

Special City Council Meeting of the Bloomington City Council
City Hall Council Chambers
109 E. Olive Street, Bloomington, IL 61701
Monday, May 16, 2016; 5:30 PM

1. Call to Order

The Council convened in Special Session in the Council Chambers, City Hall Building, at 5:30 p.m., Monday, May 16, 2016. The Meeting was called to order by Mayor Renner.

2. Roll Call

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

Aldermen: Kevin Lower, David Sage, Mboka Mwilambwe, Amelia Buragas, Joni Painter, Karen Schmidt, Scott Black, Diana Hauman, Jim Fruin and Mayor Tari Renner

Staff Present: David Hales, City Manager; Steve Rasmussen, Assistant City Manager; Jeffery Jurgens, Corporation Counsel; Cherry L. Lawson, City Clerk; Brendan Heffner, Police Chief; Nicole Albertson, Human Resources Director; Tom Dabareiner, Plan/Code Enforcement Director; Jim Karch, Public Service Director; Craig McBeath, Information Services Webmaster; Brian Mohr, Fire Chief; Austin Grammer, Economic Development Coordinator and other City staff were present.

3. Public Comment

Glen Ludwig

The following was presented:

- 4. Presentation and review of the Intergovernmental Personnel Benefits Cooperative (IPBC), an intergovernmental self-insured health benefit program.**

David Hales, City Manager, stated opportunities to reduce costs and expenses to the City prompted the Intergovernmental Personnel Benefits Cooperative (IPBC), an intergovernmental self-insured health benefits program, presentation and review.

Nicole Albertson, Human Resources Director, introduced Gregg Aleman, Area Senior Vice President, Arthur J. Gallagher & Company; Joyce Janu, Area Vice President, Arthur J. Gallagher & Company; and Dave Cook, Executive Director, Intergovernmental Personnel Benefits Cooperative (IPBC).

Mr. Cook provided a brief presentation. The IPBC was an entity created under Illinois state laws which allowed municipal groups to join together for insurance purposes. The IPBC

was established in 1979 and had over one hundred (100) municipalities or municipal entities as members. The IPBC was introduced to staff by Arthur J. Gallagher & Company to bring financial predictability and cost savings to the employee health insurance.

Mr. Aleman noted business partners associated with IPBC included: Ancel Glink, who wrote the Illinois insurance intergovernmental act and was the lead council; the Sikich LLP, Auditing; Miller Cooper, Accounting; Arthur J. Gallagher & Company, Benefits Consulting; Mischler Financial, Investment Manager; and Fifth Third Securities, Investment Manager. IPBC sub-pool members, individual members and listed entities with full voting privileges were noted.

The IPBC purpose was to provide scaled economies and risk pooling that would allow members more financial stability than offered by the commercial insurance market. Members retained the right to create and change their plan design.

The PPO program provided risk pooling for individual claims between \$35,000 and \$125,000. Members were responsible for claims under \$35,000 and the redistributed claims cost for those claims between \$35,000 and \$125,000. Claims over \$125,000 were fully reinsured. Renewals were not based on risk factors.

The City's average spending was 7.7% for the last five (5) years, with costs doubling in approximately nine and a half (9 ½) years. The IPBC had averaged 2.34% the last five (5) years, with costs doubling in twenty-nine (29) years. The total estimated savings and dividends for the City was \$9.9 million.

Mr. Cook stated in 2013 the IPBC had sixty-nine (69) members. Today there were 102 members. The IPBC estimated 150 members by 2020.

Mr. Hales questioned handling members with high losses. Mr. Aleman stated same would not receive the percentage in dividends as those members with fewer losses. Mr. Cook noted the IPBC had a strong wellness program included in the rates with incentives to members who utilize same.

Alderman Hauman questioned why a municipality had left and returned. Mr. Aleman stated a change in management occurred with each situation.

Alderman Black questioned whether the IPBC had ever rejected a potential member. Mr. Cook stated minimum financial guidelines must be met to become members.

Alderman Fruin questioned staff recommendation. Mr. Hales stated staff recommended Council vote to approve the agreement at a future Council meeting. Alderman Fruin questioned communities' non-participation south of I-80. Mr. Cook stated conversations with surrounding communities were ongoing. Mr. Aleman stated the IPBC had not focused marketing in these municipalities until the present time.

Alderman Fruin recommended further discussion. Mr. Hales, the City would benefit by joining the Cooperative as the IPBC would assist with Health Benefit Plan changes to attain the best price.

Mr. Cook stated staff was provided comparison data and would be sharing soon. The IPBC was a financial vehicle designed to save municipalities money regardless of the plan options chosen. Blue Cross/Blue Shield and United Healthcare were the two (2) largest companies in the state partnered with the IPBC.

Alderman Lower, Council should research other Cooperatives before a decision was made. Mr. Aleman stated only one other Municipal Cooperative existed in Illinois.

Alderman Mwilambwe questioned the procedures after approval. Mr. Aleman stated quotes effective January 1, 2017 would be brought back to staff within the next thirty (30) days. Council would need to have a decision by July 2016. The IPBC accepted new members at their Board Meeting in late August 2016. Mr. Hales stated other questions and/or comments would be addressed along with a final recommendation before the July timeframe.

