City of Bloomington
Common Council

Legislative Packet

Containing legislation and materials related to:

Wednesday, 27 April 2022 at 6:30pm

Special Session

401 N. Morton Street
PO Box 100
Bloomington, IN 47404

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CITY OF BLOOMINGTON COMMON COUNCIL

AGENDA AND NOTICE:
SPECIAL SESSION
WEDNESDAY | 6:30 PM
27 APRIL 2022

Council Chambers (#115), Showers Building, 401 N. Morton Street
The meeting may also be accessed at the following link:
https://bloomington.zoom.us/j/84348440871?pwd=R0E1OVIrUUJIeXYwdHJsN0lRSWJFZz09

I. ROLL CALL

II. AGENDA SUMMATION

III. LEGISLATION FOR SECOND READINGS AND RESOLUTIONS

A. Resolution 22-09 – Resolution Proposing an Ordinance to Modify the Monroe County Local Income Tax Rate, Allocate the Additional Revenues to Economic Development and Cast Votes in Favor of the Ordinance

Committee recommendation: Do Pass 3-0-4

Note: This item was discussed at a Committee of the Whole meeting on April 13, 2022. At the April 20, 2022 Regular Session, the Council deliberated on this item, held the statutorily-required legally-advertised public hearing on the resolution, and postponed further deliberation and final action on this item to tonight's meeting.

IV. ADJOURNMENT

Auxiliary aids are available upon request with adequate notice. Please call (812) 349-3409 or email council@bloomington.in.gov.

Posted: 22 April 2022

City of Bloomington
Office of the Common Council

NOTICE

Wednesday, 27 April 2022

Special Session at 6:30 pm

This Special Session will be held instead of the Committee meeting previously scheduled for April 27, 2022. This meeting will be held in the Council Chambers (Suite #115, City Hall, 401 N. Morton St) and may also be accessed electronically via Zoom (see information below).

Join Zoom Meeting
https://bloomington.zoom.us/j/84348440871?pwd=R0E1OVIrUUJleXYwdHJsN0lRSWJFZz09

Meeting ID: 843 4844 0871
Passcode: 079353
One tap mobile
+13017158592,,84348440871# US (Washington DC)
+13126266799,,84348440871# US (Chicago)

Dial by your location
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)
Meeting ID: 843 4844 0871
Find your local number: https://bloomington.zoom.us/u/kemhnaWFyJ

As a quorum of the Council or its committees may be present, this gathering constitutes a meeting under the Indiana Open Door Law (I.C. § 5-14-1.5). For that reason, this statement provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

Posted: Friday, 22 April 2022

TO: Members of the Common Council
FROM: Mayor John Hamilton
RE: New Revenue Package
DATE: March 16, 2022; Revised March 18, 2022

Introduction

The City of Bloomington faces a pivotal moment. Coming out of the pandemic we can meet that moment and lead our community forward. If we don't, we risk shortchanging programs and services on which our residents rely.

Since 2016, together we have made great progress in our City in providing excellent essential services and improving opportunities for our residents. We are the only city in Indiana with a nationally accredited police force and a top-ranked fire department (ISO 1). We have seen unprecedented private investment and public infrastructure progress. Our jobs and wage rates are increasing. We've made real progress toward more affordable housing and climate action.

For the 2023 City budget and beyond, the City needs additional revenue to appropriately fund continued progress, specifically for investments in:

- **Public safety**, including newly-negotiated Police salaries, future Fire Department salary negotiations, continued innovation of service delivery, and building replacements and upgrades
- **Climate change preparedness and mitigation** to enhance public transit and advance goals set in the Climate Action Plan (CAP)
- **Equity and quality of life for all**, including access to housing, good jobs, local food, the arts, and economic stability
- **Essential city services**, to maintain assets and assure ongoing excellence

This memo outlines a range and scope of critical investments needed to move Bloomington ahead – sustainably, inclusively, and efficiently. These investments embody the values of our community and help ensure that City government can address the challenges of our time. We offer this proposal for discussion and consideration by Council and look forward to working together to finalize it.

Local Revenue Options

Difficult times persist for many in our community, who are managing ongoing impacts of the pandemic and who face availability and cost pressures with housing, health care, child care, transportation, education, and other basic needs. The climate emergency has not abated during the past two years and looms ever larger in our lives. City government has an essential role to play in helping address these challenges and opportunities locally, and it takes revenue to deliver services. The Administration first highlighted the need for new revenue in January 2020. Recent one-time federal pandemic recovery funding has been essential to bridging our gaps, but it is not ongoing, and we cannot rely on federal or state funding to meet key ongoing local challenges.

