to be given to citizen complaints.

Jim Karch, Director – Public Works, addressed the Committee. He noted that Mr. Hales had summarized the issue. This was a difficult topic. The standard curb height was six inches (6"). This issue was balance. He cited the cost: from \$75 - \$175 per lineal foot. The Committee had been provided with a handout, (entitled Curb & Gutter: Policy/cost at a glance). The issue was one of curb appeal versus serviceability. At this time, staff was also looking at sewers. These two (2) issues were part of street resurfacing and impacted driveways, trees and the cost of street maintenance. These two (2) issues were key and presented extremes. When to repair curb & gutter was tied to serviceability (i.e. meet function). This was usually when the remaining curb was two inches (2"). He cited the past practice of street overlay without milling. This resulted in the loss of gutter pan. He noted that the City would not know the impact on the curb until after the street is milled. The goal was for the Council to adopt a policy. He reviewed the handouts provided, (Standard Operating Procedure – Complete Infrastructure Rehabilitation Block by Block Policy and Balancing the Variable for Curb & Gutter Replacement).

Alderman Lower questioned the amount of curb & gutter in the City that was unserviceable. Mr. Karch identified two (2) streets: Linden & MacArthur. Both streets would be completely redone. The streets need to be widened. Some streets would be overlaid with spot repair. There were

citizens who found this practice unacceptable. He cited the cost for curb & gutter repair/replacement which impacted the number of streets which could be resurfaced.

Alderman Lower expressed his opinion that the City needed to stop the deterioration at this time.

Alderman McDade noted that City staff recommended that the City's standard should be six inches (6"). She questioned if there was a standard policy for curb height. Mr. Karch responded affirmatively. The standard curb & gutter was eighteen inches (18") of gutter pan and a six inch (6") tall curb.

Alderman McDade noted that City staff had set expectations. Citizens do not always understand. She cited the Locust/Colton CSO project. Certain items were not affordable. She noted repair versus brand new. The City could repair fewer streets with a more perfect end versus the City's current practice. The public needed to be educated.

Mr. Karch affirmed that education was key.

Mr. Hales added that going forward City staff would have photographs of road projects. This would enhance communications and set expectations. Poor practices would be eliminated. There was a backlog of deferred maintenance. He encouraged the Committee to drive City streets to better understand citizens' concerns. The current plan addressed spot replacement of curb & gutter. A challenge would be communications with property owners.

Mr. Karch noted that staff tried various avenues (i.e. City web site, direct mailings, etc.). At this time, there was no cost estimate and no rating system. Photographs would be taken and expectations would be set. Everything would be impacted by resources.

Motion by Alderman Lower, seconded by Alderman Fruin to adjourn. Time 6:47 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert
City Clerk



FOR COMMITTEE OF THE WHOLE: October 21, 2013

SUBJECT: Draft Police and Fire Pension Funding Policy

RECOMMENDATION/MOTION: Discussion and Council Direction.

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

STRATEGIC PLAN SIGNIFICANCE: Objective 1a. Budget with adequate resources to support defined services and level of services.

BACKGROUND: The following are some highlights of the Draft Police and Fire Pension Funding Policy:

- This would be the City's first Police and Fire Pension Funding Policy and would bring the City into early compliance with Statement No. 68 of the Governmental Accounting Standards Board.
- The City's policy incorporates a more aggressive funding requirement as opposed to the current State of Illinois "Minimum" Police and Fire Pension Funding Policy.
- The City's policy requires the Police and Fire Pensions Funds to achieve 100% funding over 30 years as opposed to 90% funding under the State policy.
- The City's policy adopts the "Entry Age Normal" (EAN) as opposed to the "Projected Unit Credit" actuarial cost method.
- The City's policy adopts a "Percent of Pay" as opposed to a "Level Dollar" amortization cost methodology.
- The City's policy requires an aggressive Five (5) year increased funding phase in (approximately \$1.5m increased funding each year for three (3) years with \$1.5m funding increase in the fourth (4) year).
- The Increased pension funding phase in will achieve approximately **\$70m in savings** as opposed to the current State of Illinois "Minimum" Funding policy.

