



CITY OF
BLOOMINGTON
SPECIAL SESSION
MEETING

AND

COMMITTEE OF THE
WHOLE MEETING
SEPTEMBER 19, 2016

SPECIAL MEETING
PACKET

C.O.W. AGENDA



City Logo Design Rationale

The symbol for the City of Bloomington is multifaceted in its visual and conceptual approach. Visually the symbol and the City's identity represent a modern progressive style which is consistent with the City's government. The symbol is based on three different concepts which combine to represent the City in a contemporary and appropriate way.

First and foremost is the chevron. The City government is a respected agency dedicated to serving the public. In this way, the chevron represents service, rank and authority.

The symbol may also be seen as a three dimensional building. This represents growth and diversity in our community.

Finally, the flower or plant derived from the original name "Blooming Grove," represents a community that is friendly and safe. Progress and growth are also associated with plant life as well as regeneration and renewal.

The symbol's positive upward movement is representative of the City's commitment to excellence!

RESOLUTION NO. 2016 -29

**A RESOLUTION ADOPTING A MISSION, VISION AND VALUES STATEMENT FOR THE
CITY OF BLOOMINGTON**

WHEREAS, the City of Bloomington ("City") is an Illinois home-rule municipality; and

WHEREAS, the City is known as the "Jewel of the Midwest;" and

WHEREAS, the City is a great place to live, work and play; and

WHEREAS, the City Council desires to adopt a statement expressing the Organizational Mission, Vision and Values of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE City Council of the City of Bloomington, McLean County, Illinois, as follows:

Section 1. The above stated recitals are incorporated herein by reference.

Section 2. The City Council of the City of Bloomington hereby formally adopt the following as the City's Organizational Mission, Vision and Values:

Mission: To lead, serve and uplift the City of Bloomington

Vision: A Jewel of Midwest Cities

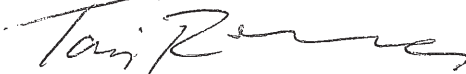
Values: Service-centered, results-driven, inclusive.

Section 3. All resolutions in conflict with this Resolution, as well as any previous statements adopted on the mission, vision and values of the City are hereby repealed.

Section 4. This Resolution shall be in full force and effect immediately after its passage and approval.

APPROVED by the City Council of the City of Bloomington, McLean County, Bloomington, Illinois, July 25, 2016, by a vote of 7 to 1. (Nay: Alderman Kevin Lower) (Absent: Alderman David Sage)

CITY OF BLOOMINGTON



Tari Renner, Mayor

ATTEST



Cherry L. Lawson, City Clerk

Brief Summary of Five Council Priorities

Five Priorities

At the September retreat, Council informally selected its top five priorities, and since that time staff has seen that these five areas are the dominant focus of the Council's policy deliberations. The selected priorities are:

1. Economic Development
2. Infrastructure
3. Financial Planning
4. Reduced Emergency Response Times
5. Downtown Implementation Plan

The value in naming priorities is to establish policy direction, make that direction known to stakeholders and guide policy, budget and operational decisions. As we work to develop the City's FY17 budget, staff would find value in formalizing the five priorities for the next fiscal year.

Prior to formalization, we have prepared this brief summary to begin the dialogue about what each priority means, where it stands and what it will take to advance each going forward.

1. Economic Development

- A. Economic development was overwhelmingly recognized by the Council as **essential to the financial sustainability** of the community. It is our prime means to diversify our tax base and expand our revenue streams.
- B. City of Bloomington economic development is undertaken in parallel with **regional collaboration** and economic development initiatives of the EDC, B/N Advantage and others.
- C. The time is right to review our **economic development strategic plan and incentive policy**. Tools such as TIF are invaluable for the redevelopment of areas such as Colonial Plaza, and will be key to our success.
- D. Economic development cannot stand alone and depends on sound infrastructure and quality of life to successfully ensure a financially-sound future for our community.

2. Infrastructure

- A. The City is decades behind in funding much-needed **infrastructure maintenance**, estimated to total \$400M or more. Reliable infrastructure with the capacity to handle growth is essential to economic development, quality of life and the City's financial long-term stability.
- B. Our City's recently completed **infrastructure Master Plans**, encompassing streets, sanitary sewers, storm water, facilities, sidewalks and more provide detailed inventory, condition rating and make it possible for us to assess and prioritize critical needs.
- C. The next essential step is to develop a **five year Capital Improvement Plan** to address the most urgent/timely needs, AND a funding strategy.
- D. Some projects included in the City's Master Plans are prime candidates for borrowing. Financing options are many, and Council will determine a preferred strategy, ranging from conservative to aggressive.

3. Financial Planning

- A. Since the Great Recession, we are all adapting to a new economy that requires us to have a **long-term, continuously evolving plan for financial sustainability**, including a plan for appropriate reserves. We must have a balanced budget to avoid the pitfalls and reputational damage that many other governments continue to experience.
- B. A deficit in the City's General Fund was averted in the near term through Budget Task Force recommendations and the Council's recent adoption of a 1% sales tax increase. However, the City's expenses, especially those tied to Police and Fire pensions and labor costs, will continue to increase over the years. The **potential for a General Fund structural deficit** will continue to threaten future budgets.
- C. It will take all of us, including our citizens, to develop solutions for achievement of financial sustainability. We must focus on refining our financial projections, re-forecasting when appropriate, identifying programs and services, establishing appropriate levels of service performance measures, and prioritization.
- D. A **Capital Improvement Plan and funding** is critical to the City's financial strategy now and going forward.

4. Reduced Emergency Response Times

- A. Despite the excellent efforts of our first responders, the Fire Master Plan identified that **service to the City's northeast portion is inadequate and response times are below our standards**. Long-term, the Master Plan recommends a new Fire Station facility to serve the northeast area of the City. In the short-term, we must identify creative and innovative methods to reduce EMS and fire suppression response times.
- B. Quality public safety services are essential to a community's Economic Development and, with so many financial resources devoted to public safety, **finding efficient solutions to public safety issues** contributes to the long-term financial health of the community.

5. Downtown Implementation Plan

- A. The Downtown Master Plan was adopted by the City Council in 2013 without an Implementation Plan. Increased interest in Downtown economic development, notably in the proposed addition of hotel and/or convention center space, indicates this is the time to **design the City's role** in success of the Downtown.
 - a. It will take inside and outside **resources to vet potential Downtown projects**.
 - b. We must determine the amount and type of **public engagement** that is appropriate for Downtown development proposals.
 - c. Traditionally, municipalities play a role in Downtown **streetscape improvements** and meeting its **parking needs**.
- B. We can **build upon the qualities that make our Downtown special**, such as our ties to President Lincoln and Route 66, both expertly displayed in the new Visitors Center at the McLean County Museum of History. Smart economic development in Downtown will expand on existing assets and attractions like the Museum, the BCPA and the Coliseum.

2015 Strategic Plan Goals

Goal	1. Financially Sound City Providing Quality Basic Services
Objective	a. Budget with adequate resources to support defined services and level of services b. Reserves consistent with city policies c. Engaged residents that are well informed and involved in an open governance process d. City services delivered in the most cost-effective, efficient manner e. Partnering with others for the most cost-effective service delivery
Goal	2. Upgrade City Infrastructure and Facilities
Objective	a. Better quality roads and sidewalks b. Quality water for the long term c. Functional, well maintained sewer collection system d. Well-designed, well maintained City facilities emphasizing productivity and customer service e. Investing in the City's future through a realistic, funded capital improvement program
Goal	3. Grow the Local Economy
Objective	a. Retention and growth of current local businesses b. Attraction of new targeted businesses that are the "right" fit for Bloomington c. Revitalization of older commercial homes d. Expanded retail businesses e. Strong working relationship among the City, businesses, economic development organizations
Goal	4. Strong Neighborhoods
Objective	a. Residents feeling safe in their homes and neighborhoods b. Upgraded quality of older housing stock c. Preservation of property/home valuations d. Improved neighborhood infrastructure e. Strong partnership with residents and neighborhood associations f. Residents increasingly sharing/taking responsibility for their homes and neighborhoods
Goal	5. Great Place – Livable, Sustainable City
Objective	a. Well-planned City with necessary services and infrastructure b. City decisions consistent with plans and policies c. Incorporation of "Green Sustainable" concepts into City's development and plans d. Appropriate leisure and recreational opportunities responding to the needs of residents e. More attractive city: commercial areas and neighborhoods
Goal	6. Prosperous Downtown Bloomington
Objective	a. More beautiful, clean Downtown area b. Downtown Vision and Plan used to guide development, redevelopment and investments c. Downtown becoming a community and regional destination d. Healthy adjacent neighborhoods linked to Downtown e. Preservation of historic buildings



**CITY COUNCIL COMMITTEE OF THE WHOLE
MEETING AGENDA
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, SEPTEMBER 19, 2016, 5:35 P.M.**

1. Call to Order
2. Roll Call of Attendance
3. Public Comment
4. Consideration of approving the Committee of the Whole Meeting Minutes of August 15, 2016. *(Recommend that the reading of the minutes of the Committee of the Whole Proceeding of August 15, 2016 be dispensed with and the minutes approved as printed.)*
5. Presentation of Streets and Sidewalks portion of the Five Year Capital Improvement Plan (CIP). *(Presentation by David Hales, City Manager and Jim Karch, Director of Public Works 20 minutes, Council discussion 40 minutes.)*
6. Employee Compensation Strategic Plan Initiative *(Presentation by David Hales, City Manager, Nicole Albertson, Human Resources Director, Dr. Lust 30 minutes, and Council discussion 45 minutes.)*
7. Adjournment

Note: No action will be taken on any matters at this meeting beyond approval of the minutes.



COMMITTEE OF THE WHOLE MEETING
AGENDA ITEM NO. 4

FOR COUNCIL: September 19, 2016

SUBJECT: Consideration of approving Committee of the Whole Meeting Minutes from August 15, 2016.

RECOMMENDATION/MOTION: That the minutes of August 15, 2016 Committee of the Whole Proceedings be approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND:

In compliance with the Open Meetings Act, Committee Proceedings must be approved within thirty (30) days after the meeting or at the Committee's second subsequent regular meeting whichever is later.

In accordance with the Open Meetings Act, Committee Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Committee approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable.

Respectfully submitted for Committee consideration.

Prepared by: Cherry L. Lawson, City Clerk

Recommended by:

A handwritten signature in black ink, appearing to read "David A. Hales".

David A. Hales
City Manager

Attachments:

- August 15, 2016 Committee of the Whole Meeting Minutes

Motion: That the minutes of Committee of the Whole Proceedings of August 15, 2016 be approved as printed.

Motion: _____ Seconded by: _____

	Aye	Na	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Buragas				Alderman Painter			
Alderman Fruin				Alderman Sage			
Alderman Hauman				Alderman Schmidt			
Alderman Lower							
				Mayor Renner			



**COMMITTEE OF THE WHOLE SESSION
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL OF
BLOOMINGTON, ILLINOIS
MONDAY, AUGUST 15, 2016; 5:30 P.M.**

1. Call to Order

The Council convened in Committee of the Whole Session in the Council Chambers, City Hall Building, at 5:30 p.m., Monday, August 15, 2016. Mayor Renner called the meeting to order and directed the City Clerk to call the roll.

2. Roll Call

Aldermen: Kevin Lower, David Sage (arrived 5:33 PM), Mboka Mwilambwe, Amelia Buragas, Joni Painter, Karen Schmidt, Diana Hauman and Jim Fruin.

Staff Present: David Hales, City Manager; Steve Rasmussen, Assistant City Manager; Jeffrey Jurgens, Corporation Counsel; Cherry Lawson, City Clerk; Jim Karch, Public Service Director; Tom Dabareiner, Plan/Code Enforcement Director; Austin Grammer, Economic Development Coordinator; Kenneth Bays; Assistant Chief of Police; Scott Sprouls, Director of Information Services; and other City staff were present.

Alderman Absent: Scott Black.

3. Public Comment

Mayor Renner opened the meeting to receive Public Comment. The following individuals provided comments during the meeting.

Alton Franklin
Bruce Meeks

4. Consideration of approving the Committee of the Whole Meeting Minutes of June 20, 2016.

Motion by Alderman Schmidt, second by Alderman Painter, that the minutes of the Committee of the Whole Meeting of June 20, 2016 be dispensed with and approved as printed.

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

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

Nays: None.

Motion carried. (viva voce)

5. Presentation and discussion of the SB Friedman Development Advisors' Final Evaluation of Bloomington Downtown Redevelopment Partners' Proposal for a Downtown Hotel and Conference Center. Discussion of identifying Downtown priorities and developing a Downtown Action Plan / Next Steps.

Mayor Renner stated that this is the first time the Council has meet with S.B Friedman to discuss and hear recommendations on the research his group conducted on the Downtown Redevelopment Partners' proposal for a Hotel and Conference Center.

Mr. Friedman recapped the evaluation made of the submission by Riverside Lodging Bloomington LLC; the group of people who are promoting the redevelopment of the Commerce Bank building and the Front and Center Street building into a hotel and conference center. Their formal submission was in response to the Inducement Resolution that was passed that asked for several things to be presented to the City to support their idea and capability of carrying out this redevelopment plan which included evidence of Site Control; letters of commitment from an appropriately experienced and acceptable hotel developer, financing commitment from lenders, tax credit buyers, and cash equity investors; a lease or other commitments from appropriate other tenants; franchising agreement from an acceptable hotel brand; detailed plans and specifications for development acceptable by the City Manager; construction and development costs prepared by a general contractor or professional cost estimator; and a revised final financial projection of the net operating income, tax generations, and other factors.

Early May 2016 this group submitted their approach to this project. In S.B. Friedman's review they looked at the complete list of developer's submittal, critical deficiencies, and recommendations. One of the first things S.B. Friedman's group reviewed was the proposed structure of the developmental team. They found that Grey Stone and The Gable Housing Group were presented as the partners who would handle local coordination to a developmental team in the City. Common Wealth Hotels was presented as the entity that would secure debt financing but was later clarified that they would just be the Management Company. Aspect Architects and an architectural firm called CNNA were to manage design and engineering; Common Wealth Hotel Management was to provide management and coordination of obtaining a Flag; and a local Farnsworth group was to coordinate the local architectural work.

During review it was found that there was evidence of Site Control which was received subsequent to the original submission. A letter of commitment from a Hotel Developer was shown in the management agreement between Riverside and Common Wealth. Common Wealth is experienced as an Operator, Manager and developer of Hotels. In this particular case they are playing the role of a Manager. Financing commitments from acceptable lenders, tax credit buyers and cash equity investors was an area that was not complete. There was a letter from a financial Broker, but a letter from a Broker does not show there is a financial institution or partner standing beside the developer ready to move forward with this project. Furthermore, there was nothing provided on the tax credit side, and nothing further provided about the source of equity. There were no lease commitments from other tenant and in regards to the Franchising Agreement from a reputable hotel brand; there was only a letter of interest provided by Hilton Hotels on this particular topic. The detailed plans and specifications were the same as when they were submitted previously in October and with construction and development costs nothing new was submitted. The financial projections had minimal revisions from what was previously submitted in October. Due to all of the above, research found there are multiple deficiencies in the Purchase and Sale Agreement. In addition, the City had appraisals done on the property and the value found by the appraisals was essentially negative values and the purchase price of the contract was four million dollars, showing there was a substantial difference in the views of what the property is worth. Lastly, the team continued to ask for upfront funding requiring a guarantee from the City.

Based upon these findings, S.B. Friedman's group did not feel that this developmental group is capable of carrying out this particular project in a manner that the City can become involved in and they recommend to the city that they reject any request for assistance due to the deficiencies noted.

S.B. Friedman's group believes Downtown Bloomington has a lot of potential for various uses, and Friedman's group proposed the following: 1. To reject the assistance request; 2. To continue to proceed to create the TIFF districts of the Downtown area so that it is staged and prepared for development which encourages invitation to others developers. 3. To identify and pursue the Downtown priorities using our current plan as a base, and updating it if need be, and involving stake holders in Downtown and members of the community so that the City can prepare and Action plan along the way. 4. To review and refine the application process to be efficient for all but should still help to litigate financial risks.

Mayor Renner clarified the points made during S.B. Friedman's presentation and asked if anyone had questions for Friedman.

Alderman Sage asked Mr. Friedman whether their group was planning on helping the City develop a better process for redeveloping Downtown Bloomington that he spoke of. Mr. Friedman stated, the City already has a great base for this process; however, suggests just a

refinement to this process. Alderman Sage felt this new process needs to clearly identify roles and responsibilities but especially in reference to the council as a whole not as individual council members. Sage encouraged and welcomed S.B. Friedman's engagement with Mr. Hales to help the City create a better framework and process for redevelopment.

Alderman Mwilambwe asked Friedman whether he has a recommendation for the City to update its priorities and the process it should make. Mr. Friedman suggested working with Tom Dabareiner and other executive staff, whom have a lot of great ideas as to how to achieve prioritizing better. He noted that the City needs to do a comprehensive market study again, which can take some time, however, he believes it needs to be done. Friedman mentioned starting with a foundation of priorities that allows the City to grow and develop from those particular projects.

Alderman Schmidt asked what the parameters of this particular TIF district were. Mr. Grammer; Economic Development Coordinator, explained that this particular TIF district encompassed a three block radius of the Front and Center block, the Commerce Bank block, the Elks Lodge block, the Major Butler parking lots, and then the parking lots owned by Joe and Root Haney. Mr. Hales asked Kathy Field-Orr to explain expansions of TIF districts.

Alderman Schmidt inquired about the amount of property the City owns in the TIF district and about opportunities for leverage.

Ms. Field-Orr answered by talking about the boundaries of a TIF district and how you come up with those. She noted in her experience it is better to focus needs on a particular area because a TIF lasts 23 years and you need the full 23 years in case you want to issue bonds or obligations. She has seen more mistakes in having to undo TIFs because the focus was too large, versus focusing on a smaller area at first and then expanding if need be. In terms of leverage to developers in a TIF district, Ms. Field-Orr mentioned offering the opportunity to use the increase in taxes as a result in the increase in value to reimburse that developer for the expenses and environmental issues and absolute historical costs to rehab. The increase in real estate taxes is used to reimburse the developer. She went on to further explain TIF negotiations on a very brief overview.

Alderman Schmidt asked the Council to keep in mind that the Downtown Bloomington Associations has been doing a lot of things in the plan so while the Council is looking out to what we need to do; we also itemize what has been done.

Alderman Lower questioned how involved the Council should be in this process. He thinks the community should be in support of a project before the council moves forward with it. He mentioned that the goal of this particular Hotel project is not as clear as it once was in terms of whom are we trying to help. He feels there are other areas that can be bought without a TIF that would be of less investment to the community.

David Hales asked staff to consider, how they wish to proceed based on the recommendations of the Friedman group. Mayor Renner was not sure an action is needed at this time. Alderman Sage stated the Council needs to know where they stand on this Hotel Redevelopment project.

S.B. Friedman suggested, due to the amount of engagement the Council has had in this project, making a statement to move on in a definitive way would be very helpful.

Alderman Schmidt agreed a formal statement needs to be made no matter if they agree in full or just in parts to what was suggested.

Alderman Painter stated the City should continue to try to revitalize the Down Town Area, even if this particular hotel project was not put into motion.

Alderman Fruin stated he did not want to move forward with this particular project but that he is still very interested in redeveloping this area.

Alderman Buragas wanted to know what information does Council need to be able to know what the Council's priorities are. Council just created a Downtown plan last fall with the stated priorities. Council does not need help in figuring out our City's priorities but rather Council needs to state how we are going to move forward in this process of Redevelopment. Council needs to use the priorities already established and come up with an action plan.

Alderman Schmidt suggested placing S.B. Friedman's recommendations on the next Council meeting agenda to vote on whether they accept it as is and take action on the recommendations.

6. Discussion of identifying Downtown priorities and developing a Downtown Action Plan/ Next Steps.

Mayor Renner presented an open discussion to the Council in identifying Downtown priorities with a Downtown Redevelopment Plan; that may need updating, and a Downtown Revitalization Strategy Plan that outlines goals and objectives. He wanted Council to discuss creating a Downtown Action Plan and the next steps moving forward.

Mr. Hales reminded the Council that they should determine whether to create Downtown priorities and whether the Downtown Master Plan needs to be updated. Council needs to determine what ultimately should be an action plan. The executive staff has a lot of great ideas on this process and expertise in these areas, which allows staff an opportunity to put together something to present to the Council with specifics of the process, and how we can take this information and move forward. Once a Master Plan is adopted, Council can then determine the next steps including staff keeping the Council updated on the progress. Council would then be able to periodically review these priorities as needed. A formal process needs to be created so

that the Council is constantly revisiting these priorities as a group and determining whether certain projects are continuing on the right track or if further discussion is needed.

Alderman Fruin commented on defining the boundaries in terms of this redevelopment area, as there have been multiple demolitions. Council needs to focus on a block or section of the area at a time. It is important to focus on what exactly is being referred to as being Downtown.

Alderman Sage agreed with Mr. Hales' recommendations to put together a plan with Executive Staff prior to any meetings being put in place. This would help build majority Council support instead of having individual or minority council projects.

Mayor Renner asked Mr. Friedman for clarification on helpful items for this framework. Friedman suggested understanding land and land ownership. We need to look at what land is available and what are the key uses and key opportunities that were found in the Market Study of 2009. This gives us something to start with. It would be helpful to look at other cities and towns in contrast to ours and see what we can do in comparison. Basic demographics are easy and quickly obtainable to use.

Alderman Karen Schmidt asked for clarification on the next steps Council will take. Mayor Renner stated Council would be moving forward with a Resolution that is similar to what S. B. Friedman presented. The resolution would state that the Council is still interested in the development of the Downtown area, the Downtown Plan, and possibly updating this plan. This particular Hotel project, in its current form, was not one the Council found acceptable. Another thing that informally came out of discussion was that there should be a Downtown Summit. Mr. Hales mentioned that before a Summit is held, there would be a proposal created by City staff that would be presented to Council that would outline the progression of the Council achieving a Downtown Priorities Plan as well as having a Specific Action Plan.

Alderman Buragas stated that once we have a draft of a Downtown Priorities Plan, that this would be a great thing to present at a Downtown Summit to get feedback.

Mr. Hales stated the Downtown boundaries are inclusive and we need to keep this in mind as we create a process for redevelopment.

Alderman Lower stated if the City is going to invest time and money into Downtown, we have to see results; meaning creating jobs. A plan that is defined and shows that it will create jobs will need to be presented before he can find it beneficial to the community and City.

Alderman Fruin, Alderman Hauman and Mayor Renner spoke in consensus that Council needs to set a policy or set of direction that will assist Council moving forward long past their terms.

7. Adjournment

Motion by Alderman Hauman, seconded by Alderman Schmidt, to adjourn Committee as a Whole Session. Time: 7:08 p.m.

Motion carried. (viva voce)

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk

 CITY OF
Bloomington **ILLINOIS**
COMMITTEE OF THE WHOLE MEETING
ITEM NO. 5

FOR COUNCIL: September 19, 2016

SUBJECT: Presentation of Streets and Sidewalks portion of the Five Year Capital Improvement Plan (CIP).

RECOMMENDATION/MOTION: Presentation and discussion only.

STRATEGIC PLAN LINK: 2. Upgrade City Infrastructure and Facilities

STRATEGIC PLAN SIGNIFICANCE: 2a. Better quality roads and sidewalks

BACKGROUND:

City staff is presenting an overview of street and sidewalk programming as it relates to the draft Five-year (5) Capital Improvement Plan. This is one of a series of presentations to outline programs and funding issues for the City Council.

The streets spending in the CIP includes annual resurfacing but also major road and bridge projects that fall outside the resurfacing budget.

Sidewalks are tied to streets in that replacement of substandard sidewalks often is timed to coincide with repair of a street. Installation of curb ramps also occurs in proximity to a resurfacing project.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:

FINANCIAL IMPACT: For presentation purposes only.

Respectfully submitted for Council consideration.

Prepared by: Stephen Arney, Public Works Engineering Technician

Reviewed by: Jim Karch, PE CFM, Director of Public Works

Recommended by:



David A. Hales
City Manager

Attachments:

- Proposed CIP Schedule
- Streets-Sidewalks CIP Presentation

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Buragas				Alderman Painter			
Alderman Fruin				Alderman Sage			
Alderman Hauman				Alderman Schmidt			
Alderman Lower							
				Mayor Renner			

Proposed CIP Schedule

	Anticipated Time for Council Review	Council Presentation/Discussion	Anticipated Time for Council Presentation/Discussion
Capital Financing & Debt Policies	.5 hour	September 12th	1 hour
Streets & Sidewalks	1 hour	September 19th	1 hour
Storm & Sanitary	1 hour	October 17th	2 hours
Culinary Water	1 hour	November 21st	1 hour
Parks & Rec	1 hour	December 19th	1 hour
Facilities	1 hour	January 16th	1 hour
Fire	1 hour	February 20th	1 hour
Comprehensive Recap	1 hour	March 20th	2 hours
	7.5 hours	TOTAL	10 hours

Total Anticipated Minimum Time Commitment from Council: 17.5 hours*

*Does not include public outreach activities

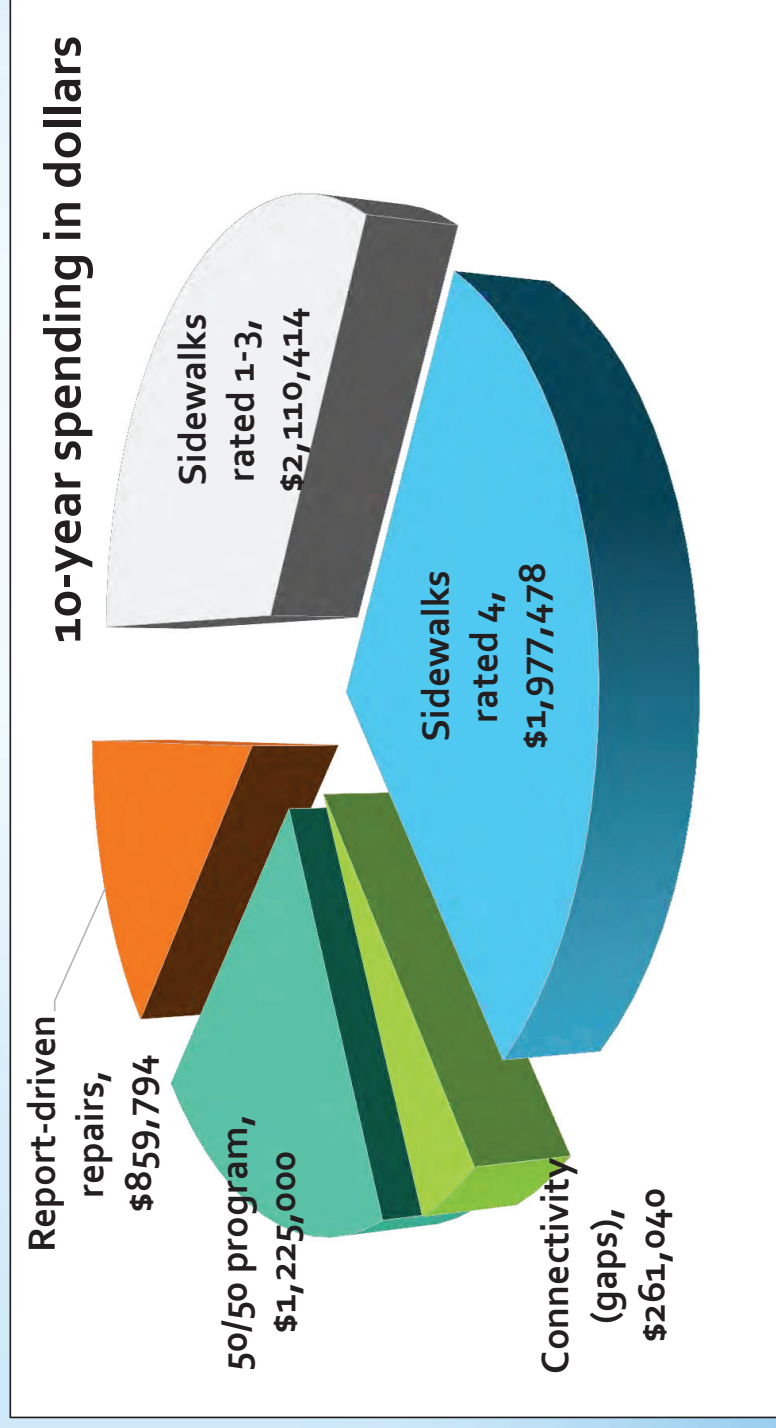


Addressing streets, sidewalks

5-year Capital Improvement Plan

Presented by Jim Karch, PE, CFM
Director of Public Works

Sidewalks



Master Plan projected 10 years of spending: \$6.4 million, plus curb ramps (which are 10² percent of resurfacing budget).

