



**COMMITTEE AS A WHOLE SESSION
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL OF
BLOOMINGTON, ILLINOIS
MONDAY, JULY 20, 2015; 5:30 P.M.**

1. Call to Order

Mayor Renner called the meeting to order at 5:30 PM and asked City Clerk Lawson to call the roll.

2. Roll Call

Aldermen: Jim Fruin, Kevin Lower, David Sage, Mboka Mwilambwe, Amelia Buragas, Joni Painter, Karen Schmidt, Scott Black, Diana Hauman.

3. Public Comment

Mayor Renner opened the floor to public comment.

The following citizens offered comments to the Council:

Bruce Meeks
Lane Hansen

4. Consideration of approving Committee of the Whole Meeting Minutes from June 15, 2015. *(Recommend that the reading of the minutes of Committee of the Whole Proceedings of June 15, 2015 be dispensed with and the minutes approved as printed.)*

Motion by Alderman Schmidt, seconded by Alderman Painter approving the Committee of the Whole Meeting Minutes from June 15, 2015 and be dispensed with and the minutes approved as printed.

Motion carried [viva voce].

5. Presentation and discussion of the U.S. Cellular Coliseum Fiscal Year 2015 year-end report. *(John Butler and Bart Rogers, Central Illinois Area Management (CIAM); 15 Minutes Presentation, and 20 Minutes Discussion)*

Mayor Renner introduced this item by its title and introduced John Butler and Bart Rogers from Central Illinois Area Management (CIAM) as they will provide an overview and PowerPoint Presentation on this U.S. Coliseum.

Mr. Butler introduced Bart Rogers, Vice President and General Manager of Central Illinois Arena Management along with Kelly Kline, Finance Director who is available for questions as well.

Mr. Butler stated last year the Coliseum experienced numerous issues including a bad cycle of touring concert shows. He discussed some of their challenges in identifying profitable shows to bring to the community. That not only are they interested in coming to the community, there are other entities that want that same touring show to come to their community as well, all the while having to route that show through our community. Mr. Butler discussed some of their challenges that they experienced last summer including a fad in outdoor music festivals. He stated that the outdoor festivals created a shift in dynamics in a way that allowed these touring shows to evaluate and determine how they would move their concerts throughout the country. When you have situations with outdoor music festivals that occur within a restriction radius of an indoor concert, it does have an effect on the way you negotiate and closing the deal. He stated that those were the two biggest issues that they had experienced. The other issue was the reoccurring closure of the parking deck. That had some obvious effects on them carrying out their responsibilities.

Mr. Butler stated that had he has a letter from the Bloomington Home Builder's Association of whom has provided an insight to some of their struggles. That was of the profitable shows that we have put on; however, we lost. The content of the letter indicated major issues with parking, unmet promises after having advertised for the event. Vendors of this show had requested a move in location, otherwise, they would not return. This is just a short term micro-cosmos of the events that have taken place. Since 2010 through FY 2014, our operating revenue was paying the operating expense. From 2010 to 2013, the Coliseum showed a profit. In 2014, the unfortunate parking deck had shut down, and we had the worst winter in 50 years, our revenue significantly dropped and our operating expenses increased. So, we did not meet our goals. When you look at those past five years, the subsidy was three cents per person, 1.5 million people came through the Coliseum doors in those five years with a \$75 million dollar impact to our local economy. We do feel good about those five years; unfortunately, 2014 was a difficult year for us. If you look at our schedule for this year and the fall, you will noticed that we have booked several shows at the Coliseum.

I know that the Coliseum business plan is set by the City, to make money and to generate revenue. The Coliseum competes against most of the other venues and, some of which receives millions of dollars in tax subsidy: hotel, restaurant, and amusement tax. We understand that this is the way things are. Understand that several of these facilities look at this as an economic generator for the community. It is a quality of life issue—ultimately, our goal is to generate revenue and be smart about the manner in which shows are booked, seek profitable shows. However, we are aware that some shows just do not make a profit; we do not want to return to a cycle whereby shows are booked just to book the Coliseum. Overall last year, we experienced some problems.

