

COMMITTEE OF THE WHOLE  
City Hall Council Chambers  
October 20, 2014

Council present: Aldermen Judy Stearns, Mboka Mwilambwe, Joni Painter, Jim Fruin, Diana Hauman, Kevin Lower, Scott Black, Karen Schmidt and David Sage, and Mayor Tari Renner.

Staff present: David Hales, City Manager and Tracey Covert, City Clerk.

Mayor Renner called the Committee of the Whole meeting to order at 5:31 p.m.

PUBLIC COMMENT

Mayor Renner 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.

Alton Franklin, 508 Patterson Dr., addressed the Council. He expressed his appreciation for the information that had been provided regarding City revenues and expenditures. He noted that revenues had increased by \$7 – 8 million while expenditures were twice this amount. There appeared to be a vicious cycle. The Council talked but there was no action. He expressed his support for Priority Based Budgeting, (PBB). The Mayor and Council needed to listen as they did not hear. He cited the referendum on the US Cellular Coliseum as an example. He addressed the proposed Downtown hotel which was estimated to have a \$17 million shortfall. Citizens hear and watch the Council. Nothing has happened and he wanted to see change.

Glen Ludwig, 23 Astoria Way, addressed the Council. He thanked them for the opportunity and he was speaking for himself. PBB was also on the August 18, 2014 Committee of the Whole Meeting Agenda. He viewed this as a good and positive thing. He was excited about same. He expressed his support for and recommended that the City start with revenues and then match revenues to expenditures. This would be a challenge. He encouraged buy in as it would be good for the City. He believed that David Hales, City Manager, had surrounded himself with qualified staff. The budget process would be easier. He encouraged the Council to do PBB. It was reality regarding spending money. He encouraged the Council to bring on PBB and take a leadership role.

Bruce Meeks, 1402 Wright, addressed the Council. He cited the phrase “off your meds” which he did not take casually. He cited the City’s past involvement in the Not In Our Town program. Elected officials had used this phrase to discredit individuals. Elected officials needed to be respectful and not talk down to citizens. Elected officials should not laugh at mental illness. Citizens had been mocked for tactical/political reasons. The Council needed to stand up for citizens. He cited the inability to recall elected officials. He cited also his proposed open data ordinance.

## MINUTES

Motion by Alderman Painter, seconded by Alderman Lower that the reading of the minutes of the Committee of the Whole of August 18, 2014 be dispensed with and the minutes approved as printed.

Motion carried, (viva voce).

## PROPERTY, CASUALTY AND LIABILITY INSURANCE AND WORKERS COMPENSATION INSURANCE ANNUAL ACCOUNTABILITY REPORTS

Mayor Renner introduced the topic.

David Hales, City Manager, addressed the Council. The City entered into an agreement with Nugent Consulting Group in 2009. The City was self-insured and purchased reinsurance. The Annual Accountability Reports addressed costs, claims and trends. He expressed his appreciation to Mike Nugent. He noted that the Nugent Consulting Group had a number of municipal clients.

Mike Nugent, Nugent Consulting Group, addressed the Council. He started his presentation by addressing Property/Liability Program Results. He noted that claim frequency had increased significantly, (see Table 2) in 2014 but overall cost decreased significantly, (see Table 14). There was a fifty percent (50%) increase in the number of claims and a thirty-five percent (35%) decline in cost. He cited the winter 2014 which may have had an impact upon frequency. Tables 3 – 6 addressed claim frequency by coverage, (General Liability, Property, Law Enforcement and E & O). General Liability had the largest increase. Tables 9 – 13 addressed claim severity by coverage, (General Liability, Auto Liability, Law Enforcement, Property, and E & O). These tables included the cost. The total cost for General Liability in Fiscal Year (FY) 2014 was \$94,285, (decrease of \$54,359 over the previous fiscal year). Auto Liability was up due to a significant claim, FY 2014 was \$225,056 (increase of \$124,900 over the previous fiscal year).

Mr. Nugent addressed Workers Compensation.

Alderman Fruin questioned Table 5 Workers Compensation Claims - Public Works Department. He noted comparisons by year. This department was labor intensive. He questioned safety education. He expressed his opinion that there was value to new, creative safety education.

Mayor Renner noted that five (5) years of data had been provided.