Sidewalks Status: Plan on track, but....

- 10-year Sidewalk Master Plan approved October 2015.
- Premise of plan is fix what we have first.
- At current pace and current funding, Plan will be achieved. No substandard sidewalks by Year 10.
- Shortcoming of program: Not enough funding to address all gaps area.

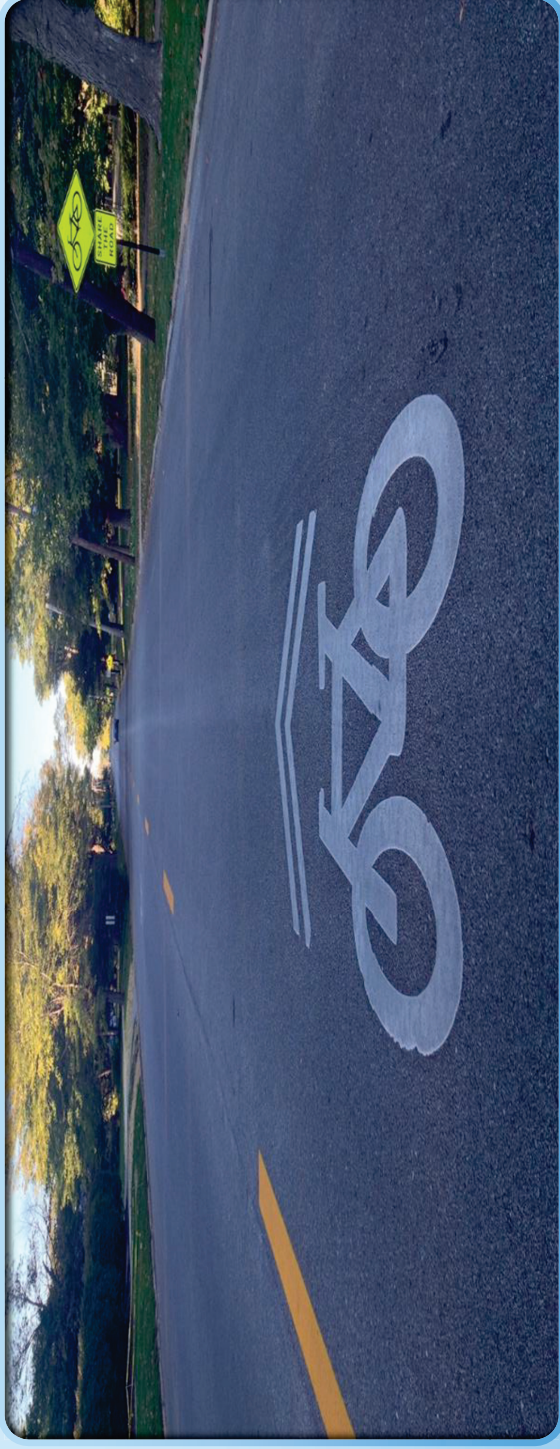


Question for Council:

Do we allocate additional funds to address more gaps in the sidewalk system?



Complete Streets



Increased emphasis on bicycles

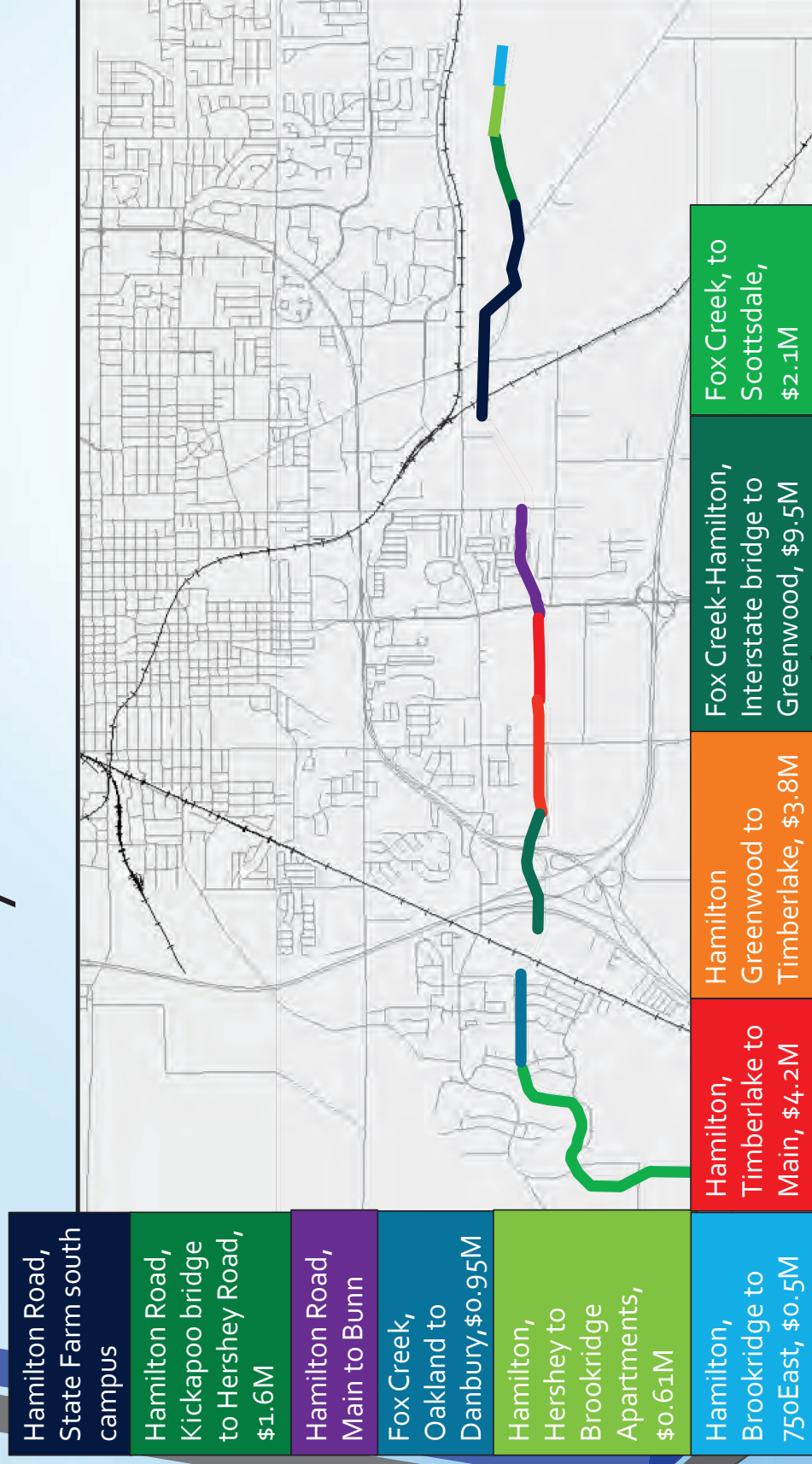
- Bicycle Master Plan identified key routes.
- Complete Streets Ordinance in place.
- Streets are examined for multimodal potential during review of resurfacing plans.



Hamilton Road & Fox Creek Road



History of the Hamilton Corridor



Gaps to Fill, South Corridor

1. Fox Creek Bridge & Fox Creek Road, Danbury to Beich
 - \$6M funding secured
 - Construction to begin 2018



Gaps to Fill, South Corridor

2. Hamilton Road, Bunn to Commerce

- \$10M not secured.
- Construction can begin in FY 2020 if we act now.
- Railroad will work with City on at-grade crossing.
- **FUNDING SOURCE REQUIRED BEFORE FEBRUARY 2017.**
- Grant attempts unsuccessful.



Hamilton Road Questions for the Council

1. Does the Council agree with staff that this is the No. 1 priority among major street projects for Bloomington?
2. Does the Council support use of bonds to pay for the project?