Alderman Hauman questioned whether staff had conversed with other member municipalities. Ms. Albertson stated staff wanted to present to Council and receive direction before contacting other municipalities. This would be added to next steps.

Mayor Renner, the option to terminate membership was available. Mr. Cook stated that state regulations required a minimum ninety (90) days' notice prior to the beginning of the Plan's Fiscal Year in July were a member to opt out of the pool.

The following was presented:

5. Consideration of approving an Ordinance to authorize a Tax Increment Feasibility Study for the proposed North Main Street / Chestnut Street Redevelopment Project Area.

ORDINANCE NO. 2016 – 45

AN ORDINANCE OF THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS PROVIDING FOR A FEASIBILITY STUDY WITH RESPECT TO THE DESIGNATION OF A CERTAIN AREA AS A TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

(North Main Street/Chestnut Street)

Austin Grammer, Economic Development Coordinator, introduced this item. On March 14, 2016 Council approved Resolution No. 2016-08 authorizing the purchase of a portion of the former Mennonite Hospital/Electrolux property located at 807 N. Main St. To support the City's purchase and to attract developer interest, it may be appropriate to create a Tax Increment Financing (TIF) District.

Peckham Guyton Albers & Viets (PGAV), TIF and Economic Development consultants, was selected. PGAV was determined to be the consultant best able to assist the City. The high

level of detail and research that PGAV employed in the Eligibility Study and Redevelopment Plan for the Empire Street Corridor TIF District was considered.

The Illinois TIF Act required adopting an ordinance authorizing the Feasibility Study before moving forward with same. The ordinance authorized PGAV to commence a Feasibility Study for the proposed N. Main St./Chestnut St. TIF District. Same would not bind Council to move forward with creating a TIF District.

The area had up to five (5) parcels. Three (3) parcels owned by Illinois Wesleyan University (IWU) were tax exempt. The two (2) taxable parcels assessed value had declined approximately seventy-six percent (76%) between 2010 and 2015. There was over 53,000 square feet of vacant buildings. Additional eligible parcels would enable Council to leverage the TIF economic development tool to assist with multiple qualifying neighboring properties renovation or redevelopment.

David Hales, City Manager, stated meetings with District 87 Superintendent, attorneys and the Finance Director had been held. Same was a member of the Joint Review Board and the largest taxing body which would be affected by the proposal. Recommendations from same would be presented to Council.

Alderman Buragas questioned whether there were any deadlines on projects. Mr. Grammer believed it was advisable to move forward with the project at this time. Staff would be able to schedule PGAV's time to receive the completed feasibility study. The study would be valid for about one (1) year. Same would assist in marketing the site to potential developers. Mr. Hales stated the date stamp of the study was critical to be eligible to create a TIF District. Feasibility studies were best completed with a property's current state.

Alderman Buragas questioned seven (7) months as a typical timeline for the study. Mr. Grammer stated there were statutory requirements that had to be followed.

Alderman Black questioned the timeline for demolition completion. Mr. Grammer believed same would be completed within the next thirty (30) days.

Alderman Fruin, this was the logical next step which supported Council's decision to move forward with the acquisition of the site.

Alderman Hauman noted that the study could conclude that a TIF District was not favorable. Mr. Grammer answered affirmatively.

Alderman Buragas, the timing of a TIF District for this area was premature. She was in favor of redeveloping this area. Mayor Renner stated this proposal was only to authorize the Feasibility Study. Alderman Lower, it was not a good time to create another TIF District. He stated the site would redevelop with private investors.

Alderman Hauman questioned the impact of declining a TIF eligible District. Mr. Grammer stated Council could decide to take no action on the TIF until a developer requested

Municipal assistance with a project. Council could start the process of creating a TIF District if the project met the City's goals. Other tools were available for incentives.

Alderman Painter, the vote on the Feasibility Study did not rule out other economic development opportunities. Mr. Hales stated the type of development would not be zoned as Retail like Colonial Plaza, with sales tax as the major revenue generated. The N. Main St./Chestnut St. area may have a mixed use development with sales tax as a minor revenue stream. Property tax appreciation would be an incentive for this area.

Motion by Alderman Schmidt, seconded by Alderman Black, that an Ordinance to authorize a Tax Increment Financing Feasibility Study be approved and authorize the Mayor and City Clerk to execute the necessary documents.

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Mwilambwe, Fruin, Sage, Painter, Schmidt, Black and Hauman.

Nays: Aldermen Lower and Buragas.

Motion carried.

The following was presented:

6. Motion to Enter into Closed Session

Mayor Renner requested a motion to enter into Closed Session

Motion by Alderman Hauman, and seconded by Alderman Mwilambwe, to enter into a Closed Session Meeting *per Section 2(c) (5) of 5 ILCS 120/2, Ch. 102.*

Mayor Renner directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Mwilambwe, Hauman, Painter, Fruin, Buragas, Schmidt, Black, Lower, and Sage.

Nays: None.

Motion carried.

7. Motion to Return to Special Session and Adjourn

Motion made by Alderman Hauman, seconded by Alderman Mwilambwe, to return to special session and adjourn the meeting at 6:45 p.m.

Motion carried (viva voce).

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk