COUNCIL RETREAT

November 8, 2014
The Den at Fox Creek

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

Council absent: Judy Stearns.

City staff present: David Hales, City Manager, Stephen Rasmussen, Asst. City Manager, and Tracey Covert, City Clerk.

Others present: Lynn Montei, Montei Associates.
AGENDA

Check In, Review Feedback and Recap Day One

City Manager Organizational Update and Questions/Responses

Priority Setting Session

Complete Priority Selection and Strategy and Consider Implications

Budget Planning – Process Components, Deliberation and Budget Adoption

- Commitment to top priorities and how they are interwoven into the budget process.
- High-level examination of data (projections, forecasts and structural deficit)
- Priority Based Budgeting (PBB) initiative
- City Manager's proposed budget
- Capital Improvement Program
- Organizational Needs/Issues
- Discernment of policy choices (expenditure reductions, service/program changes, revenue enhancements, tradeoffs or blended approach)
- Schedule of budget development, decisions and adoption and interface with PBB calendar

Next Steps Needed to Ensure We Meet Our Commitments: Topics to Assign to Future Dates/Meeting

Closing Exercise, Evaluation of the Day and Adjournment

Motion by Alderman Hauman, seconded by Alderman Schmidt to reconvene the Council Retreat. Time: 9:10 a.m.

Motion carried, (viva voce).

Lynn Montei, Montei Associates, addressed the Council. She reviewed the agenda for they day. The retreat started with a check in exercise. She noted that the day would involve heavy lifting. She encouraged the Council to keep a sense of humor. She reminded the Council that each person needed to play his/her part: 1.) see the whole; 2.) have an understanding of the whole; 3.) use whole system thinking; and 4.) remember to benefit from all.

Mayor Renner stated the importance of scheduling a short follow up meeting in January/February 2015, (i.e. ninety/90 minutes), for a budget check in.

Ms. Montei addressed the whole system which included subsets, (i.e. Council and Department Directors). A meeting would be scheduled with a selected topic. Citizen inquiry included the public, Council and Department Directors. These three (3) groups were the stakeholder system. The result should bring interesting ideas.

City Manager Organizational Update and Questions/Responses

David Hales, City Manager, addressed the Council. He noted that after the 2013 municipal election, there was a willingness/desire for significant organizational change. He recalled the previous year's retreat and revitalizing City government. The goal was to right size the City. The bar would be raised. There would be ambitious goals. Customer service would be a priority as well as performance excellence. He cited the potential for organizational change. He cited new staff members, (i.e. Nora Durkowitz, Communication Manager and Tom Dabareiner, Community Development Director). Steve Rasmussen, Asst. City Manager, had just been hired. Mr. Rasmussen would oversee the following departments: Water, Public Works, Community Development, and Parks, Recreation & Cultural Arts. In addition, Mr. Rasmussen would be responsible for strategic planning, infrastructure needs, and various master plans. There needed to be a plan going forward which addressed financial resources. Major projects needed to be shovel ready, (i.e. grant opportunities). The City would leverage outside dollars. The Council would set priorities. He informed the Council that Nicole Albertson, new Human Resources Director, would commence employment with the City on December 1, 2014. Austin Grammer, Economic Development Coordinator, had commenced employment with the City on October 29, 2014.

He addressed the Fire Chief vacancy. He had met with the union's representatives, former Chief Mike Kimmerling, and the various Deputy Chiefs. The City had strong internal candidates. He believed that a new Fire Chief would be named in thirty to forty-five (30 – 45) days. He addressed the Parks, Recreation & Cultural Arts Director vacancy. Bobbie Herakovich, Interim Parks, Recreation & Cultural Arts Director, was scheduled to leave the City in January 2015. He noted the difficulty in searching for a Water Director. It had been difficult to locate candidates. He had spoken with American Water. The City needed to be strategic.

He addressed the budget at a high level. There had been some movement regarding culture change. He planned to make a specific request in the Fiscal Year (FY) 2016 budget, (i.e. performance management system). Management training was needed. He also addressed process improvement. This would address the way the City conducted business, accountability, reporting, strategic planning and productivity. He noted that fifteen percent (15%) of City employees were fifty-five (55) years old or older. These individuals were not peak performers. A key issue was how to energize City employees to bring about positive change. He cited accountability and cost efficiency/effectiveness. As an example, Mr. Hales cited the lack of flexibility in union rules. Everyone needed to work together regarding cost savings. The Council needed to work with the City's employees. The City needed good people with a passion for change. The Council needed to demonstrate a willingness to support the City's employees. He cited the importance of Council visits. Fire Department staff knew that only two (2) Aldermen showed up to tour the various Fire Stations. He added the importance of first impressions. City employees have demonstrated their value to the organization. The focus needed to be on long term goals/processes.

Mayor Renner stated that culture change went beyond changes to various department heads. Investment was needed, (i.e. performance evaluation system).

Mr. Hales addressed technology. He cited Building Safety as an example and daily schedules. The goal was to schedule inspections within twenty-four (24) hours. The City did not have the technology/systems to accomplish same.

Mayor Renner added that Code Enforcement had been issue area.

Mr. Hales continued that residential plan review currently took twenty-one (21) days. The Village of Downers Grove completed same in five to seven (5 – 7) days. He believed that the City employed six (6) Building Inspectors. The City needed to be cautious and strategic. The old ways were not acceptable. There needed to be a sense of urgency. City staff had a responsibility to its customers. They needed to understand why/benefits. The Mayor played a key role with the various unions. The unions needed to be brought on board and become a part of the process. Deployment had been stayed. The City may need to offer retirement incentives. There had been bottlenecks when rolling out technology. All City employees needed to understand and buy in into the changes.

Mayor Renner stated that the Council needed to support the City's administration. Efficiency and effectiveness needed to be tied to the City's mission. The City needed to make an investment.

Alderman Fruin noted the pending retirement of Tracey Covert, City Clerk. He questioned realignment of administrative duties. Mr. Hales noted Ms. Covert's institutional knowledge. He hoped to streamline the development process. It would start and end in Community Development. A Project Manager would be assigned to same. This would improve the process and address accountability. He also addressed citywide business registration. This could be assigned to the Finance Department/Accounts Payable/Receivable. A recording secretary could be retained to assist with minutes. This individual could be an independent contractor. The City Clerk would act as an editor. He cited process improvement and a work load that would be acceptable and sustainable.

Alderman Fruin cited overtime and burn out. He believed that the Department Directors needed to be challenged. He questioned the benefit to the Council/City from meaningful work.

Mr. Hales stated that the Council needed to be willing to say no and eliminate services. There were fewer resources. The City needed to do less. The organization needed to be right sized. The Department Directors needed to be able to say no to Council's requests. Priorities needed to be set.

Mayor Renner believed that Nora Durkowitz, Communication Manger, could play an ombudsman role regarding constituency services.

Alderman Fruin expressed his support for development/training. There were various avenues for same. The City needed to have the resources. Mr. Hales agreed that training was critical. He cited resistances, (i.e. unions).

Alderman Hauman noted that if all agreed to be on board, and the employees were trained, they would still have to use what they had learned. Mr. Hales noted that there were times when follow up training was needed.

Steve Rasmussen, Asst. City Manager, addressed the Council. He believed that leaders must set the example.

Alderman Sage expressed his interest in a list of services. He expressed his willingness to make service cuts. The Council must have the political will. Mr. Hales noted that a service listing was part of PBB.

Alderman Black stated that the City should operate like a business. City staff would complete leadership development and then be expected to perform. He was interested in impact. He added that the community component would be important. He was disappointed by the budget cuts which impacted training.

Mr. Hales cited discussions regarding a partnership involving parks and recreation with the Town of Normal and YMCA. New City staff had been employed in a variety of workplaces. He was looking for new ideas.

Mayor Renner cited the cost of isolation.

Alderman Mwilambwe cited his attendance at the National League of Cities Conference. He learned that other cities suffered from the same problems. The City's issues were not unique. He cited the example of potholes in the Midwest. All have the same experience. He questioned the Performance Evaluation system.

Mr. Hales described it as management by objectives. It did not measure an employee's ability to perform basic functions, knowledge, skills and abilities. It was a goal driven system with goals set by the supervisor and employee. The goals were to be SMART, (Specific, Measurable, Accountable, Realistic, Trackable). Staff training and time were needed to make this tool meaningful and valuable.

Tracey Covert, City Clerk, address the Council. She informed them that this system only applied to classified employees. This group was a limited number of City staff, (i.e. non union).

Alderman Lower cited the role for employees as they had ideas.

Mr. Hales added that there was no career development plan which addressed an employee's desire/ambition.