Mr. Rogers provided an overview of their budget challenges, stating that the entire tour industry took a downturn last year from June to January, with less than 30 percent of tours on

the road because of outdoor fairs and festivals, and the radius clauses that were associated with the agreements. Last year between June and January, we submitted over seventy (70) show offers (shows and tours); we had some success. Unfortunately, because of the fairs and festivals, and over plane and pain for the artist, they had enough money. When the fall months had come, they had enough to go inside the arena from September through December. So, many of those tours were canceled, as the artist took that time off. This left many buildings throughout the mid-west scrambling. He discussed the "Year End Highlights:" Booked over 200 events in the calendar year; \$12.5 Million Economic Impact to our region; Hosted Nationally Televised "Shall We Dance on ice Show" – with four million viewers on ABC; three (3) Illinois State High School Association State Finals; World Famous Cirque Du Soleil Tour Bookings; IHSA State Finals; Cheerleading, Dance and Team Wrestling; two (2) Jehovah Witness Conventions; USHL Inaugural Hockey Season; the Coliseum continues to be the largest ticketed attraction in the Bloomington/Normal community; and other similar events.

Mr. Rogers, there are many questions relating to the economic impact each year. With the assistance of Crystal with the Bloomington/Normal Visitors and Convention Bureau, and the Illinois Office of Tourism, we measure our economic impact each month based on those formulas. Those formulas measure the total effects of direct and indirect recirculation of income, which has been compiled by our marketing department. The B/N CVB Calculation Formula is as follows: Meetings: Attendees X 25% X \$64 = Sum Total; for Events & Conventions: Overnight Attendees X 25% X \$130 = (Sum Total); and Day Attendees X 75% X \$40 = (Sum Total).

Mr. Hales inquired whether the formula is used throughout the State of Illinois with the various agencies like the Convention and Visitors Bureau etc. Mr. Rogers stated that it is. Crystal provided to them the formula, and they have used this formula since; however, the numbers are updated—slightly conservative. He discussed the "Economic Impact Fiscal Year," which provides for a total of: Estimated Total Attendance – 232 Event Days = 173,382, and provided a brief history of the building, the tenants that occupy the building, and cross comparison of area arenas that are larger in scale than the U.S. Cellular Coliseum, the Annual Budget Process, and the 2015-16 Anticipated Ticketed/Rental Event Schedule.

Alderman Fruin inquired about the naming rights of the Coliseum package. From the PowerPoint, he noticed there were six venues in Central Illinois and four with naming of the facility. He asked whether there was a trend in the industry where corporations are now lending their names to these buildings. He asked for Mr. Rogers' and Mr. Butler for their opinion as to how he sees the advertising market at this time.

Mr. Butler, does not see a trend. It depends upon the performance of the facility and the community as a whole. The fact that the City is the owner of the facility, and the comments that you make have a direct influence on how we approach those businesses that have an interest in possibly placing their name on the facility. This is a partnership that we are jointly involved in and have to make sure that we sell it in a positive way. We are working with perspective companies that have an interest in the community and putting their names on the facility. This

is an ongoing process; I do not think there is a trend. Every community and management team is different.

Alderman Sage stated (referencing page 2), that CIAM had submitted seventy show offers for this time period. How does that number compare with the previous years? Mr. Rogers stated that it was approximately the same. We have been very proactive, in pursuing shows and tours and want the building to be full at all times. We are always contacting agents' promoters to persuade them to come to, and like any situation you have to be in a position to remarket yourself all over again. There are challenges when marketing shows in a competitive market.

Alderman Sage, you mentioned an artist distance restriction which seems to be something that has recently emerged. Mr. Rogers stated that the restriction has been difficult for all in the industry to work around.

Alderman Sage, given that is one of the changes within the business landscape, it would help the Council to understand how you are working to revise your business model in order to adapt to the fluctuations in the industry. Mr. Rogers stated that there is not much that they can do to bring about a change with the distance restrictions. Mainly because an artist can, on buildings of this size, go out and make the money with any competitor and earn two to three times the amount that they could earn in our building. When restrictions are placed on artists, that artist may not be able to play in certain communities as a result of the distance restrictions. Alderman Sage asked that Mr. Butler and Mr. Rogers rethink their current business model, and share those thoughts with Council, in the event the City has to repurpose and manage the building with some of these changes within the landscape.

Alderman Schmidt asked for clarification of the business practices of the Coliseum so that the Council is fully aware of the operations. Specifically, is there any collaboration with the BCPA in the scheduling of events and the use of the venues? Mr. Butler stated that they have had conversations. However, both buildings are very unique in the way that they are set up, and event scheduled. That typically, they will capture a show two to four months prior to the show coming to the community. The BCPA operates based on a schedule, whereby they just go out and book the shows. The typical theater setting that we would book max out at approximately 2,800 seats; compared to 1,100 seats. From a scheduling standpoint, Tracy has had some dialogue...

