



**SUMMARY MINUTES OF THE
WORK SESSION CITY COUNCIL MEETING
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS
MONDAY, OCTOBER 26, 2015; 5:00 P.M.**

The Council convened in regular Session in the Council Chambers, City Hall Building, at 5:00 p.m., Monday, October 26, 2015.

1. CALL TO ORDER

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

2. ROLL CALL

Aldermen: Kevin Lower, David Sage, Diana Hauman, Joni Painter, Mboka Mwilambwe, Karen Schmidt, Jim Fruin, Amelia Buragas (5:06 PM), Scott Black (5:06 PM), and Mayor Tari Renner.

Staff: City Manager David Hales, City Clerk Cherry L. Lawson and Finance Director Patti-Lynn Silva, Jeffrey Jurgens, Corporate Counsel, Steve Rasmussen, Assistant City Manager, Scott Sprouls, Director of Information Services, Nora Dukowitz, Communication Manager, Georgia Bouda, Library Director, Austin Grammer, Economic Development Coordinator, Nicole Albertson, Human Resources Director, Jim Karch, Director of Public Works, Erin Duffy, A.J. Gallagher (on phone); Todd Schroder, Lauderbach & Amen, LLP

3. PUBLIC COMMENT

No one spoke during Public Comment.

4. DISCUSSION TOPIC

a. Employee Health Insurance Updates (Nicole Albertson, Human Resource Director, Presentation 10 minutes, Council discussion 20 minutes)

Erin Duffy from A.J. Gallagher addressed via telephone. Their company was hired by the City of Bloomington in September 2014. The accomplishments included an outlook tool, a Forecast and Reserve Estimate (which is a reported, but not calculated estimate) to be able to project the budget, adding prescription drugs coverage to the rates, reducing the dental rates to the employees by striking a commission to a previous broker that was not disclosed, and employee access to benefit information online. Accomplishments for 2015 included: offered a

solution to retirees to save the City money and have not heard any complaints and an Employee and Wellness Committee, which can adapt programs as employee need rises.

For 2016, they recommend a Dependent Eligibility Audit that looks to see that the right people are on the plan that should be on the plan. This should happen in March 2016 and should not cost the City anything. It could potentially save the City 6% to 7% in costs.

Voluntary benefits can also assist with a high deductible gap. They will also be doing a Market Scan and Disruption Analysis to see which doctors are in the network and how people might be affected.

For 2017 and 2018, there may be a few changes, including a Compensation Assessment, prescription drug marketing, and possible other plan changes.

Ms. Albertson noted that Laurie Wollrab, Compensations and Benefits Manager was working to improve rates on stop loss for PPO plan. Ms. Albertson suggested that she or Ms. Duffy work on figures regarding the percentage of the City's increase to healthcare costs, and what percentage of the employee's salary that is.

b. Presentation and discussion regarding the Proposed 2015 Library Estimated Tax Levy (Georgia Bouda, Library Director, Presentation 5 minutes, Council discussion 10 minutes)

Board President Carol Koos, and the Chairman of the Budget and Personnel Committee, Robert Porter were also present. The levy would be for over \$4 million, which represents about 86% of the library's total budget. Ms. Bouda noted that when the economic went bad, a lot more people went to the library, and they expect the use to lessen as the economy is better. The library went from 600,000 to 1.5 million in circulation.

c. Presentation and discussion regarding the Proposed 2015 Estimated Tax Levy (Patti-Lynn Silva, Finance Director, Presentation 5 minutes, Council discussion 10 minutes)

Ms. Silva referred to the Council packet for a brief history of the tax levy. Our property tax values have gone up. She noted that we have not raised the levy significantly since 2010 and in 2012, we actually lowered it. In 2013, we raised it over \$30,000 for library salary increases. The 2014 levy was increased for pensions, but it had a neutral effect on the taxpayer.

The levy is set up flat right now. If we asked for the same amount that we did last year, people would actually see a decrease. Ms. Silva noted that if we could get revenue in without impact to the taxpayer by getting a grant that would be a win-win. It is possible that the tax levy would be frozen for the next couple of years and then it would go to referendum.

Mr. Hales stated that as much as we do not want to raise the tax levy, new growth brings its' own fiscal impact. This is just something to think about. As we go on, we need to identify what those new growth dollars are.

He noted that on November 9, there would be resolution to approve and take a vote on an estimated property tax for 2016. We will bring back this tax levy as presented. At a meeting in December is when the Council would need to adopt a tax levy for 2016. This is a major source of revenue in our General Fund.

d. Police and Fire Pension Fund Contribution for FY 2016 (Patti-Lynn Silva, Finance Director, Todd Schroeder, Actuary, Lauderbach & Amen, LLP, Presentation 10 minutes, Council Discussion 15 minutes).

Mr. Schroeder referred to the Actuarial Report and spoke about information gathering (using actual data from the State of Illinois), benefit cost and when the benefits are going to be paid and how those benefits are paid. He also compared the Statutory Contribution and City Recommended Contributions for Bloomington Fire and Police. The aim is to get the contributions to 100% in thirty (30) years.

He referred to the April 30, 2015 Results and mentioned that they expect a 4% to 5% increase per year on average as total payroll increases over the longtime. When we hire a new employee, we expect that to increase as their salary increases.

Right now, we are at 25 years to pay down unfunded liability. The amounts are going to increase, slowly decrease, and then continue to decrease. Ms. Silva noted that the City would be saving \$90 million over the life of the plan and that should the City should be very proud.

Mr. Hales requested clarification on policy contributions: Where is that money and when do we get to a point where we ramp up our contributions going forward? Ms. Silva stated that we were ahead right now, but at 2019/2020, we are up again. We have earmarked reserve set aside and can figure out how to fund it moving forward.

Mr. Hales requested clarification on the Governmental Accounting Standards Board (GASB) new rules. Mr. Schroeder discussed that GASB is a nationwide body regulates how to report your pensions on your financial statements, so that all states are reported the same. Mr. Schroeder briefly discussed the new rules. Some of the rules are applied this year, sometimes next year. Mr. Hales noted that we would not have to come up with new money for the next few years.

Mr. Schroeder stated that he has met with both the Police and Fire Pension Boards. There were no major concerns that they brought up.

5. ADJOURNMENT

Mayor Renner asked for a motion to adjourn the meeting.

Motion by Alderman Hauman, seconded by Alderman Schmidt, that the meeting be adjourned. Time: 6:12 p.m.

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

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

Nays: None.

Motion carried.

Tari Renner, Mayor

Cherry L. Lawson, City Clerk