Ms. Montei made observations. The conversation had addressed the way things worked. She encouraged the Council to not find fault. The City was in transition and did not want to build resistance. There were employees who were ready to move on. They did not know how to fit into/align with the new culture. She cited the culture change which needed clarity and focus. The City might have to offer inducements. These could be new or tenured employees.

Mr. Hales recalled April 2014 and the City's difficult financial issues. The City will continue to have financial issues. The culture change needed assistance and resources. He had commenced research regarding performance evaluation.

Break: 10:21 – 10:34 a.m.

Priority Setting Session

DEVELOPMENT OF CITY VISION AND HIGH LEVEL GOALS FOR A FUTURE TARGET YEAR (handout)

Ms. Montei addressed the seven (7) vision categories. The Council had questioned public safety. Belief that it should be a separate category or incorporated into Healthy, Livable Neighborhoods.

Alderman Sage noted that public safety was a separate strategic goal under PBB. It represented a giant share of the City's budget as it addressed safety/security. Police and fire were core City services.

Council discussion regarding changes to framework, components to the vision, and public safety being tangible.

Alderman Sage noted that the framework provided a context. The seven (7) categories represented seven (7) buckets as part of PBB.

Consensus reached to change 6 from Quality Leadership & Stewardship to Public Safety, Safety & Security. Change 1 from Financially Sound, Accountable Government to Financially Sound, Accountable Service Oriented Government. In addition, the old 6 (Quality Leadership & Stewardship) would be added into the new 1.

Alderman Fruin addressed Parks, Recreation and Cultural Arts. He suggested that this area should also be a category by itself. He noted the rankings for quality of life. This department was a substantial part of the City's budget. He questioned 7. Distinctly Bloomington and the word "amenities".

Alderman Lower cited his concern regarding the focus on Downtown. He noted the old rail yard located on the City's west side and Eastland Mall as examples of areas that needed attention. He noted Eastland Mall key roll when addressing the tax base.

Ms. Montei noted the importance of establishing a working framework.

Alderman Fruin noted that some items overlapped/crossed over. In addition, other things were missing. He cited long range water which in his opinion was a basic service.

Alderman Lower cited solid waste management.

Alderman Black believed that 3 should be changed from Enduring, Sound Infrastructure to Enduring, Strategic Infrastructure.

Alderman Sage restated that they key was to identify big buckets.

Ms. Montei led the Council in a small group vision summary exercise. The Council was presented with these questions: what is your vision for the City and what does your vision contain. The target year was 2017 and the Council needed to address tangible items. She encouraged the Council to listen without judgment and to be open minded.

Ms. Montei wanted to open a conversation with the Council. She cited the proposed Downtown hotel. She encouraged the Council to be clear. There were serious matters on Council members' minds.

Alderman Lower addressed fundamental responsibilities which needed to be funded first. The Council was spending time talking about wishes.

Alderman Black cited last year's budget and the disagreement about needs, (i.e. at risk youth programs – gang avoidance). He questioned what these services would look like.

Mayor Renner questioned what the term "public safety" meant.

Alderman Black believed that the Council needed to hear from citizens. He added that there were interesting connections.

Alderman Lower cited the $17 million Miller Park Zoo expansion.

Alderman Sage cited the media conversation regarding a Downtown hotel. There were fundamental questions such as financing, deliverables, and the taxpayers' role.

Mayor Renner noted that the City was not Town of Normal. Citizens did not trust the Council. He added that the Downtown hotel concept was misunderstood.

Alderman Black cited the original funding gap.

Mayor Renner added the unknown impact of the Rt. 66 Visitor's Center.

Alderman Schmidt expressed her confusion. She addressed vision and saw common themes, (i.e. infrastructure funding).

Ms. Montei readdressed the exercise to develop a concrete vision for the City in 2017. This was the opportunity to address Council concerns.

Alderman Lower expressed his opinion that these two (2) items were separate conversations.

Ms. Montei noted that ideas were on the board. They needed to be listed/prioritized.

Alderman Fruin addressed the need for additional revenue and/or expense reduction. He noted union rules and the benefit structure which was richer than the average taxpayer. He cited vacation time and health insurance as examples. There was inequity in terms of salary/benefits with the community.

Ms. Montei stated that there must be the means to strike the balance. The Council had a list of budget reductions.

Alderman Lower believed that there needed to be an expansion on the previous year.