Mr. Rogers, stated that it two different types of venues with two different manners of scheduling events. We have had conversations with the BCPA before, and there has been some changes with the directors. Talks occurred in collaborating on a large scale downtown event—outside festival during the day, then an indoor event in the evening.

Alderman Schmidt inquired about the status of the restaurant inside of the Coliseum. Mr. Butler stated that the restaurant was open for a few days for lunch; however, at this time the restaurant is not open for business. There are no plans at this point to reopen the restaurant. The challenge has been the need for the restaurant to be consistently open, which it has not. If there are shows scheduled, we have to cancel or close the restaurant because it is used for the show.

So, it has always been a challenge to consistently market the restaurant and its hours of operation, and we do not see being able to provide that amenity at this point.

Alderman Schmidt asked for clarification on efforts to market the Coliseum referencing the sporting events and a noticing a lack of marketing efforts. What are the expectations of the promoters? Mr. Butler stated that each team is responsible for own marketing, advertising and promotion of their events. We have ongoing discussions on a regular basis. We have really good owners for hockey, and are committed to making this work. We have a new doctor, Dr. Kokar, who is a majority owner of the football team...so I think there is no question that the emphasis will be on grassroots marketing, but getting the word out that they are here to stay.

Mr. Hales stated that he has heard from some of the commissioners, that there is a direct correlation between staff members and the team to market; what that means to realize in terms of seats sold. He asked for the number of sale staff members that are currently on staff. Mr. Butler, there are currently nine sales staff members at the Coliseum. That was one of the main reasons for bringing in Gary Jell and Bill Buhels. The fact that they own three (3) other teams, they are in the business and have the financials and have been proven in the field.

Alderman Mwilambwe, given the size of our venue, that we are smaller in comparison in the region, what are your plans to become more competitive, so that the Coliseum is not dismissed in the region? Mr. Butler stated that every building has trade secrets in finding ways to reduce the cost to the promoter, and generate income. We are very aggressive when it comes to shows. We do an effective job in this area. We have found a niche in the market with country shows as they do sell out, it is an ongoing process.

Alderman Black, considering the budget challenges that you face as well as the industry and from the Council's perspective there is a certain amount of frustration as the Coliseum is ten (10) years old...the community was told that the Coliseum would do many great things, and it has not done that in some respect. The Council receives a lot of those concerns regarding the Coliseum, and hopefully more meetings like this can be scheduled so that Council is kept up-to-date on the efforts of the Coliseum activities. The concern that has been expressed often is that they like the building; however, the public does not see a lot of those same shows returning annually and the building is oftentimes empty. As part of the marketing challenges and efforts, the pie chart illustrates that the number of people attending were outside McLean County, which is great to hear. The Coliseum is a major City investment, we pay the mortgage on this looking at the purchase of a scoreboard. He asked whether there is a benefit for someone in Bloomington to receive verses someone outside of McLean County or the rural communities for certain shows, and whether that is on the table for discussion.

Mr. Butler, the benefit that someone would receive is that the show is in their backyards. They do not have to drive to Chicago or St. Louis or from outside of town. It depends on the show and the event. The teams have special ticket packages, it just depends on the event.

Alderman Black, we understand that you are having to switch marketing strategies from sports to concerts etc. The frustration that we see is that there is not enough viable marketing

within the community, as compared to other venues i.e., BCPA. I receive notice that events have occurred, after the fact, rather than before the event. Going forward as expressed by Alderman Sage, where is the business model going, is a valid question. The City as the investor in the Coliseum needs to be made aware of the challenges in a timely fashion, as the Council has to address the concerns of the community about this building.

Alderman Lower, a lot has been said regarding the positive business impact. However, the smaller business owner and citizens within the community have more of an economic disadvantage than management of the Coliseum. If the Coliseum was given a bottom line of funding and were instructed to sink or swim, I wonder whether you would treat this situation differently. If the City stop funding the Coliseum and allow the residents to select where they wanted the economic impact to occur, it would probably be more effective in many ways. The City has too many other areas of concern that needs to be met, and government entertaining is not high on the list. In the private industry if I suffered a loss such as this, I would no longer be in business. This is not acceptable to the community or small business owners to have to pay for these losses.

Mr. Hales asked Mr. Butler and Rogers to comment on the concession stand financials, expenses and profits and the varying groups that manages those stands.