It is important to note that the Police and Fire Pension Funding Policy recommends that the Property Tax Levy, which has been the traditional source of pension funding, continue to be the source of funding for all future annual pension payments including the increased funding needed over the next four years (\$5,650,00). Implementation of the increased or phased in pension funding will require a 6.47%, 6.08%, 5.73% and a 4.15% increase in the property tax levy over the next four years.

The City does have several options to mitigate the need to increase the property tax. These options include raising other revenue, reducing expenditures or a combination of both. For example, the City could raise \$4m annually by increasing the utility tax from 2.5% to 5% (the statutory cap and the rate charged by the Town of Normal and most other cities). The City could also consider raising other revenue such as the Home Rule Sales Tax, add a new Local Option Fuel Tax, eliminating the general fund subsidy to the Solid Waste Fund, etc. The City Council could also consider terminating or reducing some City service programs to achieve expenditure savings. Regardless of which, or a combination of, funding choices chosen, there will be political consequences both positive and negative.

Although, our proposed policy requires us to raise the annual pension contributions approximately \$1,500,000 per year for the next several years; the payoff is quite significant. With a little bit of sacrifice in the early years, the City will save almost \$70,000,000 over the life of the plan and achieve 100% funding (barring another 2008 economic meltdown or any further legislative increase in benefits). The draft pension funding policy recommends an annual review, staff will conduct a projections update each year to validate the strategy.

Respectfully submitted for Council consideration.

Prepared by: Patti-Lynn Silva, Director of Finance

Recommended by: David A. Hales, City Manager

Attachments: Attachment 1. Draft Police and Fire Pension Funding Policy
Attachment 2. Scenario 1
Attachment 3. Scenario 2



POLICE AND FIRE PENSION FUNDING POLICY

PURPOSE

This Funding Policy is a statement of the City's objectives in funding the benefits to be paid by the Police and Fire Pension Funds. It sets forth the strategy that the City Council will use to determine the contributions needed to achieve those objectives.

The City is required to fund pension benefits for its Police and Fire employees as outlined by the Illinois Compiled Statutes: Pension Code: ILCS 5/Art 3/Art 4.

OBJECTIVES

The City's principle objectives are to:

1. Ensure that the Pension Funds have sufficient assets on hand to pay all benefits due.
2. Minimize the annual volatility of budgeted contributions.
3. Provide for equity among different generations of taxpayers with respect to bearing the costs of the benefits.
4. Ensure that all statutory funding requirements are satisfied.
5. To fully fund its pension liabilities.

This policy establishes guidelines for the characteristics of a sound funding policy for City's Police and Fire Pension Funds. The City believes that this funding policy satisfies the new Governmental Accounting Standard No. 68 and has incorporated guidelines provided by the following institutions: National Governor's Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Council of Mayors, and the International City/County Management Association as well as, the National Association of State Auditors, Comptrollers, and Treasurers, Government Finance Officers Association, National Association of State Retirement Administrators, and the National Council on Teacher Retirement.

FUNDING GUIDELINES:

In order to achieve the objectives of this Funding Policy, the City Council will base its contributions to the plans on Actuarially Determined Employer Contributions ("ADEC")



prepared annually in compliance with all applicable Actuarial Standards of Practice. The ADEC will be determined using the following funding method elements:

- a. Long Term Outlook. The City will use a 30 year closed period to amortize its unfunded pension liabilities beginning on 05/1/12.
- b. Assumptions.
 - (i) Interest Rate Assumption. The City will use an interest rate assumption of 7 percent.
 - (ii) Actuarial Cost Method. The City will use the Entry Age Normal (EAN) actuarial cost method as required by the Government Accounting Standards Board (GASB). EAN will be used to determine the Normal Cost as well as the Actuarial Accrued Liability.
 - (iii) Amortization Method. The City will use a level percent of pay to amortize the existing unfunded pension liabilities. The percent of pay assumption will be 4 percent.
 - (iv) Asset Valuation Method. 5-year smoothing for investment gains and losses will be used to minimize the impact of investment volatility on the ADEC.
- c. Equitability. The City's pension funding policy represents a commitment to provide equity to all generations of taxpayers by fully funding police and fire pensions over a reasonable period of time and adopting assumptions that are designed for minimum volatility protecting against unnecessary fluctuations in costs effecting a particular generation of taxpayer.

