CITY OF BLOOMINGTON

SPECIAL MEETING NOTICE

109 E. OLIVE

MONDAY, APRIL 7, 2014 5:30 P.M.

1. Call to Order
2. Roll Call
3. Presentation and Discussion of the Pepsi Ice Center Parking Garage Repairs *(30 minutes)*
4. Adjourn into Closed Session
5. Discussion Topic
    a. Probable or Imminent Litigation - Section 2(c)(11) of 5 ILCS 120/ *(30 minutes)*
6. Return to Open Session
7. FY 2015 Budget Work Session *(120 minutes)*
8. Adjourn at 8:30 p.m.

Budget Balancing Model D

General Fund Revenues as Proposed	**93,825,309**
Utility Tax	(3,000,000)
Amusement Tax Remains	-
Add Other Revenues	0
Revised Revenue Projections	(1,850,000)
Revenue Remaining	**88,975,309**

General Fund Expenditures	**93,825,309**
New Staff (Salary & Benefits)	(1,627,479)
Revitalizing the City Plan	(700,000)
Street Resurfacing	0
Staff/Revitalization	0
	(2,327,479)
Over /(Gap to Fill)	(2,522,521)
Expenditures as Adjusted	**88,975,309**

Assumptions:

1 Utility Tax removed; Amusement Tax as proposed and other revenues revised down.

2 Elimination of funding for all new positions and Revitializing the City Plan.

City Manager Proposed FY15 Balancing Proposal

As of 4/7/14

General Fund Expenditures	93,825,309
New Staff (Salary & Benefits)	(1,627,479)
Revitalizing the City Plan	(700,000)
Department Reductions	(3,157,537)
Restorations/Corrections*	1,269,720
Over /(Gap to Fill)	(634,704)
Total Expenditures as Revised per Model D	**88,975,309**

*Restorations/Corrections		Amount
Non -Personnel		
Information Systems - $200K; Human Resources - $200K; Revitalizing City Government - $100K	$	500,000
RR Donnelly	$	75,000
Service Fee & Rate study	$	75,000
Police Grant Revenue correction	$	(63,000)
Subtotal:	**$**	**587,000**
Public Safety Personnel		
Addition of 3 Firefighter/Paramedics		275,000
Restoration of 3 Police Officer Vacancies		243,000
Addition of 1 Asst. Police Chief		164,720
Subtotal:		**682,720**
Grand Total:		**1,269,720**

City Manager Department Reductions Summary
General Fund
As of 4-7-14

	New Staff & Revitaling the City Plan	Department Expenditure Reductions	Total Reductions
Non Dept.	$ (2,327,479)	$ (104,070)	$ (2,431,549)
Administration		$ (80,600)	$ (80,600)
Human Resources		$ (42,950)	$ (42,950)
Finance		$ (94,430)	$ (94,430)
General Fund Transfers		$ (1,180,900)	$ (1,180,900)
Capital Equipment Lease		$ (166,848)	$ (166,848)
Information Systems		$ (44,281)	$ (44,281)
Parks		$ (378,400)	$ (378,400)
Police		$ (508,258)	$ (508,258)
Fire		$ (64,501)	$ (64,501)
PACE		$ (155,000)	$ (155,000)
Economic Development		$ (80,575)	$ (80,575)
Public Works		$ (256,724)	$ (256,724)
Total Reductions:	**$ (2,327,479)**	**$ (3,157,537)**	**$ (5,485,016)**

City Manager Department Reductions

General Fund

As of 4/7/14

Department	Account Code	Expense Account Description	Specific Program/Item	FY 2015 Proposed Budget	Reduction	City Manager Revised Budget	Notes
Economic Development	70220	Other Professional Services	Studies for downtown hotel, commercial areas, etc.	$ 60,000	$ (15,000)	$ 45,000	Severely limits the ability to conduct full studies on the prospective downtown hotel development and eliminates the possibility of additional studies for target areas such as west Bloomington, where a potential TIF district may exist.
Economic Development			City Marketing materials - zcard, retail guide, chamber guide advertising	$ 15,000	$ (7,000)	$ 8,000	Reduction in funding would allow for reprints of existing materials, but any new initiatives such as an attraction video for downtown Bloomington would be eliminated
Economic Development	70631	Dues	Polos/name tags	$ 75	$ (75)	$ -	-
Economic Development	70632	Professional Development/Business Recruitment	IEDC Spring Conference	$ 3,500	$ (3,500)	$ -	Eliminate professional development plans
Economic Development	79110	Community Relations	Downtown Banners	$ 30,000	$ (30,000)	$ -	Eliminate a new downtown banner program relevant to the streetscape master plan
Economic Development			Downtown Mural Sponsorship	$ 25,000	$ (25,000)	$ -	Eliminate funding for mural sponsorships as a means to attract tourism to downtown Bloomington
					$ (80,575)		
Administration	61130	Seasonal salaries	Graduate Intern	$ 25,200	$ (25,200)	$ -	Eliminate the use of an graduate intern. Many senior level projects will be effected.
Administration			McLean County Historical Society	$ 20,000	$ (20,000)	$ -	Eliminate any donation funds for the McLean County History Museum. The Museum most likely relies on our annual $20,000 to do exhibits and programs, this will be a strain on their budget.
Administration			Annual Boards & Commissions Reception	$ 8,000	$ (8,000)	$ -	Eliminate funding for Boards and Commissions Recognition. A well attended event and the only event that recognizes this service.
Administration			Community Leaders Breakfast Sponsor	$ 2,500	$ (2,500)	$ -	Eliminate funds to host a Community Leaders Breakfast. The City of Bloomington has not yet hosted this event and would eliminate building bridges with community organization leaders.
Administration			Multi-cultural Leadership Program Sponsor	$ 2,500	$ (2,500)	$ -	Eliminate donation funds for the Multi Cultural Leadership Program. The MCLP most likely relies on our annual $1,500 donation for their programs, this will be a strain on their budget.
Administration			Friends Forever Jewish/Arab Youth Sponsor	$ 1,500	$ (1,500)	$ -	Eliminate donation funds for the Friends Forever Jewish/Arab Youth Program. The Program most likely relies on our annual $1,500 donation for their programs, this will be a strain on their budget.
Administration			Chamber Gala	$ 300	$ (300)	$ -	Eliminate funds to attend the Chamber of Commerce Gala. This event has facilitated relationships with community organization leaders.
Administration			Economic Development Breakfast sponsor	$ 600	$ (600)	$ -	Eliminate funds to sponsor the Economic Development Commission Annual Update Breakfast. The City's major revenues are highly affected by changes in economic development in the region.
Administration	79990	Other Misc. Expenses	Administration Staff apparel	$ 1,000	$ (1,000)	$ -	Eliminate funds for City of Bloomington apparel for Administration Office Staff. Apparel is needed for new office staff and helps to represent the City at events.

City Manager Department Reductions

General Fund

As of 4/7/14

Department	Account Code	Expense Account Description	Specific Program/Item	FY 2015 Proposed Budget	Reduction	City Manager Revised Budget	Notes
Administration	79992	City Council Expenses	National League of Cities - Congress of Cities (Nov & Mar)	$ 18,000	$ (18,000)	$ -	Eliminate funding for National League of City events. These events held at the national level for the Council and the City Manager to build relationships with State and US Legislators and advocate for Bloomington.
Administration			Midwest High Speed Rail Association	$ 500	$ (500)	$ -	Eliminate membership funds for the Midwest High Speed Rail Association. The Program most likely relies on our annual $500 for their programs negatively impacting their budget.
Administration			Council apparel	$ 500	$ (500)	$ -	Eliminate funds for City of Bloomington apparel for Mayor and Council. Council apparel helps to identify alderman in the community and at events. There would be no budget for new alderman.
					$ (80,600)		
Planning	79985	Harriet Rust Grant	Reduce additional funds for H. Rust grant	$ 200,000	$ (100,000)	$ 100,000	Downtown improvement grant projects greatly reduced.
Planning		McLean County Regional Planning	Reduce funding for subarea/target studies	$ 45,000	$ (25,000)	$ 20,000	Will only allow for limited subarea/target studies.
Code Enforcement	79130	Grants	Eliminate funding for ineligible CDBG repairs (dead tree removal, emergency mobile home repairs, etc.)	$ 25,000	$ (25,000)	$ -	Eliminating funding will effect households that are not eligible for any other type of funding assistance for property maintenance items. Average number of households assisted per year is 7.
Code Enforcement	79010	Property Taxes	Past due property taxes on CDBG acquisitions	$ 15,000	$ (5,000)	$ 10,000	Line item to pay back real estate taxes on CDBG acquired properties for demolition. Reducing will severely limit the number of properties acquired. Average for back taxes is $3,500 per property.
					$ (155,000)		
Finance	70220	Other Professional and Technical Services	Internal Audit Program	$ 94,430	$ (94,430)	$ -	Eliminate the proposed internal audit program
					$ (94,430)		
Non-Departmental	62990	Other Benefits	Lowering amount for other benefits paid when employees leave	$ 1,660,552	$ (104,070)	$ 1,556,482	Reducing estimates for employee payouts for retirement.
					$ (104,070)		
General Fund Transfer to Solid Waste	10019180	Seasonals		$ 136,400	$ (136,400)	$ -	Close drop off facility. Reduce bulky waste program to less than weekly pick ups.
General Fund Transfer to Solid Waste	10019180	Professional Development		$ 1,000	$ (1,000)	$ -	Reduction of staff training
General Fund Transfer to Solid Waste	10019180	Overtime		$ 135,000	$ (70,000)	$ 65,000	Discontinue picking up refuse on holidays. The current automated trucks can only do 11 routes per day and would have to work overtime or a weekend to makeup for the lost day.
General Fund Transfer to Prairie Vista	10019180	Capital Improvement	Golf cart path repair/resurfacing	$ 250,000	$ (250,000)	$ -	The golf cart path at Prairie Vista is deteriorating and effecting the new golf cart fleet. Parks will work with Public Works to provide a temporary in-house solution and bring it back to the Council for consideration.
General Fund Transfer for Facilities Plan	10019180	Capital Improvement - Fire	Fire station kitchen hood system replacements (5)	$ 125,000	$ (285,000)	$ (160,000)	Listed in the Facilities Plan as a life safety code issue but based on the amount of usage compared to a commercial kitchen, the City Inspector believes this is a desirable option but not a priority.
General Fund Transfer for Facilities Plan	10019180	Capital Improvement-Creativity Center	Fire alarm system and lever handles for ADA compliance	$ 53,500	$ (53,500)	$ -	Funding through the Cultural District Commission will be pursued.