Mr. Butler, ten or eleven years ago when the discussions were held, food and beverage were a part of the discussion with the Coliseum. When CIAM received the first right of refusal of a contract that I inherited, my obligation in order to get the food and beverage rights were to pay up to one million dollars of my own money for the building and the equipment. Therefore, I do have an interest in the Coliseum. In return, the City received interest-free of the gross sales after taxes. From a volunteer position, it is a great community, with a lot of great volunteer groups to raise money, and we put them to work to sell concessions.

6. Presentation and discussion regarding Infrastructure Master Plans for the City of Bloomington.

A. Presentation on Infrastructure Master Plans and Capital Improvement Programming (Budgeting) by Alex McElroy, Assistant to the City Manager. (10 Minute Presentation)

Mr. Hales, one of the questions that has come up is, the Budget Task Force is looking at is Infrastructure Capital Expenditures. They are not. Their scope of work is to review the operational structural deficit in the general fund. In conversations with the Mayor, it would be appropriate for the Council to this summer and early fall to focus on infrastructure. Staff would like to bring forward an update on the Infrastructure Master Plans; those that have been completed –and not. Staff would to bring forward for adoption at some point this year. The presentations are not an indication of everything that is within the Master Plans; however, staff will provide an overview of these plans as well as the rate study. I will provide a summary at the end of the presentations of City staff's next steps in the process, and how these plans works into a capital improvement plan or budget.

Alex McElroy, Assistant to the City Manager provided a PowerPoint Presentation on the Infrastructure Master Plan outlining the following:

- Master Planning 101: What is a master plan; What are the basic requirements, and What is the goal.
- City Infrastructure Master Plans
- Sewer & Storm Water Infrastructure Master Plan
- Raftelis – Sewer & Storm Water Rate Study Overview
- Deferred Infrastructure Needs

Mr. McElroy stated that it is important to begin the plan. That staff puts Council in a position to receive an excessive amount of information, then ask for their guidance in proceeding forward. The City has many plans: Comprehensive Plan, City Strategic Plan which we link all of our council memos, and then our Master Plans and Capital Improvement Plans. He reviewed the definitions and best practices of each of the plans.

- Master Plan is a long range and far reaching plan of action. GFOA Best Practice.
- Capital Improvement Plan is a short range plan which identifies capital projects and equipment purchases.
- The City is developing a 5 year Capital Improvement Plan that primarily involves our infrastructure.

Mr. McElroy provided a list of current City Master Plans and stated that the City is not behind in its planning. He discussed the requirements for an Infrastructure Master Plan, as follows:

- Determine the current state of the infrastructure and/or capital assets (usually this is an ongoing project).
- Determine existing problems with the infrastructure and/or capital assets.
- Define the level of service or acceptable condition of asset that the City would like to achieve.
- Identify the assumptions to be used.
- Estimate program cost over a 20 year period and identify funding/revenue sources that are possible within the budget.
- Determine any regulatory mandates that must be considered.
- Impact of the Plans on the City and citizens.
- Educate and involve the public.

Mr. McElroy reviewed the goals of the Master Plans outlining the following:

- Improve efficiency, environmental quality and energy conservation whenever possible.
- Strategic use of limited funds.
- Consistent project priorities.

- Projects that promote the strategic plan of the City.

Mr. McElroy presented the Sanitary Sewer Master Plan, of which Carla Murillo, Budget Manager scaled down to a one-page document as follows:

- Major Revenues – User Fees/Loans
- Major Program Expenses: Construction & reconstruction of sanitary sewers and the ongoing maintenance and repairs including combined sewers.
- Infrastructure Assets: 8 miles of abandoned sewers, 88 miles of combined sewers, 294 miles of sanitary, 21 miles of force mains and 8 lift stations.
- State of Infrastructure Assets: Deteriorating pipes/manholes/unwanted inflow & infiltration/deteriorating pumps & pump control systems/basement flooding/combined sewer overflows.
- Level of Service: Develop rating system for prioritization/reduce inflow/infiltration/replace undersized sewers/continue combined sewer separation program
- Estimated Infrastructure Need: Years 1-5: \$26 million plus \$3 million for asset management. Years 6-20: \$58 million plus \$5.5 million for asset management
- Unaudited Estimated Available Fund Balance as of 4/30/15: \$2,893,745. Total Plan \$92.5 million.