ADMINISTRATION OF FUNDING POLICY

- a. Finance Director. The Finance Director will work with a certified independent actuary to calculate the City's ADEC each year beginning 05/1/13 based on the latest actuarial valuation and in addition will have the statutory minimum calculated. The first budget year effected by this policy will be FY2015.
- b. Phase in. The City beginning in FY2015 will employ a phased-in strategy to move gradually from historically contributed levels based on the statutory minimum to the ADEC as outlined under the funding guidelines above.
- c. Funding Source. The ADEC will be paid for through the annual property tax levy as has been utilized historically. The Finance Director will include the ADEC in the property tax levy estimate to be provided to the City Manager and Council for adoption.
- d. Pension Boards. Finance will notify both the Police and Fire Pension Boards of the ADEC prior to the adoption of the property tax levy by Council.



3. REVIEW AND UPDATES OF THE PENSION FUNDING POLICY

The City Manager and Finance Director shall review this policy at least annually, examining its effectiveness and determining whether any modifications are warranted to ensure the policy contemplates accounting standards, best practices, and any changes in legislation.

It is recommended that as a matter of procedure, any changes, deletions, and additions to this policy be reviewed and approved by the City Council. The City Council shall review this policy and recommend any proposed changes every three years.

DRAFT

City of Bloomington
 Statutory Minimum Funding Plan (IDOI assumptions 6.75% Interest Rate -target 90% funding)

Scenario 1 - Statutory Minimum Contributions based on the Illinois Department of Insurance Assumptions

Fiscal Year	Police	PD variance	EST. Funding Level	Fire	FD variance	EST. Funding Level	Total	Variance
FY2014	3,182,000	-	53.60%	2,908,000	-	47.50%	6,090,000	-
FY2015	3,758,000	576,000	53.70%	3,946,000	1,038,000	47.50%	7,704,000	1,614,000
FY2016	3,988,000	230,000	53.60%	4,394,000	448,000	47.10%	8,382,000	678,000
FY2017	4,254,000	266,000	53.80%	4,606,000	212,000	47.50%	8,860,000	478,000
FY2018	4,527,000	273,000	54.10%	5,098,000	492,000	48.20%	9,625,000	765,000
FY2019	4,776,000	249,000	54.80%	5,504,000	406,000	49.20%	10,280,000	655,000
FY2020	4,904,000	128,000	55.50%	6,007,000	503,000	50.30%	10,911,000	631,000
FY2021	5,163,000	259,000	56.10%	6,038,000	31,000	51.50%	11,201,000	290,000
FY2022	5,405,000	242,000	56.60%	6,352,000	314,000	52.90%	11,757,000	556,000
FY2023	5,632,000	227,000	57.10%	6,714,000	362,000	54.10%	12,346,000	589,000
FY2024	5,918,000	286,000	57.80%	7,036,000	322,000	55.10%	12,954,000	608,000
FY2025	6,171,000	253,000	58.20%	7,344,000	308,000	56.20%	13,515,000	561,000
FY2026	6,501,000	330,000	58.80%	7,645,000	301,000	57.20%	14,146,000	631,000
FY2027	6,890,000	389,000	59.40%	7,760,000	115,000	58.20%	14,650,000	504,000
FY2028	7,376,000	486,000	60.00%	7,671,000	(89,000)	59.10%	15,047,000	397,000
FY2029	7,888,000	512,000	60.60%	7,802,000	131,000	60.00%	15,690,000	643,000
FY2030	8,381,000	493,000	61.30%	7,947,000	145,000	60.70%	16,328,000	638,000
FY2031	8,775,000	394,000	62.00%	8,011,000	64,000	61.40%	16,786,000	458,000
FY2032	9,422,000	647,000	62.80%	8,487,000	476,000	62.20%	17,909,000	1,123,000
FY2033	10,110,000	688,000	63.70%	9,166,000	679,000	62.90%	19,276,000	1,367,000
FY2034	10,883,000	773,000	64.80%	9,932,000	766,000	63.90%	20,815,000	1,539,000
FY2035	11,856,000	973,000	66.20%	10,809,000	877,000	65.10%	22,665,000	1,850,000
FY2036	12,927,000	1,071,000	67.80%	11,819,000	1,010,000	66.60%	24,746,000	2,081,000
FY2037	14,328,000	1,401,000	69.80%	13,022,000	1,203,000	68.50%	27,350,000	2,604,000
FY2038	16,083,000	1,755,000	72.00%	14,369,000	1,347,000	70.80%	30,452,000	3,102,000
FY2039	18,333,000	2,250,000	74.80%	16,208,000	1,839,000	73.70%	34,541,000	4,089,000
FY2040	21,508,000	3,175,000	78.10%	18,938,000	2,730,000	77.20%	40,446,000	5,905,000
FY2041	28,292,000	6,784,000	82.20%	24,834,000	5,896,000	81.50%	53,126,000	12,680,000
FY2042	11,987,000	(16,305,000)	87.20%	10,381,000	(14,453,000)	87.00%	22,368,000	(30,758,000)
FY2043	2,477,000	(9,510,000)	94.30%	2,223,000	(8,158,000)	94.90%	4,700,000	(17,668,000)
Total State Minimum Plan	271,695,000	(705,000)		262,971,000	(685,000)		534,666,000	(1,390,000)
Proposed Funding Policy	222,055,000	2,093,000		243,725,000	(477,000)		465,780,000	1,616,000
Increased Costs:	\$ 49,640,000	\$ (2,798,000)		\$ 19,246,000	\$ (208,000)		\$ 68,886,000	\$ (3,006,000)