City Manager Department Reductions

General Fund

As of 4/7/14

Department	Account Code	Expense Account Description	Specific Program/Item	FY 2015 Proposed Budget	Reduction	City Manager Revised Budget	Notes
General Fund Transfer for Streets Master Plan	10019180	Capital Improvement- Public Works	Citywide Street Master Plan	$ 300,000	$ (200,000)	$ 100,000	Decrease funding and utilize other studies and in-house resources to complete the project.
General Fund Transfer for Facilities Plan	10019180	Capital Improvement- Facilities	Roof replacement	$ 185,000	$ (185,000)	$ -	Due to the severe leaking of the City Hall roof this project was bid in FY14.
					$ (1,180,900)		
Capital Lease for Vehicles & Equipment	Multiple departments	Lease & Principal	Reduction of capital equipment/vehicle purchases	$ 685,117	$ (166,848)	$ 518,269	The capital equipment and vehicle list has been reviewed by the Fleet Manager and respective departments head which have cut out all but critical replacements.
					$ (166,848)		
Public Works - Administration	70632	Professional Development		$ 3,824	$ (3,224)	$ 600	Minimum training to maintain certification
Public Works - Administration	71017	Postage		$ 4,000	$ (3,000)	$ 1,000	Informational Mailer Program cut - Utility bill inserts. This program is one of our most effective communication tools.
Public Works - Street Maintenance	71092	Sign Posts		$ 51,500	$ (31,500)	$ 20,000	Reduce ability to comply with federal retroreflectivity requirements
Public Works - Street Maintenance	70632	Professional Development		$ 4,000	$ (4,000)	$ -	Reduction of staff training
Public Works - Street Maintenance	71096	Traffic Line Painting		$ 130,000	$ (130,000)	$ -	Eliminate the Traffic Line Painting program - safety risk
Public Works - Engineering Administration	70632	Professional Development		$ 10,000	$ (5,000)	$ 5,000	Minimum training to maintain certifications
Public Works - Engineering Administration	70641	Temporary Services		$ 150,000	$ (60,000)	$ 90,000	Suspend the Retroreflectivity Program for one year.
Public Works - Engineering Administration	70050	Engineering Services	Services completed for the bond work.	$ 20,000	$ (20,000)	$ -	Bond eligible expense for street resurfacing inspections
					$ (256,724)		
Parks Administration	61130	Seasonal Salaries		$ 40,000	$ (26,400)	$ 13,600	Eliminate management intern and seasonal salaries. Reduce level of customer service, reduce ability to provide high level analysis and reporting, delay in special project research and implementation.
Parks Maintenance	61130	Seasonal Salaries		$ 358,080	$ (200,000)	$ 158,080	Loss of 16,520 man-hours of park maintenance work or the equivalent of 8 full time employees.
Parks Maintenance						$ -	Park garbage collection from daily to 3x per week in Community Parks (McGraw, Miller, Tipton), from 2x per week to 1x per week in other parks.
Parks Maintenance						$ -	Right-of-Way mowing cycle will be greatly reduced moving from every two weeks to every three.
Parks Maintenance						$ -	Plant bed maintenance, park clean up, tree ring maintenance, performed on a limited basis.
Parks Maintenance						$ -	Increased back log in forestry work order completion
Parks Maintenance						$ -	Eliminate the Preventative Tree Maintenance program. Maintaining trees regular prevents costs and liability related to storm damage. Overtime may be increased.
Parks Maintenance						$ -	Janitorial service to bathrooms and buildings will be delayed
Parks Maintenance						$ -	Eliminate annual painting of parks facilities.
Parks Maintenance	71070	Gas and Diesel	Fuel & Vehicle	$ 149,432	$ (30,000)	$ 119,432	Savings in fuel due to loss of 16,520 man-hours of seasonals.
Parks Maintenance	70590	Other Repair & Maintenance	Flowers	$ 188,500	$ (10,000)	$ 178,500	Elimination of annual flower plantings in Community Parks, various City rights-of-way (Oakland Ave & Clinton Blvd corner), City Hall, Downtown Bloomington, Adopt-A-Pot program, etc.
Parks Maintenance	71720	Water Chemicals	Chemicals	$ 41,063	$ (30,000)	$ 11,063	With limited exceptions, turf fertilizer, weed control and aquatic vegetation programs will be greatly reduced. Causing unsightly weeds, the presence of aquatic weeks and algae, deterioration of turf quality and possible safety concerns.

City Manager Department Reductions

General Fund

As of 4/7/14

Department	Account Code	Expense Account Description	Specific Program/Item	FY 2015 Proposed Budget	Reduction	City Manager Revised Budget	Notes
Parks Maintenance	70590	Other Repair & Maintenance	Irrigation	$ 178,500	$ (25,000)	$ 153,500	With limited exceptions turf irrigation will be reduced. Deterioration of turf quality could have long-term increased costs associated with this practice.
Aquatics	61130	Seasonals	Seasonal Salaries	$ 136,989	$ (5,000)	$ 131,989	Reduce 1 lifeguard per pool; meeting minimum safety requirements.
Recreation	61130	Seasonals	Seasonal Salaries	$ 195,108	$ (10,000)	$ 185,108	Move full-time staff to work in other various facilities to fill "counter" responsibilities in addition to regular work load to reduce the hours of seasonal employees. Eliminate participation in local health fairs to promote our programs and wellness initiatives.
Recreation	70611	Printing and Binding	Printing & Advertising	$ 28,200	$ (6,000)	$ 22,200	Reduction in printing and advertising will negatively impact revenues generated.
Recreation	Multiple line items		Programs		$ (4,000)	$ (4,000)	Eliminate various adult programs; revenues generated will be eliminated. Further analysis may be required to realize full net effect.
Recreation	Multiple line items		Programs		$ (7,000)	$ (7,000)	Reduce payments for sports officials and equipment
BCPA	Multiple line items		Summer Theatre		$ (15,000)	$ (15,000)	Eliminate Miller Park Summer Theatre Program.
BCPA	10014125-71024-20000	Janitorial supplies	Janitorial and supplies	$ 13,050	$ (10,000)	$ 3,050	Reduce level of service for janitorial and cleaning of building.
					$ (378,400)		
Human Resources	70210	Other medical services		$ 187,500	$ (22,050)	$ 165,450	Reduce Fire wellness Physicals and Wellness screening and programs.
Human Resources	70632	Professional Development		$ 83,225	$ (4,300)	$ 78,925	City Portfolio, national conferences, supervisory/customer service training, orientation portfolio
Human Resources	70641	Temporary Services		$ 30,000	$ (15,000)	$ 15,000	Reduce office assistance.
Human Resources	71420	Periodicals		$ 5,699	$ (800)	$ 4,899	Reduce access to on-line assistance.
Human Resources	79120	Employee Relations		$ 24,300	$ (800)	$ 23,500	Wellness incentives & programs, Logo Merchandise, employee activities, reduce service rewards program
					$ (42,950)		
Police -Communications Center	61130	Seasonal Salaries		$ 42,453	$ (2,453)	$ 40,000	This is a minimum reduction that should be able to be managed if staffing remains stable.
Police -Communications Center	61150	Overtime		$ 136,561	$ (32,506)	$ 104,055	If full-time staffing remains stable in FY15, this reduction should be feasible. The key will be staff retention and the rapid replacement of any vacated positions.
Police -Communications Center	62190	Uniforms		$ 450	$ (450)	$ -	Eliminate provision for uniforms specific to the Telecommunicater Emergency Response Task Force.
Police -Communications Center	62210	Tuition Reimbursement		$ 7,544	$ (2,544)	$ 5,000	This reduction leaves funding available to close out already pending requests and for possible other potential requests as required by contract.
Police -Communications Center	70530	Rept/Mtnc Office		$ 205,313	$ (18,255)	$ 187,058	This reduction is the result of using the lower end of the estimates received for an interface between the Bloomington Computer Aided Dispatch system and the McLean County Computer Aided Dispatch system.
Police -Communications Center	70632	Professional Development		$ 5,250	$ (3,500)	$ 1,750	Removed national training conference for the Manager and reduced amount for miscellaneous training. Staff will try to maintain adequate training for management and telecommunicators with the remaining funds.
Police -Communications Center	71420	Periodicals		$ 1,000	$ (1,000)	$ -	Eliminated funding for public education materials. Will use existing supply and create in-house material.
					$ (60,708)		