Mr. Nugent stated that most departments saw a volume increase during the winter 2014. He cited winter weather and Workers Compensation concerns. The City's losses were low compared to its size. He referred the Council to Table 1 Workers Compensation Claim Frequency – City Wide. Claim volume was down at a time when most municipalities saw an increase. Tables 2 – 7 addressed Workers Compensation Claims Frequency by departments, (Fire, Parks, Recreation & Cultural Arts, Police, Public Works, Water, and all other departments). Table 8 Workers Compensation Claim Severity – City Wide addressed costs.

Total cost for FY 2014 was \$1,359,084, (decrease of \$659,839 over the previous fiscal year). He described FY 2014 as an average year. He had expected to see a loss. Table 9 Workers Compensation Claim Severity – Fire Department showed that the total cost in FY 2014 was \$672,284. This was an improvement over the previous fiscal year (decrease of \$641,443). He also addressed Table 11 Workers Compensation Claim Severity – Police Department showed that the total cost in FY 2014 was \$338,928. This was an increase over the previous fiscal year (increase of \$138,637). These numbers were in line with or under projections. The results were good.

Mayor Renner noted that Public Works was down slightly over the previous fiscal year, (decrease of \$46,695). He added that this department had seen a decline each year for the past five (5) years.

Mr. Nugent noted that the City has struggled with finding a Safety Coordinator. The search continued for an outside resource. He restated that the Workers Compensation data looked good. He cited the impact of the Nurse Triage program which had had a significant impact. He added that retraining City staff would be beneficial.

Table 15 and 16 addressed Workers Compensation Top Ten Frequency Analysis. These figures were gleaned from loss data. One table addressed accident/injury and other addressed costs. Strains were the nature of municipal business. Lower back was the leader by body part both in volume and dollar cost.

Table 19 Workers Compensation Summary by Department listed cost by department over a five (5) year period. He restated that the numbers for the past year were good. This table addressed payments and reserves. The goal was to have a claim reported the same day. Table 20 Workers Compensation Lag Time Average by Department documented same. Under three (3) days was seen as a win win when looking at cost and outcome. He believed that all of the data presented was accurate.

Mr. Hales cited the Council annual work session with state legislators. Workers Compensation reform had recently been passed. He questioned the impact of same and if anything had been accomplished.

Mr. Nugent responded negatively. There had been no real reform. There had been a reduction in the fee schedule. Illinois was the second most expensive state prior to and after the reform. The gap needed to be narrowed. The City was in a difficult business, (i.e. Police, Fire and Public Works), emergency response. He cited PEDA, (Public Employers Disability Act), and PSEBA, (Public Safety Employees Benefits Act), benefits which were meant for catastrophic events but was being applied to all claims.

#### COMMUNITY DEVELOPMENT BLOCK GRANT, (CDBG): PROPOSED PILOT PROGRAM FOR MOBILE HOME REHABILITATION

Mayor Renner introduced this topic.

David Hales, City Manager, addressed the Council. This pilot program would be added to the current fiscal year. The hope was to adopt this program into future fiscal years. He noted that Sharon Walker, Community Development Program Manager, would be retiring from the City soon. He cited her outstanding performance.

Sharon Walker, Code Enforcement Division Manager, addressed the Council. She planned to present the pilot program's highlights. Construction Charities of North America, (CC), a newly formed non-profit, would be funded with carryover dollars. The focus would be on rehabilitating mobile homes. HUD, (Housing and Urban Development), had recently changed its regulations and mobile homes were eligible. She cited the need in the mobile home parks that were located in the City. Residents of mobile homes would be eligible if they qualified under the low to moderate income guidelines. This new proposal was developed after CC approached the City. She noted that Jim Snyder, CC's representative, was present at this evening's meeting.

Alderman Painter thanked Ms. Walker for the presentation. She expressed her support for private/public partnerships. This was an important project.

Alderman Stearns questioned the dollars available for rehabilitation projects. She believed that there should be a 50/50 split between homes and mobile homes.

Ms. Walker stated that funding for the pilot program would be \$75,000. She believed that one third of properties were owner occupied.

Alderman Stearns noted that City staff had worked with National Development Council, (NDC). Ms. Walker stated that this program was an innovative approach. Alderman Stearns believed that the City had entered into a contract with the NDC.