(1) The FY2015 Increase in minimum pension contribution is a result of moving from Tepher consulting assumptions to the Illinois department of insurance assumptions which, are more conservative.

Note: The City currently employs the State Minimum Plan for both the Police and Fire Pensions. This plan minimizes contribution payments in the early years leaving large payments in the last 10 years of the plan which increase each year from \$1.0 million to \$12.0 million in one year while only achieving 90% funding.

A key objective of a healthy pension plan is to contribute appropriately throughout the life of the plan so assets have time to earn money offsetting future contribution payments and matching contributing funds to the working life of the employee.

City of Bloomington

Proposed Pension Funding Policy (7% interest rate assumption - target 100% funding)

Scenario 3d: Proposed Funding Policy, Percent of Pay Basis with Phase-in up to 5 years

Fiscal Year	Police		Fire		EST. Funding Level		FD variance	EST. Funding Level	Total	Variance
	Police	PD variance	Fire	Funding Level	Funding Level	Level				
FY2014	3,182,000	-	2,908,000	48.60%	2,908,000	45.70%	-	6,090,000	-	
FY2015	3,932,000	750,000	3,658,000	50.40%	3,658,000	46.70%	750,000	7,590,000	1,500,000 (1)	
FY2016	4,682,000	750,000	4,408,000	50.50%	4,408,000	46.20%	750,000	9,090,000	1,500,000 (1)	
FY2017	5,432,000	750,000	5,158,000	51.00%	5,158,000	46.40%	750,000	10,590,000	1,500,000 (1)	
FY2018	6,182,000	750,000	5,558,000	52.10%	5,558,000	47.10%	400,000	11,740,000	1,150,000	
FY2019	6,697,000	515,000	5,788,000	53.90%	5,788,000	48.70%	230,000	12,485,000	745,000	
FY2020	6,884,000	187,000	6,011,000	56.10%	6,011,000	50.40%	223,000	12,895,000	410,000	
FY2021	7,050,000	166,000	6,241,000	58.50%	6,241,000	52.10%	230,000	13,291,000	396,000	
FY2022	7,228,000	178,000	6,470,000	60.80%	6,470,000	53.80%	229,000	13,698,000	407,000	
FY2023	7,405,000	177,000	6,705,000	63.00%	6,705,000	55.50%	235,000	14,110,000	412,000	
FY2024	7,563,000	158,000	6,947,000	65.30%	6,947,000	57.20%	242,000	14,510,000	400,000	
FY2025	7,745,000	182,000	7,187,000	67.40%	7,187,000	58.80%	240,000	14,932,000	422,000	
FY2026	7,924,000	179,000	7,430,000	69.50%	7,430,000	60.50%	243,000	15,354,000	422,000	
FY2027	8,105,000	181,000	7,679,000	71.50%	7,679,000	62.10%	249,000	15,784,000	430,000	
FY2028	8,288,000	183,000	7,924,000	73.60%	7,924,000	63.70%	245,000	16,212,000	428,000	
FY2029	8,474,000	186,000	8,180,000	75.60%	8,180,000	65.20%	256,000	16,654,000	442,000	
FY2030	8,642,000	168,000	8,466,000	77.60%	8,466,000	66.80%	286,000	17,108,000	454,000	
FY2031	8,787,000	145,000	8,799,000	79.60%	8,799,000	68.40%	333,000	17,586,000	478,000	