City Manager Department Reductions

General Fund

As of 4/7/14

Department	Account Code	Expense Account Description	Specific Program/Item	FY 2015 Proposed Budget	Reduction	City Manager Revised Budget	Notes
Police	61100	Full Time		$ 11,222,909	$ (243,000)	$ 10,979,909	This reflects a reduction in the authorized hiring of a two currently vacant positions, and a third soon to be retired position (05/09/2014). The result of this cut would be limiting on the department's ability to grow with the city to insure we are able to manage the ever increasing Call For Service (CFS) increases. Additionally this cut would reduce the number of officers available to the shift potentially resulting in an increase in over time costs. In 2013 Police Responded to over 71,000 CFS, current projections based on this quarter predict CFS to hit nearly 80,000 in 2014. The current Authorized Strength of the Police Department is 127 Sworn, this cut would bring authorized strength to 124. The consequence of this cut would be felt for years to come. The cost saving realized for the three open positions (two new hires, one retirement effective 5/9) are listed in whole in the salary line, but also include benefits, it will be necessary to break out each benefit line
Police	61150	Overtime		$ 950,000	$ (130,000)	$ 820,000	This reduction reflects the elimination of the Downtown Hireback. This would result in increased CFS for on duty third shift personnel, increased response times for both emergency and non emergency calls throughout the city, increases in Disorderly Conduct Incidents in the downtown area, diminished deterrence of crime in the downtown area or other parts of the city, would also increase. Due the absence of the downtown patrol, it will be necessary to staff the downtown, in a dedicated capacity, with on duty personnel. The staffing required would be 4 to 6 officers per night, two to three nights per week. This off duty personnel would be in the downtown area instead of there normal patrol assignments. This would have far reaching effects city wide. Special Events, additionally, these cuts will have an impact on the current police services we provide for special events, often times at no cost to the entity putting the event on (Fund raiser/Awareness Runs, parades, other events requesting service. These events are numerous. Additional realized savings is from overtime no longer being paid (for K9 care) due to the elimination of a third K9 position.
Police	70220	Other Prof and Tech services		$ 77,600	$ (7,500)	$ 70,100	The impact of this reduction could be that we are unable to access a particular service relative to a piece of equipment or service we utilize, thus affecting efficiency and effectiveness
Police	70410	Janitorial services		$ 10,000	$ (8,000)	$ 2,000	This will result in the PD not being able to maintain more thorough cleaning annually and the appearance and cleanliness of the facility will decrease.
Police	70510	Repr/Mtnc building		$ 20,000	$ (8,000)	$ 12,000	This is a higher risk reduction due to the age of our building. It is expected maintenance and repairs are going to increase, deferring these repairs will be more costly.
Police	70530	Repr/mtnc office		$ 20,000	$ (5,000)	$ 15,000	

City Manager Department Reductions

General Fund

As of 4/7/14

Department	Account Code	Expense Account Description	Specific Program/Item	FY 2015 Proposed Budget	Reduction	City Manager Revised Budget	Notes
Police	70540	Repr/mtnc equipment		$ 12,000	$ (1,000)	$ 11,000	
Police	70611	Printing		$ 10,000	$ (1,000)	$ 9,000	
Police	70631	Membership dues		$ 15,000	$ (3,000)	$ 12,000	The department must maintain several membership with various entities in order to benefit in training or information provided from the organizations. Potentially this cut might reduce the number of organizations we can participate in. This would result in reduced access to information and support from these entities.
Police	70632	Professional Development		$ 116,370	$ (16,800)	$ 99,570	This reduction represents a diminished level of training for all officers within our agency. In addition to the effects felt by the entire department, some disciplines will also experience a deficit in efficiency and function as a result. This reduction will also impact specialized training not available locally. The absence of this specialized training will result in diminished abilities and reduced access to methods, trends, and networking across several disciplines within law enforcement. Another consequence to the reduction in training is the potential for increased liabilities.
Police	71010	Office Supplies		$ 28,000	$ (10,000)	$ 18,000	Reduced number of needed support forms and supplies for PD line level operations.
Police	71024	Janitorial supplies		$ 15,000	$ (2,500)	$ 12,500	
Police	71040	Animal food		$ 2,000	$ (500)	$ 1,500	Resulting cost recovery from reduction from 3 to 2 K9 Officers.
Police	71310	Natural Gas		$ 5,500	$ (2,750)	$ 2,750	Current range situation, heat is not needed, therefore Natural Gas/Propane is not needed
Police	71340	Telecom.		$ 83,000	$ (8,000)	$ 75,000	It was believed at the time of the projection, our agency would have gone to all smart phones this has not been implemented and will be delayed.
Police	71420	Periodicals		$ 2,500	$ (500)	$ 2,000	Reduction in information access regarding trends and law.
					$ (447,550)		
Fire	70632	Professional Development	-	$ 189,303	$ (64,501)	$ 124,802	Impacts command staff, train the trainer, technical assistance and on-scene new employee training.
					$ (64,501)		
Information Systems	70220	Other Professional & Tech Svcs	Munis training and services. Help with network infrastructure redesign, migrating websites to new site, ClientFirst support for Munis	$ 125,000	$ (25,000)	$ 100,000	Reduce ability to: provide MUNIS training and services; move forward with network infrastructure redesign; and would limit ability to migrate City websites to our new site.
Information Systems	73401	Lease Principal & Interest	Additional Downtown video camera infrastructure.	$ 155,266	$ (19,281)	$ 102,486	Reduce ability to implement more support and enhancements to the Downtown security cameras and infrastructure.
					$ (44,281)		
Total Proposed Department Reductions					**$ (3,157,537)**		

Personnel Related Reductions Proposed by General Fund Departments

As of 4-7-14

Department	Positions	Dollar Reduction
Non-Departmental	0	$ -
Administration*	1	$ (25,200)
City Clerk	0	$ -
HR	0	$ -
Finance**	1	$ (94,430)
Parks***	9	$ (226,400)
Police	3	$ (243,000)
Police Com.	0	$ (2,453)
Fire	0	$ -
PACE	0	$ -
Economic Development	0	$ -
Public Works	0	$ -
	14	$ (591,483)

Note: These proposed reductions effect positions that are currently vacant.

