CITY OF BLOOMINGTON

WORK SESSION NOTICE

305 S. EAST ST.

MONDAY, APRIL 14, 2014, 5:00 P.M.

1. Annual Meeting with State Legislators
2. Adjourn at 6:45 p.m.

A light dinner will be served at 4:45 p.m.

Guide for Illinois State Legislators

April 14

2014

A Legislative Work Session to Discuss Recommended Legislative Proposals, Legislative Considerations and Future City Projects

98th General Assembly

City of Bloomington

109 East Olive Street

Bloomington, Illinois 61701

4/14/2014

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Message from the Mayor

Thank you very much for attending our Work Session today. Your representation and willingness to listen to the issues and concerns of our community has been a great service to the citizens of Bloomington. I know that you have invested a significant amount of time in phone conversations and meetings with City staff and elected officials so we are thankful you have again made this time for us today.

The City would also like to convey it's appreciation to the State of Illinois for its continued support of multiple programs such as the Open Space Lands Acquisition and Development (OSLAD) grant program, electrical aggregation program, and Illinois Environmental Protection Agency loan programs to eliminate combined sewer overflows and water improvement projects.

In these following pages, Staff has outlined projects and issues where your help and support are needed. We look forward to working with you in the future on projects we feel will benefit the City of Bloomington and the surrounding community.

Dinner will start at 4:30 p.m. in the Osborn Room in the Bloomington Police Department and the Work Session will begin at 5:00 p.m. with my opening remarks and introductions. Please feel free to continue eating as we commence the Work Session.

Respectfully,

Tari Renner

Tari Renner
Mayor

Agenda

City of Bloomington Legislative Work Session
April 14, 2014
4:30 p.m. – 6:30 p.m.

Time	Description	Duration
4:30 p.m.	Light dinner in the Osborn Room in the Bloomington Police Department	30 minutes
5:00 p.m.	Work Session begins in the Osborn Room in the Bloomington Police Department (Please feel free to continue to eat).	5:00 p.m. – 6:30 p.m.
5:00 p.m.	Opening Remarks/Introduction by the Mayor	5 minutes
5:05 p.m.	Recommended Legislative Proposals – discussion facilitated by the City Manager. Topics addressed in the following order: 1) Income Taxes 2) Prompt Disbursement of LGDF Revenue 3) Public Safety Employee Benefits Act Reform 4) Fiscal Reality in Arbitration Decisions 5) Pension Sustainability 6) Fiscal Reality in Arbitration Decisions 7) Bolster Illinois' Economic Development Climate 8) Workers' Compensation Reform 9) Prevailing Wage Act 10) IDOT District 5 Five Year Budget Unfunded City Capital Infrastructure Projects: 1) Fox Creek Over Union Pacific Railroad 2) Fox Creek Road Reconstruction: Danbury to Union Pacific 3) Hamilton Road: Bunn - Commerce	40 minutes
5:45 p.m.	Legislator's Update – remarks from the State Legislators (5 minutes each) in the following order: 1) Senator Bill E. Brady (R) 44th District 2) Senator Jason Barickman (R) 53rd District 3) Representative Keith Sommer (R) 106th District 4) Representative Dan Brady (R) 88th District	20 minutes
6:05 p.m.	Question & Answer with the State Legislators	25 minutes
6:30 p.m.	**Adjournment**	

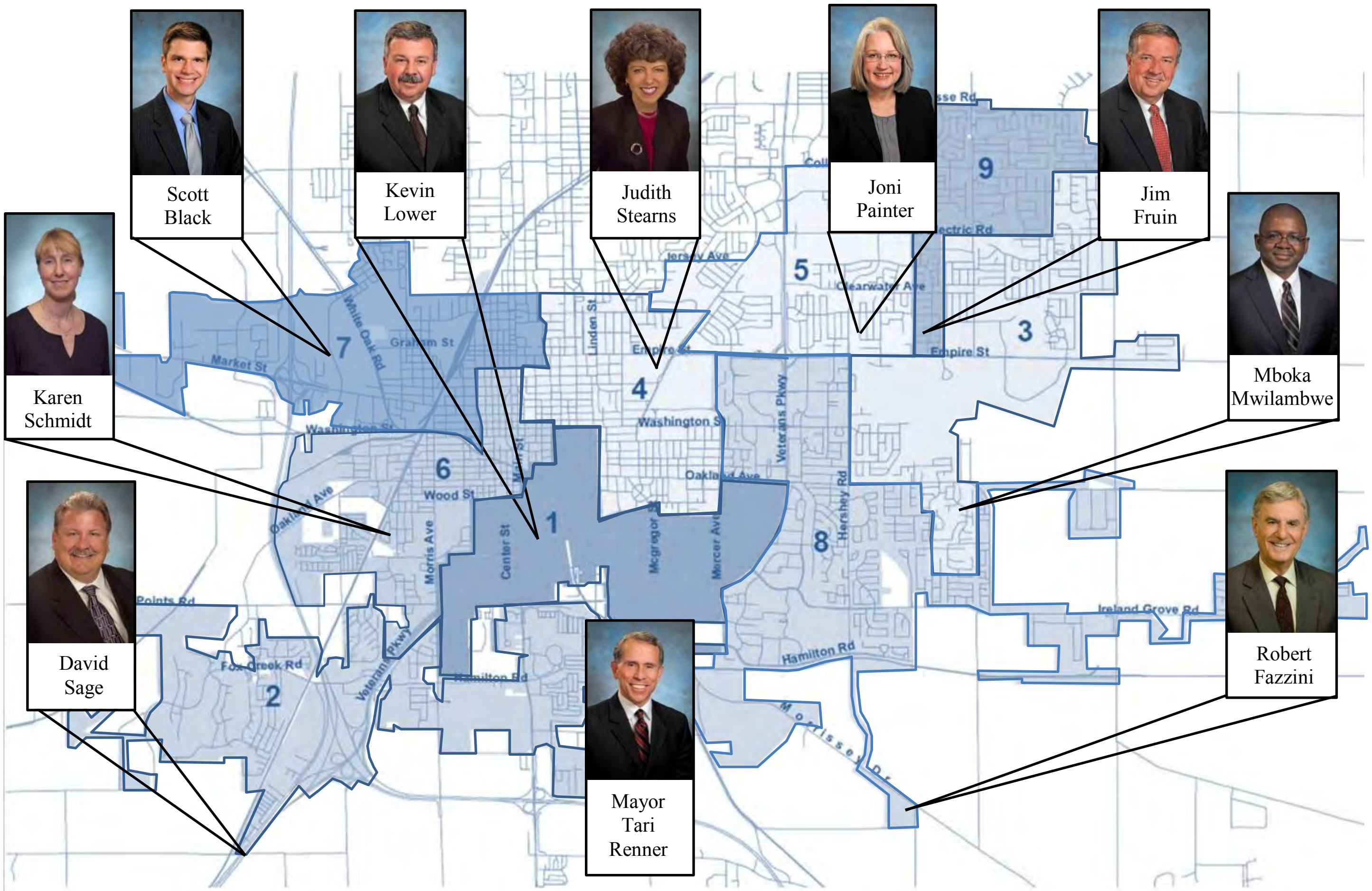
Senator William E. Brady—Republican
44th District, Assistant Republican Leader
Springfield Office:
105A Capitol Building, Springfield, IL 62706
Phone: (217) 782-6216 Fax: (217) 782-0116
District Office:
2203 Eastland Drive, Suite 3, Bloomington, IL 61704
Phone: (309) 664-4440 Fax: (309)664-8597
Years Served: 1993—2002 (House); 2002-Present (Senate)
Biography: Born May 15, 1961, in Bloomington; B.S. - Finance, Political Science and Economics, Illinois Wesleyan University; married (wife-Nancy), has three children.

Senator Jason Barickman —Republican
53rd District
Springfield Office:
244-W Stratton Office Building, Springfield, IL 62706
Phone: (217) 558-1039
District Office:
2401 E. Washington Street, Suite 201, Bloomington, IL 61704
Phone: (815) 844-4642 Fax: (815) 768-2656
Years Served: 2011 - 2012 (House); 2013 - Present (Senate)
Biography: Born May 1, 1975 in Streator, Illinois; raised on family farm in Livingston County; Graduated Woodland High School. Veteran of his service in uniform while an infantry soldier in the Illinois Army National Guard. Graduated from Illinois State University and then the University of Illinois College of Law. Principal with law office of Meyer Capel, P.C. Selected to inaugural class of the 2012 Edgar Fellows Leadership Program. Member of Illinois House from 2011-2013. Resides in Bloomington with wife, Kristin, and their two sons.

Representative Keith P. Sommer —Republican
106th District
Springfield Office:
216-N Stratton Office Building, Springfield, IL 62706
Phone: (217) 782-0221 Fax: (217) 557-1098
District Office:
121 W Jefferson, Morton, IL 61550
Phone: (309) 263-9242 Fax: (309) 263-8187
Years Served: 1999-Present
Biography: Born September 6, 1946; B.A. in Government, University of Virginia; Married (wife-Deb); has two daughters.

Representative Dan Brady —Republican
88th District
Springfield Office:
200-8N Stratton Office Building, Springfield, IL 62706
Phone: (217) 782-1118 Fax: (217) 558-6271
District Office:
202 N Prospect, Suite 203, Bloomington, IL 61704
Phone: (309) 662-1100 Fax: (309) 662-1150
Years Served: 2001-Present
Biography: Dan Brady is from Bloomington, Illinois. He is a licensed funeral director and embalmer. He served as McLean County Coroner from 1992 to 2000. He received an A.A. from Southern Illinois University and a B.A. in Elected Studies from St. Ambrose University. He was named to the Illinois House Republican Leadership team in 2003 as Republican Caucus Chair and in 2008 he was named Assistant Minority Leader. In 2010 he was awarded —Champion of Free Enterprise" by the Illinois Chamber of Commerce; 2009-2010 —Guardian of Small Business" by the National Federation of Independent Business for Illinois; 2010 —Friend of Agriculture" by the Illinois Farm Bureau. In 2009, Dan received the —Legislative Hero Award" by the Illinois State Alliance of YMCA's. In 2008 he was awarded —Legislator of the Year" by both the Illinois Association of County Board Members and Commissioners and the Health Care Council of Illinois. Dan and his wife Teri have two children.

City of Bloomington Elected Officials



Message from the City Manager

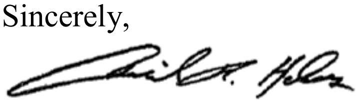
Our local communities are the heart of Illinois. They are a place where we raise our families, celebrate our religions, grow our businesses, and educate our children. Unfortunately, the great recession has had a direct impact on our communities and the resources available to provide vital services to citizens. The City of Bloomington has already been challenged with difficult budget decisions which included reductions in force and early retirements which greatly impacted the City's ability to operate at levels which citizens expect, and in many cases, greatly require. The City of Bloomington, much like many communities in Illinois, has worked diligently to address these budget issues through sacrifices, innovations, and hard work. Due to these efforts the City has experienced some successes over the past several years. During the fallout of the economy the City reached a General Fund Unreserved balance deficit of $109,000 in FY 2008. Since that time the City has been able to rebuild a balance reserve of over $16 million in FY 2013. The City's efforts have also been recognized by financial credit rating agencies such as Fitch who revised the City's rating from an AA to an AA+ and Standard & Poor's who revised the City's credit outlook from negative to stable. In FY 2012 the City continued its commitment to debt management with the adoption of a Debt Policy requiring a General Reserve of 15% of total budget. In November 2013, the City Council took a proactive stance in adopting a Pension funding policy which will result in full funding for both Police and Fire Pension Plans as well as providing over $68,000,000 of saving over the State's Minimum Funding Plan. These financial strides have allowed the City to invest more into infrastructure with a total investment of $8.5 million in road projects in FY 2012, $8.0 million for roads in FY 2013, $17.9 million in FY2014 budget (due in large part to a $10 million bond issuance), and $5.0 million in the proposed FY2015 budget. The City is also actively planning for the future with the development of a 20 Year Comprehensive Capital Improvement Plan aimed at addressing future infrastructure needs as well as rectifying previous deferred maintenance issues due to the sluggish economy.

The most important thing we can communicate and stress upon our legislators today is to not make it any more difficult for our communities to begin to recover. The State of Illinois faces the same challenges our communities have struggled with for the past several years. Addressing budget deficits while maintaining the ability to provide services to constituents is a difficult task to achieve. The City of Bloomington asks that legislators oppose any legislation that would shift this burden onto local entities that have already been forced to adjust to today's fiscal realities.

This call to legislators will serve as a theme for the issues presented in this legislative work session. Specifically, issues such as Restoring and Preserving Local Government Distributive Fund Revenues due to Municipalities, Direct Deposit to the Local Government Distributive Fund, Public Safety Employee Benefits Act Reform, Fiscal Reality in Arbitration Decisions, Pension Sustainability, Bolstering Illinois' Economic Climate, and Workers' Compensation Reform have been identified as key legislative initiatives which have the potential to allow our community to continue on the path of recovery in the wake of a devastating economic recession.

I thank you all for your continued support of our community and your dedication of service to our citizens. We continue to depend on your legislative guidance and your commitment to the vitality of our community.

