Pension Cost, Taking The Bull By The Horns

City councilmen took an aggressive stance on police and fire pension spending after it was decided, based on staff recommendations, to pay more upfront now but save millions in the long run.

During a November council meeting, city staff recommended increasing the city’s contributions to both pensions starting in FY 2015, raising it above the state law’s required minimum.

By adding the increase the city would save nearly $70 million in long term costs by the year 2043.

“This is the reverse of kicking the can down the road - it is taking the bull by the horns allowing to re-allocate the annual savings to other priorities.”

-Patti-Lynn Syka, City Finance Director

The contribution would significantly increase for the first five years, funding the plan at a rate of nearly $1.5 million each year. However in FY 2020 the amount of contributions would drop considerably to approximately $500,000.

The pension plans structure will be analyzed each year by an independent actuary and will be compared to the state’s minimum contribution requirements as well as other significant data in its calculations, including rate increases and target ratio funding.

The pensions will be supported through an increase of funds supplied by the city’s property tax levy.

The long term plan will be reexamined each year as required by city ordinance in order to determine the effectiveness of the strategy and to gage whether or not any modifications are necessary to conform to up-to-date accounting practices and any changes in state laws.

Ordinance Guidelines:

- Ensure Pension Funds Have Sufficient Assets on Hand.
- Minimize the Annual Volatility of Budgeted Contributions.
- Provide For Equity Among Different Generations of Taxpayers With Respect To Bearing Cost of Contributions.
- Ensure That All Statutory Funding Requirements are Satisfied
- Provide for Full Funding on Pension Liabilities.

Off Duty Officers Lend Helping Hand to Tornado Victims

Bloomington Police Department Sergeant Robert Raycraft, Officer David Quinn, and Officer Brice Stanford of the Bloomington Police Department are pictured standing in front of wreckage left behind in a Washington neighborhood hours after one of the strongest tornadoes in Illinois history struck the small town on November 17th.

The officers provided volunteer assistance where needed.
2013: A Year Of Accomplishments For The City of Bloomington

Another year will soon be gone, a year that was marked for the City of Bloomington with both progress and change. “We have had some remarkable accomplishments in many areas this year,” said City Manager David Hales. “We have seen some well needed equipment purchased for public safety, ordinances have been updated, financial support for street resurfacing and the list goes on.”

At a Glance
In recent month’s the city’s fire department upgraded two emergency response vehicles in an effort to provide a higher quality of service and to be able to improve response capabilities. “We were able to purchase two emergency vehicles, a new ladder truck and a medic response vehicle,” said Mike Kimmereling, Bloomington’s fire chief. “By doing so the fire department was able to accomplish our goals of facility and infrastructure upgrades, something that is very important when providing an emergency service.”

Another area of accomplishment for the city was that of street preservation and pavement. During a July council meeting the city’s Public Work’s Director, Jim Karch, presented to city aldermen a $4 million budget in street improvement and repair costs. The budget was approved by the council and work began almost immediately.

Also contributed by the Public Works Department was the establishment of the city’s new recycling program. Under Karch’s supervision and with the direction of the Administration Office and approval of the council, the Public Works Department spearheaded an improved recycle program that would allow residents to select what size cart they feel comfortable using and allow the carts to be retrieved utilizing an automated service. “We sought out to make significant improvements to this program and I think we are headed down the right track,” said Karch.

In regard to the city’s economic standings, the City of Bloomington’s Economic Coordinator, Justine Robinson, was able to assist several business owners in opening their own establishments throughout the community. “It is important that the city assists and supports small business owners in setting-up shop here in Bloomington,” Robinson said. “Local businesses help support and sustain our economy and we are doing our part to see them flourish.” Robinson also over saw the expansion of Downtown Bloomington’s Enterprise Zone, an expansion that added nearly $2.3 million in new investments.

To see other significant departmental accomplishments, read the award winning “City Manager’s Monthly Report” at www.cityblm.org.

City Credit Shows Stable Outlook for City’s Future

The City of Bloomington has received two positive credit rating reports as they moved through three major bond transactions finalized in October 2013. The city refinanced two existing bond commitments saving approximately $500,000; in addition to issuing a $10 million “new money” bond for street resurfacing (See page one).

Fitch Ratings service affirmed the AA+ credit rating for three of the city’s general obligation bonds. Fitch analysts also declared the city’s rating outlook to be stable, as they did in February.

Moody’s Investors Service gave the city a rating of Aa2 on two of the same bonds, and echoed the Fitch opinion that the city’s outlook remains stable, according to Finance Director Patti-Lynn Silva.

Fitch and Moody’s are two of the top three credit rating services, and provide independent assessment of financial strength and unbiased opinions about municipal creditworthiness. Key rating drivers cited by Fitch analysts included a strong management team, a diverse revenue stream, improvements in the outlook for pension funding levels, and continued stability in the local economy. Moody’s noted similar factors, as well as the challenges presented by the current debt load and pension funding.

Fitch’s report expressed continued confidence in the city’s ability to meet pension obligations in coming years. While the pension plan debt remains a credit concern for the city, the Fitch analysis stated they believe “…the successful implementation of the city’s funding plan without offsetting declines in overall financial flexibility could lead to positive rating action.”

The city has been working on a new policy for repaying the city’s pension obligations. The ordinance was adopted by the city council and will exceed the new statutory requirement that demands pension plans be 90 percent funded by 2040. “Having a pension funding ordinance in place will go a long way toward improving our overall financial profile,” said Silva.