* Elimination of the graduate intern position

** Finance budgeted a contract employee to create the City's internal audit program.

** Park reduced seasonal hours resulting in the reduction of approximately 9 full time equivelants.

Capital Projects Funded by the General Fund

As of 4-7-14

Proposed Projects	Proposed FY 2015	Reduction	Revised FY 2015	Grants/ Private Funding
Citywide Street Master Plan [1]	$ 300,000	$ (200,000)	$ 100,000	$ -
Sidewalk 50/50 Program	$ 100,000	-	$ 50,000	$ 50,000
Fire Station Vehicle Exhaust Drop	$ 160,000	$ (160,000)	$ -	$ -
Design to demolish City Hall Annex	$ 35,000	-	$ 35,000	$ -
Harvest Point Subdivision pavement oversizing Construction	$ 14,000	-	$ 14,000	$ -
New Trail - The Grove to Benjamin School, Safe Routes to School Grant covers 80% (City portion - $40,000)	$ 200,000	-	$ 40,000	$ 160,000
Route 66 Trail Normal to Towanda - Construction 1st half - tied to an IGA	$ 75,000		$ 75,000	$ -
Route 66 Trail Towanda north 2.4 miles - Design - tied to an IGA	$ 9,000	$ -	$ 9,000	$ -
Route 66 Trail Shirley south 1.1 miles - Design - tied to an IGA	$ 6,500	$ -	$ 6,500	$ -
City Hall Roof Replacement (A&E work done) [4]	$ 185,000	$ (185,000)	$ -	$ -
Fire Station HQ - Upgrade Kitchen Hood System to Commercial Grade (Faithful & Gould Facility Study) [2]	$ 25,000	$ (25,000)	$ -	$ -
Fire Station #2 - Upgrade Kitchen Hood System to Commercial Grade (Faithful & Gould Facility Study)	$ 25,000	$ (25,000)	$ -	$ -
Fire Station #3 - Upgrade Kitchen Hood System to Commercial Grade (Faithful & Gould Facility Study)	$ 25,000	$ (25,000)	$ -	$ -
Fire Station #4 - Upgrade Kitchen Hood System to Commercial Grade (Faithful & Gould Facility Study)	$ 25,000	$ (25,000)	$ -	$ -
Fire Station #6 - Upgrade Kitchen Hood System to Commercial Grade (Faithful & Gould Facility Study)	$ 25,000	$ (25,000)	$ -	$ -
Indoor Police Firing Range - Mold Mitigation (Faithful & Gould Facility Study)	$ 60,000	$ -	$ 60,000	$ -
City Hall - Replace Exit Signage (Faithful & Gould Facility Study)	$ 6,250	$ -	$ 6,250	$ -
Creativity Center - Replace Fire Alarm System (City Expense) - Faithful & Gould Facility Study	$ 40,000	$ -	$ -	$ -
Creativity Center - Install Lever Handle Door Hardware (City Expense) - Faithful & Gould Facility Study	$ 13,500	$ -	$ -	$ -
Flamingo Exhibit ($150K - City/$100K - Zoological Society) Phase 1 of Master Plan - 60% City, 40% Zoological Society [3]	$ 250,000	$ -	$ 150,000	$ 100,000
Repairs to Lincoln Garage - Design and Repairs	$ 250,000	$ -	$ 250,000	$ -
Sub-Total:	**$ 1,829,250**	**$ (670,000)**	**$ 795,750**	**$ 310,000**
		Planned use of fund balance	$ (123,000)	
			$ 672,750	

Department reductions or eliminations

1. The City is continuing to determine if the Motor Fuel Tax Fund can pay for these type of expenses.
2. Listed in the Facilities Plan as a life safety code issue but based on the amount of usage compared to a commercial kitchen, the City Inspector believes this is a desirable option but not a priority.
3. The Zoological Society currently have raised approximately $450,000 and can cover their portion of the Flamingo Exhibit.

General Fund Capital Assets - Machinery, Equipment, Vehicles

*see note pertaining to vehicles at the bottom

Department	Item	FY 2015 Capital Lease 5yr	Reduction 5 yr Lease	FY 2015 Revised 5 yr Lease	FY 2015 Capital Lease 10yr	Reduction 10 yr Lease	FY 2015 Revised 10 yr Lease	Comments
Administration	Government Center - office space needs for maximum efficiency	$ 5,784	$ -	$ 5,784	$ -	$ -	$ -	Priority
Information Services	Fixed Asset Equipment Replacements - includes servers, hardware, software, etc.. Scott Sprouls has a supporting list of items	$ 38,561	$ -	$ 38,561	$ -	$ -	$ -	Critical
Information Services	Additional Downtown security camera infrastructure	$ 19,281	$ (19,281)	$ (0)	$ -	$ -	$ -	Pushed out to next year.
Information Services	Core and distribution network switch replacements	$ 48,201	$ -	$ 48,201	$ -	$ -	$ -	Critical
Parks Maintenance	Replace 2002 GMC 3500 Unit 701	$ 8,676	$ -	$ 8,676	$ -	$ -	$ -	Fleet manager priority.
Parks Maintenance	Replace 1999 Ford F 250 Unit 715	$ 8,676	$ (8,676)	$ 0	$ -	$ -	$ -	Fleet manager pushed to next year.
Parks Maintenance	Replace 2002 Chevrolet 2500 Unit 740	$ 4,917	$ (4,917)	$ (0)	$ -	$ -	$ -	Fleet manager pushed to next year.
Parks Maintenance	Replace 2002 Ford F350 Unit 790	$ 5,688	$ -	$ 5,688	$ -	$ -	$ -	Fleet manager priority.
Parks Maintenance	John Deere 6' Upfront #781	$ 2,892	$ (2,892)	$ 0	$ -	$ -	$ -	Department eliminated
Parks Maintenance	John Deer 6' Upfront #782	$ 2,892	$ (2,892)	$ 0	$ -	$ -	$ -	Department eliminated
Parks Maintenance	Replace 2006 Jacobsen 16' wide area mower	$ 13,496	$ (13,496)	$ 0	$ -	$ -	$ -	Department eliminated
Parks Maintenance	Dirt Grinder # 795 - 1990	$ 12,532	$ -	$ 12,532	$ -	$ -	$ -	Fleet manager recommends keeping equipment as the current grinder is in extremely poor condition requiring continual maintenance.
Parks Maintenance	Chipper #730	$ 8,676	$ (8,676)	$ 0	$ -	$ -	$ -	Department eliminated
BCPA	Water Heater and HVAC upgrade	$ 2,892	$ -	$ 2,892	$ -	$ -	$ -	Priority
BCPA	Tuck pointing and sealant for one elevation of the BCPA building per the City's building analysis - Faithful & Gould facility study	$ 12,532	$ -	$ 12,532	$ -	$ -	$ -	Priority
Miller Park Zoo	Golf Cart	$ 1,253	$ (1,253)	$ 0	$ -	$ -	$ -	Department eliminated
Miller Park Zoo	Building Renovations	$ 2,506	$ -	$ 2,506	$ -	$ -	$ -	Priority
Miller Park Zoo	Tuckpointing & Lintel Repair Katthoeffer Animal E	$ 4,820	$ (4,820)	$ 0	$ -	$ -	$ -	Department eliminated
Miller Park Zoo	Exterior Repair, Caulking & Repainting of Zoo Lab	$ 1,388	$ (1,388)	$ 0	$ -	$ -	$ -	Department eliminated
Police	2006 Chevrolet Impala Unit P08	$ 6,035	$ -	$ 6,035	$ -	$ -	$ -	Fleet manager priority.
Police	2009 Chevrolet Impala Unit P17	$ 6,035	$ -	$ 6,035	$ -	$ -	$ -	Fleet manager priority.
Police	2006 Chevrolet Impala Unit P12	$ 6,035	$ -	$ 6,035	$ -	$ -	$ -	Fleet manager priority.
Police	2004 Chevrolet Impala Unit P38	$ 6,035	$ -	$ 6,035	$ -	$ -	$ -	Fleet manager priority.
Police	1999 Ford Crown Victoria Unit P40	$ 6,035	$ -	$ 6,035	$ -	$ -	$ -	Fleet manager priority.
Police	Undercover vehicle	$ 2,250	$ -	$ 2,250	$ -	$ -	$ -	Fleet manager priority.

General Fund Capital Assets - Machinery, Equipment, Vehicles

*see note pertaining to vehicles at the bottom

Department	Item	FY 2015 Capital Lease 5yr	Reduction 5 yr Lease	FY 2015 Revised 5 yr Lease	FY 2015 Capital Lease 10yr	Reduction 10 yr Lease	FY 2015 Revised 10 yr Lease	Comments
Police	2005 Chevrolet Impala Unit P83	$ 6,035	$ -	$ 6,035	$ -	$ -	$ -	Fleet manager priority.
Police	1996 Kawasawki Mule Unit P97	$ 3,273	$ (3,273)	$ 0	$ -	$ -	$ -	Fleet manager pushed to next year.
Communication Center	Communications Center Console Upgrade - mandatory	$ 103,263	$ -	$ 103,263	$ -	$ -	$ -	Critical
Fire	1995 Pierce E Pumper E8948 Unit F01	$ -	$ -	$ -	$ 66,492	$ (66,492)	$ -	Department eliminated
Fire	1991 Pierce E7-50FT Telesquirt 1500 GPM Pump Unit F22	$ -	$ -	$ -	$ 88,656	$ -	$ 88,656	Fleet manager priority.
Fire	2003 Ford Ambulance 3N102 Unit F38	$ 46,027	$ -	$ 46,027	$ -	$ -	$ -	Fleet manager priority.
Fire	2007 Ford ALS Vehicle Medic 2 Unit F43	$ 6,894	$ -	$ 6,894	$ -	$ -	$ -	Fleet manager priority.
Fire	2005 Mitsubishi Unit F08	$ 5,114	$ (5,114)	$ 0	$ -	$ -	$ -	Department eliminated
Fire	2005 Mitsubishi Unit F10	$ 5,114	$ (5,114)	$ 0	$ -	$ -	$ -	Department eliminated
Fire	Training Officer Vehicle	$ 6,555	$ -	$ 6,555	$ -	$ -	$ -	Fleet manager priority.
Fire	STARCOM Radio Upgrade	$ 62,662	$ -	$ 62,662	$ -	$ -	$ -	Critical
Fire	Outdoor Warning Siren	$ 7,712	$ (7,712)	$ 0	$ -	$ -	$ -	Department eliminated
Fire	Stryker Power-PRO XT Cots	$ 3,085	$ (3,085)	$ (0)	$ -	$ -	$ -	Department eliminated
Fire	Utility Task Vehicle-Mule	$ 3,470	$ (3,470)	$ 0	$ -	$ -	$ -	Fleet manager priority.
Facility Management	1999 Chevrolet S10 Pickup Unit 62	$ 4,530	$ -	$ 4,530	$ -	$ -	$ -	Fleet manager priority.
Parking Maintenance & O	Replace 2002 Dodge 1500 Unit PM1	$ 4,224	$ -	$ 4,224	$ -	$ -	$ -	Fleet manager priority.
Street Maintenance	New Skidsteer	$ 9,640	$ -	$ 9,640	$ -	$ -	$ -	Priority for street repairs.
Street Maintenance	New Asphalt Mill	$ 3,856	$ -	$ 3,856	$ -	$ -	$ -	Priority for street repairs.
Engineering	2005 Dodge Pick Up Unit 89	$ 4,296	$ (4,296)	$ (0)	$ -	$ -	$ -	Fleet manager priority.
Engineering	2005 Mitsubishi I-Miev Unit 88	$ 4,296	$ -	$ 4,296	$ -	$ -	$ -	Fleet manager priority.
Fleet Management	Electronic Vehicle Diagnostic Tool	$ 1,832	$ -	$ 1,832	$ -	$ -	$ -	Fleet manager priority.
		$ 529,968	**$ (100,355)**	**$ 429,613**	**$ 155,148**	**$ (66,492)**	**$ 88,656**	**$ 518,269**
							Original Lease Payment	**$ 685,117**
							Difference	**$ 166,848**