Sincerely,



David A. Hales
Bloomington City Manager

**CITY OF BLOOMINGTON RECOMMENDED LEGISLATIVE PROPOSALS –
98TH GENERAL ASSEMBLY**

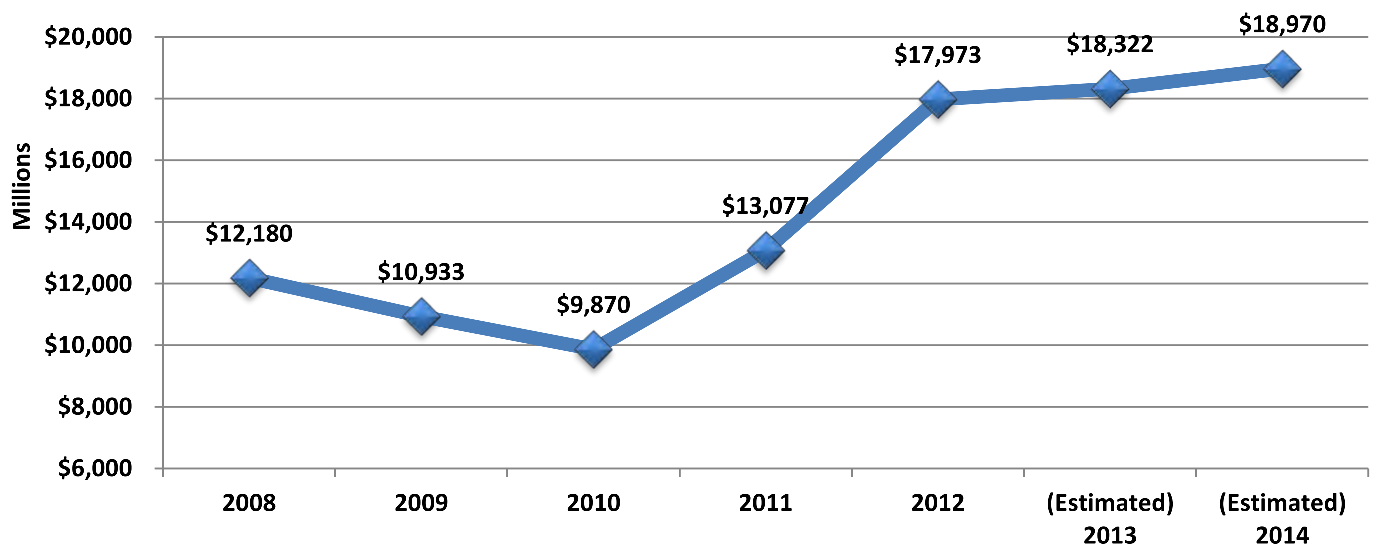
The following recommended legislative changes propose amendments to a variety of statutes with the intention of protecting municipal budgets, streamlining operations, and improving the ability of municipalities to provide necessary services to their citizens.

Income Taxes

Oppose Any Reductions to the State Collected Local Government Distributive Funds (LGDF) and Support the Restoration of a Full 10% Share of State Income Tax Collections in 2015

Expressed as a percentage increase, the state will collect 55.7% more in FY2014 than it collected prior to the economic downturn in FY2008. Local governments have not received **any** of the additional money from the 67% tax increase. Any future proposal to reduce the local income tax share is completely unacceptable. The table below shows state government receipts and the subsequent chart displays the same information[1].

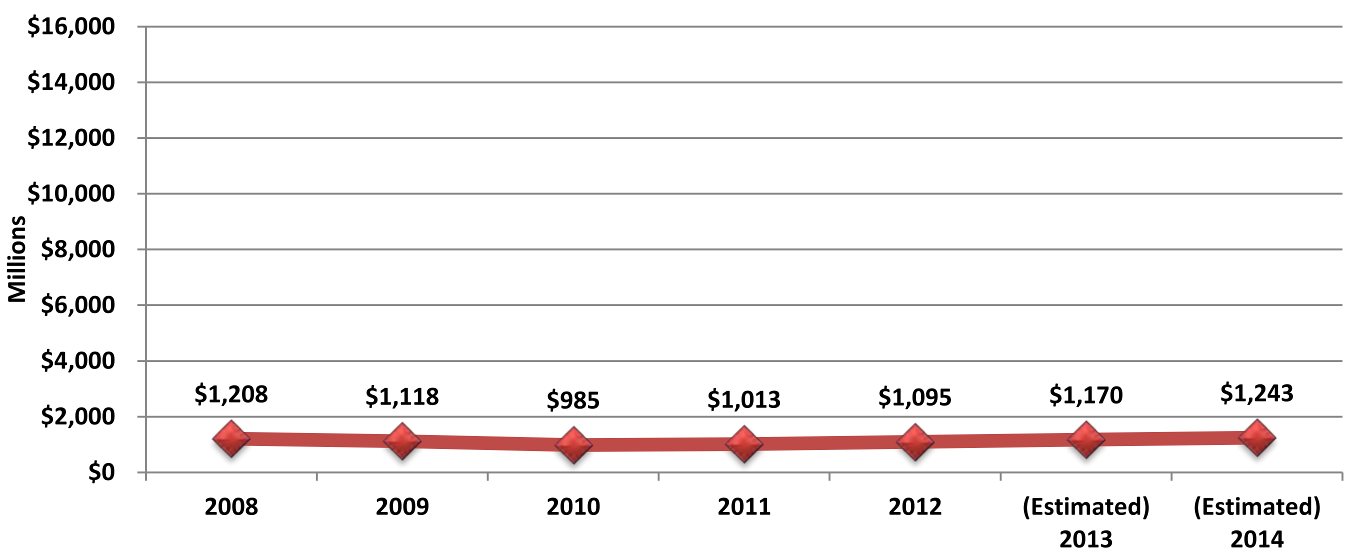
State Fiscal Year	State Share of State Income Tax	% Change From Prior Year
2008	$12,180,000,000	+9.2%
2009	$10,933,000,000	-10.2%
2010	$9,870,000,000	-9.7%
2011	$13,077,000,000	+32.5%
2012	$17,973,000,000	+37.4%
(Estimated) 2013	$18,322,000,000 (GOMBest)	+1.9%
(Estimated) 2014	$18,970,000,000 (GOMBest)	+3.5%



[1] See April 2013, Illinois Municipal League, "Income Tax – State Revenues Grow, Local Revenues Flat", p.2

Municipalities Suffer From Flat Revenues: During the Great Recession (FY2008 – FY2010) the total revenue received by cities and counties from income tax fell by $222 million or 18.4% per capita. From FY2010 through FY2012, those receipts grew by $109 million, but were still $113 million lower than in 2008. Officials estimate that FY2013 revenues will also be lower than in FY2008[2]. In addition, it is projected that FY2014 revenue will finally exceed FY2008 levels by about $35 million. This is a positive sign of a slow recovery unless the State decides to take this growth away from cities and counties. The table below shows local government receipts and the chart below displays the same information[3].

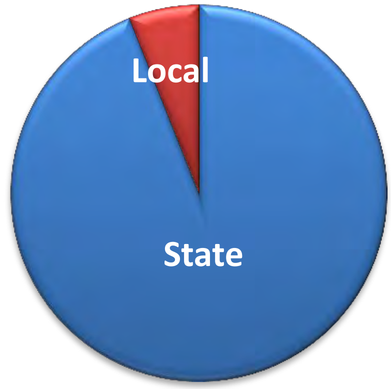
State Fiscal Year	Local Share of State Income Tax	% Change From Prior Year	Amount Per Person
2008	$1,207,748,411	+9.0%	93.96
2009	$1,118,193,676	-7.4%	86.39
2010	$985,358,544	-11.9%	75.85
2011	$1,012,927,708	+2.8	78.02
2012	$1,095,259,945	+8.1%	85.36
(Estimated) 2013	$1,170,000,000	+6.8%	91.19
(Estimated) 2014	$1,243,000,000	+6.2%	96.88



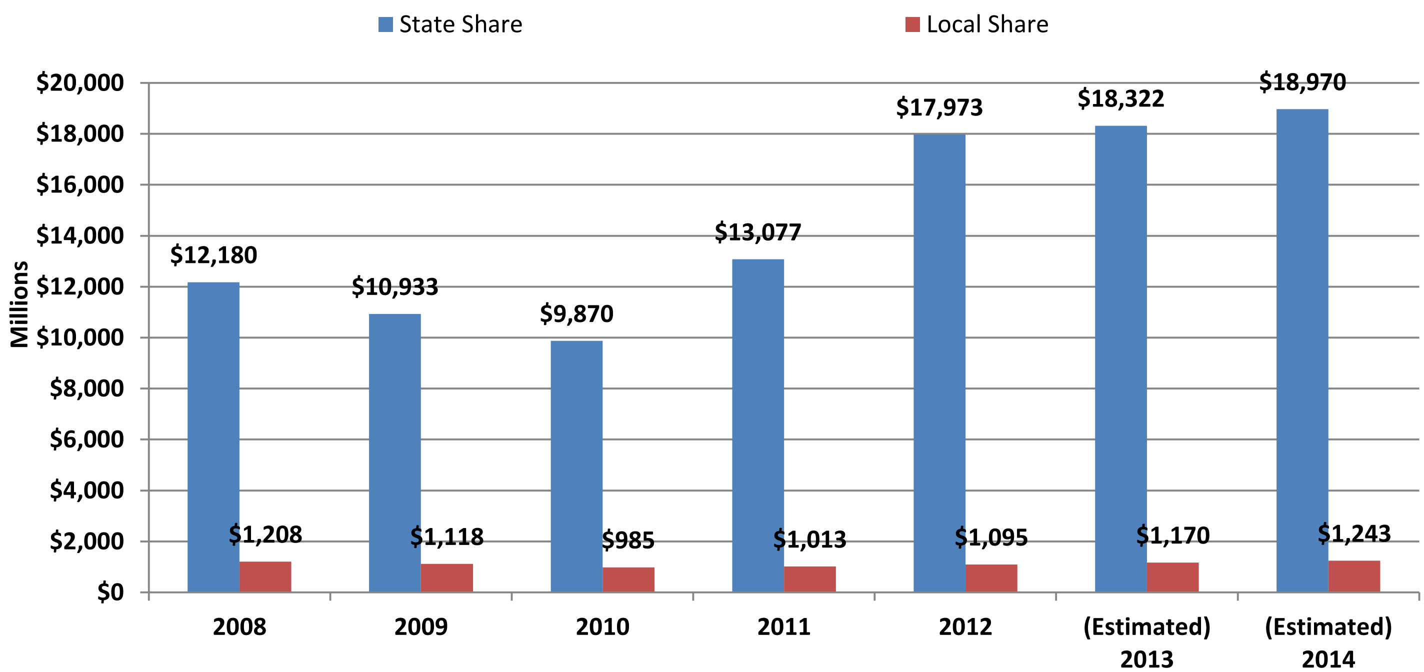
Since the passage of the income tax increase in January 2011, the State's revenue collections have reached an all-time high from this source. Municipalities' revenues, because they do not share in the increase, have stagnated. Cities and counties actually find their revenues running behind what they received when the Great Recession began in 2008. Left behind to resolve and balance budgets, municipal officials and their communities are suffering. The next chapter in this story cannot involve stripping municipalities of even more income tax revenues.

[2] See April 2013, Illinois Municipal League, "Income Tax – State Revenues Grow, Local Revenues Flat", p.2
[3] See April 2013, Illinois Municipal League, "Income Tax – State Revenues Grow, Local Revenues Flat", p.3

For every dollar paid by an Illinois taxpayer in income tax, the State receives $.94 while cities and local municipal services get $.06. This reduction has created tough times since 2008 and local municipal leaders have cut back, sacrificed, and still barely managed to balance their budgets each year as required by law. Meanwhile, the State has reaped the full benefit of the income tax increase while local municipal budgets continue to suffer. Taking more local dollars is **unacceptable**.



In the years to come, as the General Assembly considers its budgets, it is vital that **no more revenue is taken** from municipal governments. **Cities are surviving on pennies**, no real revenue growth and painful choices to put together their budgets. Don't curtail local government revenues by further reducing their LGDF share.



Recommendation: Oppose Any Reductions to the State Collected Local Government Distributive Funds (LGDF) and Support the Restoration of a Full 10% Share of State Income Tax Collections in 2015. More specifically, the City encourages you to take the following positions on the proposed bills listed below:

Bill Number:	**HB 4479**
GA Bill Page:	INC TX-CORPORATE INCOME TAX
Session:	98th General Assembly
House Sponsor:	Michael J Madigan (H-22)
Senate Sponsor:	None
City Position:	**Oppose**
Analysis:	HB 4479 would amends the Illinois Income Tax Act. Reduces the income tax rate for corporations to 3.5% for taxable years beginning on or after January 1, 2014. The IML's initial estimate is that the bill would result in an LGDF loss of between $100-110 million. This translates into a loss of between $8 and $9 per capita. Effective immediately.
GA Last Action:	Referred to Rules Committee

Bill Number:	**SB 3449**
GA Bill Page:	INC TX-EDUCATION
Session:	98th General Assembly
House Sponsor:	None
Senate Sponsor:	Michael Noland (S-22)
City Position:	**Oppose**
Analysis:	SB 3449 includes several provisions and is intended to provide additional revenue for school funding. The legislation would result in a loss of $250 million in LGDF revenue during the FY2015 state budget year. This represents a loss to municipalities and counties of almost $20 per capita.
GA Last Action:	Referred to Assignments

Prompt Disbursement of LGDF Revenue to Municipalities

Approve HB 961 and Support the Prompt Disbursement of Local Government Distributive Fund (LGDF) Revenue to Municipalities

The City of Bloomington relies on 5 major revenue sources that are collected by the state: Replacement Tax, Local Use Tax, Motor Fuel Tax, Sales Tax, and Income Tax. **Local Government Distributive Funds due to municipalities is comprised of Income Tax dollars collected by the State.** Income tax represents 4.3% of the City's overall revenue sources or $6,098,156. As of February 5, 2014, the State owes the City of Bloomington $1,195,882 in Income Tax funding which constitutes 2 months of delinquent payments. As of May 1, 2013, the State owed over $185,000,000 to counties & municipalities and was two months behind in payments. When income tax revenue is collected by the state, the state is choosing to keep 100% and is not distributing the funds to municipalities and counties until four or five months later. These funds are used to fund as much as 45% of municipal budgets and municipalities use these funds to provide fundamental frontline services. The counties and municipalities are essentially having their funds used as interest free loans without their consent. One of the misperceptions that must be overcome is the notion that local governments are "just like any other vendor" in seeking timely payments. There is a critical distinction. State-shared income tax revenue belongs to local governments and the state is simply a collector on their behalf.