As discussed with Council during the 2022 budget cycle, the Administration is proposing an increase to the Monroe County Local Income Tax (LIT) rate and the issuance of two $5 million general obligation (G.O.) bonds on a five-year cycle. This combination offers practical, complementary tools: a LIT increase supports annual funding for ongoing programs and initiatives, including personnel; G.O. bonds efficiently fund infrastructure improvements project by project.

We would use these tools to fund proposed investments that emerged from consultations with members of the City Council and city residents, other partners and local institutions, members of the Monroe County Council and Commissioners, Ellettsville Town Council, and other interested parties. The proposed investments also reflect the priorities and goals of Bloomington embodied in many plans and documents, including the Climate Action Plan, Transportation Plan, Parks Master Plan, Sustainability Action Plan, Comprehensive Plan, Housing Study, Plan to Advance Racial Equity, Wage Growth Taskforce, City Surveys, and more. We look forward to continued refinements of this proposal through discussions with all interested parties, and robust public feedback, in the coming weeks.

The Administration will continue rigorous efforts to reduce expenses and contain costs through innovation and reform. Recent examples include:

- Major solar installations that reduce energy costs: Parks saving $50,000 annually
- Using smaller, quick response vehicles instead of large engines: Fire saving $1,200,000 in vehicle replacement costs
- Sanitation system reform and automation:
    - Eliminates the need to fill one position: the total savings of leaving the position unfilled fluctuates yearly based on other variables such as landfill fees and recycling processing costs
    - From 2020 to 2021, workers compensation costs at the City decreased a total 28%
- Street crews adjusting work shifts to improve paving efficiencies
- Innovations in the leaf collection system: saving $200,000 annually thus far

The list of needed investments demands additional revenue. Two questions pertain: what does it cost to do it? And what does it cost NOT to do it? Our needs are urgent and fundamental. Appropriate investments will continue Bloomington on a positive trajectory and offer true opportunity for all. Lack of investment would diminish our future and shortchange our residents. Indeed, not raising revenue would mean we could not meet negotiated salaries for our police officers or planned investments in climate mitigation. It would mean significant reductions in existing programs and personnel resources.

On the question of whether we have the capacity to raise additional local revenue responsibly, the answer is yes: We are at present a very low-tax city. Indiana is a relatively low-tax state, and among Indiana's 20 largest cities (excluding Indianapolis/Marion County), Bloomington is in the lowest quartile of both property and local income tax rates. Considering combined rates, we are nearly at the very bottom *(See Appendix A.1).* We have the lowest LIT rate among our seven contiguous counties, and we sit in the bottom quartile statewide *(See Appendix A.2).*

We are also low comparatively when it comes to government expenditures, revealing the capacity for responsible growth. Looking at per-capita annual spending from city general funds, Bloomington ranks 14th among Indiana's 20 largest cities (excluding Indianapolis/Marion County). Our $624 per capita annual spending is 16% below the median of $742 *(See Appendix A.3).*

In addition, recent trends suggest that Bloomington wages have accelerated over the past several years, surpassing several comparable Indiana cities and growing more in line with national wage growth trends. We have caught up to the state average, and are one of only 11 counties in the state with average weekly wages above $1,000 *(See Appendix A.4).*

Reviewing our per capita overall debt levels indicates significant capacity for additional debt investment. Looking at the public debt per capita of the 20 largest Class 2 cities in Indiana, Bloomington sits right in the middle, ranking 10th with a debt-per-capita of $2,931. After issuing $10,000,000 of additional G.O. bonds, the City will remain in 10th position, with an estimated per capita level of $3,057. *(See Appendix A.5).*

Specifically, our capacity to issue general obligation bonds (G.O. bonds) is strong: G.O. bonds have a statutory limit of 2% of adjusted net assessed value. Using this calculation, the City has an overall G.O. bonding capacity of approximately $28,000,000–which will grow over time with assessed value. Subtracting our outstanding debt of approximately $10,000,000, we retain a G.O. bonding capacity of approximately $18,000,000. With approval of the current G.O. bond proposal of $5,000,000, the City would retain approximately 46% of its current capacity. *(See Appendix A.6).*

The Parks department has authority to issue separate debt, and has outstanding Parks G.O. bond debt of $14,805,000 and total outstanding debt of $18,130,000. There is no statutory limit on Parks G.O. debt. *(See Appendix A.7).*

Proposed LIT Annual Investments

See Appendix B: LIT Details for more detailed information about the proposed items to be funded with a LIT increase.