All the remaining licensed vehicles were reviewed by the City Fleet Manager. He believes these need to be replaced because they are of the age and condition that the maintenance costs increase rapidly and availability of the vehicles decreases. This impacts the ability of Departments to function effectively. When vehicles are not replaced on a regular schedule, components age and become susceptible to unnoticeable wear and tear leading to unexpected failures and malfunctions. This increases the possiblity of an accident that could compromise employee safety.

General Fund Revenue Enhancement Options			
As of 4-7-14			
Note: Each suggested revenue below will require research, cost analysis, outreach to impacted groups, creation of ordinances or updates, and collaboration with other agencies and communities. The FY15 budget as revised includes funds for a a Service Fee & Rate study that will assist the City in determing the appropriate cost for each fee for service.			
Department	**Revenue Description**	**Amount**	**Comments**
Non-Departmental	Local Motor Fuel Tax. - estimate is based on 4 cents per gallon fee.	$ 1,062,000	Local tax on motor fuel taxes primarily gas and diesel similar to the States motor fuel tax. Local tax on motor fuel can be used for any purpose.
City Clerk	$200 increase for each liquor license. (187)	$ 37,400	Liquor licenses haven't been changed since 1982. The $200 increase was the recommendation of a survey completed by the City Clerk's office with comparable Central Illinois Cities. Each City has fairly different methods of charging for liquor licenses.
City Clerk	$200 license for gaming terminals. (169)	$ 33,800	This fee is currently being implemented by Normal, IL.
City Clerk	$100 installment fee for liquor licenses paid semiannually. (82)	$ 16,400	This fee is currently being implemented by Normal, IL.
Fire	Private alarm calls - assume the role of being the first contact for alarm alerts from private companies such as ADT, Sonitrol, etc.	TBD	Alarm monitoring. Some municipalities do their own alarm monitoring. By ordinance, they mandate that alarm systems be connected to a municipal alarm monitoring system instead of a 3rd party system. This method improves response times and provides a revenue stream in that there can be fees to connect to the system and monthly or annual maintenance fees. This would be an extensive project that would require an investment by the City in the equipment necessary to establish alarm monitoring capability and interface it with existing City equipment. It may also take a few years before realizing a steady and meaningful revenue stream.
Fire	Charge for false alarm calls	TBD	Police are currently billing for false burglary, hold-up and panic alarm calls and may be able to add qualifying false Fire alarm calls if a procedure is implemented and an ordinance is approved. More work will need to be done to better estimate the possible revenue that could be gained.
Fire	Increase personnel to offer non-emergency ambulance services (patient transportation)	TBD	More research required.

General Fund Revenue Enhancement Options

As of 4-7-14

Note: Each suggested revenue below will require research, cost analysis, outreach to impacted groups, creation of ordinances or updates, and collaboration with other agencies and communities. The FY15 budget as revised includes funds for a a Service Fee & Rate study that will assist the City in determing the appropriate cost for each fee for service.

Department	Revenue Description	Amount	Comments
Police	Alarm false call enhancements	TBD	Initiate a graduated fee structure for false alarm violations. Currently, we issue an ordinance violation of $100 for every false alarm in excess of 4 in a calendar year. That ordinance violation cost does not increase. Other municipalities have a graduated system in which the fees increase as violations stack up. For example, false alarms number 5 and 6 might be $100, 7 to 10, may be $200, and excess of 10 may be $300. There are several different models to explore as far as fee structure. Alarm permits. Initial alarm fee permit for every alarm in the City, renewed annually.
Police	Charge non-profits and other charitable organizations for special event coverage - $72.10/hour per officer	TBD	More research required.
Police	Increase firing range fees or negotiate for shared ownership so capital costs would be shared.	TBD	More research required.
Police	School Resource Officers - have schools pay greater than 50% for services		Currently negotiating shared ownership.
Police	Have schools assume crossing guard costs at $52,000/year	$ (52,000)	Increased liability/majority of municipalities perform this service
Planning	Increase application fees 5% for subdivisions, variances, rezonings, special uses, planned unit developments, etc	$ 10,000	To be included in Service Fee and Rate Study.
Code Enforcement	Charge $25 re-inspection fee when repairs are not completed or when contractors/property managers fail to show for scheduled inspection	$ 25,000	To be included in Service Fee and Rate Study.

General Fund Revenue Enhancement Options

As of 4-7-14

Note: Each suggested revenue below will require research, cost analysis, outreach to impacted groups, creation of ordinances or updates, and collaboration with other agencies and communities. The FY15 budget as revised includes funds for a a Service Fee & Rate study that will assist the City in determing the appropriate cost for each fee for service.

Department	Revenue Description	Amount	Comments
Building Safety	Charge $25 re-inspection fee when repairs are not completed or when contractors/property managers fail to show for scheduled inspection	$ 25,000	To be included in Service Fee and Rate Study.
Building Safety	Increase building permit fees on average 5% (while keeping minimum fee at $30)	$ 40,000	To be included in Service Fee and Rate Study.
Code Enforcement/Economic Development/Administration	Business registration - include all businesses not currently registered under other programs	$ -	Currently the City licenses approximately 1/3 of all business. Understanding the City's business demographics is invaluable data in determining revenue projections and future economic development.
Public Works	Increase Engineering Inspection Fees from 2% to 5%.	$ 51,500	Estimate depends on new additions being added by developers.
	Total Possible Revenue Enhancements:	**$ 1,249,100**	

** estimates above are based on a twelve month period and do not take into consideration implementation timelines. If implemented actual revenues will be less.

As of 4-7-14		
Local Motor Fuel Tax		
Population of Illinois (2010 census)		12,830,632
Total combined # of gallons sold (2012)		5,927,863,757
Per capita # of gallons sold		462
Population of Bloomington (2010 census)		76,610
# of gallons sold per capita in Bloomington		35,394,487
Per .01 cents	$	265,459
Per .02 cents	$	530,917
Per .03 cents	$	796,376
Per .04 cents	**$**	**1,061,835**
* The state does not currently track consumption of motor fuel by City therefore, estimates have been reduced to reflect the experience of other City's who have implemented their local program by backing into the State's total distribution formula.		
** Assumes 12 months of receipts.		

Memorandum

To: David A. Hales, City Manager
Cc: Patti-Lynn Silva, Finance Director
From: Alex McElroy, Assistant to the City Manager
James Stewart, Finance Department
Date: April 3, 2014
Subject: Local Motor Fuel Tax
The State of Illinois, Local Motor Fuel Tax Option, Projections, Fiscal Impact, Conclusions

The State of Illinois

Illinois has many different taxes on the sale of motor fuel including various federal, state, and local motor fuel taxes, as well as various sales taxes[1]. The state taxes include a flat 19-cents per gallon motor fuel tax on gasoline/gasohol (21-cents for diesel), 1.1-cents per gallon in environmental fees (0.3-cents leaking underground storage tank fee, 0.8-cents environmental impact fee), and a state sales tax of 6.25% (5% going to the state and 1.25% going to local governments) of motor fuel sales; which is imposed on the price before the inclusion of the state motor fuel tax.

In a recent study performed by the American Petroleum Institute, the State of Illinois is cited as the fifth highest state in fuel taxes for gasoline with a rate of 39.10-cents (tied with Michigan). This rate includes the flat rate of 19-cents as well as other state taxes including the environmental fees of 1.1-cents and the state sales tax of 6.25%[2]. There are lawmakers that have argued the state's sales tax on motor fuel sales is bad public policy because the way the tax is calculated, it is perceived as a tax on a tax. The price of a gallon of fuel includes the price of the product plus a separate motor fuel tax. The sales tax is figured on that total price.