City Manager David Hales is pleased that Fitch and Moody’s have both maintained the favorable levels for the city’s credit ratings. “We will continue our efforts to improve the city’s financial health,” said Hales. “As we make progress on that goal, I think we can earn an upgrade in our ratings to AAA,” said Hales.

Silva noted that an upgrade to the city’s credit rating would result in lower interest rates on future bond issues or refinancing of current debt, which translates to a better general outlook for the community’s business climate.
What does the City of Bloomington Website Provide?

Easy Access To:
- City Council Information (Meetings Agendas & Aldermen Information)
- Up-To-Date Press Releases
- On-Line Services (Crime Data, Water & Sewer Payments and Traffic Accident Reports)
- Visitors Guide
- Construction Projects
- City Budget and Financial Information
- Public Meeting Dates and Times

...AND SO MUCH MORE!

WWW.CITYBLM.ORG

Retail Recruitment Campaign Receiving Significant Input

As a result of a city-wide retail recruitment campaign, nearly 3,100 residents have weighed in on the topic of what type of businesses and entertainment features they would like to see brought to the community.

“Retail recruitment is a competitive task and one that is best achieved when all parties such as residents, developers, property owners, city staff and elected officials strive to collaborate,” said Justine Robinson, City of Bloomington Economic Development Coordinator.

Real estate professionals focus on demographic indicators such as population, household income, and educational attainment when making decision about where to locate. While local statistics reflect a stable economy with improving retail sales trends, a proactive approach can greatly enhance a municipalities recruitment efforts. There for, according to Robinson, it is critical that citizens play an active role in the retail attraction process.

Once enough survey data is collected, it will be utilized to show retailers that Bloomington is interested in helping their brand generate new revenue.

Upon completion of the survey a customized package can be sent to each representative demonstrating the potential revenue for their store type in Bloomington.

To participate in the survey log onto www.cityblm.org and click on “In The News”.

Retail Recruitment Campaign Receiving Significant Input

Over the course of nearly two months 3,100 locals have voted in an area-wide retail recruitment campaign, selecting which establishment they would like to see come to Bloomington.

The campaign will continue throughout the next few months until enough data is collected to submit to the top retail outlet that is selected.

The community is able to vote on the retail establishment of their choice and voice their opinion.

“B.F.D. Stresses Christmas Tree Safety-

Each year, fire departments respond to an average of 210 structure fires caused by Christmas trees. Carefully decorating Christmas trees can help make your holidays safer. The Bloomington Fire Department offers the following safety information:

Picking the tree
- If you have an artificial tree, be sure it is labeled, certified, or identified by the manufacturer as fire retardant.
- Choose a tree with fresh, green needles that do not fall off when touched.

Placing the tree
- Before placing the tree in the stand, cut 1” - 2” from the base of the trunk.
- Make sure the tree is at least three feet away from any heat source, like fireplaces, radiators, candles, heat vents or lights.
- Make sure the tree is not blocking an exit.
- Add water to the tree stand. Be sure to add water daily.

Lighting the tree
- Use lights that have the label of an independent testing laboratory. Some lights are only for indoor or outdoor use, but not both.
- Replace any string of lights with worn or broken cords or loose bulb connections. Connect no more than three strands of mini string sets and a maximum of 50 bulbs for screw-in bulbs. Read the manufacturer’s instructions for the number of LED strands to connect.
- Never use lit candles to decorate the tree.
- Always turn off Christmas tree lights before leaving home or going to bed.

*Above photo provided by the National Institute of Standards and Technology.

-“I believe our community has the perfect demographics for a Trader Joe’s store and I’d love to not have to drive for three hours to get to a store.”

Vikki Baptiste, Bloomington Resident

Online Survey!

Retail Recruitment Campaign Receiving Significant Input
As a public service, we are excited to be able to provide our residents with news and informational items that relate specifically to their municipal government. We encourage everyone to visit the City of Bloomington website at www.cityblm.org to learn more about our wonderful community.

City of Bloomington staff work diligently to ensure the city’s website, newsletters, and other means of communication are up-to-date and relevant to your needs.

We look forward to continued service!

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**National Geographic Highlights City Zoo**

Bloomington’s own Miller Park Zoo has been recognized by National Geographic Magazine in an article entitled “Building The Ark” an article highlighting the zoo’s efforts in making a difference in the animal world.

Gracing the pages of October’s issue of the coveted magazine, an article written by journalist Elizabeth Kolbert highlighted the city’s zoo efforts in making a difference by supporting and maintaining programs geared toward endangered species.

Kolbert acknowledged that although endangered species programs are generally supported by large zoos such as Los Angeles or Chicago, smaller zoos such as Bloomington’s, are beginning to join the cause.

Through its efforts, Miller Park Zoo is accredited with several accomplishments, “It (Miller Park Zoo) has bred red wolves and is hoping to figure out how to breed an endangered subspecies of squirrel…” Kolbert noted in her article.

John Kennedy, Director of the city’s Parks & Recreation and Cultural Arts Department said the zoo’s staff works as a team, dedicated to wildlife support and education.

“We are very pleased to see that our staff’s dedication and passion is recognized through the article.”

- John Kennedy, Director of the city’s Parks & Recreation and Cultural Arts Department.

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**We will be keeping Prairie Vista and Highland Park open through the end of the year, so head out to one of those courses if the weather allows.**

**We’ve had a great season and we genuinely appreciate all of our golfers. Can’t wait to see everyone again next season!!**

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