



**MINUTES
CITY COUNCIL - SPECIAL SESSION
MONDAY, NOVEMBER 21, 2022, 6:00 P.M.**

The City Council convened in special session in the Government Center Chambers at 6:00 p.m., Monday, November 21, 2022. Mayor Mboka Mwilambwe called the meeting to order and led the Pledge of Allegiance ending with a moment of silent prayer/reflection.

Roll Call

Attendee Name	Title	Status
Mboka Mwilambwe	Mayor	Present
Grant Walch	Council Member, Ward 1	Present
Donna Boelen	Council Member, Ward 2	Present
Sheila Montney	Council Member, Ward 3	Present
Julie Emig	Council Member, Ward 4	Absent
Nick Becker	Council Member, Ward 5	Present
De Urban	Council Member, Ward 6	Present
Mollie Ward	Council Member, Ward 7	Present
Jeff Crabill	Council Member, Ward 8	Present
Tom Crumpler	Council Member, Ward 9	Present

Public Comment

No public comment was received in person or via email.

Recognition/Appointments

No Recognitions or Appointments were given.

Consent Agenda

Items listed on the Consent Agenda are approved with one motion; Items pulled by Council from the Consent Agenda for discussion are listed and voted on separately.

Council Member Ward motioned, seconded by Council Member Boelen, that the Consent Agenda be approved with Item 7.B. as amended.

Leslie Yocum, City Clerk, noted a correction to Item 7.B., October 17, 2022, Committee of the Whole meeting minutes. She stated that corrected minutes had been distributed to Council and requested any motion brought forward 7.B. as amended.

Item 7.A. Consideration and action to approve the Minutes of the September 19, 2022, Regular Committee of the Whole Meeting, as requested by the City Clerk Department. (Recommended Motion: The proposed Minutes be approved.)

Item 7.B. Consideration and action to approve the Minutes of the October 17, 2022, Regular Committee of the Whole Meeting, as requested by the City Clerk Department. (Recommended Motion: The proposed Minutes be approved.)

Item 7.C. Consideration and action to approve the Minutes of the October 24, 2022, Regular City Council Meeting, as requested by the City Clerk Department. (Recommended Motion: The proposed Minutes be approved.)

Mayor Mwilambwe directed the Clerk to call roll:

AYES: Walch, Boelen, Montney, Becker, Urban, Ward, Crabill, Crumpler

Motion carried.

Regular Agenda

The following item was presented:

Item 8.A. Consideration and action to approve the 2022 Tax Levy Estimate for the City of Bloomington and the Bloomington Public Library, as requested by the Finance Department.

City Manager Tim Gleason informed the community of the statutory requirements of the tax levy presentation.

Scott Rathbun, Finance Director, addressed Council and expanded on the requirements. He provided information on how tax levies were determined based on Equalized Assessed Values (EAV) of properties and reported the EAV rates and rate changes over the past five years. Mr. Rathbun highlighted key notes that impacted the 2022 tax levy, which included an increase of \$1.4 million for the Public Safety Pensions, a \$168,000 increase for the Library's operations and expansion needs, and a \$235,000 increase for the Library's final audit debt service adjustment. He then went into detail about the City's Public Safety Pensions highlighting that the City's approximate \$ 1.8 million shortfall would reduce to an approx. \$400,000 after the 2022 tax levy was applied.

Jeanne Hamilton, Bloomington Public Library ("BPL") Director, addressed Council. She began by reminding Council that BPL's budget is separate from the City, and that a copy of it had been provided to Council. She stated that BPL requested the tax rate stay the same.

Mr. Rathbun presented the proposed 2022 tax levy including BPL data. He shared a graph that also depicted tax levy allocation breakdowns for School Districts 87 and Unit 5. He finished his presentation with next steps and an approval timeline.

Council Member Montney discussed impacts on individual households. She and Mr. Rathbun then discussed Truth in Taxation public hearing requirements and she expressed concerns in approving \$1.4 million when the City had only received approximately \$4 million in new tax revenues from cannabis and online purchases. She suggested using City reserves with tax revenue streams to close the gap instead of the proposed tax levy. Mr. Rathbun reminded Council Member Montney and the rest of Council that the \$4 million in tax revenues had been incorporated into the existing budget and was not available. He also cautioned that using reserve funds on operational expenses was viewed negatively by creditors unless it was a one-time use towards a capital project or to close the gap in an effort to reduce future contributions. Council Member Montney stressed the importance of impact to residents.

She then discussed a grant funding the BPL project pointing out that \$2.84 million of it that was set aside to add back some of amenities that had been cut from the initial project. She went on to discuss ideas for various funding method alternatives to the tax levy. After consideration, Mr. Rathbun stated that the revenue sources mentioned had already been allocated for the project. Council Member Montney restated what she believed to be BPL's intent for setting aside the \$2.84 million.

Julian Westerhout, President of BPL Board of Trustees, reminded Council of the decision to cut certain features and to keep others, such as the parking garage. He stated that the project could have been smaller, but that Council and the BPL Board had approved the current plan. He noted that if Council had approved the project earlier, they could have taken advantage of lower interest rates, saving additional funds.