In terms of the state motor fuel tax, Illinois has the 31st highest rate in the nation at 20.1-cents per gallon (19-cent flat rate plus 1.1-cents for environmental fees)[3]. In comparison to neighboring states, Illinois' rate is lower than the tax rates of Wisconsin (32.9-cents per gallon), Kentucky (25.9-cents) and Iowa (22.0-cents), but is higher than Michigan (19.9-cents), Indiana (18.0-cents), and Missouri (17.3-cents). Not surprisingly, all of the highest-ranked states also imposed some sort of sales tax on motor fuel in addition to their standard motor fuel tax. Illinois is among 10 states that impose sales tax on motor fuels[4]. The sales tax leveraged by the state is not dedicated to funding transportation infrastructure.

Opponents of reducing/eliminating the state's sales tax on motor fuel sales note that it would create a significant dent in state and local government coffers throughout Illinois. In the summer of 2000, the state suspended the 5% state portion of the sales tax applied to motor fuel and gasohol, for the period July 1, 2000, through Dec. 31, 2000. The Commission estimated that the suspension of sales tax on motor fuel cost the state approximately $157 million. However, at today's prices, the cost to the state for a similar six-month suspension could be as high as $400 million[5]. If the state were to suspend the sales tax on motor fuels, significant spending cuts would have to correspond or alternative revenues would need to be identified.

[1] The Federal tax rate on motor fuels is 18.4-cents per gallon.
[2] See: "http://www.api.org/oil-and-natural-gas-overview/industry-economics/~/media/47E397E1D3B14F61BAADCB6CA56A9F84.pdf"
[3] Illinois' tax on motor fuels has remained 19-cents since 1990. If the MFT had kept up with inflation, it would be at 32-cents today.
[4] Other states include: California, Florida, Georgia, Hawaii, Indiana, Michigan, New York, Virginia, and West Virginia.
[5] See: "http://www.senatorlahood.com/Media/News/NewsDetails/tabid/115/nid/192/r/1/Default.aspx"

Local Motor Fuel Tax Option

In Illinois, home-rule units may impose a Local Motor Fuel Tax (LMFT) which is not restricted by the state. This includes gasoline, gasohol[6], diesel, and bulk sales. Non home-rule jurisdictions with populations over 100,000 may impose a 1% local motor fuel tax by referendum. The tax is collected by municipalities through monthly remittances from local fuel vendors. Because the state is not restricting home-rule local motor fuel taxes, a comprehensive list of municipalities leveraging a LMFT has been difficult to find. However, some localities' ordinances are available online and several surveys have been found from other municipal studies.

In 2009, the Illinois General Assembly tasked the Legislative Research Unit (LRU) to find information on all states' gasoline and diesel fuel tax rates, including local taxes. The LRU report identified 33 home-rule cities which imposed a LMFT. An update to the survey was performed on the identified localities via website information and phone interviews. The following table represents the current LMFT rates of the municipalities identified in the report.

Local Motor Fuel Taxes in 33 Illinois Localities			
Alsip	$0.03	Morton Grove	$0.02
Bolingbrook	$0.05	Mount Prospect	$0.04
Burbank	$0.05	Naperville	$0.04
Carbondale	$0.03	Oak Forest	$0.03
Carpentersville	$0.04	Oak Park	$0.06
Champaign	$0.04	Park Ridge	$0.04
Chicago	$0.05	Pekin	$0.04
Cicero	$0.02	Peoria	$0.02
Danville	$0.067	Rock Island	$0.02
Des Plaines	$0.04	Rolling Meadows	$0.03
Downers Grove	$0.025	Rosement	$0.02
Elmhurst	$0.015	Sycamore	$0.02
Evanston	$0.04	Urbana	$0.04
Evergreen Park	$0.03	Village of Niles	$0.025
Galesburg	$0.04	Warrenville	$0.04
Lincolnwood	$0.03	Woodridge	$0.025
Moline	$0.01		Listed alphabetically

Projections

Several communities may be analyzed for the purpose of modeling projections for anticipated local motor fuel tax revenues. In 2011, the neighboring cities of Champaign and Urbana implemented a LMFT after researching central and downstate Illinois municipalities. The City of Urbana spoke with city officials in Pekin, Danville, Galesburg, Carbondale, and Peoria. The results of these conversations as well as updated figures for 2014 are as follows:

[6] Gasohol is an alternative fuel consisting of a mixture of typically 85 percent gasoline with 15 percent denatured ethanol (also known as E-85).

Pekin, IL (pop. 34,000) enacted a 4-cent per gallon LMFT in 1994. The tax applies to gasoline as well as diesel, E-85 ethanol and bulk purchases. The LMFT generates about $290,000 annually, compared to the $800,000 the City receives from the state motor fuel tax[7]. The city adopted a corresponding ordinance which designated the tax proceeds to be allocated as follows: 25% to street maintenance; 25% to the general fund; 50% to a specific long-term project (identified as Veteran's Drive connecting Pekin to I-474).

Peoria, IL (pop. 116,000) enacted a 2-cent LMFT in January 1995 shortly after the neighboring City of Pekin's adoption. The city collected $764,000 from the LMFT during the 2009 calendar year. However, the amount Peoria has been collecting has been declining, as the City collected $893,000 in 2007 and $855,000 in calendar 2008. The City is now reporting $764,821 in LMFT for FY2012 with an adjusted budget of $805,700 for FY2013. Future budget projections from Peoria average approximately $800,000 in revenue for FY2014 and FY2015[8].

Danville, IL (pop. 32,600) first approved a 1-cent LMFT in March 2004. The tax now stands at 6.7-cents per gallon due to an annual escalator clause included in the city ordinance. Diesel fuel is taxed at a rate of 3.8-cents per gallon. Bulk or wholesales are not taxed by the City, nor are sales of E-85.

In FY2013, the city received $937,331 in LMFT and has budgeted $875,000 in FY2014 and projecting $1,000,000 in FY2015[9].

The revenue from the LMFT goes into a special fund called the infrastructure improvement fund and is spent entirely on projects, with no money going towards salaries. Projects funded by the LMFT are identified by signs, so that residents know their tax dollars are being put to work.

Galesburg, IL (pop. 32,000) first enacted a 1-cent per gallon local MFT in the mid-1980s. The city also had a wheel tax at the time where residents had to buy a sticker for their car from the city. In 2000, the city council eliminated the wheel tax, which was unpopular, and increased the local motor fuel tax to 2.5- cents per gallon. Today the LMFT is 4-cents per gallon. The tax applies to gasoline, diesel fuel, E-85 and bulk sales.

Since 2011, the City's LMFT has generated an average of $600,000 in revenue with an adopted budget of $600,000 for FY2014[10].

Carbondale, IL (pop. 26,000) first implemented a 1-cent motor fuel tax in 1986. The tax was increased to 2-cents per gallon in 1992 and to the current 3-cent level in 2005. Revenues from the tax are allocated to the Community Investment & Local Improvement Fund. The tax generated $389,527 in FY2013. The City has an estimated budget of $386,000 for FY2014 and a projected $392,500 for FY2015. The tax has been used to resurface oil & chip roads with asphalt.

In FY2011, the City of Urbana imposed a LMFT of 2-cents per gallon. Revenues from the tax are restricted for street maintenance and road safety improvements by ordinance. After the implementation of the tax, the City of Champaign also imposed a local motor fuel tax of 4-cents per gallon. Urbana increased its rate to 4-cents, effective July 7, 2012. In FY2013, the City of Urbana generated $700,000 in LMFT and has budgeted the same for the following year[11].

[7] See: "http://www.ci.pekin.il.us/files/document/pdf/727-City%20of%20Pekin%202013%20FS.pdf" p.64
[8] See: " http://www.peoriagov.org/content/uploads/2013/06/2014-5-Proposed-Biennial-Budgetpdf_1382478001_add.pdf " p.16
[9] See: "http://www.cityofdanville.org/uploads/6/7/5/0/6750232/2014-2015_hearing_budget_-_other_funds.pdf"
[10] See: "http://www.ci.galesburg.il.us/assets/1/22/2014_Final_Budget2.PDF" p.176
[11] See: "http://urbanaillinois.us/sites/default/files/attachments/2013-2014-budget_2.pdf" p.143

Memorandum

The City of Champaign adopted a 4-cent local motor fuel tax in July of 2012. With the full implementation of the tax being realized in FY2013 the City's revised budget estimates are $1,195,253 in LMFT revenues[12].