FY2032	8,941,000	154,000	9,172,000	81.60%	9,172,000	70.10%	373,000	18,113,000	527,000	
FY2033	9,066,000	125,000	9,596,000	83.60%	9,596,000	71.80%	424,000	18,662,000	549,000	
FY2034	9,166,000	100,000	10,072,000	85.70%	10,072,000	73.70%	476,000	19,238,000	576,000	
FY2035	9,261,000	95,000	10,603,000	87.80%	10,603,000	75.80%	531,000	19,864,000	626,000	
FY2036	9,341,000	80,000	11,174,000	89.80%	11,174,000	78.10%	571,000	20,515,000	651,000	
FY2037	9,356,000	15,000	11,809,000	91.80%	11,809,000	80.70%	635,000	21,165,000	650,000	
FY2038	9,279,000	(77,000)	12,551,000	93.90%	12,551,000	83.60%	742,000	21,830,000	665,000	
FY2039	9,019,000	(260,000)	13,427,000	95.90%	13,427,000	86.80%	876,000	22,446,000	616,000	
FY2040	8,273,000	(746,000)	14,645,000	97.80%	14,645,000	90.30%	1,218,000	22,918,000	472,000	
FY2041	5,819,000	(2,454,000)	17,144,000	99.70%	17,144,000	94.30%	2,499,000	22,963,000	45,000	
FY2042	5,057,000	(762,000)	5,584,000	101.30%	5,584,000	98.80%	(11,560,000)	10,641,000	(12,322,000)	
FY2043	5,275,000	218,000	2,431,000	102.10%	2,431,000	104.40%	(3,153,000)	7,706,000	(2,935,000)	
Total Proposed Funding Policy	222,055,000	2,093,000	243,725,000		243,725,000		(477,000)	465,780,000	1,616,000	
Total State Minimum Plan	271,695,000	(705,000)	262,971,000		262,971,000		(685,000)	534,666,000	(1,390,000)	
Total Estimate Savings:	(49,640,000)	2,798,000	(19,246,000)		(19,246,000)		208,000	(68,886,000)	3,006,000	

(1) Costs will increase \$1.5 million dollars each year for three years and then begin to decline and level off at an average of approximately \$500,000 increase per year.

Note: The object of this plan is to align the City's contributions with an funding policy that correlates to accounting standards and best practices spreading the impact of the change in assumptions over a 5 year period and achieving 100% funding by year 2041 and reducing overall costs by close to \$70,000,000.

One key objective of a healthy pension plan is to contribute appropriately throughout the life of the plan so assets have time to earn money which offset future contribution payments, in addition to covering the working life of an employee as it is earned.



FOR COMMITTEE OF THE WHOLE: October 21, 2013

SUBJECT: Library Board Recommended Property Tax Levy

RECOMMENDATION/MOTION: Discussion and Council Direction.

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

STRATEGIC PLAN SIGNIFICANCE: Objective 1a. Budget with adequate resources to support defined services and level of services.

BACKGROUND: The unaudited fund balance for the Library at the close of fiscal year 2013 is \$3,512,788. The audit has not been finalized so this number is not final; however, we do not anticipate significant changes to this amount.

The Library requests an increase of \$33,233 in the tax levy for FY2015 under account number 50110 (Property taxes).

The Library's total Operating and Maintenance Budget is increasing by \$40,733.

Respectfully submitted for Council consideration.

Prepared by: Patti-Lynn Silva, Director of Finance

Recommended by: David A. Hales, City Manager

Attachments: Attachment 1. Library Budget Narrative
Attachment 2. Budgets Sheets

Library Budget Narrative FY2015

50110 Property taxes – The Library requests an increase of \$33,233 in the tax levy for FY2015.

57990 Other Misc. Income – This includes proceeds from the Book Shoppe, things that are sold at the Library, and print revenue.

61100 Full time Salaries – Wage increase for staff

61110 Part Time Salaries – Wage increase for staff

62106 Health Insurance HAMP HMO – More staff are choosing HMO

62210 Tuition Reimbursement – Two current full time employees have requested tuition reimbursement to pursue MLIS programs at the University of Illinois as outlined in our bargaining unit contract.

70420 Equipment Rental – Reflect actual expenditure

70520 Vehicle Maintenance – New bookmobile should require less maintenance

70630 Travel – Less travel planned

70632 Professional Development – Reflects actual use

70690 Other Purchased Services – Increase reflects intent to add a service for streaming movies

71010 Office Supplies (32,000) – Printer ink and toner, etc. now purchased under computer supplies

71013 Computer Supplies – Computer replacements planned

71310 Natural Gas – Anticipate savings from boiler replacement

71320 Electricity – Increasing rates

71340 Telecommunications - Reflects actual use

71420 Periodicals – Project increase in costs

71480 Public Access Software – Cancellation of underutilized databases

71490 Ebooks – Increase in purchase of ebooks

TOTAL LIBRARY OPERATING AND MAINTENANCE BUDGET INCREASE OF \$40,733

LIBRARY

PROJECT NEXT GENERATION BUDGET

FISCAL YEAR 2014 - 2015

ACCOUNT NUMBER	ACCOUNT NAME	2007-2008 ACTUAL	2008-2009 ACTUAL	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 PROPOSED
	REVENUES								
53120	STATE GRANTS	\$ 11,500	\$ 12,000	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
57990	OTHER MISC. INCOME	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL REVENUE	\$ 11,500	\$ 12,000	\$ 12,663	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
	EXPENSES								
61100	SALARIES-FULL TIME	-	-	\$ 1,432	\$ 4,270	\$ 4,877	\$ 4,000	\$ 3,500	\$ 4,000
61110	SALARIES-PART TIME	\$ 3,978	\$ 3,513	\$ 10,503	\$ 4,343	\$ 4,380	\$ 3,000	\$ 3,500	\$ 3,000
61130	SALARIES-SEASONAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62101	DENTAL INSURANCE	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ 22	\$ -
62102	VISION INSURANCE	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 10	\$ -
62103	HEALTH INS - OSF HMO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62106	HEALTH INS - PPO	\$ -	\$ -	\$ -	\$ 394	\$ -	\$ -	\$ 425	\$ -
62120	IMRF	\$ -	\$ -	\$ -	\$ 385	\$ -	\$ 400	\$ 400	\$ 400
62130	FICA	\$ -	\$ -	\$ -	\$ 493	\$ 708	\$ 400	\$ 450	\$ 400
62160	WORKERS COMP	\$ -	\$ -	\$ -	\$ -	\$ 79	\$ -	\$ 80	\$ -
70530	REP MTC OFFIC EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70740	PRINTING/BINDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70770	TRAVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70780	REG. & MEMB. DUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70990	OTHER PURCHASED SRV	\$ 7,522	\$ 8,487	\$ 565	\$ -	\$ 2,456	\$ 356	\$ 4,113	\$ 500
71010	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ 2,595	\$ -	\$ -	\$ -	\$ -
71013	COMPUTER SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289	\$ -	\$ 4,200
71020	LIBRARY SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71030	POSTAGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72120	COMPUTER EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL EXPENSE	\$ 11,500	\$ 12,000	\$ 12,500	\$ 12,500	\$ 12,500	\$ 9,446	\$ 12,500	\$ 12,500
	NET REVENUE/(EXPENSE)	\$ (0)	\$ -	\$ 163	\$ -	\$ -	\$ 3,054	\$ -	\$ -
	% OF REVENUE TO EXPENSE	100.00%	100.00%	101.30%	100.00%	100.00%	132.34%	100.00%	100.00%