Council Member Montney and Jeanne Hamilton then discussed funding. Mrs. Hamilton reminded Council that the bond was decreased from approx. \$17 million to \$14.2 million due to the grant funding. Mr. Westerhout stated that BPL had not added additional features with the grant, but that the grant had allowed the bond to be reduced while permitting the project to expand to the level of improvements Council believed were needed. Mrs. Hamilton agreed and reminded Council that the grant required fund matching. She also mentioned BPL's successful fundraising efforts. Council Member Montney, Mr. Westerhout, and Mrs. Hamilton continued to go back and forth discussing the project.

Council Member Ward called a Point of Order at 6:36 p.m.

Mayor Mwilambwe recognized the Point of Order.

Council Member Ward stated that the discussion had dominated the time set aside for discussion. She pointed out that Council had voted to approve the project and its budget months ago felt the discussion was not relevant to the Agenda Item.

Mayor Mwilambwe had Council Member Montney wrap-up her comments. Council Member Montney stated her intention was to thoroughly consider the decision from all views and take into consideration the impact on residents.

Council Member Boelen expressed concern that the tax levy needed to be approved before the budget. She thanked staff for including Unit 5 in the presentation.

Council Member Ward thanked staff for their work on the presentation. She expressed her passion for the needs of community members and noted how the library filled those needs, including its use as a warming center in the winter.

Council Member Crabill stated that he typically asked a lot of questions, but had learned to ask those questions in advance of the meeting to allow staff more time to respond. He stated that all members of Council were concerned with the burden to taxpayers. He confirmed with Mr. Rathbun that for the properties whose Equalized Assessed Values ("EAV") had increased, their property taxes would increase even if all the rates of the taxing bodies remained the same. He also confirmed with Mr. Rathbun that the EAV increases were not a reflection of the rate increases by the City this year and asked if the City had any control over the EAVs. Mr. Rathbun stated the City did not. Council Member Crabill stated that in the past, the City had used utility taxes as a source of revenue instead of property taxes. He asked if the use of property tax was a better source. Mr. Rathbun stated that it was, as utility tax was variable, whereas property tax was more consistent and a better resource for pensions. Council Member Crabill asked if when the determination was made to move to using utility tax, was it anticipated that there would be a decrease in utility tax overtime. Mr. Rathbun stated that he was not employed with the City at that time of the decision, but that he did not believe it was likely anticipated.

Council Member Walch made a motion, seconded by Council Member Crumpler, to extend Council discussion time by 10 minutes.

Mayor Mwilambwe directed the Clerk to call roll:

AYES: Walch, Boelen, Montney, Becker, Urban, Ward, Crabill, Crumpler

Motion carried.

Council Member Walch asked why staff were unable to predict an estimate of a widening tax base. Mr. Rathbun stated that it required a multi-step process, and that staff could include the data next year. Council Member Walch asked why the 24% increase in the General Corporate line was not highlighted in the report. Mr. Rathbun explained that the debt service amount fluctuated, and any amount budgeted over was rolled into the General Corporate line item. Council Member Walch then asked how inflation affected sales tax on goods sold. Mr. Rathbun stated that inflation was a double-edged sword in that it benefited local municipalities, but became a burden to residents. Council Member Walch reminded Council and staff to be mindful that, with inflation, employers do not always increase wages.

Council Member Crumpler thanked staff for reminding Council that the overall project cost was reduced. He then asked Mrs. Hamilton if she had examined the BPL budget to cut operational costs where possible to be more efficient. Mrs. Hamilton confirmed staff had and that the BPL Board had approved their budget in October. She explained that after feedback from Council, staff further examined the budget to cut more costs and the BPL Board approved the revised budget earlier in November. Council Member Crumpler expressed his belief that the BPL had done their due diligence.

Council Member Becker expressed his belief that EAVs were artificially inflated and, until the average normalized, residents would continue to pay more. He believed to combat the issue, budgets should be reduced, and reserve funds utilized. He agreed with Mr. Rathbun on not using reserve funds to offset reoccurring operational costs, but believed that staff could manage the impacts effectively. He encouraged Council and staff to consider the option given the significant amount of surplus in reserves.

Council Member Ward made a motion, seconded by Council Member Urban, to approve the Item as presented.

Mayor Mwilambwe directed the Clerk to call roll:

AYES: Boelen, Urban, Ward, Crabill, Crumpler

NAYES: Walch, Montney, Becker

Motion carried.

Finance Director's Report

Mayor Mwilambwe stated the Finance Director's Report was a scrivener's error on the agenda and stated the Report would be given at the next Council meeting.

City Manager's Discussion

City Manager Tim Gleason highlighted upcoming events in Downtown Bloomington and recognized six newly hired employees. He wished Council and the community a happy and safe Thanksgiving.

Mayor's Discussion

Mayor Mwilambwe wished a Happy Thanksgiving to all.

Council Member's Discussion

Council Member Walch noted a new hire for the Arts & Entertainment Department and asked when a budget could be reviewed for the Department. City Manager Gleason stated that it would be part of the Fiscal Year 2024 discussion.

Executive Session

No Executive Session was held.

Adjournment

Council Member Boelen made a motion, seconded by Council Member Becker, to adjourn the meeting.

Motion carried (viva voce).

The meeting adjourned at 7:18 p.m.

CITY OF BLOOMINGTON

Mboka Mwilambwe
Mboka Mwilambwe, Mayor

ATTEST

Amanda Stutsman
Amanda Stutsman, Deputy City Clerk