Ms. Montei cited the time line for budget development. The Council would have the opportunity to address reductions. The Council needed to develop a prioritization list.

Alderman Fruin recommended that things be taken off the table, (EXAMPLE: eliminate the Downtown hire back detail). The Council needed to talk about, make decisions and move on.

Alderman Lower recommended that the expense be placed on the business.

Alderman Sage believed that payment should be based upon the amount of City services used.

Mayor Renner suggested closing the 500 & 600 blocks of N. Main St. He also cited video gaming and liquor license issues that went beyond the Downtown. Currently, the taxpayers were bearing the cost. There had not been a liquor violation in the Downtown this calendar year.

Alderman Black expressed his opinion that the Downtown had a different feel.

Alderman Schmidt recommended that the responsibility be placed on the liquor license holder to manage their establishment.

Lunch break: 12 noon – 12:30 p.m.

Alderman Fruin left the retreat at 12:30 p.m.

Ms. Montei believed that the Council was at the crossroads. Everything was not created equal. She informed the Council that a list of programs had been developed with no costs assigned. See NON-COMPREHENSIVE INVENTORY OF PROGRAMS (handout).

The Council would need to find the intermediate level.

Alderman Sage addressed his three (3) top priorities: 1.) citizen safety/security; 2.) infrastructure; and 3.) neighborhoods. The Council needed to determine the high priorities and rank the services.

Ms. Montei recommended that the Council prioritize the seven (7) bucket by selecting the top three (3).

Alderman Lower expressed his opposition to 4. Downtown due to the limited focus.

1. Financial - 1
2. Vibrant - 4
3. Infrastructure - 6
4. Downtown - 2
5. Neighborhood - 2
6. Safety - 8
7. Distinctly - 1

Alderman Hauman expressed her opinion that public safety and financially sound were givens. These were things that the City had to do. She questioned the rankings after those two (2) items.

Alderman Sage agreed that public safety was a given. However, budget decisions still needed to be made.

Ms. Montei questioned the value of ranking the remaining five.

Alderman Black questioned what the Council was willing to live without.

Alderman Schmidt expressed her opinion that the list was a mixture of apples and oranges. She added that a number of items involved a public/private partnership. She cited Mayor Koos' recent comment that municipal government as we know it was not sustainable.

Alderman Lower believed that the City should only do what it legally and morally had to. The Council could address what was affordable afterwards.

Mayor Renner addressed partnerships.

Ms. Montei stated that the Council needed to provide a sense of direction.

Alderman Sage believed that the Council was in the discovery process. First steps needed to be identified.

Alderman Schmidt questioned where the Council should put its energy.

Mayor Renner noted that the Council had the result and it needed to move forward.

Ms. Montei hoped the Council had some sense of what it owned and what it was committed to. The Council had deduced that Security/Safety was number one. Financial was an absolute. Infrastructure held the highest activity ranking.

Alderman Sage suggested an on line survey as a means to receive citizen feedback and offer citizen engagement. Priorities would be consolidated.

Alderman Lower stated that nothing was quantified.

Alderman Sage restated that the Council had established seven (7) buckets. The Council had a framework/context.

Alderman Schmidt expressed her support for the idea of partnerships. She wanted to know what was 100% the City's role.

Alderman Sage restated that budgets would not be approved carte blanche. The City needed to find efficiencies. In order to balance the budget, the Council would need to raise revenue, reduce expenditures or a combination of both.

Alderman Lower noted that two (2) Aldermen were not present.

Alderman Black questioned if there would be a framework for questions to address the budget for the Council and citizens.

Alderman Schmidt noted that #1 was different. It was a value and a cost center.

Mr. Hales reviewed last year's budget process. City staff knew that police and fire were first priority. He cited the police shooting range which was an expensive facility/amenity. The City needed to collaborate with Normal and McLean County. City staff needed high level philosophical decisions from Council. There were major drivers to the structural deficit. He addressed operational efficiencies. The Council had identified high priorities. City staff needed to know what it meant. It impacted budget preparation.

Mr. Hales addressed EMS, (Emergency Medical Services), response time which was at eight (8) minutes. The average response time was six (6) minutes. The work load was increasing. The Council needed to address high level fiscal principles.

The Downtown Master Plan provided next steps and short term action plans. The Council needed to position the City for partnerships.

Alderman Lower cited the cost/expense for infrastructure.