LIBRARY
FIXED ASSET BUDGET
FISCAL YEAR 2014 - 2015

ACCOUNT NUMBER	ACCOUNT NAME	2007-2008 ACTUAL	2008-2009 ACTUAL	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 PROPOSED
	REVENUES								
56010	INTEREST ON INVESTMENTS	\$ -	\$ 1,464	\$ -	\$ -	\$ 300	\$ 557	\$ 300	\$ 600
57310	DONATIONS	\$ -	\$ 10,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81160	FROM LIBRARY M & O FUND	\$ 369,700	\$ 245,456	\$ 229,041	\$ 140,174	\$ 115,301	\$ 181,199	\$ 170,768	\$ 195,000
	TOTAL REVENUE	\$ 369,700	\$ 257,441	\$ 229,041	\$ 140,174	\$ 115,601	\$ 181,756	\$ 171,068	\$ 195,600
	EXPENSES								
72110	OFFICE FURNITURE	\$ 5,051	\$ 3,032	\$ 9,882	\$ -	\$ -	\$ -	\$ -	\$ -
72120	OFFICE & COMPUTER	\$ 151,429	\$ 103,862	\$ 136,380	\$ 140,174	\$ 140,000	\$ 9,328	\$ 9,085	\$ 108,050
72130	LICENSED VEHICLES	\$ -	\$ -	\$ 19,707	\$ -	\$ -	\$ -	\$ -	\$ 200,000
72140	CAPITAL OUTLAY-NON OFFICE TO LIB M & O FUND	\$ -	\$ 2,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL EXPENSE	\$ 156,480	\$ 109,584	\$ 165,969	\$ 140,174	\$ 190,000	\$ 89,328	\$ 9,085	\$ 308,050
	NET REVENUE/(EXPENSE)	\$ 213,220	\$ 147,857	\$ 63,072	\$ -	\$ (74,399)	\$ 92,428	\$ 161,983	\$ (112,450)
	% OF REVENUE TO EXPENSE	236.26%	234.93%	138.00%	100.00%	60.84%	203.47%	1882.97%	63.50%

CITY OF BLOOMINGTON PROPERTY TAX LEVY INFORMATION

Bloomington City Council

October 21, 2013

Definitions of Commonly Used Terms

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

Tax Levy Timeline A

- If the tax levy is estimated to increase more than 5% then a public hearing is required:
 1. October 21, 2013 – Tax Levy Review & Discussion
 2. November 12, 2013 - Adopt Estimated** Tax Levy
 3. **December 9, 2013 – Public Hearing**
 4. December 9, 2013 - Adopt Tax Levy Ordinance (including abatements)
 5. December 16th, 2013 – Only If Needed

**The Estimated Tax Levy may differ from the Final Tax Levy .

Tax Levy Timeline B

- If the tax levy is estimated to increase less than 5% then no public hearing is required:
 1. October 21, 2013 – Tax Levy Review & Discussion
 2. November 12, 2013 - Adopt Estimated** Tax Levy
 3. December 9, 2013 - Adopt Tax Levy Ordinance (including abatements)
 4. December 16th, 2013 – Only If Needed

**The Estimated Tax Levy may differ from the Final Tax Levy .

2013 Tax Levy /Property Tax Cycle

County/Township Tax Cycle	City Fiscal Year
January 1 st , 2013 Real Estate Assessed – Township Assessor	2014
September 13 st , 2013 <i>Preliminary</i> EAV Determined – Township Assessor	2014
December 31 st , 2013 Assessments Finalized – Township Assessor	2014
January 1 st , 2014 EAV Final Determination – County Assessor	2014
April 1 st , 2014 Tax Rate Applied and Levy Extended - County Clerk	2014
May 1 st , 2014 Tax Bills Sent - County Treasurer	2015
June 1 st , 2014 First tax payment due	2015
September 1 st , 2014 Second tax payment due	2015