Mayor Renner stated that the NDC vetted companies but was not involved in housing.

Alderman Stearns had visited the NDC's web site. She cited its mission statement, (*created in 1969 generate investment in underserved urban and rural communities across US . . . work to improve distressed communities and lives of local people*).

Mr. Hales acknowledged that the NDC explored public/private partnerships. Its national exposure provided access to new innovative and creative ways of doing business.

Alderman Stearns questioned if NDC offered mobile home consultation. Ms. Walker noted that NDC offered CDBG training.

Alderman Stearns requested an update regarding what NDC did for the City. The issue was accountability. She specifically requested a list of activities.

Alderman Mwilambwe noted that this appeared to be an interesting project. It would address an unmet need. As a pilot program, he questioned benchmarks for success in order to determine if it would be worthwhile to continue the program.

Ms. Walker believed that the best measure of success would be the number of people who were assisted. In the past, CDBG funds could not be used to serve this need. There were 2,000 mobile homes in the City or five percent (5%) of the housing stock. This smaller demographic included low to moderate income homes. She noted that in the last five (5) years, Community Development had provided an estimated 900 single family home loans.

Alderman Sage thanked Ms. Walker for the presentation. He echoed Alderman Painter's comments. He also supported public/private partnerships. He cited a reference to a process to determine which projects would be funded. He also addressed transparency. He cited the review and selection process and providing a line of sight. He believed that there would be an application form. Individuals would file an application with CC. CC's board would make the selection based upon need and individuals must meet HUD's guidelines to be eligible. He questioned who would be CC's contact at the City. Ms. Walker stated Community Development staff. The City was in the process of hiring her replacement.

Jim Snyder, CC's representative, addressed the Council. The CC Board would determine who would receive services after the applications were reviewed. There would be a background and credit check. The application had a point system. After all of the information is provided to the Board, selection would be made by the Board.

Alderman Sage questioned reporting back to the City. There should be a line of sight which included the criteria, how applications were selected and program effectiveness.

Mr. Snyder stated CC's intention to provide a list of projects to the City.

Alderman Sage noted that CC's administrative fee would be twenty percent (20%) of the \$75,000. These dollars were intended to provide assistance to low to moderate income individuals. He questioned CC's indirect costs. He believed that a twenty percent (20%) administrative fee was high and requested that Mr. Snyder justify same.

Mr. Snyder stated that HUD allows this percentage. CC may not receive this amount. CC's goal was cost recovery. Efforts would be made to keep costs low. These dollars would be used to rehab mobile homes.

Alderman Lower questioned the big picture. He compared a single family home to a mobile home. He cited the benefit of these dollars to the community as a whole. Single family homes appreciated in value.

Ms. Walker stated that mobile home parks pay real estate taxes. In addition, the mobile homes were taxed. The individuals resided in the City. They worked and spent their money here. They needed assistance.

Alderman Lower stated that the difference between a single family home and a mobile home was property taxes. He did not see tax appreciation from this pilot program.

Ms. Walker addressed the valuation of homes in the City. Twenty-two percent (22%) were valued at less than \$100,000. Forty-five percent (45%) were valued at less than \$150,000. The issue was affordable housing. She noted the number of housing rehab loans provided for with CDBG funds. She believed that the City would see the impact from this program in a year or two.

Alderman Fruin cited a map provided which showed the location of the mobile home parks by ward. He recognized the need and supported allocating these funds. The review process had been addressed. There were funds available. He also noted that this would be a public/private partnership. He questioned if there was a role for the mobile home park owners.

Ms. Walker informed the Council that CDBG funds could not be used for infrastructure. She was not aware of a funding source for same.

Alderman Fruin believed that the City should challenge the mobile home park owners. Public/private partnerships were good for the City.

Alderman Hauman addressed success measures. She cited the twenty percent, (20%), administrative fee. She questioned CC's business model.

Mr. Snyder informed the Council that CC was a new 501 3 c. This would be CC's first venture. There was not a formal business model. He restated that the administrative fee selected was the one allowed by HUD. Administrative costs included staff time, fuel, etc.

Alderman Black believed that the Council's discussion had only led to more questions. He was not familiar with the mobile home market. Ms. Walker noted that a mobile home had to be secured. Accessory structures such as decks can be added.

