Memorandum

To: Members of the City of Bloomington Common Council

From: Michael Trexler, Controller, Controller's Office

Date: July 14, 2009

We are pleased to present the 2010 Budget Proposal for the City of Bloomington.

This Budget Proposal furthers the City's mission to preserve and enhance the distinct identity of Bloomington, Indiana, by providing essential municipal services and high quality economic, environmental, social and cultural programs and initiatives by addressing and strengthening the 4 strategic initiatives laid out in our Strategic Plan; Commerce, Collaboration, Condition and Character. Throughout this proposal, you will see how each of the City's Departments addresses these strategic initiatives. We ask your support for the numerous ways we intend to progress the mission of the City, which you will see detailed as you review the budget document.

With Council's support, we believe we have successfully weathered state government funding cuts as well as state legislative property tax adjustments to the point where there is more stability in our fiscal picture.

As discussed in the 2009 budget, this budget is balanced around 2010 revenues in order to maintain the target fund balances establish in the 2009 budget. The City's cash reserve will remain healthy with a General Fund cash balance of $1,739,513 and a Rainy Day Fund balance of $5,412,724.

Operating and capital investments of which we are particularly pleased include:

- The addition of 3 new police officers as part of our commitment to add 10 officers in 5 years. In fact, this addition will actually fulfill that commitment one year early.
- Pay increases for our non-union employees.
- Contractual pay increases for our Firefighters, Police Officers and AFSCME employees.

- Creation of Vehicle Replacement Fund

- Continued commitment to the greenways, sidewalks and other infrastructure.

- Increased funding as part of a multi-year plan for the Jack Hopkins Social Service Fund.

It should also be noted that we are pursuing additional significant initiatives via other funding sources such as tax increment financing and state and federal grant programs.

The combined 2009 budgets for the three levy controlled funds (General Fund, Parks General Fund, and Cumulative Capital Improvement – Rate) total $38,207,414, a reduction of $1,005,150 under the 2009 budget including appropriation ordinances approved through June 30, 2009. Our total appropriation request is $60,805,702, a reduction of $718,345 under the 2009 budget including appropriations approved through June 30, 2009. After removing interfund transfers from these amounts, the total appropriation request represents a reduction of $1,272,229 under the 2009 Budget, or 2.2%

I have included a "Summary Statement of General Fund and Fund Balance" in the introductory section to give you a clear picture of the cash flow in the General Fund. The pages that follow are budget comparisons and graphs. Please note that on the line item budgets and summaries, the 2008 Budget amounts include all approved appropriations and the 2009 Budget amounts include appropriation ordinances approved through June 30, 2009.

Once again, I would like to convey my thanks to the people who worked so hard to provide you with this budget including the Controller's Office staff, Julie Baker, Michael Falls, Jeff McMillian, Tami Mitchner, Susan Truelock, Brad Underwood, and especially Alisa Wood. In addition, I would like to thank each of you for your guidance, input, and direction throughout the budget process.

Respectfully,

Mike Trexler