Overlapping Tax Districts

County Property Tax is made up of 9 overlapping taxing districts (listed by largest taxing body):

- School District 87
- City of Bloomington
- McLean County
- Heartland Community College
- Bloomington Public Library
- Bloomington Township Road
- B-N Water Reclamation District
- B-N Airport
- Bloomington Township

Past Allocation of Bloomington's Tax Levy

- The City of Bloomington's Property Tax Levy is generally allocated across seven activities which include:
 - **General Corporate:**
 - Fire Protection
 - Police Protection
 - Public Parks
 - **Bloomington Public Library**
 - **Police Pension**
 - **Fire Pension**
 - **Illinois Municipal Retirement Fund (IMRF)**
 - **Social Security**
 - **Bond & Interest Fund**
- The funds that derive from each tax levy may only be designated for the specific purpose intended by the tax levy. So a pension levy cannot support the general operations of the city, but **must** be utilized for pension payments.

Full Assessed Value

Levy Year	Equalized Assessed Value	% Change
2003	\$4,055,088,039	-
2004	\$4,247,012,037	4.73%
2005	\$4,467,964,806	5.20%
2006	\$4,678,322,688	4.71%
2007	\$4,944,820,932	5.69%
2008	\$5,186,363,682	4.88%
2009	\$5,316,980,457	2.52%
2010	\$5,397,493,677	1.51%
2011	\$5,400,402,846	0.05%
2012	\$5,285,116,095	-2.13%
2013	\$5,306,062,539**	.39%

** this is the preliminary estimate and subject to change

Equalized Assessed Value

Levy Year	Equalized Assessed Value	% Change
2003	\$1,351,696,013	5.89%
2004	\$1,415,670,679	4.73%
2005	\$1,489,321,602	5.20%
2006	\$1,559,440,896	4.71%
2007	\$1,648,273,644	5.69%
2008	\$1,728,787,894	4.88%
2009	\$1,772,326,819	2.52%
2010	\$1,799,164,559	1.51%
2011	\$1,800,134,282	0.05%
2012	\$1,761,705,365	-2.13%
2013	\$1,768,687,513 **	.39%

** this is the preliminary EAV estimate and subject to change

Direct Tax Rate

Levy Year	Tax Rate**	% Change
2003	1.28389	0.76%
2004	1.28069	-0.24%
2005	1.27185	-0.69%
2006	1.26829	-0.27%
2007	1.27266	0.34%
2008	1.25649	-1.27%
2009	1.33083	5.91%
2010	1.31100	-1.49%
2011	1.31028	-0.06%
2012	1.31610	.44%
2013	TBD	TBD

** These rates include the Library tax rates.

Taxes Levied

Fiscal Year (established)	Tax Year	Property Tax Levied	% Change
2005	2003	\$17,354,447	5.113%
2006	2004	\$18,129,927	4.468%
2007	2005	\$18,942,004	4.479%
2008	2006	\$19,778,090	4.410%
2009	2007	\$20,976,683	6.060%
2010	2008	\$21,721,837	3.550%
2011	2009	\$23,586,675	8.590%
2012	2010	\$23,586,905	0.001%
2013	2011	\$23,592,905	0.030%
2014	2012	\$23,185,833	-1.730%
2015	2013	TBD	TBD

Taxes Collected

Fiscal Year (established)	Tax Year	Property Tax Collected	% Change
2005	2003	\$17,320,187	5.14%
2006	2004	\$18,373,807	6.08%
2007	2005	\$18,949,619	3.13%
2008	2006	\$19,729,767	4.12%
2009	2007	\$20,956,003	6.22%
2010	2008	\$21,615,226	3.15%
2011	2009	\$23,582,520	9.10%
2012	2010	\$23,572,306	-0.04%
2013	2011	\$23,586,800	0.06%
2014*	2012	\$23,185,833	-1.69%
2015	2013	TBD	TBD

* Taxes are presented as budgeted since collection is currently underway