Alderman Black questioned how many mobile homes were relocated in a given year. He also questioned a typical current need. Ms. Walker cited frozen pipes, furnace repair/replacement, water heater repair/replacement, roofing, windows, etc.

Alderman Black questioned typical costs. Mr. Snyder noted this would be dependent upon the project's construction needs. Alderman Black questioned the impact on a project if other issues were found. Mr. Snyder stated that the services approved would be addressed first. CC would next research if additional funds were available. If not, CC might reach out to the City for additional funding.

Alderman Black questioned the funding mechanism. Ms. Walker stated that at this time it would be a \$75,000 grant to provide rehabilitation services to mobile homes.

Alderman Black cited the mobility issue. He questioned if there could be a requirement to remain in the City for a set time frame. Ms. Walker noted that this had been discussed.

Alderman Black also believed that the administrative costs would be lower than twenty percent (20%). Mr. Snyder restated that the purpose of these dollars was to fund projects.

Alderman Black addressed the application process and questioned if there would be an appeal process. Mr. Snyder noted that there would not be an appeal process. The dollars would be directed to those applications with the highest need. Individuals could reapply at a later date.

Alderman Stearns address transparency. She requested the following information: who accepted the grant funds, the criteria used and the cost per project. Mr. Snyder expressed CC's willingness to show the cost per project. No personal information would be released.

Alderman Stearns restated her request for a project listing with itemized amounts.

Mayor Renner believed that the City would receive expenditure information. Alderman Stearns restated her interest was in itemized costs. Mayor Renner noted that the applicant information was confidential. He understood the Council's interest in transparency.

Ms. Walker noted that there would an agreement with CC that included reporting and monitoring requirements.

Mr. Hales restated that this was a new proposed pilot project. City staff needed Council direction regarding if staff should continue putting time and effort into same.

Mayor Renner stated that there appeared to be some serious concerns, (i.e. transparency and business model). The Council was not saying no but it was not saying yes either.

Alderman Lower wanted feedback from the Board of Realtors. He addressed appraised value of mobile homes. Single family homes represented an appreciating asset.

Mayor Renner stated that there were other metrics, (i.e. broader social good).

Alderman Sage questioned total CDBG funds. Ms. Walker estimated \$1 million. Alderman Sage noted that \$75,000 was less than eight percent (8%) of the total. This was a pilot project. The Council needed to keep things in perspective.

Alderman Black expressed his support for this project but he needed more details.

Alderman Hauman stated that frozen pipes represented emergency work. Ms. Walker informed the Council that for single family homes there was an emergency application.

Alderman Fruin stated from City staff's presentation this was a pilot project which would be evaluated after a year. It would serve a population in need of assistance. The Council needed to move forward, the City would learn as it went.

#### FY 2015 COMMUNITY DEVELOPMENT BLOCK GRANT, (CDBG), PROGRAM UPDATE AND FY 2016 CDBG PROGRAM PROJECT IDEAS

Mayor Renner introduced this topic.

David Hales, City Manager, addressed the Council. His goal was for the Council to have the opportunity in the fall of each year to address CDBG budget ideas. The Council would be brought up to date on the current year and hear ideas for the next year. The Council could provide feedback regarding where these dollars should be spent.

Ms. Walker informed the Council that for FY 2016 CDBG budgets were due earlier (March/April). She addressed FY 2015 projects and year to date activity. She cited carryover income and the recent budget amendment. Community Development was on pace for the year both on projects and expenditures. She also addressed FY 2016 proposed projects. There had been little change. She noted that there would probably be a different approach due to new staff. FY 2016 would be a transition year. She noted the focus on emergency grants. Housing rehab was labor intensive. Construction Charities would act as a general contractor for the pilot project. She noted limitations posed by HUD, (Housing & Urban Development), regulations.

Mr. Hales cited a request from the Black Elks Club. He believed that there were higher priority uses for CDBG funds. He cited economic development projects, (i.e. grocery store). He also cited a west side residential TIF, (Tax Increment Financing), District.

Ms. Walker informed the Council that the City had been contacted by the Black Elks Club. They had lost their lease and were looking for a space. The Club would need to put some skin in the game. The Club had requested assistance with property acquisition and site improvement. The proposed \$40,000 was a budget place holder.