Alderman Schmidt addressed the police shooting range. The Public Safety Committee had addressed same. She noted that work continued on this facility.

Mr. Hales stated that City staff would prepare policy statements and the Council would select one. These statements would be carefully crafted and would address usage and cost allocation. PBB would be a service area. Program description would be specific and well drafted.

The November 17, 2014 Committee of the Whole would address the Communication Center Study. This program had increased the Police Department's operating budget. This item would be for discussion only. No formal action would be taken.

Alderman Sage addressed the shooting range. Cost allocation should be based upon usage. He restated the City needed to charge for services and cover its costs.

Alderman Hauman addressed cost recovery, (i.e. depreciation and Operation & Maintenance).

Alderman Mwilambwe questioned benefits received from other governmental units.

Mr. Hales cited the City's history of providing services at no cost. The City was the largest local governmental unit and provided assistance to other units. Historically, the City has not had a high level policy regarding cost recovery. He cited the Communication Center, Shooting Range and RIMCO, (Risk Insurance Management Co.), as City decisions to go it alone. There were budget implications to these decisions.

Alderman Schmidt expressed her belief that there would be cost allocation.

Mayor Renner addressed policy statements which could include privatization.

Ms. Montei noted the importance of follow up. A policy statement would provide direction early in the process. The Council will have to make some hard decisions. The Council may have to say no to certain services and/or reduce other services. The Council needed to clean up bad habits.

Alderman Black recommended that policy statements be presented with implications.

Break: 1:35 – 1:50 p.m.

<u>Budget Planning</u>

Mr. Hales cited his responsibility to bring to the Council a balanced budget. There needed to be fiscal policy direction. He planned to present the budget to Council in February 2014. This would allow two (2) months for the Council to review and adopt the budget.

Mayor Renner noted that the City Manager made cuts to department budgets prior to presenting the budget to the Council.

Mr. Hales reminded the Council that the City had been playing catch up in the area of vehicles and equipment. There were Enterprise Funds which remained in the red. City staff needed reliable equipment in order to provide services. Challenges remained. The City's financial policies needed to be updated. Priorities needed to be reviewed. He cited the Solid Waste Fund as an example. The policy could be no deficit. City staff had prepared projections which estimated that this fund would return to the black in three (3) years. In reality, citizens selected the smallest toter which had the lowest fee. This fund will have a deficit by year end of over $1 million. City staff was drafting options. Revenue needed to address the cost. The General Fund provided a subsidy of $1.2 million. The City needed a solid financial policy.

He also cited Locust Colton CSO, (Combined Sewer Overflow), Phase 2 with an estimated cost of $3 – 4 million. There are insufficient funds in the Sanitary Sewer Fund to remain in the black. This was a worthwhile project but the concern was the deficit.

Emergency expenditures also impacted fund balance. The Council needed to strive to adopt a high level fiscal policy in the next thirty (30) days.

FISCAL OVERVIEW (handout)

Mr. Hales directed the Council to the graph entitled General Fund Revenues vs. Expenditures. In FY 2015 revenue growth was budgeted at two percent (2%). The City was not seeing same. Projections would be updated. Sales tax was flat/declining. The City was not alone. There were budget implications which resulted in a wider budget gap. He directed the Council to the comments regarding FY 2016. He noted that the proposed $500,000 increase to the Tax Levy would be directed to Police and Fire Pensions. He cited the Council's goal to fully fund these pensions. He added that salaries/benefits would increase by $2.5 million. Revenue growth was not covering the cost of salary/benefit cost increases. This was a big area of concern. Only $1 million was budgeted for street resurfacing. This would be accomplished through the use of local Motor Fuel Tax, (MFT), dollars. The City had been spending $4 million per year on same. He restated that labor was a significant cost. The FY 2016 budget was in the early stages and structural deficit was $4.3 million.

Alderman Lower questioned the percentage of the deficit that was related to the decline in sales tax revenue.

Mayor Renner restated that sales tax was flat/declining.

Alderman Schmidt questioned the local MFT. Mr. Hales noted the recent drop in fuel costs. He added that there were more fuel efficient vehicles. The local MFT was taxed per gallon. The estimate for the local MFT was $1 - $1.5 million per year.

Alderman Lower noted that less fuel was being sold.

Mr. Hales compared expenditures between FY 2015 vs. FY 2016. He cited the costs for pension payments and salary/benefits. Information would be updated. City staff would prepare high level projections. City staff was told to focus on a status quo budget as the dollars were not there.