Recommendation: The City of Bloomington requests that the Illinois General Assembly approve House Bill 961, which requires an efficient collection and disbursement process of LGDF finds to restore fiscal responsibility.

Oppose

Public Safety Employee Benefits Act (PSEBA) Reform

Support Legislation to Amend the Public Safety Employee Benefits Act to provide a clear and reasonable standard for what is considered a ―catastrophic injury.”

The Public Safety Employee Benefits Act (820 ILCS 320/1 *et seq*.) became effective in 1997. The language of the Act similar to statutes in other states; if a full-time police officer, firefighter, correctional or correctional probation officer suffers a ―catastrophic injury” or is killed in the line of duty while responding to an emergency, the municipality for which the employee worked must pay the injured employee’s group health insurance premiums and his or her spouse for life; the municipality must also pay the health insurance premiums for the employee’s dependent children until the children reach the age of 21 (25 in the case of full or part- time students who are dependent on their parents for support).

However, Illinois differs from other states in the manner in which it interprets the phrase, ―catastrophic injury.” In other states, ―catastrophic injury” means exactly what it sounds like: loss of a limb, paraplegia, quadriplegia, paralysis, etc. In Illinois, as a result of an Illinois Supreme Court ruling in 2003, a ―catastrophic injury” means an injury that qualifies an individual for a line-of-duty disability pursuant to the Illinois Pension Code. The injury need not be life-threatening nor must it disqualify the employee from gainful employment elsewhere. One would expect a ―catastrophic” injury to be unusual or infrequent. On the contrary, line-of-duty disabilities are currently being received by *thousands* of former Illinois public safety employees[4].

The result of this ruling is that Illinois municipalities are paying the health insurance premiums of those who are not catastrophically injured, who may be gainfully employed elsewhere and who may be covered by other group health insurance policies provided by their current employer. From FY 2003 to FY 2013, the City of Bloomington paid $611,950 in health insurance premiums for 9 employees receiving a line-of-duty disability from the Police or Fire Pension Boards ($138,895 in FY 2013; $115,637 in FY 2012; $64,654 in FY 2011 and $292,764 from FY 2003 to FY 2010). In April of 2011, the Illinois Municipal League surveyed 50 municipalities with ongoing PSEBA costs. The survey collected data between the years 2003 (the year of the *Krohe* decision that first expanded the benefit) and 2010. Survey respondents indicated that there are 172 individuals in receipt of PSEBA benefits among just those 50 municipalities that participated in the survey. The table on the next page displays the individual survey results.

[4] For example, in fiscal year 2000, 2,470 former police and fire personnel from Illinois municipalities were receiving line-of-duty disabilities. See 2001 Biennial Report of the Illinois Dept. of Insurance, Public Pension Division at 41 available online at http://www.insurance.illinois.gov/Applications/Pension/PublicDocuments/Biennial/pension_biennial_report_2001.pdf

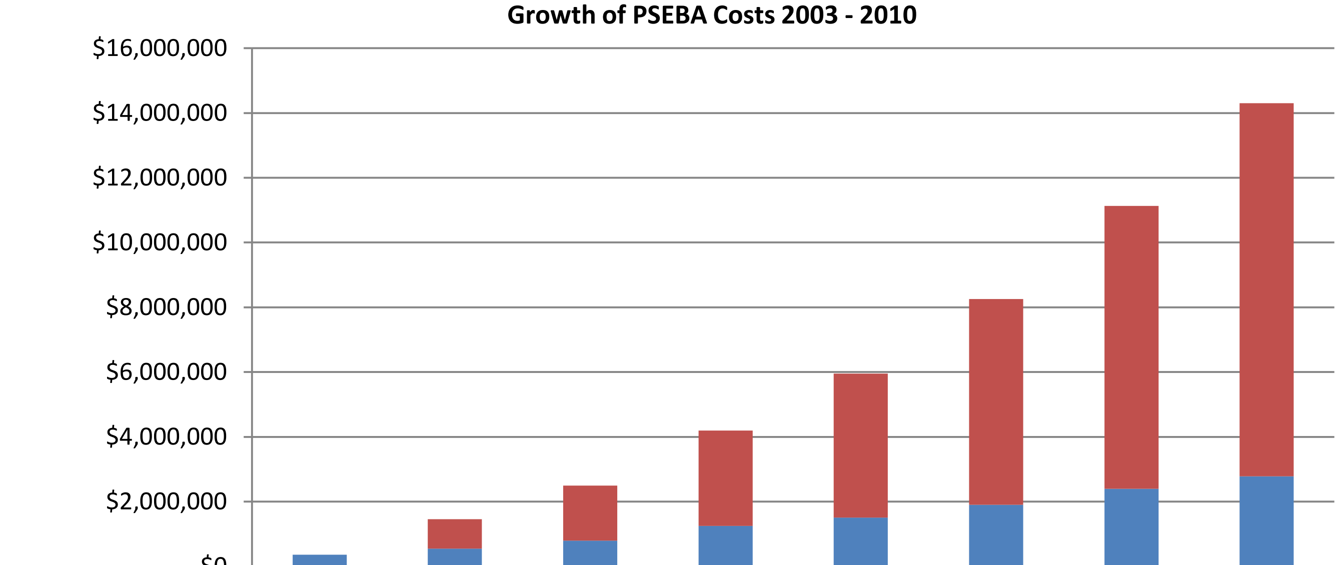
PSEBA COST AND PARTICIPATION

MUNICIPALITY	AMOUNT (2003-2010)	PARTICIPANTS (2010)	POLICE (2003 - 2010)	FIRE (2003 - 2010)
ALTON	$ 426,002.00	5	$ 104,439.00	$ 321,563.00
BATAVIA	$ 286,338.10	3	$ 193,647.09	$ 92,691.01
BELLEVILLE	$ 958,069.00	12	$ 415,188.00	$ 542,881.00
BELVIDERE	$ 146,144.00	3	$ 82,465.00	$ 63,679.00
BLOOMINGTON	$ 292,764.00	6	$ 138,204.00	$ 154,560.00
BRIDGEVIEW	$ 96,648.00	2	$ 6,164.00	$ 90,484.00
BUFFALO GROVE	$ 163,251.36	2	$ 81,625.68	$ 81,625.68
BURR RIDGE	$ 72,443.43	1	$ 72,443.43	
CHARLESTON	$ 277,583.61	5	$ 161,910.76	$ 115,672.85
DANVILLE	$ 454,896.00	7	$ 292,464.00	$ 162,432.00
DECATUR	$ 216,710.00	6	$ 23,684.00	$ 193,026.00
DIXON	$ 40,330.00	1		$ 40,330.00
EVANSTON	$ 991,510.56	16	$ 332,605.05	$ 658,905.51
FLORA	$ 4,027.80	1	$ 4,027.80	
FOREST PARK	$ 84,815.25	3	$ 71,367.07	$ 13,448.18
GLENCOE	$ 150,706.00	2	$ -	$ 150,706.00
GLENDALE HEIGHTS	$ 463,596.47	4	$ 463,596.47	
GURNEE	$ 136,236.00	2	$ 72,756.00	$ 63,480.00
HAZEL CREST	$ 125,280.00	2	$ 125,280.00	
HOFFMAN ESTATES	$ 571,499.00	8	$ 271,963.00	$ 299,536.00
HOMEWOOD	$ 176,413.00	2	$ 176,413.00	
LAKE BLUFF	$ 11,900.00	1	$ 11,900.00	
LOMBARD	$ 313,514.25	5	$ 100,902.20	$ 212,612.05
LYNWOOD	$ 44,563.34	1	$ 44,563.34	
MASCOUTAH	$ 25,183.08	1	$ 25,183.08	
MATTOON	$ 368,046.00	7	$ 194,511.00	$ 173,535.00
MONTGOMERY	$ 7,450.00	1	$ 7,450.00	
MONTICELLO	$ 78,000.00	1	$ 78,000.00	
MOUNT PROSPECT	$ 654,779.00	5	$ 503,934.00	$ 150,845.00
MUNDELEIN	$ 130,344.00	1	$ -	$ 130,344.00
NAPERVILLE	$ 138,480.00	3	$ 35,174.00	$ 103,306.00
NORTH CHICAGO	$ 40,000.00	2	$ 40,000.00	
NORTHFIELD	$ 80,838.00	2	$ 80,838.00	
O'FALLON	$ 174,393.00	2	$ 174,393.00	
ORLAND HILLS	$ 143,196.00	2	$ 143,196.00	
ORLAND PARK	$ 77,276.38	1	$ 77,276.38	
PALATINE	$ 35,748.00	1	$ 35,748.00	
PEORIA	$ 1,190,960.09	16	$ 600,429.35	$ 590,530.74
QUINCY	$ 161,289.00	2		$ 161,289.00
ROCK ISLAND	$ 91,272.00	2	$ 91,272.00	
ROLLING MEADOWS	$ 39,734.00	1	$ 39,734.00	
SCHAUMBURG	$ 761,124.00	8	$ 343,718.00	$ 417,406.00
SCHILLER PARK	$ 94,206.82	3		$ 94,206.82
SHILOH	$ 2,721.20	1	$ 2,721.20	
SKOKIE	$ 90,007.00	3	$ 5,944.00	$ 84,063.00
SOUTH ELGIN	$ 81,110.00	1	$ 81,110.00	
STICKNEY	$ 213,000.00	2	$ 213,000.00	
STREAMWOOD	$ 211,572.00	1	$ -	$ 211,572.00
SWANSEA	$ 3,092.00	1	$ 3,092.00	
SYCAMORE	$ 123,575.53	2		$ 123,575.53
TOTAL	**$ 11,522,638.27**	**172**	**$ 6,024,332.90**	**$ 5,498,305.37**

[5]

[5] April 2011, Illinois Municipal League, "The High Cost of PSEBA Expansion", p.5

The following graph illustrates the total cost growth among the 50 survey respondents for combined police and firefighter PSEBA awards between the years 2003 and 2010. During the seven year period, the annual cost grew from $358,094 in 2003 to $2,783,812 by 2010 – an increase of 677%. The cumulative liability for the survey respondents over the seven year period was $11,522,638[6].

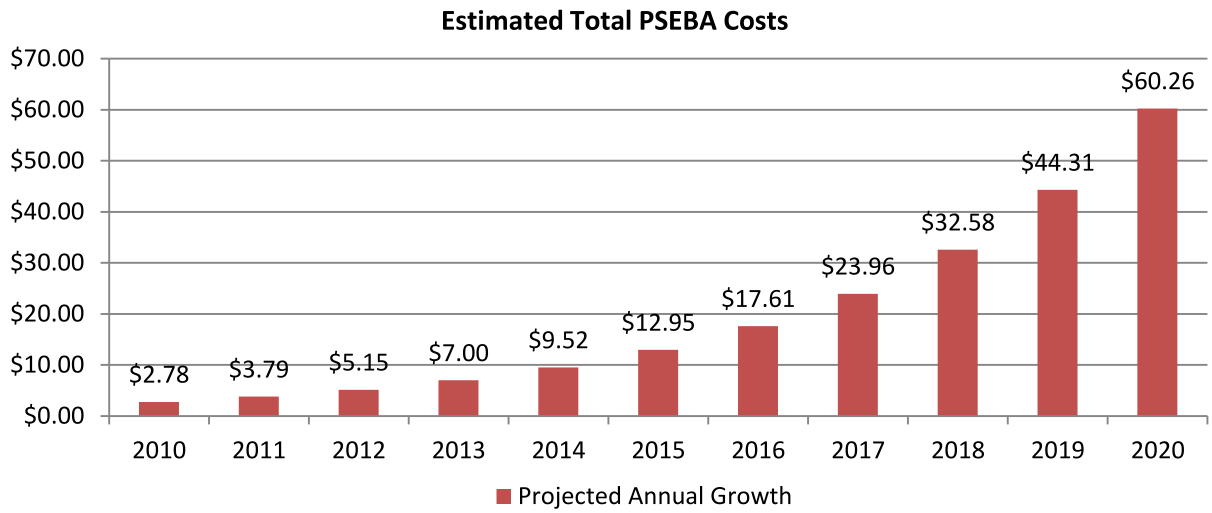


	1	2	3	4	5	6	7	8
Cumulative Growth	$0	$905,654	$1,697,957	$2,944,687	$4,445,894	$6,348,470	$8,738,826	$11,522,638
Annual Growth	$358,094	$547,560	$792,303	$1,246,729	$1,501,207	$1,902,576	$2,390,357	$2,783,812

The potential exists for significant growth in the cost burden for PSEBA benefits if costs are not curbed through sensible reforms. The cost of health care can be volatile, but historical trends suggest that the cost almost always increases and rarely, if ever, abates.

The following graph uses the average annual historical growth rate of 35% between 2003 and 2010 to project the growth of overall PSEBA costs through 2020. Based upon this methodology, the aggregate cost among the 50 municipalities in the survey would grow from $2.8 million in 2010 to $60.3 million by 2020. This is an exponential cost growth of 2068% over a ten year period. It should be noted that health insurance costs can be volatile and difficult to predict[7].

[6] April 2011, Illinois Municipal League, "The High Cost of PSEBA Expansion", p.6
[7] April 2011, Illinois Municipal League, "The High Cost of PSEBA Expansion", p.7



Recommendation: The available data reveals great cause for concern. In addition to coping with rising pension costs in future years, municipal governments must brace for the financial impact of drastic increases in the cost obligations associated with the provision of municipally-funded health insurance premiums to those employees eligible for PSEBA. The high cost of the benefit necessitates that a reasonable, clear, and equitable standard be adopted to ensure that the lifetime health insurance benefit is only being paid to those whose injuries are truly “catastrophic” in nature.