Other Major Road & Bridge Projects

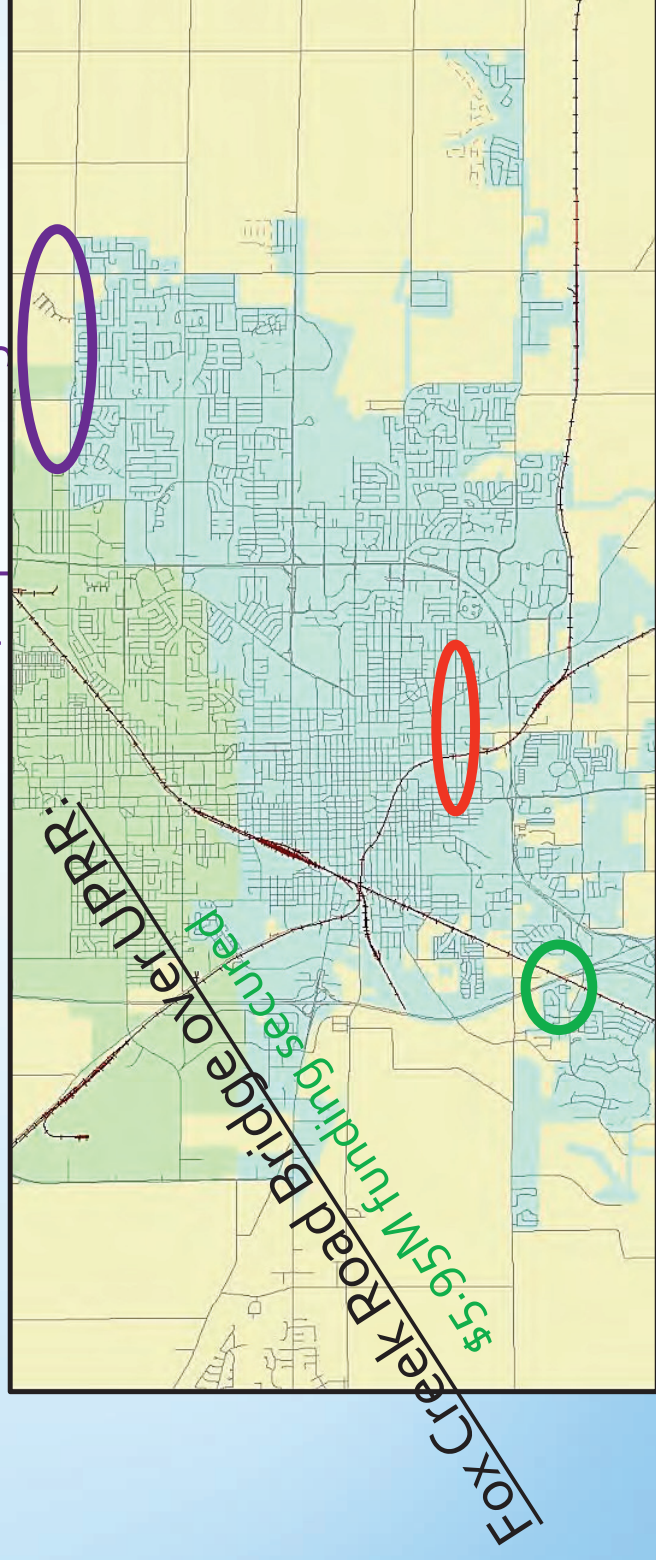


Streets Master Plan is nearly completed.

Here are some of the major projects.

Fort Jesse Road Reconstruction:

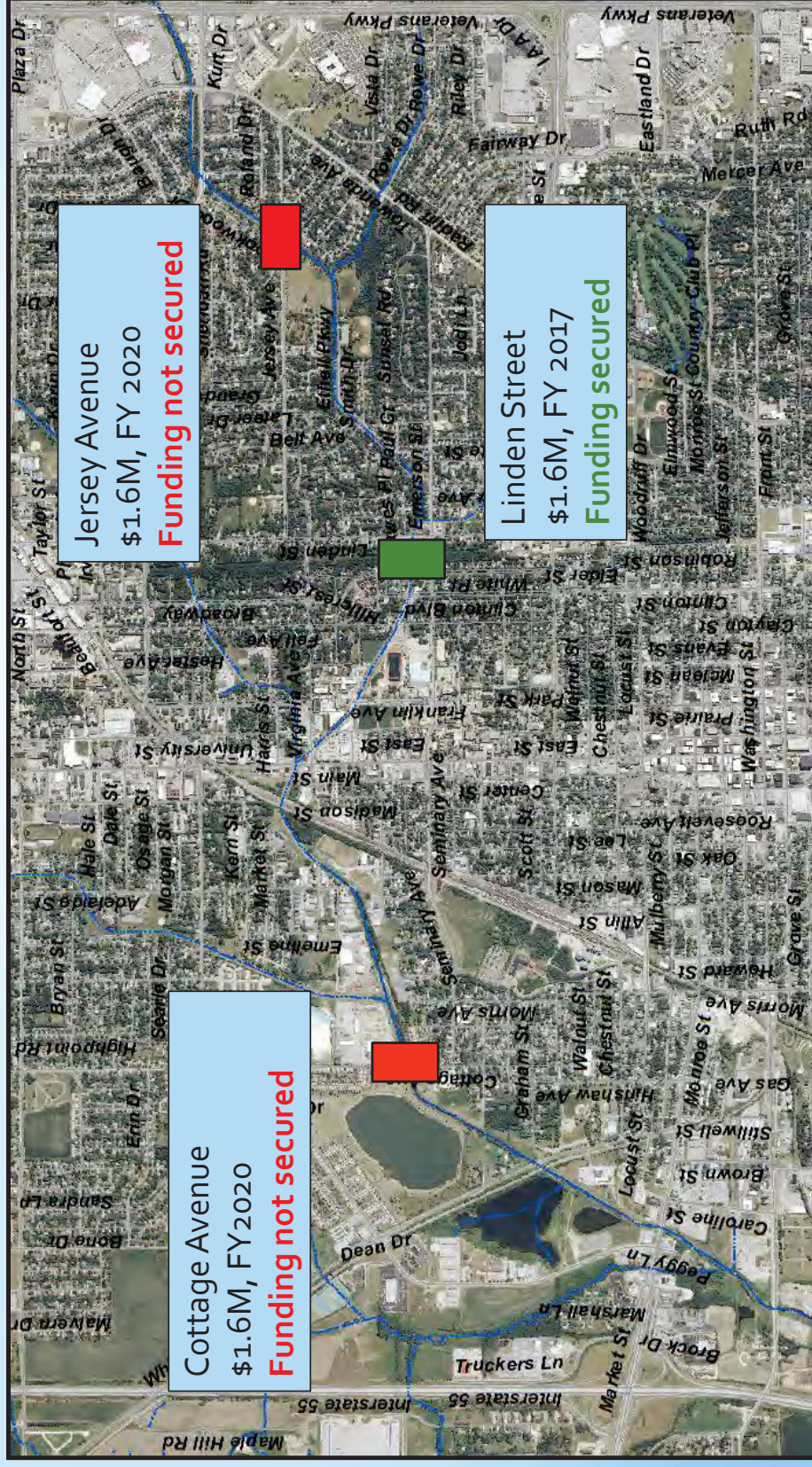
\$1.4M funding not secured



Lafayette Street, Main to Ash Street:

\$8M funding not secured

Bridges over Sugar Creek



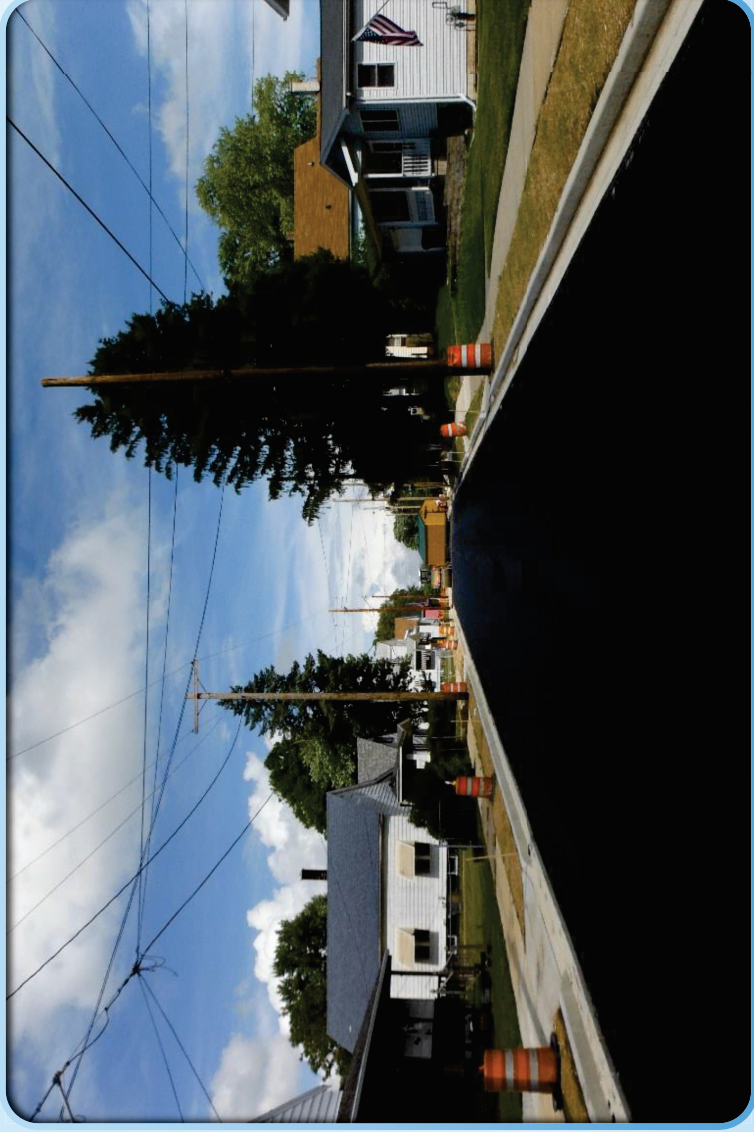
Traffic



Signalizing intersections

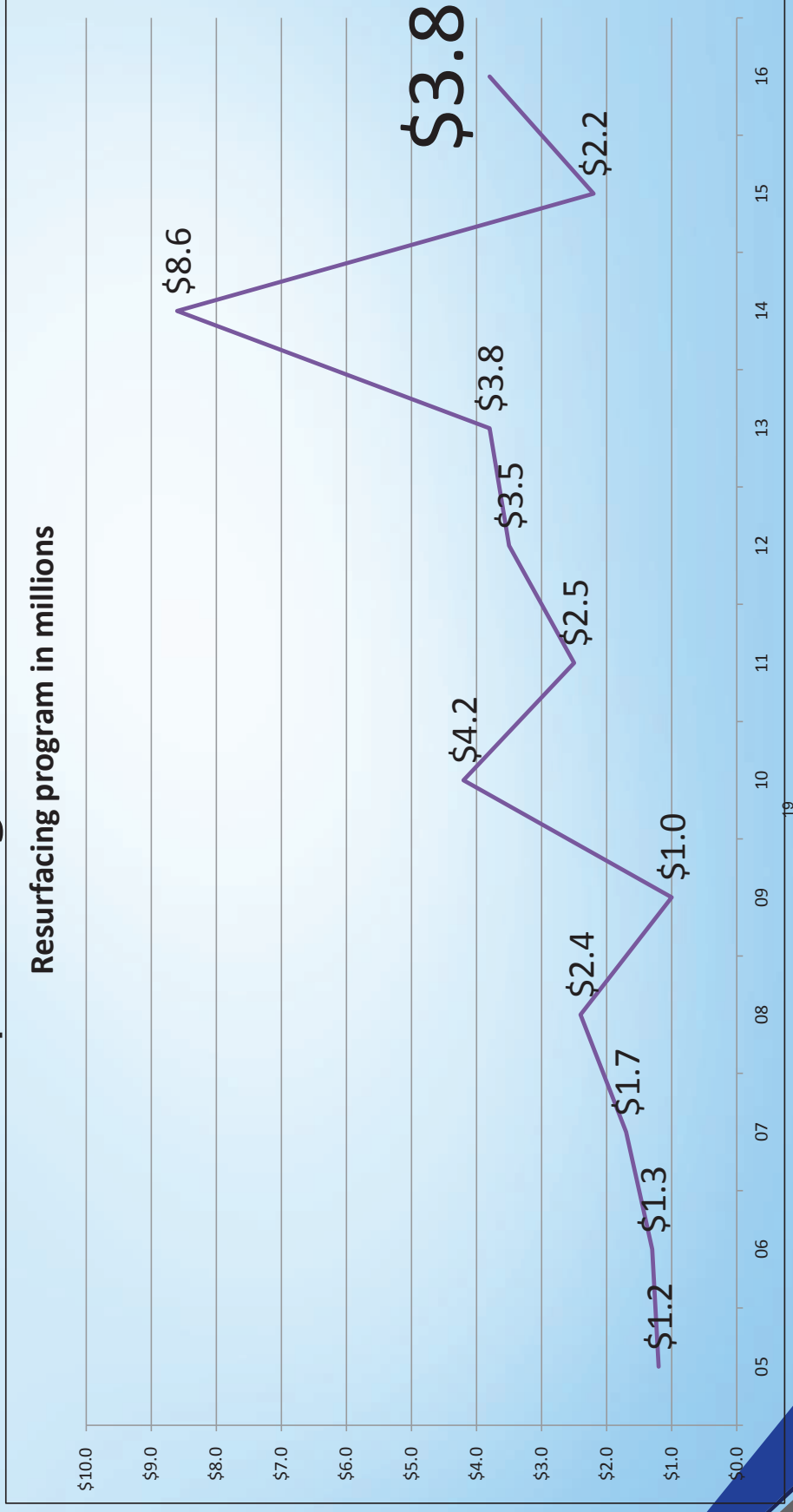
Currently in design	Near future	Also envisioned
Hershey and Arrowhead	Airport and Fort Jesse	Lee and Market
Hershey and Clearwater	Hershey and Fort Jesse	Euclid and Washington
GE and Keaton	Streid and Ireland Grove	Empire at Fire Station
Towanda-Vernon redo		

Cause of delay: Staffing. We now have a contracted engineer working on the projects with a contracted engineering firm.

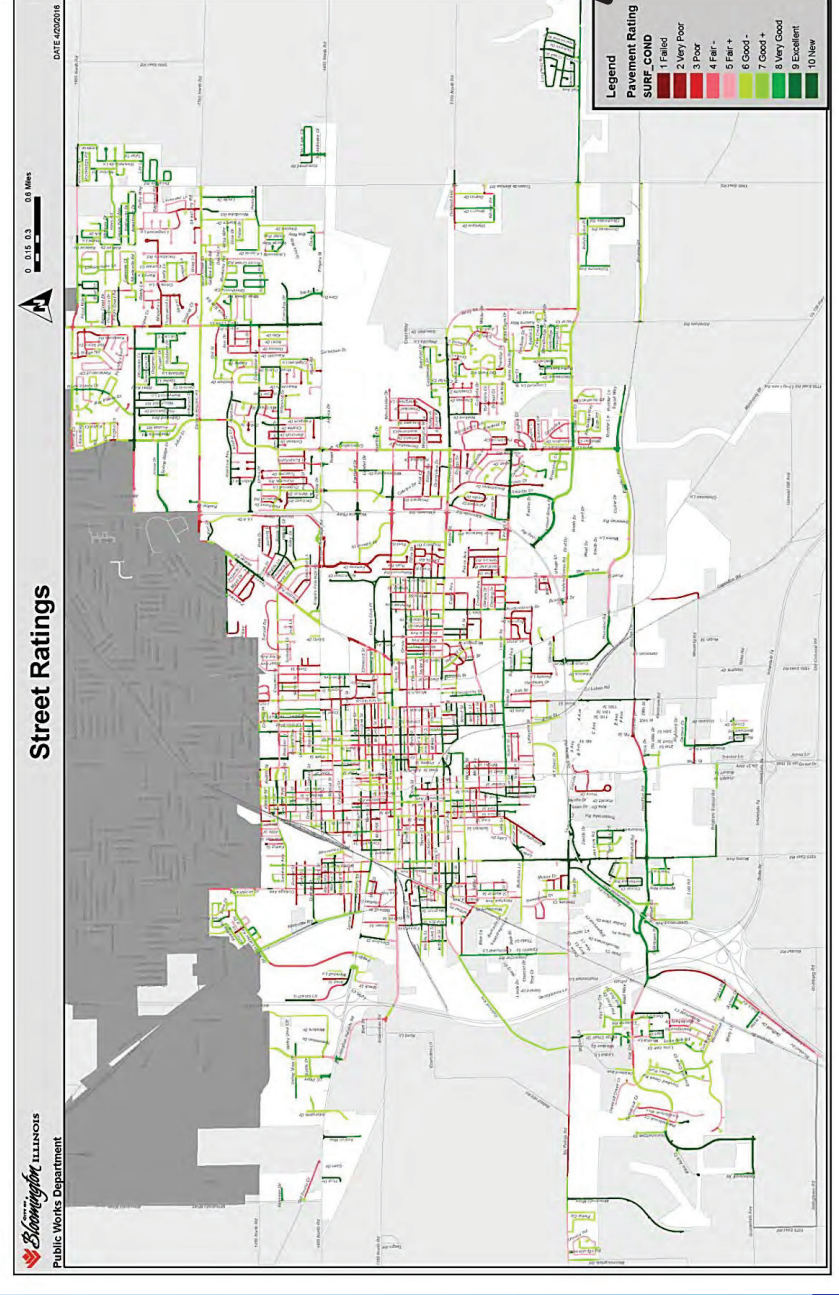


General resurfacing

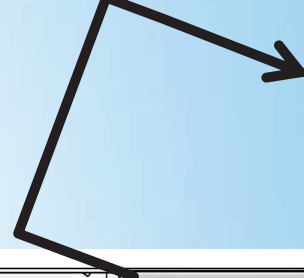
Spending on Pavement



Funding for Level-of-service



- Higher level of service means higher cost to deliver service
- Infrastructure quality suffers from lack of funding