Alderman Stearns addressed FY 2015. She cited \$116,302 was budgeted for rehabilitation loans. She questioned the \$252,671 budget amendment. Ms. Walker cited carryover funds. She restated that the Council had approved a budget amendment.

Alderman Stearns questioned if applications had been approved for the rehab loans. Ms. Walker noted that there were twenty-seven (27) approved applications on the waiting list.

Alderman Stearns addressed FY 2016. She noted that only \$108,000 had been budgeted for rehabilitation loans. She added that \$100,000 had been budgeted for mobile home rehabilitation loans. If these dollars were for rehab loans she believed that they should be divided equally. She did not believe that \$100,000 budgeted for mobile home rehab loans reflected the low to moderate income population.

Alderman Stearns also addressed the Black Elks Club which was a nonprofit organization. She questioned opening up the process to any/all nonprofits in the City.

Ms. Walker noted that word of mouth was still the main source of advertising. Community Development utilized the City's web site and the Pantagraph. She cited Community Development's Annual Action Plan. Community Development worked with over twenty (20) local organizations.

Alderman Black provided some general thoughts. He encouraged Community Development to focus on aesthetics. He cited homeowner grants to address neighborhood appeal.



## FY 2015 FISCAL OVERVIEW AND PROPERTY TAX LEVY

Mayor Renner introduced this item.

David Hales, City Manager, addressed the Council. This would be the first step to address the 2014 Property Tax Levy. City staff was interested in Council input. In addition, there would be a high level review of fiscal overview for major issues.

Patti-Lynn Silva, Finance Director, addressed the Council. She noted that the tax levy was outside of the budget cycle. The Council adopted a hybrid approach to the budget: revenue was increased by \$3.7 million and expenditures were reduced by \$2.6 million. She presented a review of FY 2015. She noted the Solid Waste fee. She stated the need for rate studies as there were a number of master plans underway.

Mr. Hales addressed the Solid Waste Fund. Ms. Silva cited the various cart sizes/prices. Lower cost carts had been selected. The Solid Waste fees were not addressing the deficit.

Ms. Silva noted that the 2015 budget included a five (5) year plan. She noted the structural deficit from a year ago. City staff assumed revenue growth of two percent (2%). The annual salary/benefit increase was \$2.5 million. A number of assumptions were made. There would be a deficit. One item not included in the five (5) year projection was street resurfacing which was budgeted at \$1 million not \$4 million.

There would be a ten (10) year Infrastructure Master Plan which would need annual funding. The City had needs that could not be funded. The total cost was over \$388 million. This figure excluded water. In addition, the Street and Bicycle Master Plans were not listed. This year there were a number of unknowns. She believed that there would be a small structural deficit. She addressed the long term vision. She readdressed the planned two percent (2%) growth to budget revenues. Trends were three to five percent (3 – 5%) below last year. Food & beverage taxes were down by two percent (2%). Hotel/motel taxes were down by thirteen percent (13%). Video gaming revenue was up by 100%. She reviewed various revenue lines. The local Motor Fuel Tax (MFT) for the month of August was \$200,000. Estimated annual revenue was \$1.4 million. The Amusement Tax for the first month was not robust. The City only had a month of data. She addressed expenditures and budget transfers which totaled over \$600,000. The Property Tax equal twenty-five percent (25%) of General Fund revenue. The estimated Property Tax Levy would be presented to the Council at the October 27, 2014 meeting. The goal was to have the Council adopt the Property Tax Ordinance at the November 24, 2014 meeting.

Alderman Stearns stated that the Council had been presented with a lot of information. It needed to be reduced for the citizens. City staff believed that the tax levy needed to be increased. The focus should be on the impact upon the taxpayer.

Ms. Silva stated that there would be no proposal at this evening's meeting. There had been some real estate growth. The City would be able to raise the tax levy without a tax increase.

Alderman Schmidt expressed her appreciation for the revenue listing. Ms. Silva noted that this information was summary and was contained in the City Manager's monthly report.

Alderman Fruin recalled an expenditure reduction chart from last spring. City staff had done a good job on same. The Council should reconsider same as unfinished business.

Mayor Renner expressed his interest in Council consensus that the City needed a workable budget.

Mr. Hales added that PBB would include citizen input.