Downstate cities with LMFT	LMFT rate	Includes Diesel?	Includes E-85 (ethanol)?	Includes bulk sales?	Annual income generated	Income per penny of tax
Pekin	4-cents	Yes	Yes	Yes	$291,119	$72,779
Peoria	2-cents	Yes	Yes	Yes	$805,700	$402,850
Danville	6.7-cents	3.8-cents	No	No	$937,331	$139,900
Galesburg	4-cents	Yes	Yes	Yes	$600,000	$150,000
Carbondale	3-cents	Yes	Yes	Yes	$386,000	$128,666
Urbana	4-cents	Yes	Yes	Yes	$700,000	$175,000
Champaign	4-cents	Yes	Yes	Yes	$1,195,253	$298,813

In an effort to estimate the amount of revenue generated through the use of a LMFT, the City of Champaign staff first looked to find the amount of gasoline being consumed within City limits. It was quickly determined that number could not be identified; however, the Illinois Department of Revenue (IDOR) does report the total amount of gasoline gallonage consumed within the state. Champaign staff decided to utilize these numbers to derive a per capita base and apply that rate to the population of Champaign. Utilizing this method they could apply a per capita consumption rate to their existing population and receive a rough estimate of the amount of revenue a 1-cent LMFT would generate. The following table was provided by Champaign staff to display their methodology:

Champaign LMFT Projections	
1.) Population of Illinois	12,910,409
2.) Total combined # of gallons sold (2010)	6,080,668,936.00
Per capita # of gallons sold	471
3.) Population of Champaign (2009 est)	80,286
# of gallons sold per capita in Champaign	37,813,875
Per .01 cents	**$378,139**
Per .04 cents	**$1,512,555**

[12] See: "http://ci.champaign.il.us/cms/wp-content/uploads/2010/08/FY2013.14-Adopted-Budget-FINAL.pdf" p.194

Applying this model to the City of Bloomington yields similar projections as the populations are a close match.

Bloomington LMFT Projections	
1.) Population of Illinois	12,910,409
2.) Total combined # of gallons sold (2010)	6,080,668,936.00
Per capita # of gallons sold	471
3.) Population of Bloomington (2009 est)	76,610
# of gallons sold per capita in Bloomington	36,082,517
Per .01 cents	**$360,825**
Per .04 cents	**$1,443,301**

The Village of Gurnee took a different approach in projecting revenues than Champaign. Because Gurnee's local economy is significantly affected by seasonal travel (mostly stemming from the Six Flags located within the village), a per capita by population projection model was not desired. Instead the village identified 29 municipalities with LMFT and characterized them by traffic flow, major roads and interstates, and number of gas stations. The Village of Gurnee has 2 major roads (I-94 and State Route 41) running parallel through the village along with rural state highways Belvidere Road (state route 120) and Grand Avenue (state route 132); both of which have similar average daily traffic counts to that of Veterans Highway and Empire Road[13]. The following table displays their results:

[13] See: "http://www.gettingaroundillinois.com/gai.htm?mt=aadt" (traffic counts of approx. 25,000 to35,000 ADT)

	2011	2013				
Community	**Gasoline (per gallon)**	**Gasoline (per gallon)**	**Total Revenue from Gas Tax**	**# of Gas Stations**	**Avg. Revenue/Gas Station**	**Major Road? (20,000+ traffic volume)[14]**
DeKalb	3.50%	3.5%	$700,000	11	$63,636	No
Freeport		$0.02	$240,000	8	$30,000	No
Galesburg		$0.04	$589,063	12	$49,088	No
Highland Park	$0.02	$0.02	$476,455	10	$47,646	No
Pekin		$0.04	$600,000	15	$40,000	No
Rock Island		$0.02	$216,733	17	$7,740	No
TOTAL AVERAGES (No Major Roads)			**$470,375**		**$39,685**	
Batavia	$0.01	$0.01	$186,000	7	$26,571	Yes
Bloomingdale	$0.02	$0.02	$538,000	9	$59,778	Yes
Carbondale	$0.03	$0.03	$650,000	12	$54,167	Yes
Carpentersville		$0.02	$250,000	7	$35,714	Yes
Countryside	$0.02	$0.02	$200,000	8	$25,000	Yes
Des Plaines		$0.04	$1,707,084	24	$71,129	Yes
Downers Grove	$0.03	$0.03	$372,567	9	$41,396	Yes
Elmhurst		$0.02	$250,000	12	$20,833	Yes
Glenview	$0.02	$0.02	$329,600	11	$29,963	Yes
Lincolnwood		$0.03	$480,000	9	$53,333	Yes
Moline	$0.01	$0.01	$110,000	24	$4,583	Yes
Naperville	$0.03	$0.04	$5,651,501	30	$188,383	Yes
Niles	$0.03	$0.025	$378,249	11	$34,386	Yes
North Chicago		$0.05	$501,086	8	$62,635	Yes
Oak Forest		$0.03	$300,000	7	$42,857	Yes
Oak Lawn	3%	3%	$699,785	15	$46,652	Yes
Oak Park		0.06	$823,448	14	$58,817	Yes
Park Ridge	$0.04	0.04	$401,000	7	$57,285	Yes
Peoria		$0.02	$764,821	35	$21,852	Yes
Rolling Meadows	$0.03	$0.03	$320,000	11	$29,091	Yes
Urbana	$0.024	$0.04	$660,865	21	$31,469	Yes
Warrenville		$0.04	$500,000	6	$83,333	Yes
Woodridge	$0.025	$0.025	$504,318	11	$45,847	Yes
TOTAL AVERAGES (Major Roads)			**$720,797**		**$48,917**	

Using the Illinois Department of Transportation data, the major traffic counts for each community's thoroughfare routes were calculated and compared against Gurnee. This process identified 13 of the 29 analyzed as having similar conditions to Gurnee. The following table displays the comparable communities identified:

[14] Notes on major roads and traffic counts available upon request. The additional descriptive column would not fit on the page.

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Community	Tax Per Gallon	Total Revenue from Gas Tax	Gas Stations	Avg. Revenue/ Gas Station	Avg. Revenue/Gas Station/Month	Gal sold/gas station/month
Carpentersville	$0.020	$250,000.00	7	$35,714.29	$2,976.19	148,809.52
Des Plaines	$0.040	$1,707,084.04	24	$71,128.50	$5,927.38	148,184.38
Downers Grove	$0.025	$372,567.00	9	$41,396.33	$3,449.69	137,987.78
Elmhurst	$0.020	$250,000.00	12	$20,833.33	$1,736.11	115,740.74
Glenview	$0.020	$329,600.00	11	$29,963.64	$2,496.97	124,848.48
Lincolnwood	$0.030	$480,000.00	9	$53,333.33	$4,444.44	148,148.15
Naperville	$0.040	$5,651,501.00	30	$188,383.37	$15,698.61	392,465.35
North Chicago	$0.050	$501,086.25	8	$62,635.78	$5,219.65	104,392.97
Oak Forest	$0.030	$300,000.00	7	$42,857.14	$3,571.43	119,047.62
Oak Park	$0.060	$823,448.43	14	$58,817.75	$4,901.48	81,691.31
Park Ridge	$0.040	$401,000.00	7	$57,285.71	$4,773.81	119,345.24
Peoria	$0.020	$764,821.00	35	$21,852.03	$1,821.00	91,050.12
Woodridge	$0.025	$504,318.00	11	$45,847.09	$3,820.59	152,823.64

In order to create a valid estimate of what the village could expect to produce in terms of revenue, the above figures were adjusted to a single standard of 1-cent and then divided by the number of gas stations within the community.

Community	Tax Per Gallon	Total Revenue from Gas Tax	Gas Stations	Avg. Revenue/ Gas Station	Gal sold/gas station/ month	Average Revenue/ gas station at .01	Average Revenue/ #Gas of Station
Carpentersville	$0.020	$250,000.00	7	$35,714.29	148,809.52	$125,000	$17,857
Des Plaines	$0.040	$1,707,084.04	24	$71,128.50	148,184.38	$426,771	$17,782
Downers Grove	$0.025	$372,567.00	9	$41,396.33	137,987.78	$149,027	$16,559
Elmhurst	$0.020	$250,000.00	12	$20,833.33	115,740.74	$125,000	$10,417
Glenview	$0.020	$329,600.00	11	$29,963.64	124,848.48	$164,840	$14,982
Lincolnwood	$0.030	$480,000.00	9	$53,333.33	148,148.15	$160,000	$17,778
Naperville	$0.040	$5,651,501.00	30	$188,383.37	392,465.35	$1,412,875	$47,096
North Chicago	$0.050	$501,086.25	8	$62,635.78	104,392.97	$100,217	$12,527
Oak Forest	$0.030	$300,000.00	7	$42,857.14	119,047.62	$100,000	$14,285
Oak Park	$0.060	$823,448.43	14	$58,817.75	81,691.31	$137,241	$9,803
Park Ridge	$0.040	$401,000.00	7	$57,285.71	119,345.24	$100,250	$14,321
Peoria	$0.020	$764,821.00	35	$21,852.03	91,050.12	$382,411	$10,926
Woodridge	$0.025	$504,318.00	11	$45,847.09	152,823.64	$201,727	$18,339
Average Revenue per $.01 per Gas Station per Year							**$17,128**

Finally, the average revenue per gas station per year was multiplied by Gurnee's 10 gas stations to produce a projected figure. Applying this model to the City of Bloomington's 19 active gas stations[15] produces the following results:

Tax Rate/gal	Avg. Revenue/Gas Station	Bloomington # of Active Gas Stations	Total Projected Revenue from Gas Tax
$0.01	$17,128	19	$325,443
$0.02	$34,257	19	$650,887
$0.03	$51,386	19	$976,331
$0.04	$168,514	19	$1,301,775

Utilizing this projection model yields similar results to the Champaign per capita projection model. Each model shows the City of Bloomington generating a little over $1 million in revenue with the implementation of a $4-cents per gallon LMFT.