Rating:
5 Fair+

Rating:
1 Failed

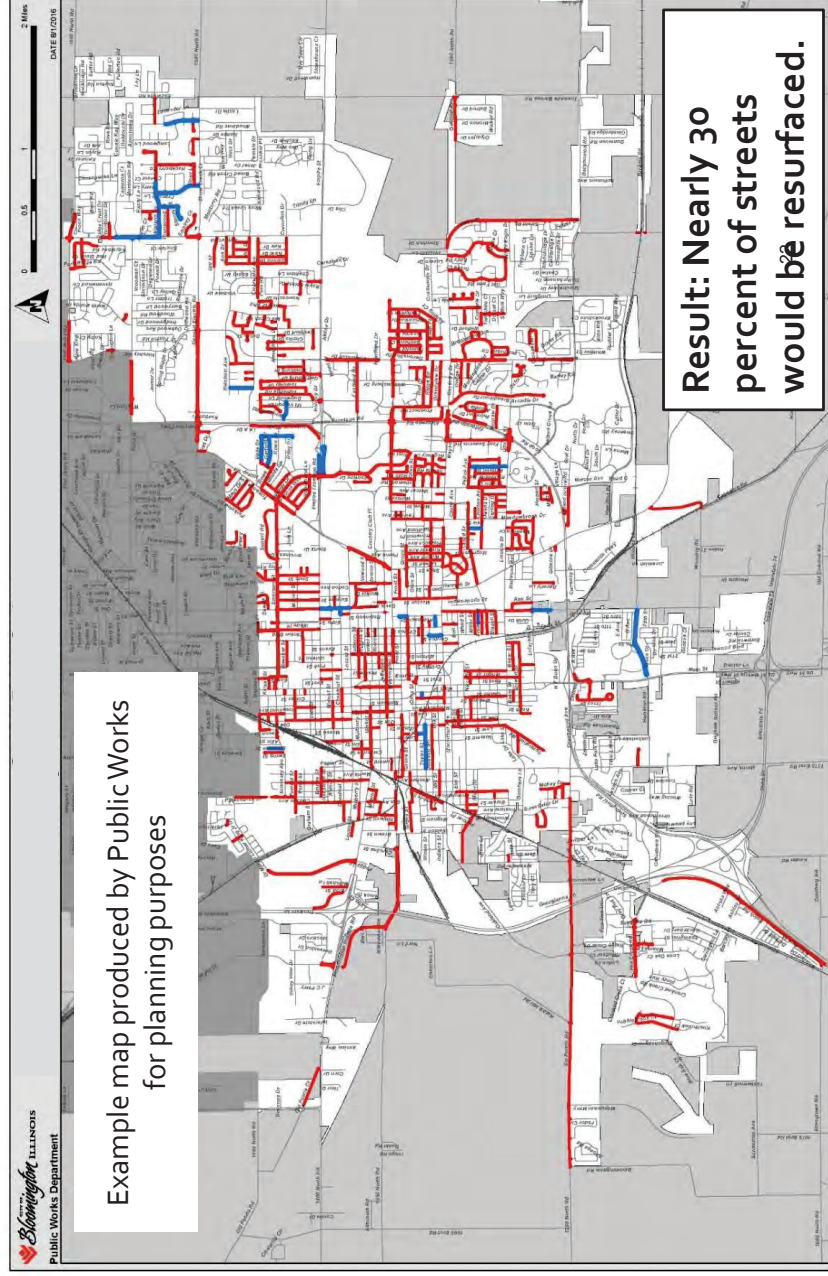
Setting Service Levels

Public Works Recommends Sliding Scale in Setting Service Level for Streets					
Street Classification	Min. Rating	City Total Area SY	Expected Life in Years	Area per Year	Projected Cost per year
Arterials	5	1,270,707	12	105,892	\$3,282,659
Collectors	4	592,147	18	32,897	\$1,019,809
Locals	3	3,902,183	27	144,525	\$4,480,284
Alleys	3	94,172	30	3,139	\$97,311
Annual funding to meet recommended ratings					\$8,880,063

2015 estimates

CIP Draft Plan

What \$55M in resurfacing looks like



Resurfacing

5 Year CIP

Annual Resurfacing	\$3.4 million
	\$3.6 million
	\$3.6 million
	\$3.7 million
	\$3.7 million
"Streets 2.0" 5 Years	Plus \$25 million
5-year Total:	\$43 million
Ave. Annual Spending:	\$8.6 million

Caution:

1. If we borrow extensively for streets, eventually we will be using all our resurfacing money to repay debt, unless an additional source of income is identified.

Alternative: Increase revenue up front; pay as you go.

Staffing:

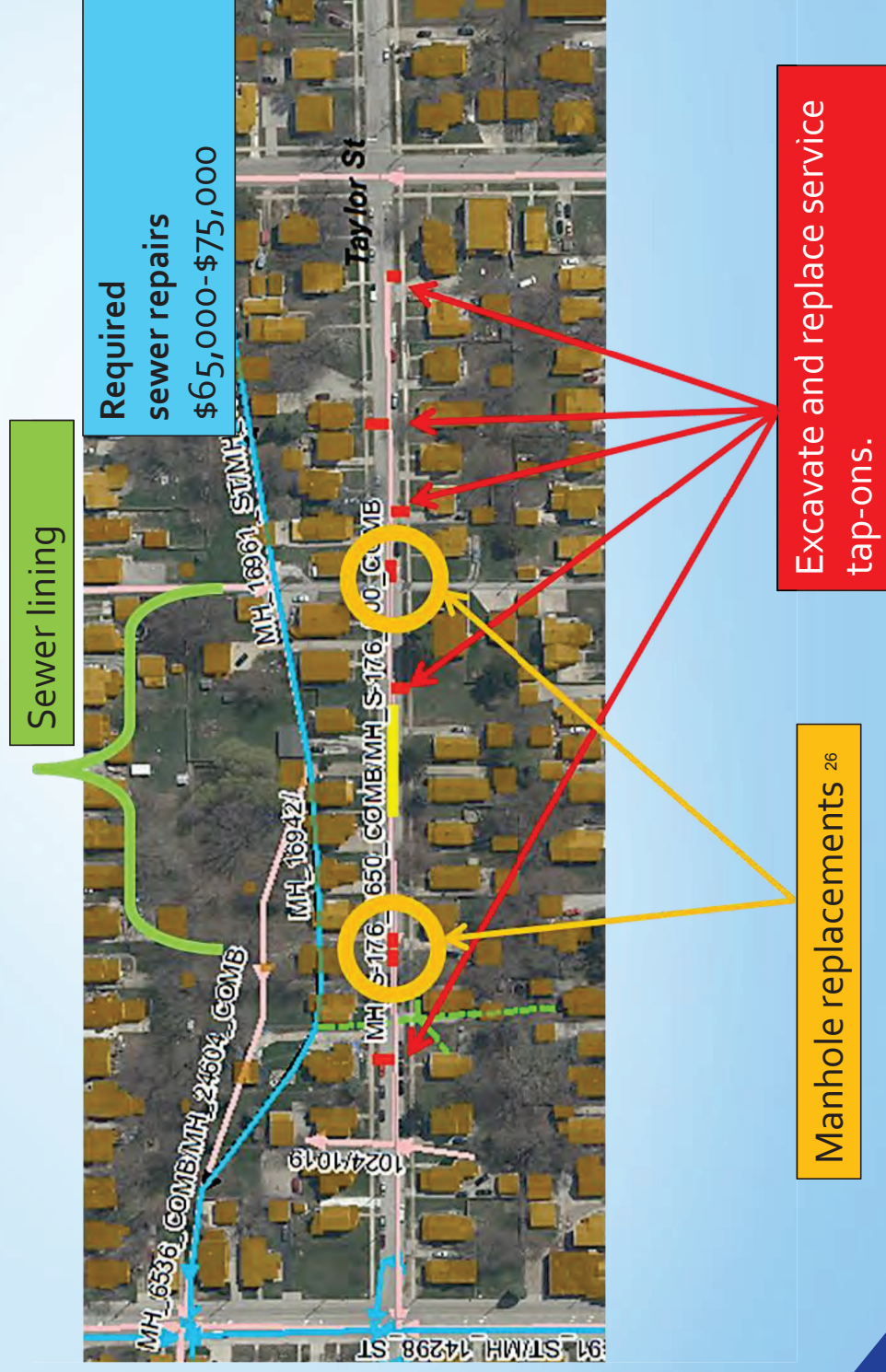
An aggressive street program (such as the 2014 effort), plus the Complete Streets initiative and other traffic needs, will require additional Public Works staff:

- Add 1 Engineer and 1 Technician for resurfacing projects of \$8.6 M per year.
- Add 1 Technician for front-end work on sewers related to resurfacing \$8.6 M per year.
- 1 Traffic Engineer and 1 Traffic Technician for restoration of the traffic section of Engineering (eliminated in 2009).

Sewer repair must precede street resurfacing



Without proper funding to address the underground infrastructure, a major streets initiative will not be truly successful.



Questions for Council

1. Is \$8.6 million a year the right funding level for annual street resurfacing?
2. If so how do we achieve this funding level and still have sustained funding after the 5-year period?

 CITY OF
Bloomington **ILLINOIS**
COMMITTEE OF THE WHOLE MEETING
AGENDA ITEM NO. 6

FOR COUNCIL: September 19, 2016

SUBJECT: Presentation of the Employee Compensation Strategic Plan Initiative by Dr. John Lust of Illinois State University.

RECOMMENDATION/MOTION: Not Applicable

STRATEGIC PLAN LINK: Financially Sound City Providing Quality Basic Service

STRATEGIC PLAN SIGNIFICANCE: Budget with adequate resources to support defined services and level of services.

BACKGROUND: Dr. Lust, a subject matter expert on employee compensation and benefits, is presenting an overview of strategic compensation and will facilitate Council discussion to assist the City in focusing its efforts and resources when addressing this important topic. In addition to his many years of teaching and academic publications on employee compensation and benefits related topics, Dr. Lust is recognized as a local market expert having for thirteen years conducted the Bloomington Normal Human Resource Council (BNHRC) Wage and Benefit Survey.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not Applicable

FINANCIAL IMPACT: Not Applicable

Attachments:

- Appendix I. Summary of Dr. John Lust's academic background and achievements
 - Presentation prepared by Dr. Lust, "Basics of Strategic Compensation"
-

Respectfully submitted for Council consideration.

Prepared by:

Laurie Wollrab, MBA, PHR,
Payroll and Benefit Manager

Recommended by:



David A. Hales

City Manager

Appendix I

The following was copied from the Illinois State University website:

John Lust

Professor

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Office Phone: (309) 438-2396

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Email: jalust@illinoisstate.edu

John Lust's teaching areas include human resource management, compensation and statistics. His research areas focus on pay and benefit satisfaction, health hazard communication, realistic job previews, and compensation and benefits.