Mr. Hales addressed PBB. He noted the handout entitled Non-Comprehensive Inventory of Programs. He directed the Council to the handout entitled FY 2016 Budget/Tax Levy Timeline. The Council would receive the recommended budget and PBB at the same time. He reviewed the handout entitled Non-Comprehensive Inventory of Programs. This document included a list of services, costs had not been allocated. Ultimately dollar figures would be attached. A key question was who would rate/prioritize the programs. He expressed his concern regarding deadlines.

Alderman Sage noted that the deadline for the mail survey had passed. The City needed to move forward with PBB. He expressed his concern regarding the level of citizen engagement.

Mayor Renner cited that there would be focus groups and an on line survey.

Mr. Hales noted that there would be a meeting with Bernie Sieracki on Wednesday, November 12, 2014.

Alderman Lower expressed his opinion that the various wards needed to be directly engaged.

Alderman Sage noted that this would be PBB's first year. Progress would be made each year. The process would be developed based upon the initial framework.

Mr. Hales expressed his opinion that the City would need assistance during the first year. Mayor Renner added that PBB would be refined annually.

Ms. Montei addressed the program inventory.

Mr. Hales stated that a list of programs would be completed in November. Program costs, which might be estimated, would be completed by December 2014/January 2015. These items would be added to the Budget Timeline Calendar.

Alderman Black requested that the Budget Timeline Calendar be placed on the City's web site.

Mr. Hales referred to the FY 2016 Budget/Tax Levy Timeline handout. The Tax Levy Ordinance would appear on the Council's November 24, 2014 meeting agenda.

Alderman Sage noted the steps forward and improvements regarding the budget process.

Mr. Hales added that the proposed FY 2016 budget would be presented to the Council at their February 23, 2015 meeting. By law, he was required to present a balanced budget. There were no planned significant revenue increases. The deficit was growing in the Solid Waste Fund. Street resurfacing would be limited to \$1 – 1.5 million, (i.e. local MFT revenue). He hoped to avoid layoffs and continue core services. There would be programmatic/service costs and performance metrics. Benchmarking would be used to address services/costs.

Mayor Renner added that the Council would determine what expenditures needed to be.

Alderman Lower expressed his interest in the big picture.

Mayor Renner stated that there were national standards. City services would be judged by these standards for urban areas.

Mr. Hales cited the City's ISO rating which had gone from 3 to 2. This would result in reduced fire insurance premiums. The City was waiting for the ISO report.

Capital expenditures would be minimal. The Council would need to develop a bridge. He addressed the Budget Timeline calendar. Key issues included the ability to balance the budget, interfund borrowing, and controversial issues. Items would be added to the calendar. There would not be any surprises.

Alderman Sage cited citizen engagement.

Mr. Hales cited one time budget balancing proposals. In addition, there would be Council updates, Council decisions, and public discussions

Alderman Hauman questioned if interfund borrowing had to be repaid. Mr. Hales stated that this would a governing board decision.
Mayor Renner expressed his concern that the City would be deferring costs again.

Alderman Lower stated that there were amenities that he was not willing to fund.

Ms. Montei noted that the Council would perform an examination of cuts, (i.e. when and where this action fit into the process).

Mr. Hales added that PBB was a new philosophy. It would address programs/services. The City needed to do less with less.

Mayor Renner cited two (2) key questions: what would it look like and what was the cost.

Alderman Black needed to hear the public conversation.

Alderman Lower believed that each program needed to be measured, priorities set and manage same.

Mr. Hales cited additional budget controls in place this fiscal year.

Alderman Sage cited the burden of unfunded mandates.

Alderman Mwilambwe cited unintended consequences. He cited the impact of budget cuts, (i.e. staff recruitment/retention). The Council needed to be mindful.

Mr. Hales noted that other local government units were also being impacted.

Mayor Renner cited cooperation/collaboration with Normal, (i.e. fire services, recreation – soccer).

Mr. Hales cited the IL Association of Fire Chiefs report. The report recommended that the best location for fire stations be identified regardless of corporate boundaries, (i.e. City/Town).