Senator Haine introduced SB 2014 to the General Assembly February 10, 2011 which sought to provide a clear and reasonable standard for what is considered a “catastrophic injury”. The bill tied a PSEBA benefit to the federal Public Safety Officers' Benefits (PSOB) program. The bill received a “subject matter only” hearing before the Senate Pensions and Investment Committee where the firefighter union was compelled to admit that the Act is subject to abuse. The Committee clearly indicated their preference for a solution that does not define “catastrophic injury.” During the 2012 spring session, IML staff worked with Senator Haine on an alternative solution that would be more acceptable to the public safety unions. The effort was ultimately abandoned for lack of sufficient municipal support. In 2013, the IML has formed a “PSEBA Working Group” to pursue reform and was successful in the passage of a Transparency Bill requiring employers and employees to provide essential information to the Commission of Government Forecasting and Accountability (COGFA). COGFA will in turn publish a biennial report, beginning June 2014 and then by January of each even numbered year. These reporting requirements are as follows:

<u>PSEBA Beneficiaries Must Provide to the Employer:</u>

1. Name of beneficiary
2. Date of birth
3. Name of employer providing PSEBA benefit
4. Date PSEBA benefit first became payable
5. Information about the qualifying injury
6. Current employment status
7. Current employer if employed
8. Enrollment of the former employee and/or spouse in health plan with new employer or other source
9. Whether the former employee and/or spouse was offered health insurance coverage from a new employer
10. Whether coverage offered in a spouse's health insurance plan was accepted
11. Whether coverage was offered by spouse's health insurance plan

The information above must be provided by the PSEBA recipient to the municipal employer providing the PSEBA benefit within 60 days after the recipient receives the form. If the recipient fails to comply, the employer shall notify the recipient that they have an additional 30 days to complete and submit the form. If non-compliance continues, the employer is permitted to seek reimbursement of health insurance premiums paid on behalf of the PSEBA recipient during the period of non-compliance.

PSEBA Employers Must Provide to COGFA:

1. Name of employer
2. Total number of PSEBA applications filed in aggregate and by individuals
3. Total number of beneficiaries and a list of each individual beneficiary
4. Total PSEBA cost and the cost for each individual beneficiary
5. Total number of applications filed since PSEBA became law and a list of each application by individual
6. Total number of benefits awarded since PSEBA became law and a list of each award by individual
7. Total cost of premiums paid and a list of premiums paid for each individual recipient since inception
8. Current annual cost of premiums paid in a list of the cost of the annual premium paid for each individual
9. Total annual cost of premiums paid for each year and a list of premiums paid for individuals by year
10. Description of health insurance benefits provided to each recipient
11. Total cost of health insurance premium payments to each recipient per month
12. Other costs including, but not limited to co-pays, out-of-pocket deductibles, pharmaceutical benefits and co-pays provided by the insurance policy, and limitations in the policy.

While the City of Bloomington views the new Transparency Bill as a step in the right direction, City Officials also requests that state legislators support legislation such as SB2014 which seeks to provide a clear and reasonable standard for what is considered a ―catastrophic injury” and to make Illinois law consistent with federal law by making the receipt of PSEBA benefits contingent upon eligibility for a benefit under the federal Public Safety Officers’ Benefits Act (PSOB). The PSOB provides a one-time financial benefit to police officers and firefighters that are killed or catastrophically injured while performing their duties. Eligible employees (or their families in the event of death) are entitled to a one-time benefit of $318,111.64. This benefit is paid by the federal government and indexed to inflation.

SB 2014 sought to amend the Illinois PSEBA law to require that an employee seeking the lifetime municipally funded health insurance benefit must first be awarded a benefit under the federal PSOB law. The federal PSOB law has been paying disability benefits for catastrophic injuries sustained by federal, state, and local law enforcement officers, firefighters, and members of public rescue squads since November 29, 1990. The federal law also has an existing process and a clear and sensible definition of ―catastrophic injury” for determining benefit eligibility.

Linking the award of PSEBA benefits with the sensible and already existing federal PSOB eligibility process will ensure that municipally-funded health insurance is available to former first responders that are unable to pursue gainful employment because of the severity of their injuries. The new standard will also ensure that municipal governments and their taxpayers are not paying the high cost to provide municipally-funded health insurance coverage to former employees who are working in other careers and have access to health insurance through other means.

Fiscal Reality in Arbitration Decisions

Amend the Illinois Public Labor Relations Act

The fundamental purpose of a municipal government is to champion the health, safety, and welfare of the citizens of the community. In order to fulfill this fundamental purpose, municipal officials must allocate the limited resources of a community to their best beneficial use. The Illinois Public Labor Relations Act is a State mandate that dictates procedures for a municipality's relationship with its unionized public safety employees and requires the use of binding arbitration. When binding arbitration occurs, the arbitrators make decisions that direct the allocation of the communities' limited financial resources. The arbitrators who make these policy decisions are neither elected by nor accountable to the citizens of a community. The ability to govern the affairs of a community outside of the political process is one that should be undertaken only with the utmost discretion and discernment, and arbitrators should take extraordinary precautions against usurping the democratic foundations of local government. Too often, arbitrators are insensitive to the democratic process as well as to the fiscal realities that exist in a community, such as in the case of Prospect Heights where an arbitrator used an arbitration decision to chastise the citizens of a community for rejecting a referendum to adopt home-rule status, which would have allowed the city council to raise taxes[8]. Arbitrators who inject themselves into the political process and base arbitration decisions on revenue streams that do not exist act in an unprofessional manner and do a disservice to the citizens of Illinois.

Recommendation: The City urges the governor, the members of the Illinois General Assembly, the Department of Labor, and the Illinois Public Labor Relations Board to reexamine the role that arbitrators play in the formulation of local obligations and to ensure that arbitrators consider the actual affordability and broader fiscal implications of their decisions and adjust those decisions accordingly.

[8] Illinois Municipal League 98th Annual Conference, "2011 Resolutions Approved During the IML 98th Annual Conference", http://legislative.iml.org/files/pages/7481/ResolutionsApproved-2011.pdf

Pension Sustainability

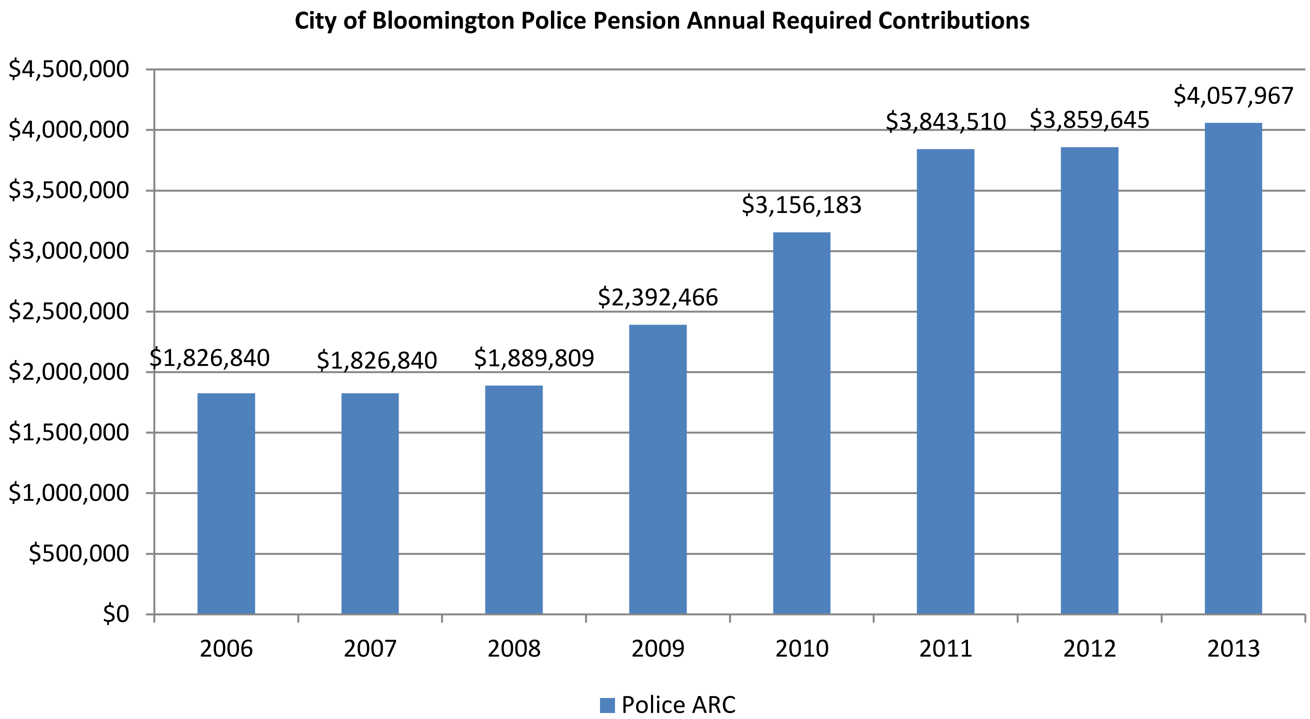
Find Common Resolve to Address the Pension Crisis

The growing pension obligations for Illinois municipal public safety employees is a tremendous concern for elected officials, taxpayers and employees. These concerns were initially outlined in a 2007 fiscal analysis of the police and firefighter pension systems published by the Illinois Municipal League to introduce several reforms into the police and firefighter pension systems concerning ethics, disclosure, and reporting requirements. Benefit reforms were enacted in 2010 that affect all new employees hired on or after January 1, 2011, yet these reforms included no changes to reduce the pension liabilities for existing employees. The 2010 legislation also provides for the diversion of Local Government Distributive Fund revenues to the police and fire pension funds beginning in 2016 if the full actuarially required contributions are not made by employers.

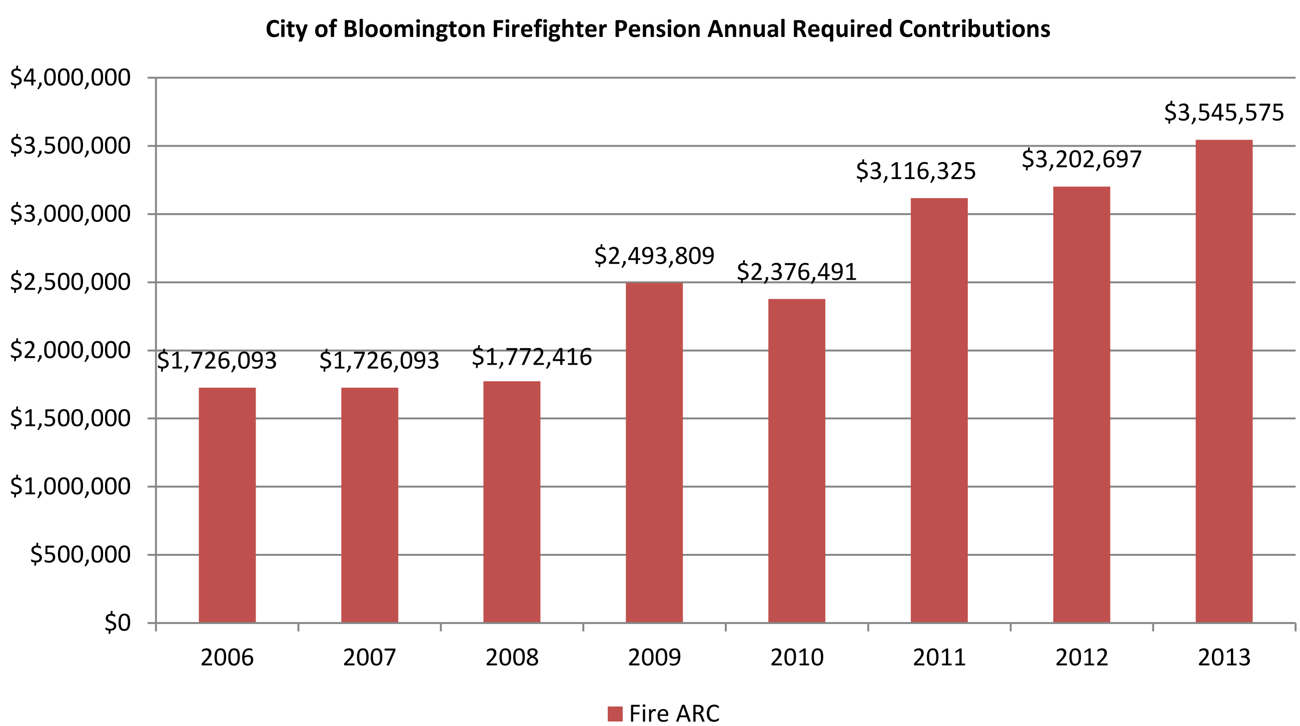
Legislation passed in 2011 now requires Police and Fire Pensions to be funded at 90% by Fiscal Year 2040. After researching Pension funding options, it was determined that the City's IMRF fund (the City's largest pension representing 1,045 members) was 82% funded while the Police and Fire Pensions with approximately 200 members were each lagging between 50% and 60% funded. To achieve the funding requirement the State recommends a minimum annual contribution. In analyzing this legislation it became evident that the annual contributions were minimal in the early years of the state's plan and then increase substantially in the last several years of the plan. In reviewing the City's finances these increases were determined to be unsustainable and would cause an inequitable tax burden on a future generation of tax payers. The City's Finance Department worked with the City Council, Police and Fire Pension Boards, its independent actuary, the Administration and Finance Committee, and the public to develop a Pension funding policy which would responsibly address the needs of future generations. In November 2013 the Bloomington City Council adopted a Pension funding policy which will result in full funding for both Police and Fire Pension Plans as well as providing over $68,000,000 of saving over the State's Minimum Plan.