Mayor Renner believed that PBB would provide clear direction. The City would have the numbers and good information. The Council's retreat had been delayed. A PBB discussion would be of assistance.

Alderman Lower expressed his interest in a discussion regarding budget reductions. It appeared that the proposed budget would be \$2.6 million more than the FY 2013 budget.

Ms. Silva cited reductions to the City Manager's proposed budget. Salary/benefits increased annually. In addition, the cost of doing business also increased. Needs had been eliminated from the budget. The Council needed to determine how to address recurring costs. The City's budget saw annual increases.

Alderman Lower believed that median income was declining. Mayor Renner expressed his willingness to look at same.

Alderman Black thanked Ms. Silva for the presentation. He questioned multiyear budgeting. Ms. Silva restated that the City budget included a five (5) year projected budget. City ordinances could be amended. Budget numbers were fluid. A number of revenues were elastic.

Mayor Renner addressed biannual budgeting which would require the City to change its fiscal year.

Carla Murillo, Budget Analyst, addressed the Council. She addressed the Property Tax Levy. There were three (3) components to property taxes: the dollars levied, the City's final EAV, (Equalized Assessed Value), and the tax rate. She noted that there were a number of overlapping taxing authorities/districts: 1.) school districts (District 87/Unit 5), 2.) City, 3.) Public Library, 4.) McLean County, 5.) Heartland Community College, 6.) Bloomington Normal Water Reclamation District, 7.) Bloomington Normal Airport Authority; and 8.) City Township. For every tax dollar paid by a property taxpayer only .13 was returned to the City. She also addressed the City's direct tax rate since 2005. 2009 was the only year that showed a significant increase. Allocation of the property tax was addressed. Fifty percent (50%) was allocated to Police and Fire Pensions. A proposed time line was presented for the 2014 Property Tax Levy and FY 2016 Proposed Budget. The proposed FY 2016 budget would be distributed to the Council on February 23, 2014. This would provide the Council with eight (8) weeks to review the budget. The Budget Work Session was tentatively scheduled for Saturday, March 8, 2015.

The FY 2016 budget would be placed on the Council's April 20, 2015 meeting agenda for adoption. An appendix was provided to the Council that addressed a variety of topics. The preliminary figures for EAV showed a two percent (2%) increase. These numbers were not final. The Board of Review appeal process was cited.

Mr. Hales directed the Council to the chart entitled Taxes Levied. He noted the impact of a tax levy increase upon the taxpayers. In 2014, there had been a tax decrease to homeowners. It appeared that the City could increase the tax levy by \$500,000 and with no impact upon homeowners.

Ms. Murillo cited the growth in EAV.

Alderman Mwilambwe questioned the April 20, 2015 date for budget adoption. He questioned if the time line could be moved forward. Ms. Murillo noted City staff's interest in allowing adequate review time.

Alderman Sage recognized City staff's efforts. He addressed line of sight and Unit 5's impact upon property tax bills. Mr. Hales acknowledged that City residents lived in both public school districts.

Alderman Sage addressed the property tax cycle. He noted that the Township Assessor was an elected office. He expressed his interest in a list which documented who was responsible for what functions with time line. Each taxing body should be identified. This would create a line of sight.

Alderman Stearns believed that the Township Assessor provided EAV information for both school districts. She expressed her opinion that EAV was subjective. She added that District 87's EAV had fallen while Unit 5's had increased. She expressed her interest in a good time line.

Alderman Black addressed the previous year's budget process. He encouraged the Council to look at property taxes. He expressed an interest in elimination of some of the recently adopted small taxes and increasing the property tax.

Mr. Hales noted that figures were based upon the average home, the current median value was \$153,000. The proposed tax levy was \$23.7 million which was a \$500,000 increase. These dollars would be directed to public safety, (i.e. Police and Fire Pensions). This would leave a \$400,000 short fall to fully fund Police and Fire Pension increases for FY 2016.

Ms. Silva noted that the Utility Tax increase would cover most of this cost. She estimated the shortage at \$350,000. City staff was searching for opportunities to fill the gap. The goal was to be cost neutral.

Mr. Hales encouraged the Council to give consideration to Police and Fire Pension funding. The City needed a dedicated revenue source. FY 2016 would be the third funding year. He welcomed the Council's input. The Council was required to adopt an estimated tax levy for

2014. He added that October was the halfway point of the City's fiscal year. City staff would prepare financial performance/projections.