Mr. McElroy presented the Storm Water Master Plan consisting of the following:

- Major Revenues – User Fees/Loans
- Major Program Expenses: Repairs & replacement of combined sewers, erosion control, stream & detention basin maintenance and land use planning.
- Infrastructure Assets: 240 miles of storm sewers, 88 miles of combined sewers, and 10 miles of streams owned by the City and 73 public detention basins.
- State of Infrastructure Assets: Detention pond shoreline & stream-bank erosions, flooding, undersized sewer, pipes, deteriorating pipes/manholes and outdated floodplain maps.
- Level of Service: Develop rating system for prioritization/reduced frequency of flooding/stream-bank and pond inspection program, enhance land use policy along greenways/promote sustainable land development.
- Estimated Infrastructure Need: Years 1-5: \$9 million plus 3 million for asset management. Years 6-20: \$27 million plus \$5.5 million for asset management.
- Unaudited Estimated Available Fund Balance as of 04/30/12, \$848,499. Total: \$44.5 million.

Mr. McElroy, presented on the Sewer & Storm Water Fund Financial Trends as follows:

- Sewer will need to drastically reduce capital requests by FY 2018 because there will be insufficient revenue or fund balance to support these needs.
- Storm Water's operating expenses will out-pace their revenues by 2018 so they will be unable to address any capital needs.

- The Sewer & Storm Water Master Plan shows a significant need for an increase in both capital and operating expenses to maintain and rehabilitate aging sewer and storm infrastructure.
- Both funds depend on the revenues generated by user fees and unless these are appropriately increased, the City will continue to pay higher costs of emergency repairs.
- The City plans to perform an operating and capital audit for both funds to ensure the distribution of expenses are appropriate between the enterprise and general funds.

Mr. McElroy, presented on the Fire Station Master Plan, Facility Master Plan as well as the summary of Infrastructure by Master Plan.

Mr. Hales, all of these plans are on the City's website so that the public will be able to download and access them for their records as a transparency measure.

B. Presentation on the Storm Water and Sanitary Sewer Master Plans (*Jim Karch, Director of Public Works 10 Minutes Presentation*).

Jim Karch, Director of Public Works provided a brief overview on the Stormwater and Sanitary Sewer Master Plans. A survey was completed to elicit comments from the public regarding rain water and flooding issues. The issues relating to sewer and storm water is seen more in the older areas of town. Inside the Plans consists of the following:

- Recommendations for capital projects.
- Advocacy of now-underfunded maintenance, inspection and data collection

Among the Identified Needs

- Full inventory of sewers. We've inspected less than five percent of City sewers
- Full inventory of detention basins, creeks. Experts examined 4 of 59 stream miles.

Mr. Karch, completing this work will cost the City approximately \$136,131,000—a sticker shock. However, not all of the work has to be done within one year. It can be spread out over 20 years as this is a 20 year plan. We look to Council for guidance determining the service levels that we expect in the community. A video was shown to illustrate the lining being placed in a stormwater system. This is an interesting process as sewer lining; we allot \$1.6 million dollars for this project where we had not done that in years past. This is a very needed process, and the key is we did not have the funding that we need and cannot sustain that amount; however, it is half of what it needs to be. There are sewers around the City that needs to be lined as well as sewers and manholes. At present, Public Works has over 30 cave-ins that we need to get to; however, we have not been able to get to those. Sewer lining would be able to assist those, and we do not have the resources to handle them.

Mr. Karch, in order to highlight the cost of or the difference when being proactive as discussed by Alex McElroy, preventative maintenance as oppose to the emergency repair response. He commented about the Douglas Street Sewer costs that are associated with this.

- C. Presentation on the Storm Water and Sanitary Sewer Rate Study (*Collin Drat, Consultant, Raftelis Financial Consultants, Inc., 10 Minutes Presentation*).
 - D. Discussion regarding the next steps in the process for the City's Infrastructure Master Plans and Capital Improvement Programming (Budgeting). (*David Hales, City Manager, 5 Minutes Presentation.*)
 - E. Council Discussion (*30 Minutes*)
7. **Budget Task Force Committee Update.** (*Alderman David Sage, 15 Minutes Presentation.*)

Return to Open Session.

Mayor Renner asked for a motion to adjourn the Regular Session Meeting.

Motion by Alderman Mwilambwe, seconded by Alderman Schmidt to adjourn Regular Session.

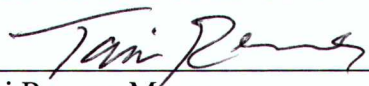
Time: 8:48 p.m.

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

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

Nays: None.

CITY OF BLOOMINGTON



Tari Renner, Mayor

ATTEST



Cherry L. Lawson, City Clerk