Lust has published in a number of journals, including Human Resource Management Review, Work and Occupations, Journal of Business and Psychology, Benefits Quarterly, Public Personnel Management, and Journal of Applied Social Psychology. He has received several research awards and multiple external research grants.

Education

D.B.A., University of Kentucky

M.B.A., Drake University

B.A., Illinois Wesleyan University



Basics of Strategic Compensation

Dr. John A. Lust

Illinois State University

Fall, 2016

Strategic Compensation Fundamentals

- Broadly we should think of Compensation as having two components:
 - The **PAY** portion (wages, salaries, and other)
 - March, 2016: 68.5% of compensation dollars spent in the US
 - The **BENEFIT** portion
 - March, 2016: 31.5% of compensation dollars spent in the US

Comparisons

- Note that the percentages mentioned above vary by **SECTOR**:
 - Private industry: Pay = 69.7% Benefits = 30.3%
 - State & Local Govt.: Pay = 63.6% Benefits = 36.4%
- All cost information comes from the US BLS "National Compensation Survey"

Comparisons, cont.

- Note that the percentages vary by **UNION STATUS** (for private industry):
 - Goods producing (**union**):
 - Pay = 57.8% Benefits = 42.4%
 - Goods producing (**nonunion**):
 - Pay = 68.5% Benefits = 31.5%

Comparisons, cont.

- Note that the percentages vary by **UNION STATUS** (for private industry):
 - Service producing (**union**):
 - Pay = 61.3% Benefits = 38.7%
 - Service producing (**nonunion**):
 - Pay = 71.6% Benefits = 28.4%

Decision making

- Given that background we need to look at the basics required for our strategic decision making
- Ultimately the decisions made here will reflect the individual organizational situation/context and may well be different from other firms in the area

Goals for the system

- We **balance** five competing goals:
 - Attract
 - Retain
 - Motivate/impact perform.
- And yet we must:
 - Keep costs in line
 - Maintain legal compliance

How do we achieve this balance?

- To do so we must achieve EQUITY
- That is, we must develop a system that is perceived as both fair to the organization and to employees

How do we achieve equity?

- Unfortunately, equity involves perceptions and comparisons
- There are three comparisons that are particularly important
 - These are frequently referred to as different types of equity

Equity types: External Equity

- External equity involves comparisons outside the organization (for pay it is done at the job level)
 - It is often described as external competitiveness
- It involves making comparisons to those firms that we compete with for labor
 - That is, with companies that our employees might move to

Equity types: Internal Equity

- Internal equity looks at the importance or the contribution of a given job to our organization
 - Also called internal fairness
- Jobs that make a greater contribution (however defined – either through required inputs or outcomes) usually are compensated more

Equity types: Individual Equity

- Individual equity looks at the importance or the contribution of employees to our organization
- People who make a greater contribution (however defined – could be performance, seniority, or any other metric) usually are compensated more

How do we combine the three?

- Obviously we need different types of comparative information in order to make decisions:
 - External Equity requires Pay and Benefit Surveys
 - Internal Equity uses a process called Job Evaluation
 - Individual Equity requires Performance Appraisal information or a way to reliably measure other factors used

What might the compensation system look like?

- We have a variety of options that we may use for both pay and benefits
- Pay can take a variety of forms and there are a number of potential benefits available

Pay Forms

- Typical pay forms include:
 - Base pay – in the form of wages (hourly pay) or salary (paid on a longer increment such as weekly or monthly)
 - Raises – performance increments or some other basis
 - Incentives – typically set prior to performance
 - Bonuses – usually tied to organizational productivity

Types of Benefits

- Benefit options typically fall into one of four groups:
- Legally required benefits:
 - Social security and related programs
 - Workers compensation
 - Unemployment insurance

Benefit types (cont.)

- Employee Protection Programs:
 - Pension/retirement programs
 - Health insurance (with many possible forms)
 - Disability insurance
 - Life insurance

Benefit types (cont.)

- Payment for Time Not Worked:
 - Vacation
 - Breaks
 - Sick Leave
 - Holidays (Memorial Day, Labor Day, etc.)

Benefit Types (cont.)

- Services, Perquisites, and Other
 - Cafeteria
 - Credit Union
 - Company car/vehicle allowance
 - Education reimbursement
 - Other

Benefit costs

- Obviously costs of benefits vary widely
- Of the 36.4% of compensation dollars that go to benefits nationally for state and local government we see:
 - Health insurance – 12%
 - Retirement – 10.6%
 - Payment for Time Not Worked – 7.2%
 - Remainder – 6.6%

Meaning of the percentages

- Let's think for a moment about the following:
 - Private industry – 69.7% for pay & 30.3 for benefits
 - State and local govt. – 63.6% for pay & 36.4% for benefits
 - Union presence – on average 10% more spent on benefits
- What do these numbers tell us?

Meaning (cont.)

- We probably see several explanations for the above:
 - Govt. has fewer pay forms available since there is no profit so no bonuses, incentives, etc.
 - Thus it is not more spent on benefits but rather less spent on pay
 - Unions have greater bargaining power and historically have bargained for benefits
 - However since pay is negotiated there are fewer options used

Now we get to the hard stuff!!

- First, are there questions about any of the above background information?
- In not, let us move to our strategic decision framework

Decision Framework

- There are multiple decision points surrounding each of the equity types
- The decisions will differ for pay and benefits
 - We will focus here on benefit decisions since 80%+ of the workforce is unionized and pay for them will be negotiated

Internal equity/fairness

- Generally our focus here is to ensure that the benefit program does not favor one group of employees over others
- Typically the concern is with executive compensation programs but there may be other programs to watch

Internal fairness (cont.)

- Consider the following programs:
 - Education reimbursement
 - Dependent healthcare
 - Daycare provision or reimbursement
- All are worthwhile programs but will apply to only part of the workforce
- Often firms take a “cafeteria” approach to benefits

Individual equity

- Typically here we think about impacting individual behavior
- It is difficult to impact performance directly but there are a variety of other behaviors which may come into play

Individual equity (cont.)

- Consider the following:
 - Health related actions or health promotion impacted by deductibles
 - Retirement actions (promoting earlier/later retirement)
 - An indirect impact on performance through the structure of sick leave and vacation
 - “Use it or lose it” versus reimbursement for unused days

External equity/competitiveness

- This area is the most complicated as it has the most decision points
 - Offering a benefit or not
 - Levels of each benefit (how many vacation days, amount reimbursed for programs, etc.)
 - Who pays (company? employee? both?)

External equity (cont.)

- Decision points continued:
 - Eligibility for a given benefit (upon hire or a waiting period)
 - Who is covered (employee but Spouse? Family? Significant other? Retirees? Retiree spouse?)
 - A related decision is then who pays under each circumstance
 - Do benefit levels shift based on seniority or other factor
 - Vacation and other leave often increases with longevity

External equity (cont.)

- We have two key questions to answer relative to external comparisons:
- Where do we want to be relative to the market?
- How do we define the market and what comparative information is available?

Market position

- There should be a conscious decision relative to market position
 - Lead: Position the firm above existing market levels
 - Match (also called lead/lag): Position at current levels
 - Lag: Position the firm behind the market
 - May be used if there is high unemployment in an area

Market position (cont.)

- Decisions here have to be made with an eye toward cost effectiveness (and effective administration) balanced with firm ability to attract new employees and retain current employees
- Often decisions come down to the “ability to pay”

Who makes up the “market”?

- We need to make a conscious decision based on the following as all will impact comparisons:
 - Geography
 - Industry
 - Size of organization
 - Union status
- Could vary based on job(s) under consideration

Comparative information

- Generally information here is obtained via Wage and Benefit surveys
- I can tell you from experience that surveying benefits is neither fast nor easy
 - I performed the annual BNHRC Wage and Benefit survey for 13 years
 - The survey took about three months to compile and report

Information decision points

- As mentioned earlier, the comparative market needs to be clearly defined
- Broadly the question is where might our employees go?
 - The answer gives us an indication of who needs to be surveyed
 - Beyond that point: firm size, industry sector (public, private, both), geography, and union status will all impact benefits and should be considered in looking for comparisons

Decision points (cont.)

- There should be a conscious decision regarding the benefit information to be collected
 - Benefits offered?
 - Levels available?
 - Who pays and who's covered?
 - Which plan? – there could be multiple health plans, multiple vacation plans, etc.

Decision points (cont.)

- The information collection and dissemination needs to be done legally
- When I performed the BNHRC survey we had the following guidance in order to ensure there were no issues with “wage/price fixing”

Survey guidelines

- The report should contain only aggregated data – no individual company statistics should be identified
- The data reported should go directly to an independent person who will aggregate results and should not be collected by participants
- The report should be based on raw data from no fewer than three individual companies reporting

Survey guidelines (cont.)

- The reported data should be of a historic nature – current data is only permitted where it can have no anti-competitive effect
- No survey should be undertaken if results could form the basis for an agreement to restrain trade – estimates of future wages/salaries or benefits are not proper material

Survey decisions

- Given the above guidelines there should be decisions regarding:
 - Who should collect the data? – probably a consulting firm
 - How quickly is the data needed? – now?
 - How much are you willing to pay if a firm does the survey?
 - Are there steps to ensure that folks will complete the survey?
 - My experience was unique in that I only worked with BNHRC members so they agreed to do the survey

Summary

- I applaud your willingness to undertake this review as these decisions are not easy
- Timing?
- Next steps?