Fiscal Impact

The actual impact of leveraging a local motor fuel tax may be difficult to quantify. The City of Urbana asked local officials they surveyed of any noticeable impact and the responses were more speculative than can be empirically supported. A city official from Pekin stated that gas prices were about the same in Pekin as in Peoria (Pekin has a 4-cent LMFT and Peoria has a 2-cent LMFT) and in North Pekin, Marquette Heights, Creve Coeur, and East Peoria, none of which have a LMFT. Yet no research was provided to support the observation. The Danville Public Works Director stated there was concern within the community that people would drive into nearby Indiana to buy gasoline if a tax were imposed. But the Director stated that "there had not been a fall-off in sales". Again, there was no statistics provided to support the claim. The Public Works Director from Galesburg made similar observations stating "gas prices at stations outside of Galesburg are the same or even higher than gas prices in town, despite the tax". Finally, the Comptroller from Peoria stated "gas prices might be slightly cheaper in East Peoria (which has no LMFT), on the opposite side of the Illinois River, but that most drivers won't go out of their way to drive to East Peoria. While the claims were subjective in nature, none of the cities cited gas station closures due to the implementation of a LMFT.

Annual statistics on gas prices within Bloomington have not been able to be identified. The State of Illinois, however, does track the last four day gas price averages for each city within the state[16]. For the purpose of this report, the third and fourth week of March were analyzed. The results were as follows:

[15] The number of active gas stations were identified using the City's sales tax information from the Illinois Department of Revenue.
[16] See: "http://www3.illinois.gov/gasprices/search.cfm"

Date Taken	Last Four Days' Averages	Regular	Mid	Premium	Diesel	Fuel Average
3/21/2014	Bloomington	$3.59	$3.69	$3.80	$3.99	$3.77
3/20/2014	Normal	$3.60	$3.70	$3.81	$4.00	$3.78
3/21/2014	Champaign	$3.67	$3.77	$3.88	$3.99	$3.83
3/21/2014	Urbana	$3.67	$3.77	$3.89	$3.97	$3.83
3/21/2014	Peoria	$3.61	$3.71	$3.82	$4.13	$3.82
3/21/2014	East Peoria	$3.60	$3.70	$3.81	$4.04	$3.79
3/21/2014	Decatur	$3.51	$3.60	$3.71	$3.95	$3.69
3/20/2014	Springfield	$3.66	$3.76	$3.87	$3.95	$3.81
3/21/2014	Galesburg	$3.66	$3.76	$3.88	$4.03	$3.83
3/30/2014	Bloomington	$3.61	$3.70	$3.81	$3.99	$3.78
3/30/2014	Normal	$3.62	$3.72	$3.83	$4.00	$3.79
3/29/2014	Champaign	$3.63	$3.73	$3.84	$3.97	$3.79
3/30/2014	Urbana	$3.69	$3.78	$3.90	$3.94	$3.83
3/30/2014	Peoria	$3.59	$3.68	$3.79	$4.09	$3.79
3/30/2014	East Peoria	$3.52	$3.62	$3.73	$4.03	$3.73
3/30/2014	Decatur	$3.43	$3.52	$3.63	$3.92	$3.63
3/30/2014	Springfield	$3.64	$3.74	$3.85	$3.93	$3.79
3/30/2014	Galesburg	$3.55	$3.65	$3.76	$4.03	$3.75

The gas prices of 12 Illinois metro areas are also tracked by AAA Insurance. Reports were recorded on March 26, March 27, and April 1. A comparison of the Bloomington-Normal Metro Area and the Champaign-Urbana Metro Area are displayed below[17]:

Prices Updated 3/27/14						
Bloomington-Normal	**Regular**	**Mid**	**Premium**	**Diesel**	**Fuel Average**	**Comp**
Current	$3.65	$3.76	$3.95	$3.98	$3.83	=
Yesterday	$3.60	$3.70	$3.87	$3.98	$3.79	⬇
Week Ago	$3.61	$3.75	$3.92	$4.00	$3.82	⬆
Month Ago	$3.48	$3.59	$3.78	$4.00	$3.71	⬇
Year Ago	$3.63	$3.74	$3.92	$3.87	$3.79	⬇

Prices Updated 3/27/14						
Champaign-Urbana	**Regular**	**Mid**	**Premium**	**Diesel**	**Fuel Average**	**Comp**
Current	$3.63	$3.78	$3.97	$3.96	$3.83	=
Yesterday	$3.57	$3.74	$3.90	$3.97	$3.80	⬆
Week Ago	$3.67	$3.85	$4.01	$3.98	$3.88	⬇
Month Ago	$3.53	$3.70	$3.88	$4.01	$3.78	⬆
Year Ago	$3.73	$3.87	$4.03	$3.99	$3.91	⬆

[17] See: "http://fuelgaugereport.aaa.com/?redirectto=http://fuelgaugereport.opisnet.com/index.asp"

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Prices Updated 4/1/14						
Bloomington-Normal	**Regular**	**Mid**	**Premium**	**Diesel**	**Fuel Average**	**Comp**
Current	$3.59	$3.75	$3.91	$3.97	$3.80	=
Yesterday	$3.61	$3.75	$3.93	$3.97	$3.81	⬇
Week Ago	$3.54	$3.66	$3.80	$3.97	$3.74	⬇
Month Ago	$3.59	$3.68	$3.85	$4.00	$3.78	⬇
Year Ago	$3.50	$3.59	$3.77	$3.80	$3.67	⬇

Prices Updated 4/1/14						
Champaign-Urbana	**Regular**	**Mid**	**Premium**	**Diesel**	**Fuel Average**	**Comp**
Current	$3.58	$3.75	$3.94	$3.96	$3.80	=
Yesterday	$3.62	$3.77	$3.95	$3.96	$3.83	⬆
Week Ago	$3.58	$3.76	$3.92	$3.97	$3.81	⬆
Month Ago	$3.64	$3.78	$3.95	$4.01	$3.85	⬆
Year Ago	$3.60	$3.73	$3.89	$4.00	$3.80	⬆

Prices Updated 4/4/14						
Bloomington-Normal	**Regular**	**Mid**	**Premium**	**Diesel**	**Fuel Average**	**Comp**
Current	$3.56	$3.72	$3.91	$3.97	$3.79	=
Yesterday	$3.58	$3.73	$3.92	$3.97	$3.80	=
Week Ago	$3.65	$3.76	$3.95	$3.98	$3.83	=
Month Ago	$3.57	$3.71	$3.89	$4.00	$3.79	⬇
Year Ago	$3.56	$3.62	$3.81	$3.86	$3.71	⬇

Prices Updated 4/4/14						
Champaign-Urbana	**Regular**	**Mid**	**Premium**	**Diesel**	**Fuel Average**	**Comp**
Current	$3.59	$3.72	$3.89	$3.97	$3.79	=
Yesterday	$3.56	$3.73	$3.92	$3.95	$3.79	=
Week Ago	$3.63	$3.78	$3.97	$3.96	$3.83	=
Month Ago	$3.67	$3.83	$4.00	$4.01	$3.88	⬆
Year Ago	$3.65	$3.79	$3.95	$3.99	$3.84	⬆

The "Comp" or comparable column represents the Bloomington-Normal Metro Area average gas price comparison to Champaign-Urbana Metro Area for the timeframes provided. Of the three dates provided, the Champaign-Urbana Metro Area had higher average gas prices 9 times compared to Bloomington-Normal's occurrence of 1 time having a higher average. There were 10 occurrences where gas prices were found to be equal.

Conclusions

Nation-wide the State of Illinois will continue to have higher gas prices due to the inclusion of sales tax before a motor fuel tax is levied. In terms of motor fuel taxes, the State of Illinois is only the 31st highest and has not raised the 19-cent base rate since 1990. The City of Bloomington has the legal authority to enact a local motor fuel tax which is not regulated by the state. A little over 30 municipalities in Illinois were found to have a LMFT ranging from 1-cent to 6.7-cents per gallon. The City's Finance Department projection of 4-cents per gallon LMFT generating approximately $1 million in additional revenue was supported in two separate projection models and comparable cities were found to have experienced the same. The fiscal impact of a LMFT may be difficult to quantify. Historical gas price data was not found to be archived but websites were found which give current updates to gas prices in Bloomington and Illinois Metro areas. If a tax were approved, staff could continue to monitor prices so that trends could be identified. A majority of the municipalities studied designated the use of the LMFT by ordinance to specific transportation objectives. Utilizing similar practices, the City could borrow Danville's idea of marking projects with signage so citizens could see their LMFT dollars being reinvested in the community.