This Pension funding policy, however, does not come without significant sacrifice and cost to the City. The newly established policy will cause an approximate $1.6 million increase in pension contributions in FY2015 and then increase on average $1.2 million for the next four years. This represents a five year phase in approach which will have a significant impact and strain on future City budgets.

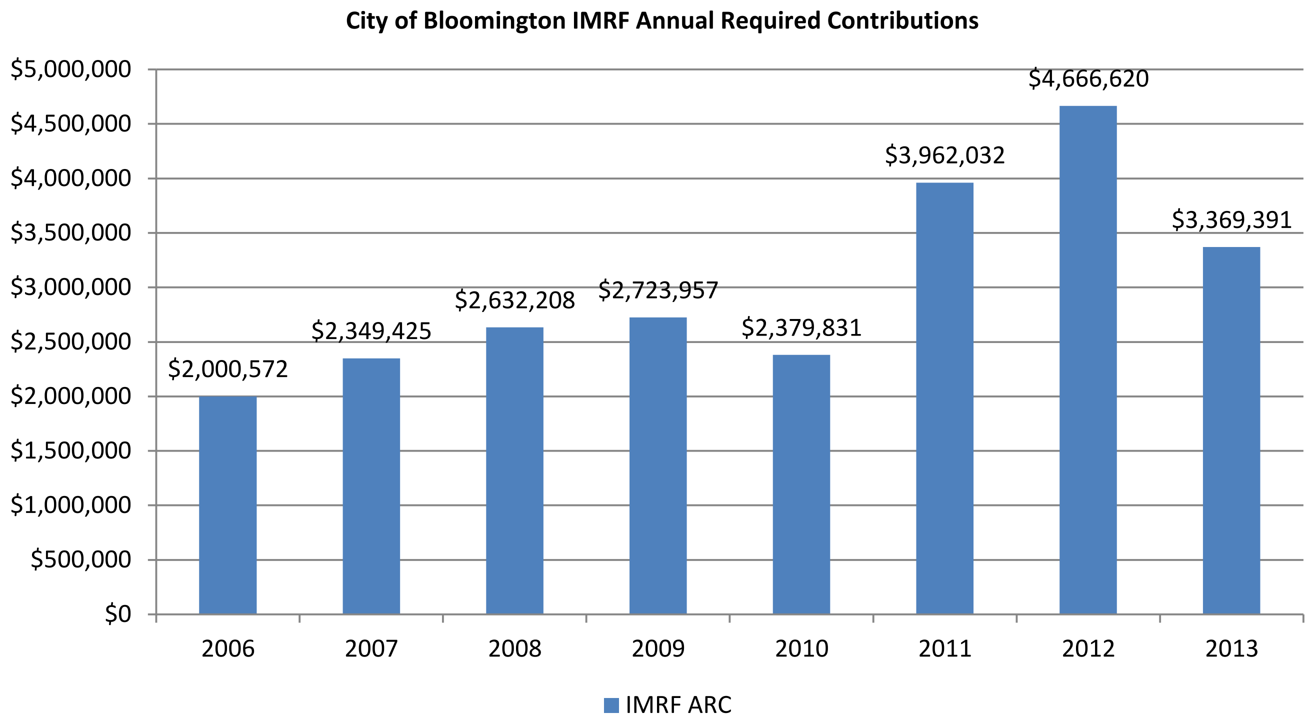
The following tables represent the City of Bloomington's Annual Required Contributions (ARC) to pensions from 2006 to 2013.



City of Bloomington Police Pension Annual Required Contributions
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
$1,826,840
$1,826,840
$1,889,809
$2,392,466
$3,156,183
$3,843,510
$3,859,645
$4,057,967
2006
2007
2008
2009
2010
2011
2012
2013
Police ARC

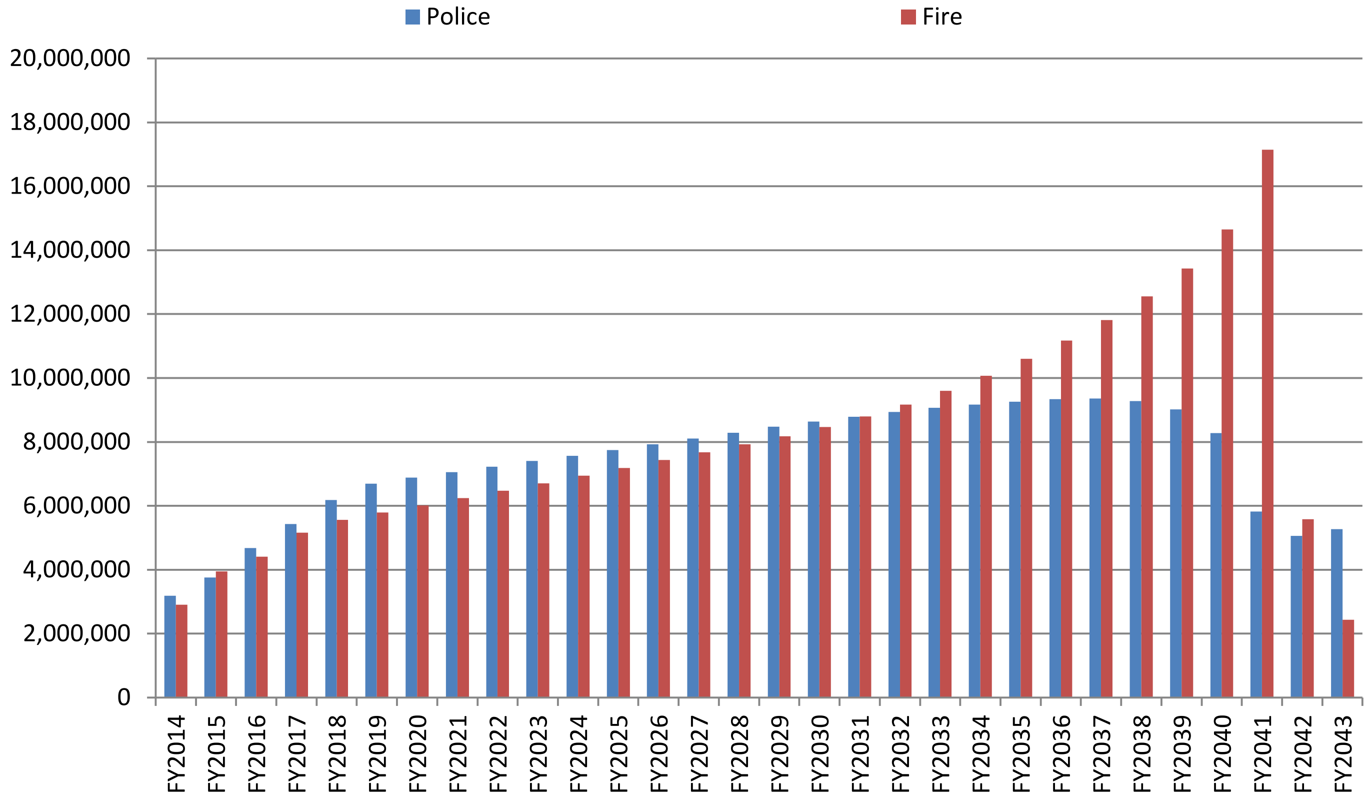


City of Bloomington Firefighter Pension Annual Required Contributions
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
$1,726,093
$1,726,093
$1,772,416
$2,493,809
$2,376,491
$3,116,325
$3,202,697
$3,545,575
2006
2007
2008
2009
2010
2011
2012
2013
Fire ARC

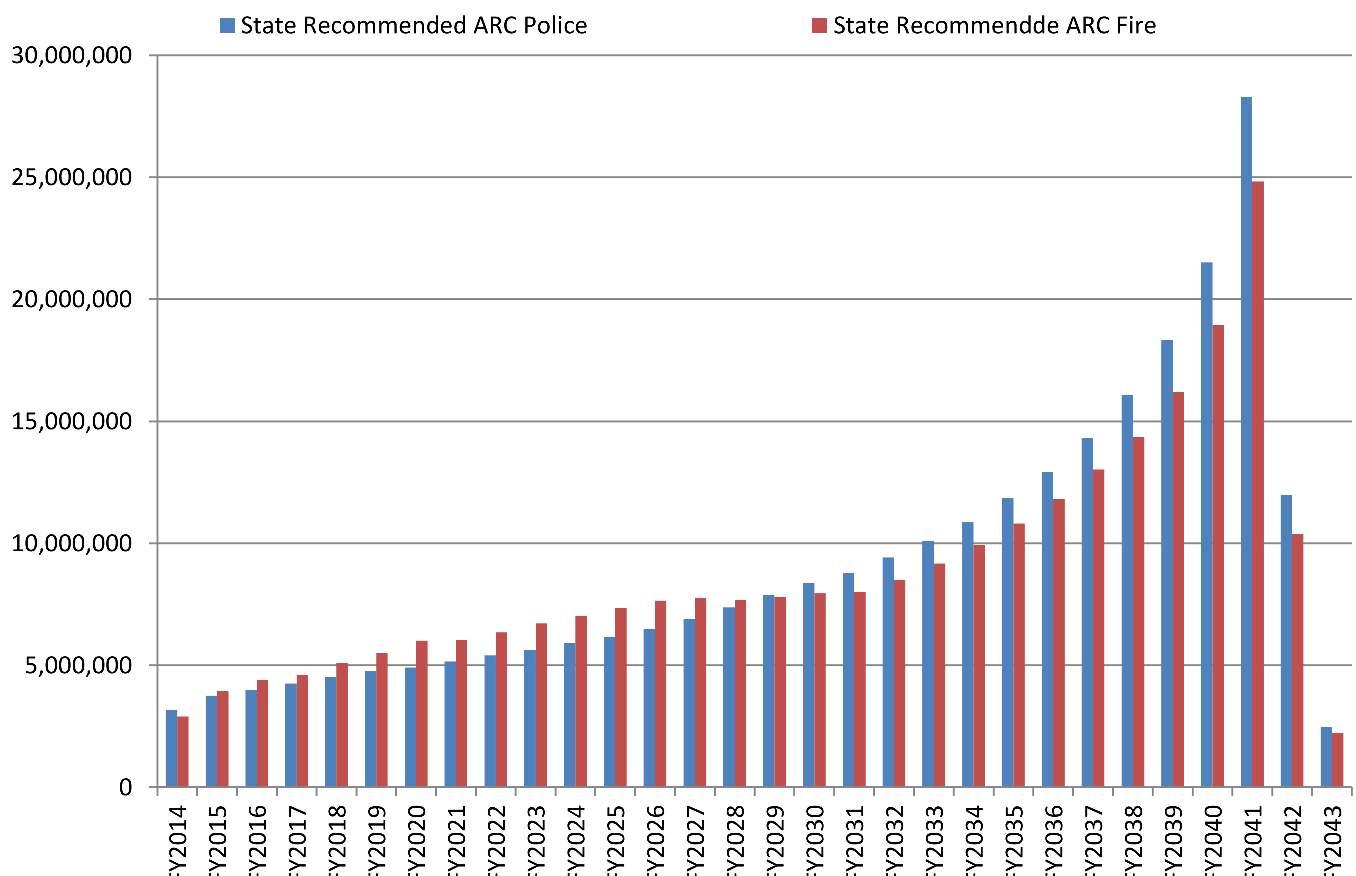


The following graph represents the City of Bloomington's recently adopted Pension Funding Policy for Police and Firefighters and the subsequent graph displays the Annual Required Contributions (ARC) mandated by the State from 2014 to 2043.

City Police and Fire Pension Funding Levels



Annual Required Contributions



Recommendation: 1) The General Assembly and Governor immediately begin discussions on the impending financial liabilities and sustainability of the benefit structure for existing employees that participate in the municipal police and firefighter pension funds. 2) The General Assembly and Governor encourage all interested parties to find common resolve to address the pension crisis and to realize that the municipal police and firefighter pension funds throughout Illinois need more to appropriately balance the interests of municipal taxpayers and public employees.

<u>**Bolster Illinois' Economic Development Climate**</u>

Prioritize and Support Legislation that Promotes Business Development and Attraction in Illinois

Each year, Development Counselors International (DCI), a New York-based marketing firm that specializes in economic development, asks hundreds of company executives to rank the 50 states as good or bad for business. Illinois continuously ranks number 3 in the country for bad business climates, right behind California and New York, two states that have been No.1 or 2 since the survey started in 1996. Almost 25 percent of the executives surveyed call Illinois' business climate unfavorable due to its fiscal problems/state budget deficits, high operating costs and taxes.

The Development Counselors International is not the only organization recognizing the challenging business climate presented by the State of Illinois. A few other headline grabbing statistics over the recent years has been as follows:

- Illinois has the **worst pension funding** of all 50 states *(Chicago Tribune, 7/31/13)*
- Illinois business **tax climate** is only 29th best in the U.S. *(Chicago Tribune, 7/7/13)*
- Illinois' jobless rate is the nation's **second-highest** *(Chicago Tribune, 7/7/13)*
- Illinois' **debt** sits at $97B and **unpaid bills** at $10B *(Chicago Tribune, 4/18/13)*
- Illinois' **credit rating** sinks to worst in nation *(Chicago Tribune, 1/25/13)*
- Illinois is among the worst states in the country for business because of the **legal climate** *(Chicago Tribune, 9/10/12)*
- Illinois among the top three states for **workers compensation** costs *(Peoria Journal Star, 2/27/12)*

Historically, the City of Bloomington has contributed more than $90,000 to the regional Economic Development Council (EDC) of the Bloomington-Normal Area as a means to bolster economic viability within the area. For FY 2014, $100,000 is again budgeted for this purpose. In 2011, the City budgeted funds to create the position of Economic Development Coordinator for business recruitment and retention analytic services; further strengthening the City's commitment to business retention and attraction. After two full years with an Economic Development Coordinator in place, the City has worked to improve the business climate by conducting more than 400 business meetings, assisting in the retention, expansion and attraction of projects whose property investments and job creation/retention represent more than $14,744,825 and 233 respectively, and advocating for efforts such as the expansion of the Bloomington/Normal/McLean County Enterprise Zone into Downtown Bloomington. In regards to retail development, the City has worked cooperatively with local developers to increase occupancy rates at targeted properties such as Colonial Plaza, Lakewood Plaza and Morrissey Crossing (formerly the Brandtville Shopping Center). In doing so, retailers and developers have committed to making investments of more than $2,000,000 in property improvements, the creation of 173 jobs and the projected generation of more than $230,000 in annual sales tax revenue for the City of Bloomington. In efforts to ensure the City's commitment and investment in the promotion of economic development for its citizens is not overshadowed by a poor statewide environment, the City is urging policy makers to prioritize legislation that promotes business development and attraction and addresses high business taxes.