Mr. Hales addressed capital, (see Fiscal Overview handout). He directed the Council to the graph entitled Infrastructure by Master Plan. The graph listed ten (10) master plans. He encouraged the Council to review the revenue information. The City needed to update its rate studies for water, sanitary sewer and storm water. The City had a number of completed master plans. The Council would have further discussions regarding these plans in the spring 2015. He cited an eastside issue, I & I, (Inflow & Infiltration). This impacted sanitary sewers. Survey work resulted in insufficient findings.

The City had hired a Facilities Manager. There was a Facilities Master Plan which had been prepared by Faithful & Gould. He addressed preventative maintenance. The City needed to make use of technology, (i.e. energy cost auditing).

He had the goal of changing the “Infrastructure by Master Plan” information into a more useable format.

Ms. Montei noted that a number of things would be placed on the calendar. The Council would have to make policy choices. There would be discernment conversations regarding tradeoffs.

Mr. Hales stated that as the Council work through the process there needed to be employee involvement. Employees would question the value. There needed to be employee benefit, (i.e. work load, work life balance), as the organization is right sized. Council support was needed. Everyone needed to be invested in the process. It would take 100% effort. He addressed process improvement, efficiencies and high quality product. The long term financial trends showed tough times ahead. The City had acute needs.

Alderman Lower addressed user fees. He cited Downtown hire back. This program was only a small percentage of the budget.

Alderman Sage believed that the City needed to live within its means. There would be budget cuts.

Mayor Renner expressed his interest in citizen feedback.

Alderman Lower wanted to see proper distribution of user expenses.

Mr. Hales addressed user fee adjustments. The Council would need to determine if users would be expected to pay for the full cost of the service. Ad hoc committees could be established to review rate studies and make recommendations to the Council. These rate studies would impact businesses and residents. He estimated the time line at three to five (3 – 5) months.

Alderman Sage recalled the group formed to address solid waste.

Mr. Hales readdressed the General Fund and the Capital Program. He cited the following Master Plans: Parks, Street Maintenance, Fire, Zoo, ADA Compliant Ramps, Sidewalk, Downtown Streetscape, and Facilities.

Next Steps

Mayor Renner expressed his opinion that this had been an important conversation which needed to be continued.

Alderman Black noted that there would be a fifth Monday in March 2015.

Ms. Montei recommended that the Council schedule a meeting by the end of February 2015.

Alderman Lower believed that the Council needed a time line.

Alderman Sage recommended that the process start early, (i.e. January 2015). He added that multiple meetings would be needed.

Ms. Montei addressed the budget process. She had taken good notes and believed this would be brought to a positive closure.

Alderman Schmidt reminded the Council that there would be a PBB meeting on Wednesday, November 12, 2014.

Ms. Montei addressed the big picture. She cited next steps, meeting commitments and going beyond the budget.

Alderman Hauman addressed mission, vision and values.

Alderman Sage believed that these would be take-away items. Ms. Montei would synthesize the retreat and report back to Mr. Hales.

Alderman Schmidt believed that the Council was close to a vision statement. She requested that a Work Session be scheduled to address same.

Mr. Hales reminded the Council that there would be a vision statement for the Council and a vision statement for the City as an organization. The values needed to be updated. He cited culture change. He believed that the mission, vision and values needed to be updated. He recommended that the Council have Ms. Montei return to assist with same. A meeting would be scheduled after the draft documents were received.

Alderman Sage acknowledged that there were things that only the Council owned.

Ms. Montei cited the importance of developing a team that consisted of the Council and the Department Directors.

Mayor Renner hoped to continue the momentum.

Alderman Schmidt cited the importance of breaking down barriers.

Mr. Hales suggested that the meeting be held in the Police Department's Obsorn Room.

Alderman Black recommended that this meeting be postpone until after the budget. It was urgent but not important.
Mr. Hales informed the Council that the Bloomington Normal Economic Development Council, the McLean County Chamber of Commerce and the Bloomington Normal Convention & Visitor's Bureau were in the early stages of a regional branding effort. The City's efforts needed to compliment this effort not overlap it.

Alderman Mwilambwe cited the Comprehensive Land Use Plan.

Alderman Lower noted that there were a variety of ideas that needed to be pulled together. The City needed to be genuine.

Closing Exercise

Ms. Montei requested that everyone present state their best take-away from the retreat. She cited the importance of trust and responsibility. The Council should allow these two (2) words to be their guide. She thanked all for their participation.

Motion by Alderman Hauman, seconded by Alderman Schmidt to adjourn. Time: 3:57 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert
City Clerk