Alderman Sage recommended that the estimated tax levy be set at \$23.7 million. He cited two (2) reasons to support same: 1.) the City's part of the property tax bill would remain neutral and 2.) the increase would be targeted towards Police and Fire Pensions.

#### PRIORITY BASED BUDGETING (PBB)

Mayor Renner introduced this topic and added that it would be addressed at the Council's retreat.

David Hales, City Manager, addressed the Council. He cited project description. He directed the Council to the proposed time line which he described as aggressive. He cited a number of planned events: mailings, surveys and focus groups. He had reached out to Lincoln, NE. It had taken this city a couple of years to start PBB. He expressed his interest in a meaningful process. PBB needed to be valuable. Programs/services needed to be established with cost data. There were a number of issues.

Mayor Renner hoped that PBB would clarify choices and assist the Council to reach a consensus.

Alderman Lower cited the importance of setting priorities. He had a number of questions, (i.e. who selected the citizens, citizen engagement, etc.).

Alderman Schmidt expressed her concern regarding a day long focus group. She wanted this group to represent a cross section of the community. Feedback must go beyond on line responses.

Mayor Renner believed that there would be multiple inputs. There would be decisions made by the Council.

Alderman Stearns concurred with Alderman Schmidt's comments. Everyone was not on line. She questioned who would participate in a day long focus group. She noted that opinions would be sought regarding finances/taxes. She expressed her support for a mail survey. She expressed her concern regarding how to insure that a cross section of the City participated in the process. She restated her concern with the process. She questioned citizen engagement with a consultant.

Mayor Renner noted that at this time there would be no fee. This was part of a university graduate program.

Mr. Hales noted that the City would cover the expenses.

Alderman Sage believed that there would be a three (3) pronged process: 1.) mail survey; 2.) on line survey and 3.) focus group. Last year's process was painful. The City would try to leverage PBB. He questioned if there were other alternatives. He encouraged the Council to move forward with PBB.

Alderman Lower encouraged the City to engage others. He questioned Council involvement.

Alderman Black stated his first reaction to PBB was this was a good idea. Citizens wanted tax cuts and service increases. A day long focus group would be a large commitment. The Council needed to engage the public with focused discussion.

Alderman Schmidt believed that PBB was a wonderful idea. It would give citizens a voice. She recalled the town hall meetings held last year during the budget process. PBB needed to be refined to work for the community.

Mayor Renner believed that PBB could be refined. The City would try to gain more input. Focus groups could be qualitative. State Representative Dan Brady recommended Bernie Sieracki/ITT to him.

#### LIBRARY JOINT TASK FORCE

Mayor Renner introduced this item. He had formed a Library Task Force to perform a needs analysis. He noted the service increase and expressed his opinion that there were needs at the Library.

In the past, the Library had been informed that it would not be allowed to expand to the south. He cited the cost for an east side branch. This Task Force would develop a plan to guide future development of the Library at its current location.

He informed the Council that he had selected Aldermen Schmidt and Painter to serve as the Council's representatives, (Alderman Schmidt was a librarian and Alderman Painter had served on the Library Board). The Library Board chose its representatives.

He restated that there were needs and budgetary constraints. The Task Force would complete its work by July 31, 2015. The Task Force would prepare recommendations/options.

Alderman Schmidt questioned management of the Task Force, (i.e. Open Meetings Act/OMA – agendas and minutes).

Mayor Renner noted that the Library Task Force would comply with the OMA. The Task Force would meet at City Hall. He recommended that the Council Chambers be used if available, (ability to stream the meetings). He believed that City Hall offered better public access than the Public Library. Emily Kelahan would coordinate the first meeting. Ms. Kelahan would work with Beth Oakley, Executive Asst. At the Task Force's first meeting, a chair would be selected and the work of the Task Force to be conducted would be discussed.

Alderman Schmidt believed that the Public Library's staff needed to be engaged with the Task Force.

Mayor Renner expressed his opinion that Public Library staff should be present and involved. The Task Force had the challenge of looking at the future needs of the Public Library.

The meeting adjourned. Time: 7:52 p.m.

Respectfully submitted,

Tracey Covert  
City Clerk