One way to help bolster Illinois' economic climate is by requiring online retailers to collect sales tax on remote sales and remit the tax collected to the consumer's state. Currently, this responsibility rests on the consumer, many of which do not know that this is a requirement. Under the current system, the states are losing out on sales tax dollars and this is creating an unfair playing field for online companies. Typically, online retailers are able to charge 5-8% less than brick and mortar businesses for the same product since sales tax is not factored into the final price. Opponents of ―level playing field" legislation often cite that collecting and remitting sales tax to all 50 states with various rates and laws is too cumbersome and time consuming. The 1967 Supreme Court case *National Bellas Hess v. Illinois Department of Revenue*, set the stage for debate on taxing internet sales when, in its majority (5 to 4) opinion, the court ruled that: ―the many variations in rates of tax, in allowable exemptions, and in administrative and record-keeping requirements could entangle the company's interstate business in a virtual welter of complicated obligations to local jurisdictions." Today, software exists that will automatically add the proper sales tax to the purchase and will not ―entangle the company's interstate business in a virtual welter of complicated obligations to local jurisdictions." It is also important to note that this ruling does not eliminate sales tax for online purchases; it merely allows online vendors to push that burden onto consumers.

Recommendation: On March 24, 2014 the Bloomington City Council adopted a resolution in support of the bipartisan Marketplace Fairness Act (S. 336/H.R. 684) currently under consideration by the United States Congress. The Marketplace Fairness Act will help level the playing field for brick-and-mortar retailers, while restoring states' rights to establish and enforce collection of their own sales taxes. Currently, states are deprived of this right because they cannot compel online retailers and other out-of-state sellers to collect sales taxes, even though the tax on those purchases is currently due. Under existing tax laws, consumers are required to pay the sales tax on purchases made from out-of-state sellers directly to the state when the retailer does not collect it on their behalf. However, this requirement is an impractical and cumbersome burden on consumers, as well as inefficient tax collection policy. By correcting this inefficiency through the Marketplace Fairness Act, Congress will give states the ability to avoid increasing taxes on in state consumers and businesses.

The Illinois Department of Revenue released a report titled ―Estimating Illinois' E-Commerce Losses", to which an update was issued in June 2011. Within this report, the Department estimates losses of $197 million in sales tax revenue in FY 2013 as a result of online purchases. If this estimate holds true, based upon a high level calculation which indexes to the State's FY 2013 disbursements, the City of Bloomington has the potential to receive an additional $1,182,000 in sales tax revenue if the Marketplace Fairness Act is enacted.

The City of Bloomington requests that U. S. Senators Durbin and Kirk, and U. S. Congressmen Davis and Schock, State Senators Brady and Barickman, and State Representatives Brady and Sommer support the bipartisan Marketplace Fairness Act (S. 336/H.R. 684).

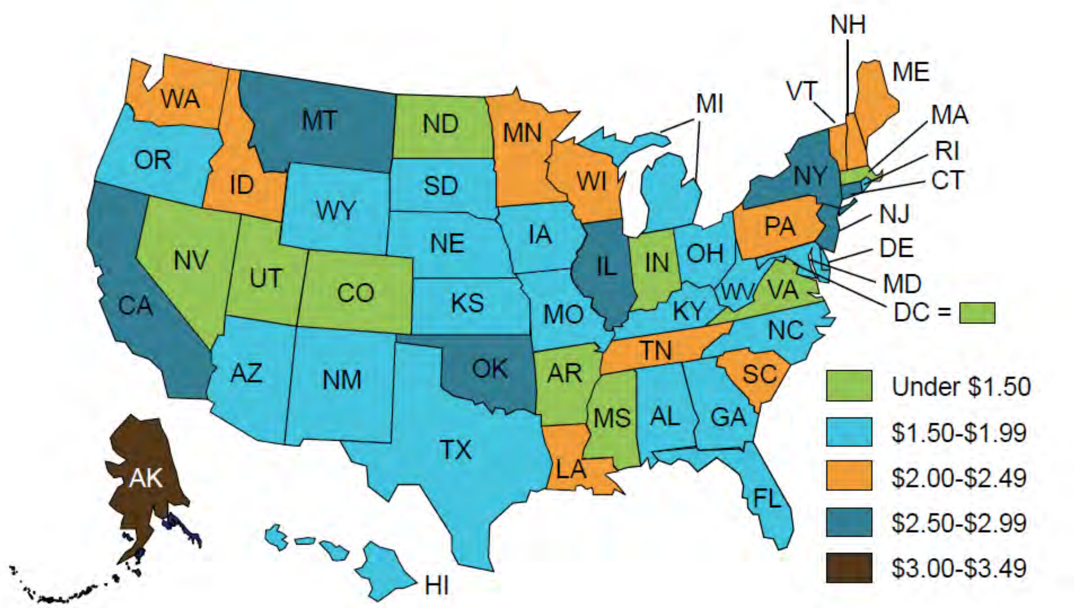
Workers' Compensation

Amend the Illinois Workers' Compensation Act

If the economy of the State of Illinois is to rebound, it must create incentives for employers to locate in Illinois. Workers' Compensation reform is an essential part of an incentive package. The City requests that substantive and major reforms are supported by legislators in a serious approach toward amending the Workers' Compensation Act so that businesses and industries will have an incentive to move to Illinois.

The City uses Alternative Services Concepts, LLC (ASC) as a third-party claims administrator. ASC represents clients in 47 different states. Their representatives have confirmed to staff that Illinois is one of the most expensive states for workers' compensation. As an example, medical costs for an identical bilateral carpel tunnel surgery are almost three times higher in Illinois than in Michigan. Litigation costs are double those in Michigan and payments for permanent partial disability are made in Illinois which would be ineligible for payment in Michigan. According to a 2012 Oregon Workers' Compensation Premium Rate Ranking Summary, the State of Illinois is the fourth most expensive state for workers' compensation benefits behind only Alaska, Connecticut, and California[9]. This represents a very real concern for the State of Illinois' as we compete amongst bordering states to attract and retain viable businesses. Indiana boasts the second lowest workers compensation rate in the nation, Arkansas ranked 3rd lowest, Missouri 16th lowest, Michigan 20th lowest, Ohio 24th lowest, and Iowa 28th lowest.

2012 Workers Compensation Premium Index Rates

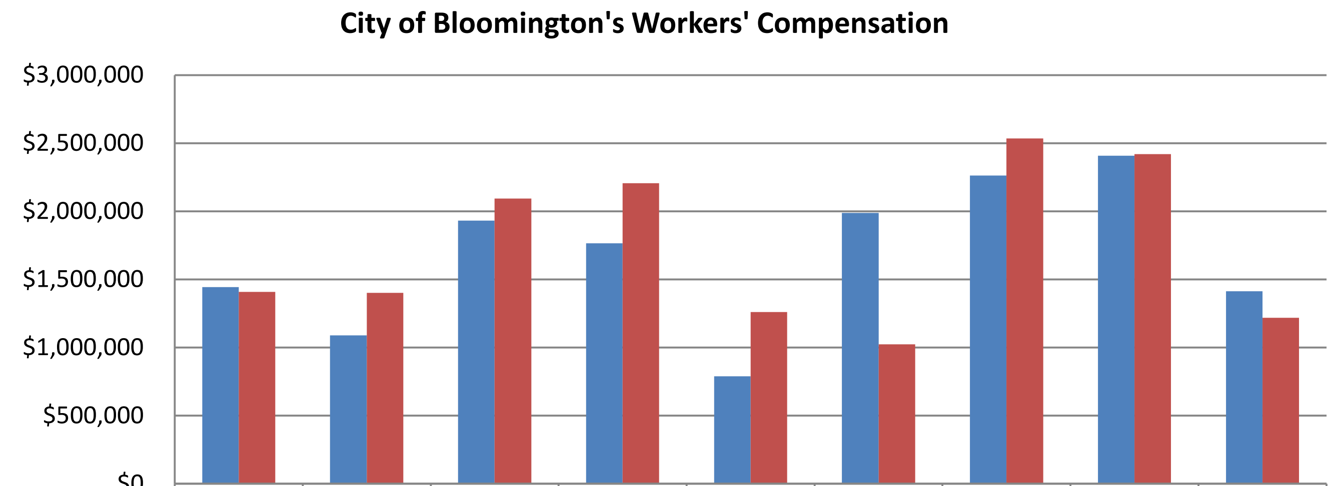


[9] "2012 Oregon Workers' Compensation Premium Rate Ranking Summary", http://actprod.cbs.state.or.us/iportal/report_catalog.html

Workers' Compensation Premium Rate Ranking

2012 Ranking	2010 Ranking	State	Index Rate	Percent of Median	Effective date	
1	2	Alaska	3.01	160%	January	2012
2	6	Connecticut	2.99	159%	January	2012
3	5	California	2.92	155%	January	2012
4	**3**	**Illinois**	**2.83**	**151%**	**January**	**2012**
5	13	New York	2.82	150%	October	2011
6	4	Oklahoma	2.77	147%	11/1/2011 State Fund, 1/1/2012 Private	
7	7	New Jersey	2.74	146%	January	2012
8	1	Montana	2.5	133%	July	2011
9	10	New Hampshire	2.4	128%	January	2012
10	8	Maine	2.24	119%	January	2012
12	14	Pennsylvania	2.15	114%	April	2011
12	19	Wisconsin	2.15	114%	October	2011
13	26	Washington	2.11	112%	January	2012
14	18	Vermont	2.07	110%	April	2011
15	25	Louisiana	2.06	110%	October	2011
16	12	South Carolina	2.04	109%	July	2011
17	16	Minnesota	2.03	108%	January	2012
19	20	Tennessee	2.02	107%	November	2011
19	29	Idaho	2.02	107%	January	2012
20	28	Rhode Island	1.99	106%	June	2011
21	10	Alabama	1.97	105%	March	2011
22	15	Kentucky	1.96	104%	October	2011
23	28	South Dakota	1.91	102%	July	2011
25	36	Iowa	1.9	101%	January	2012
25	23	North Carolina	1.9	101%	April	2011
27	24	Georgia	1.88	100%	March	2011
27	32	New Mexico	1.88	100%	January	2012
28	17	Ohio	1.84	98%	July	2011
29	40	Florida	1.82	97%	January	2012
30	34	Delaware	1.77	94%	December	2011
31	37	Wyoming	1.74	92%	January	2012
32	23	Michigan	1.73	92%	January	2012
33	30	Nebraska	1.71	91%	February	2011
34	42	Maryland	1.68	89%	January	2012
35	40	Hawaii	1.66	88%	January	2012
36	33	Missouri	1.62	86%	January	2012
37	38	Arizona	1.61	86%	January	2012
38	12	Texas	1.6	85%	June	2011
39	41	Oregon	1.58	84%	January	2012
40	35	West Virginia	1.55	82%	November	2011
41	43	Kansas	1.54	82%	January	2012
42	31	Mississippi	1.49	79%	March	2012
43	47	Colorado	1.42	76%	January	2012
44	44	Massachusetts	1.37	73%	September	2011
45	45	Utah	1.35	72%	December	2011
46	21	Nevada	1.33	71%	March	2011
47	48	District of Columbia	1.28	68%	November	2011
48	47	Virginia	1.2	64%	April	2011
49	49	Arkansas	1.19	63%	July	2011
50	50	Indiana	1.16	62%	January	2012
51	51	North Dakota	1.01	53%	July	2011

Premium rate indices are calculated based on data from 51 jurisdictions, for rates in effect as of Jan. 1, 2012. Illinois' premium rate index is $2.83 per $100 of payroll, or 151 percent of the national median. National premium rate indices range from a low of $1.01 in North Dakota to a high of $3.01 in Alaska. The 2012 median value is $1.88, which is a drop of 8 percent from the $2.04 median in the 2010 study. One jurisdiction has an index rate in the $3.00-$3.49 range; 7 are in the $2.50-$2.99 range; 11 are in the $2.00-$2.49 range; 22 are in the $1.50-$1.99 range; and 10 have indices under $1.50.



	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Paid	$1,443,101	$1,088,606	$1,932,737	$1,765,922	$789,394	$1,988,141	$2,262,981	$2,408,209	$1,412,452
Total Incurred	$1,408,294	$1,402,301	$2,093,089	$2,205,175	$1,260,992	$1,024,352	$2,534,219	$2,419,262	$1,217,900

*Numbers taken from financial audits

The National Council on Compensation Insurance, which has noted that since 2006 the total average increase in Illinois workers' compensation rates has been 16.4%, whereas during the same period, average rates for workers' compensation nationwide **decreased** 17.1%.

Recommendation**:** On behalf of municipal taxpayers, as well as the financial well-being of the State as a whole, the City asks that substantive and major reforms are supported by legislators in a serious approach toward amending the Workers' Compensation Act so that businesses and industries will have an incentive to move to Illinois. More specifically, the City encourages you to take the following positions on the proposed bills listed below:

Bill Number:	**HB 3736**
GA Bill Page:	WORKERS COMP-MISCONDUCT
Session:	98th General Assembly
House Sponsor:	Dwight Kay (H-112)
Senate Sponsor:	None
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that no employer shall be required to pay temporary partial disability benefits to an employee who has been discharged for cause. Provides that, following a hearing, the Illinois Workers' Compensation Commission may reinstate the temporary partial benefits and retroactively restore any benefits the employer should have paid if it finds the employer's discharge of the employee was not for cause. Makes technical changes. Effective immediately.
GA Last Action:	Referred to Rules Committee

Bill Number:	**HB 3737**
GA Bill Page:	WORKERS COMP-TRAVEL-CAUSATION
Session:	98th General Assembly
House Sponsor:	Dwight Kay (H-112)
Senate Sponsor:	None
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that an employee who is required to travel in connection with his or her employment and who suffers an injury while in travel status shall be eligible for benefits only if the injury arises out of and in the course of employment while he or she is actively engaged in the duties of employment. Defines “accident" and "injury". Provides that "injury" includes the aggravation of a pre-existing condition by an accident arising out of and in the course of the employment, but only for so long as the aggravation of the pre-existing condition continues to be the major contributing cause of the disability. Provides that an injury resulting directly or indirectly from idiopathic causes is not compensable. Effective immediately.
GA Last Action:	Referred to Rules Committee

Bill Number:	**HB 3740**
GA Bill Page:	WORKER COMP-VARIOUS
Session:	98th General Assembly
House Sponsor:	Dwight Kay (H-112)
Senate Sponsor:	None
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that an employee who is required to travel in connection with his or her employment and who suffers an injury while in travel status shall be eligible for benefits only if the injury arises out of and in the course of employment while he or she is actively engaged in the duties of employment. Defines "accident" and "injury". Provides that "injury" includes the aggravation of a pre-existing condition by an accident arising out of and in the course of the employment, but only for so long as the aggravation of the pre-existing condition continues to be the major contributing cause of the disability. Provides that an injury resulting directly or indirectly from idiopathic causes is not compensable. Further provides that, with respect to the computation of compensation to be paid to an employee who had previously sustained an injury resulting in payment of compensation for partial disability for injuries not involving serious and permanent disfigurement and injuries for which the Act provides a schedule of benefits, the amount of the prior award for the partial disability with respect to the same portion of the body shall be deducted. Limits cumulative awards for partial disability to 500 weeks, which shall constitute a complete loss of use of the body as a whole. Provides that no employer shall be required to pay temporary partial disability benefits to an employee who has been discharged for cause. Provides that injuries to the shoulder are deemed to be injuries to the arm and injuries to the hip are deemed to be injuries to the leg. Provides for the computation of compensation when there are multiple employers and when there is less than full-time work. Effective immediately.
GA Last Action:	Referred to Rules Committee

Bill Number:	**SB 2622**
GA Bill Page:	WORKERS COMP-TRAVEL-CAUSATION
Session:	98th General Assembly
House Sponsor:	None
Senate Sponsor:	Kyle McCarter (S-54)
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that an employee who is required to travel in connection with his or her employment and who suffers an injury while in travel status shall be eligible for benefits only if the injury arises out of and in the course of employment while he or she is actively engaged in the duties of employment. Defines "accident" and "injury". Provides that "injury" includes the aggravation of a pre-existing condition by an accident arising out of and in the course of the employment, but only for so long as the aggravation of the pre-existing condition continues to be the major contributing cause of the disability. Provides that an injury resulting directly or indirectly from idiopathic causes is not compensable. Effective immediately.
GA Last Action:	Referred to Assignments

Bill Number:	**SB 2623**
GA Bill Page:	WORKERS COMP-ARM-SHOULDER-COMP
Session:	98th General Assembly
House Sponsor:	None
Senate Sponsor:	Kyle McCarter (S-54)
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that, with respect to the computation of compensation to be paid to an employee who had previously sustained an injury resulting in payment of compensation for partial disability for injuries not involving serious and permanent disfigurement and injuries for which the Act provides a schedule of benefits, the amount of the prior award for the partial disability with respect to the same portion of the body shall be deducted. Limits cumulative awards for partial disability to 500 weeks, which shall constitute a complete loss of use of the body as a whole. Provides that injuries to the shoulder are deemed to be injuries to the arm and injuries to the hip are deemed to be injuries to the leg. Effective immediately.
GA Last Action:	Referred to Assignments

Bill Number:	**SB 2624**
GA Bill Page:	WORKER COMP-VARIOUS
Session:	98th General Assembly
House Sponsor:	None
Senate Sponsor:	Christine Radogno (S-41)
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that an employee who is required to travel in connection with his or her employment and who suffers an injury while in travel status shall be eligible for benefits only if the injury arises out of and in the course of employment while he or she is actively engaged in the duties of employment. Defines "accident" and "injury". Provides that "injury" includes the aggravation of a pre-existing condition by an accident arising out of and in the course of the employment, but only for so long as the aggravation of the pre-existing condition continues to be the major contributing cause of the disability. Provides that an injury resulting directly or indirectly from idiopathic causes is not compensable. Further provides that, with respect to the computation of compensation to be paid to an employee who had previously sustained an injury resulting in payment of compensation for partial disability for injuries not involving serious and permanent disfigurement and injuries for which the Act provides a schedule of benefits, the amount of the prior award for the partial disability with respect to the same portion of the body shall be deducted. Limits cumulative awards for partial disability to 500 weeks, which shall constitute a complete loss of use of the body as a whole. Provides that no employer shall be required to pay temporary partial disability benefits to an employee who has been discharged for cause. Provides that injuries to the shoulder are deemed to be injuries to the arm and injuries to the hip are deemed to be injuries to the leg. Provides for the computation of compensation when there are multiple employers and when there is less than full-time work. Effective immediately.
GA Last Action:	Referred to Assignments

Bill Number:	**SB 2625**
GA Bill Page:	WORKERS COMP-MISCONDUCT
Session:	98th General Assembly
House Sponsor:	None
Senate Sponsor:	Kyle McCarter (S-54)
City Position:	**Endorse**
Analysis:	Amends the Workers' Compensation Act. Provides that no employer shall be required to pay temporary partial disability benefits to an employee who has been discharged for cause. Provides that, following a hearing, the Illinois Workers' Compensation Commission may reinstate the temporary partial benefits and retroactively restore any benefits the employer should have paid if it finds the employer's discharge of the employee was not for cause. Makes technical changes. Effective immediately.
GA Last Action:	Referred to Assignments

Prevailing Wage Act

Oppose HB 924 which seeks to introduce new burdensome requirements for the Prevailing Wage Act

House Bill 924 seeks to require contractors and subcontractors to: 1) comply with Responsible Bidder requirements to qualify for public works projects at the local level; and 2) include in each bid an estimated total number of straight-time work hours to be performed by minorities and females, as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, for each craft or type of worker or mechanic needed to execute the contract.

Responsible Bidder Requirements Will Prevent Small Contractors to Bid and Work on Local Government and Private Development Projects. Current law regarding the responsible bidder requirements only apply to contracts covered by the state procurement code (IDOT & CDB projects). Small contractors have been experiencing serious problems with the requirement of ―participation” in a USDOL approved apprentice and training programs. Many are unable to comply with this requirement. If this bill is enacted, this requirement would be extended to all public works projects including local government projects and private development that receive state or local assistance. It is not feasible or financially viable for small contractors to have a USDOL approved apprentice and training program. The result is that small contractors will be shut out of bidding local construction work and local workers working for those contractors will be out of work.

Additional Bid Information Requirements Are Overly Burdensome, Will Reduce Competition and Raise Construction Costs for Taxpayers. City staff believes that the provisions will be difficult for contractors to comply with as both union and nonunion contractors will be unable to ascertain the number of hours and who exactly will be working on the project in their bid. There is concern if the contractor ―estimates” and is wrong will they be penalized.

Unintended consequences of this measure is the likely compliance difficulty for small contractors who more and more are inclined to NOT to bid on public works projects because of the complication of compliance with the Prevailing Wage Act and the burdensome reporting requirements. Fewer bidders lessen competition and increase the cost of projects for taxpayers. It also makes it more difficult for local government units to procure local contractors and use local labor. The bill adds additional issues for local government units to have to administer and monitor.

OPPONENTS

Associated Builders & Contractors
Chicagoland Chamber of Commerce
DuPage Mayors and Managers Conference
IL Assn. of County Board Members & Commissioners
Illinois Assn. of County Engineers
Illinois Black Chamber of Commerce
Illinois Chamber of Commerce
Illinois Construction Industry Committee
Illinois Electronic Security Assn.
Illinois Landscape Contractors Assn.
Illinois Movers & Warehousemen's Assn.
Illinois Municipal League
Illinois Road & Transportation Builders Assn.
IL Section, American Water Works Assn.
Illinois State Council-SHRM
Illinois Statewide School Management Alliance
Lake County Municipal League
McLean County
Metro Counties Assn.
Midwest Truckers Association
National Federation of Independent Business
Northwest Municipal Conference
South Suburban Mayors & Managers Association
Township Officials of Illinois
Women Construction Owners & Executives

IDOT District 5 Five Year Budget

Strongly Encourage IDOT to Responsibly Fund Vital Infrastructure Projects within District 5

The Illinois Department of Transportation's (IDOT) five year spending plan proposes drastically reduced funds for District 5 which includes McLean County, Champaign County, DeWitt County, Edgar County, Piatt County and Vermillion County. Over the next five years, the state plans to spend $176 million in District 5 which encompasses 1,308 miles of roadway and 672 bridges. In other words, that is $134,557 per mile or $261,905 per bridge. In both these instances, District 5 ranks the lowest. For Dollars per Vehicle Miles Daily Travel, District 5 receives $19,820,285 less than the second lowest funded District in this category and $560,033 less per mile of road. The following tables represent a breakdown of IDOT's five year spending plan by district:

Sorted by $/Million Miles of Daily Travel

Region	District	Population	Miles of Roadway	Vehicle Miles Daily Travel (Million Miles)	Number of Bridges	5 Year Plan Budget	$/Mile	Vehicle Miles Daily Travel $/Million Miles	$/Bridge	$/per capita
3	**5**	524,124	1,308	9.4	672	$176,000,000	$134,557	$18,723,404	$261,905	$335.80
4	**6**	539,472	2,083	10.3	844	$397,000,000	$190,590	$38,543,689	$470,379	$735.90
5	**9**	349,945	1,469	8.7	756	$337,000,000	$229,408	$38,735,632	$445,767	$963.01
4	**7**	397,439	1,636	9	777	$379,000,000	$231,663	$42,111,111	$487,773	$953.61
5	**8**	757,414	1,802	15.9	975	$695,000,000	$385,683	$43,710,692	$712,821	$917.60
2	**3**	615,059	1,696	11	776	$501,000,000	$295,401	$45,545,455	$645,619	$814.56
3	**4**	549,264	1,631	9.3	683	$426,000,000	$261,189	$45,806,452	$623,719	$775.58
2	**2**	781,265	1,614	10.3	818	$513,000,000	$317,844	$49,805,825	$627,139	$656.63

Sorted by $/Mile

Region	District	Population	Miles of Roadway	Vehicle Miles Daily Travel (Million Miles)	Number of Bridges	5 Year Plan Budget	$/Mile	Vehicle Miles Daily Travel $/Million Miles	$/Bridge	$/per capita
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Sorted by $/Per Capita				Vehicle Miles Daily Travel				Vehicle Miles Daily Travel		
Region	District	Population	Miles of Roadway	(Million Miles)	Number of Bridges	5 Year Plan Budget	$/Mile	$/Million Miles	$/Bridge	$/Per Capita
3	**5**	524,124	1,308	9.4	672	$176,000,000	$134,557	$18,723,404	$261,905	$335.80
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Sorted by $/Bridge				Vehicle Miles Daily Travel				Vehicle Miles Daily Travel		
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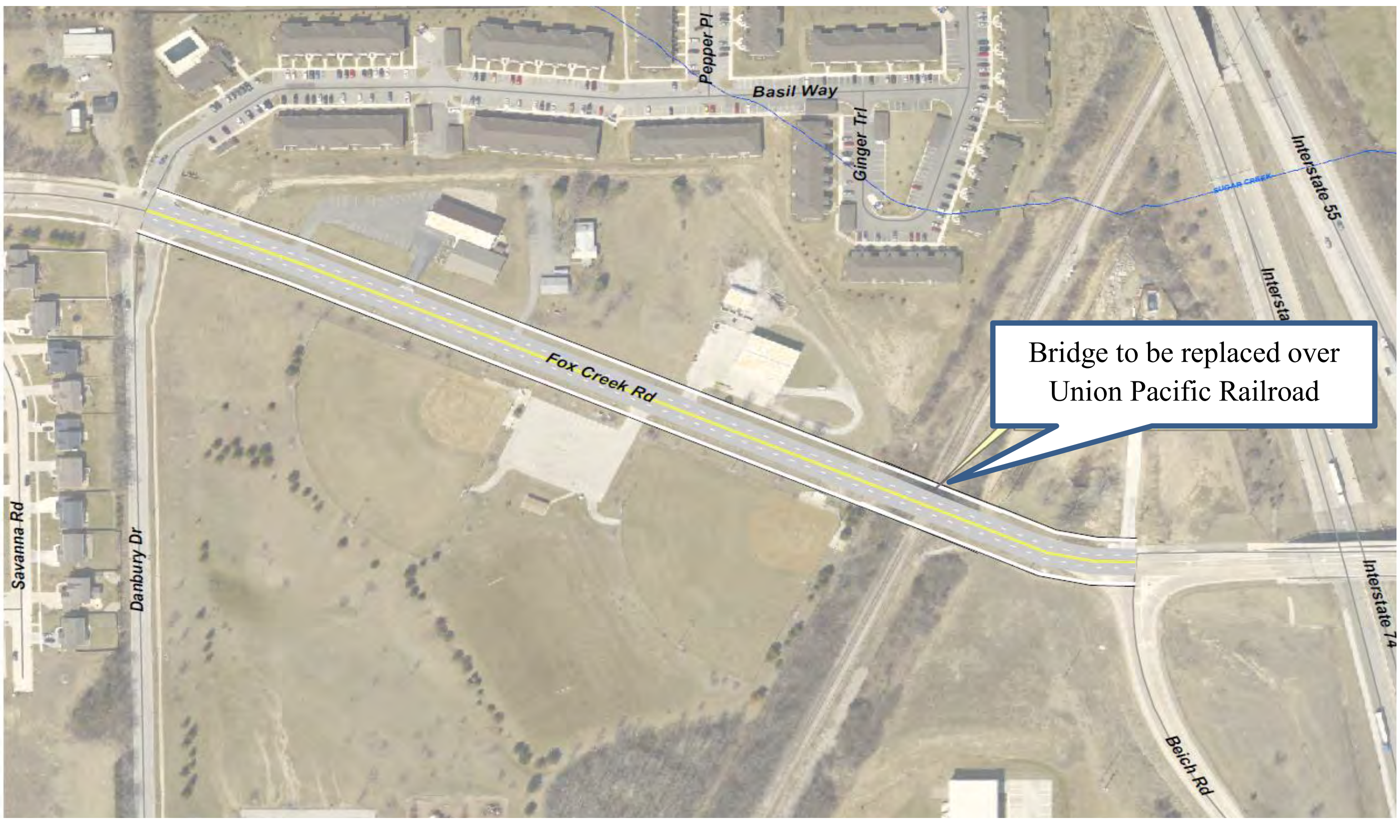
***Recommendation*:** IDOT is one of the biggest customers for the local construction industry, and less funding means less jobs. Strongly encourage IDOT to responsibly fund vital infrastructure projects within District 5.

Fox Creek Over Union Pacific Railroad (UPRR)
**Unfunded Project

Project

The current Fox Creek Road Bridge over the Union Pacific Railroad is currently two lanes with no pedestrian accommodations. The proposed bridge will have a four lane section to match the roadway east of the bridge and accommodations for the recreation trail along the north side of Fox Creek Road and a 5' sidewalk on the south side. New storm sewers and water main will also be installed.



Financial Impact

The early conceptual estimates for this project are between $3,000,000 and $5,000,000.

Fox Creek Road Reconstruction: Danbury to Union Pacific

**Unfunded Project

Project

This section of Fox Creek Road is currently a two lane rural cross section with shoulders and ditches. This project will reconstruct Fox Creek Road as a four lane urban section with curb and gutter along with a recreation trail on the north side. The project, along with the replacement of the Fox Creek Road Bridge over the UPRR, will eliminate a traffic bottle neck between the four-lane roadway sections constructed over the last decade on either side of this location. New storms sewers and water main will also be installed.

Financial Impact

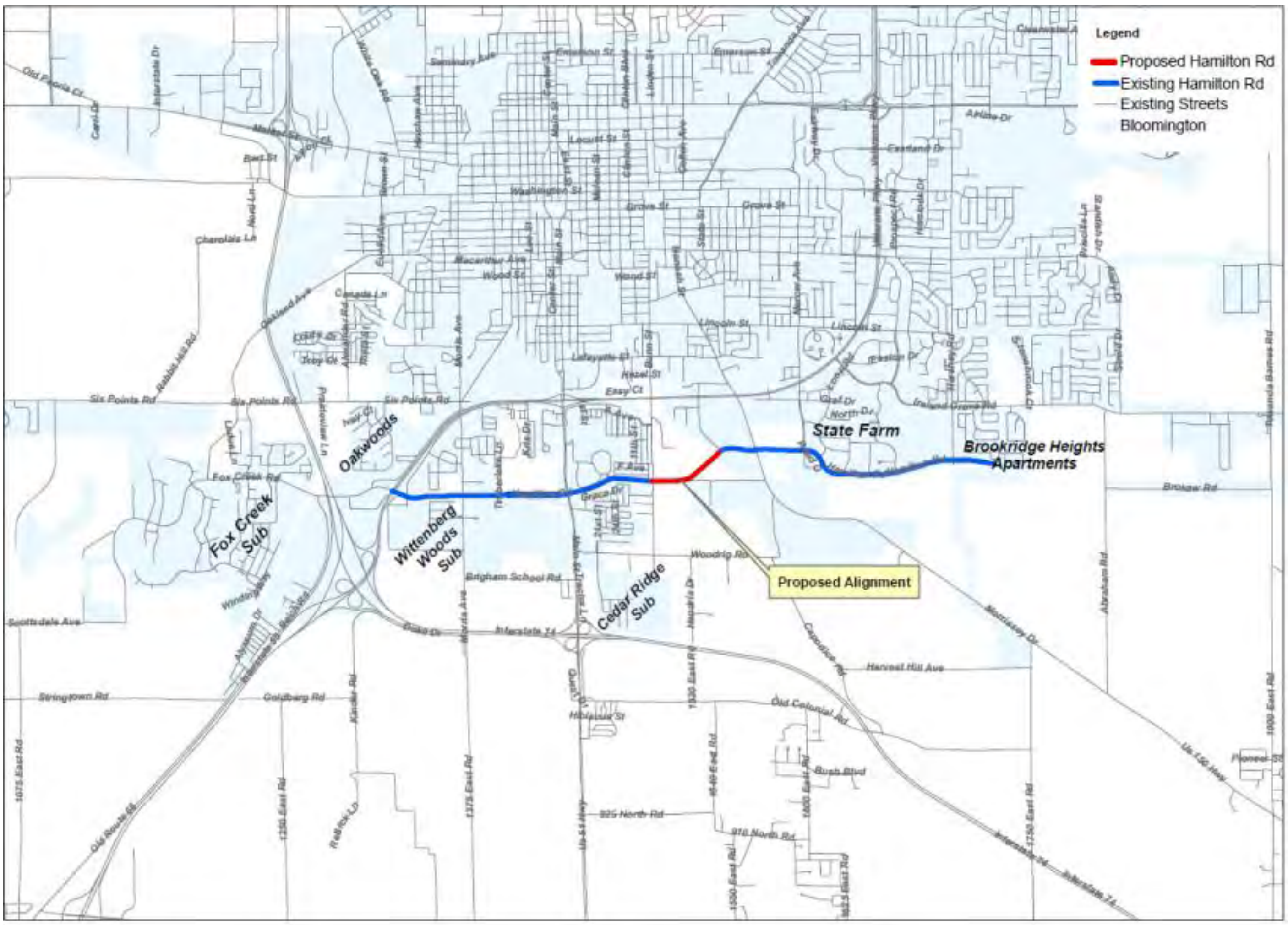
The preliminary estimate for the Fox Creek Road Bridge is $3,885,000. The Fox Creek Road Bridge project is shown in the Illinois Commerce Commission's FY 2015-2019 Grade Crossing Improvement Program. This qualifies the project for 60% funding from the State. It appears to be programmed for FY 2018. The design firm of Alfred Benesch Inc. was recently hired by the City to complete the design of both the Fox Creek Bridge and road improvements. The preliminary estimate for the reconstruction of Fox Creek Road from Danbury to Beich is $1,850,000.

Hamilton Road: Bunn - Commerce

**Unfunded Project

Project

This is the last section of Hamilton Road needed to complete this four lane arterial from Veterans Parkway to Hershey Road. This project includes crossing the Norfolk Southern Railroad at grade. Rhodes Lane will be redirected to "tee" into the new Hamilton Road. Rhodes Lane will have new cul-de-sac that will cut off access to Morrissey Drive.



Financial Impact

The total project cost is projected to be $14,500,000. Recent discussions with the railroad and Illinois Commerce Commission (ICC) have revealed that relocation of the Norfolk Southern storage yards will be required for project approval. This is reflected in the increased costs provided.

City of Bloomington
Strategic Plan
2010 – 2015

Includes: Vision 2025, Mission Statement, Core Beliefs, *2010 > 2015 > 2025 Strategic Plan Goals*, and City Manager's Proposed Action Plan for FY2015

Vision 2025

Bloomington 2025 is a beautiful, family friendly city with a downtown – the heart of the community and great neighborhoods. The City has a diverse local economy and convenient connectivity. Residents enjoy quality education for a lifetime and choices for entertainment and recreation. Everyone takes pride in Bloomington.

"Jewel of Midwest Cities"

Mission

The Mission of the City of Bloomington is to be financially responsible providing quality, basic municipal services at the best value. The city engages residents and partners with others for community benefit.

Core Beliefs

Enjoy **S**erving Others

Produce Results

Act with **I**ntegrity

Take **R**esponsibility

Be **I**nnovative

Practice **T**eamwork

Show the **SPIRIT**!!

2015 Strategic Plan Goals

Goal	**1. Financially Sound City Providing Quality Basic Services**
Objective	a. Budget with adequate resources to support defined services and level of services b. Reserves consistent with city policies c. Engaged residents that are well informed and involved in an open governance process d. City services delivered in the most cost-effective, efficient manner e. Partnering with others for the most cost-effective service delivery
Goal	**2. Upgrade City Infrastructure and Facilities**
Objective	a. Better quality roads and sidewalks b. Quality water for the long term c. Functional, well maintained sewer collection system d. Well-designed, well maintained City facilities emphasizing productivity and customer service e. Investigating in the City's future through a realistic, funded capital improvement program
Goal	**3. Strong Neighborhoods**
Objective	a. Residents feeling safe in their homes and neighborhoods b. Upgraded quality of older housing stock c. Preservation of property/home valuations d. Improved neighborhood infrastructure e. Strong partnership with residents and neighborhood associations f. Residents increasingly sharing/taking responsibility for their homes and neighborhoods
Goal	**4. Grow the Local Economy**
Objective	a. Retention and growth of current local businesses b. Attraction of new targeted businesses that are the "right" fit for Bloomington c. Revitalization of older commercial homes d. Expanded retail businesses e. Strong working relationship among the City, businesses, economic development organizations
Goal	**5. Great Place – Livable, Sustainable City**
Objective	a. Well-planned City with necessary services and infrastructure b. City decisions consistent with plans and policies c. Incorporation of "Green Sustainable" concepts into City's development and plans d. Appropriate leisure and recreational opportunities responding to the needs of residents e. More attractive city: commercial areas and neighborhoods
Goal	**6. Prosperous Downtown Bloomington**
Objective	a. More beautiful, clean Downtown area b. Downtown Vision and Plan used to guide development, redevelopment and investments c. Downtown becoming a community and regional destination d. Healthy adjacent neighborhoods linked to Downtown e. Preservation of historic buildings

City Manager's FY2015 Action Plan

Action Item #	Description	Goal	Status	Goals for FY 2015
1	**Five Year Capital Improvement Program:** *Staff to complete and present to Council*	Goal #1: Financially Sound City Providing Quality Basic Services	Not Started	Present the Five Year Capital Improvement Program to Council for Adoption - outlines all projects and funding.
2	**Stormwater Master Plan:** *Staff to complete and present to Council*	Goal #2: Upgrade City Infrastructure and Facilities	In Progress	Present Final Stormwater Master Plan for Council Adoption, Present a 5-year Stormwater Capital Improvement Program (CIP) - (1) funding plan based on existing SW projected fees, (2) option for 5-years of capital projects based on a fee increase
3	**Sanitary Sewer Master Plan:** *Staff to complete and present to Council*	Goal #2: Upgrade City Infrastructure and Facilities	In Progress	Present Final Sanitary Sewer Master Plan for Council Adoption, Present a 5-year Sanitary Sewer Capital Improvement Program (CIP) - (1) funding plan based on existing SS projected fees, (2) option for 5-years of capital projects based on a fee increase.
4	**Sidewalk Master Plan:** *Staff to complete and present to Council*	Goal #2: Upgrade City Infrastructure and Facilities	In Progress	Present Sidewalk Master Plan to Council for Adoption
5	**Facilities Master Plan:** *Staff to complete and present to Council*	Goal #2: Upgrade City Infrastructure and Facilities	In Progress	Present Facilities Master Plan to Council for Adoption. This will include all City Buildings including Fire Stations.
6	**Downtown Streetscape Master Plan:** *Staff to complete the plan and present to Council*	Goal #5: Prosperous Downtown Bloomington	In Progress	Present Downtown Streetscape Master Plan to Council for Adoption.
7	**Street Master Plan:** *Staff to begin the process*	Goal #2: Upgrade City Infrastructure and Facilities	Not Started	Present Draft Street Master Plan to Council.
8	**Water Master Plan:** *Staff to begin the process*	Goal #2: Upgrade City Infrastructure and Facilities	Not Started	Present Draft Water Master Plan to Council.
9	**Procurement/Purchasing Policy:** *Staff to complete and present to Council*	Goal #1: Financially Sound City Providing Quality Basic Services	In Progress	Present Ordinance to Council for Adoption.
10	**General Fund Major Revenue Audit:** *Staff to complete and present to Council*	Goal #1: Financially Sound City Providing Quality Basic Services	In Progress	Revenue Audits to be performed and presented to Council: Utility Taxes (electricity, natural gas, telecommunications) and Sales Tax.
11	**Revitalizing the City Organization:** *Council to Approve project funding*	Goal #1: Financially Sound City Providing Quality Basic Services	In Progress	Establish a project timeline, complete the Discovery Phase and implement Phase I of the Culture Change and Customer Service Initiative.

Future Communications from City of Bloomington Officials