Public Safety - $4,500,000

The City needs major additional annual investments in public safety in several areas:

- To support sworn police officer personnel costs, for retention and recruitment, following the direction of City Council and as included in our contingent four-year labor agreement with the Fraternal Order of Police (FOP)
- To continue investments in public safety reforms, including alternatives to 911 responses with non-sworn police and fire personnel, enhanced community-based public safety, and ongoing support for programs like the STRIDE Center
- To replace or upgrade essential buildings, some damaged by flood and some outdated, including a police HQ, a fire HQ, and four of five current fire stations. None of these costs are included in the 10-year Public Safety LIT capital plan

Climate Change Preparedness and Mitigation - $6,345,000

Our community needs major investments to prepare for and mitigate the impacts of climate change, including many identified in the City's Climate Action Plan (CAP). Investments include major enhancements in public transit and direct investments in accomplishing goals of the CAP:

- Bloomington Transit (BT) enhancements:
    - New East-West Express Transit line, with 15-minute frequency weekday service *(See Appendix A.8)*
    - New Paratransit service city-wide, on-call, and Microtransit services, expanding beyond fixed bus routes *(See Appendix A.9)*
    - New Sunday routes for 7-day service *(See Appendix A.10)*
    - Improved service level, with maximum 30-minute frequency on all routes
    - New pilot programs for Park and Ride services, and
    - New subsidy programs to lower costs for regular BT riders
- Climate Action Plan (CAP) direct investments:
    - Energy and built environment
    - Local food & agriculture
    - Waste management
    - Additional support for increasing Bloomington's tree canopy
    - Funding for the Green Ribbon Panel to accelerate climate action

See the FAQs for more information about proposed expenditures to support Climate Action Plan implementation

Equity and Quality of Life for All - $3,650,000

Investments are needed to advance equity and enhance the quality of life for *all* Bloomington residents. This includes:

- Improving housing affordability, for homebuyers and renters, as well as those experiencing homelessness
- Helping residents get better jobs through training, apprenticeships, and skills coaching
- Supporting access to local food for all
- Supporting a vibrant local arts community
- Expanded ADA accessibility measures
- Measures designed to lessen the LIT burden to low-income workers by providing them access to an economic equity fund

Essential City Services - $2,500,000

The City also needs major ongoing investments to maintain the essential City services on which we all rely. Increased funding will be necessary to:

- Maintain physical facilities and physical assets
- Cover increases to major expenses like insurance, materials, and services
- Improve IT infrastructure and cybersecurity
- Attract and retain City staff and fund any new positions that may be needed as a result of our increased programs and services. Use financial and non-financial retention strategies to attract and retain a diverse, qualified workforce.

General Obligation Bond Funded Projects:

See Appendix C for a list of Parks and Public Works G.O. bond items, which may be modified based on input from the Council.

Bonds are for longer-term projects and capital investments that generate revenue to repay the bond obligations; they are less applicable for providing ongoing City services. The proposed G.O. bond projects generally parallel priorities listed above, specifically “climate change preparedness” and “equity and quality of life for all.” The following proposed projects follow up on commitments made to the City Council in the context of the 2022 budget discussions:

Parks Bond

- Covenanter protected bike lanes, from College Mall Rd. to Clarizz Blvd.
- Dunn Street multi-use path from the Bypass to Old SR 37
- Griffy Loop Trail dam crossing and community access
- W. 2nd St. Signals and protected bike lane (Walker St. to B-Line trail)
- Replace gas-powered equipment with electric equipment
- Cascades Phase 6 - path/connection to Miller Showers Park

- Replace missing sidewalk on Rogers St. by Switchyard Park

Public Works Bond
- Citywide LED conversion of street lights
- Energy efficiency retrofits for all City buildings
- City fleet vehicle hybrid/electrification fund
- GPS for city vehicle fleet
- High St. Signals and multi-use path from Arden Dr. to 3rd St.
- Create green waste yard at Lower Cascades Park
- Vehicle upgrades for sustainability (hybrid/electric vehicles)
- Citywide traffic signal retiming
- Downtown ADA Curb Ramps (W. Kirkwood and Indiana Ave. corridors)
- Sidewalk projects (TBD)

Acknowledging these many projects are more than proposed revenues can support, the Administration looks forward to receiving feedback and assistance from City Council prioritizing potential General Obligation Bond Funded Projects.

Conclusion and Next Steps

Bloomington is at a crossroads. After the pandemic, in the recovery, what will our path be? New revenue is essential to meet basic obligations and address critical challenges. With this proposal, we offer an ambitious and value-centered path forward. We want this proposal to encourage dialogue and expect it to be refined over the coming weeks. The administration plans to present this proposal formally to the City Council on April 6.

The Appendices to this memo offer details for the projects we have prioritized based on prior consultations, and for other potential projects. We will soon launch on our website a public poll and a feedback form specific to new revenue. In addition, we encourage residents to provide feedback via social media messaging or by email to mayor@bloomington.in.gov. As details are developed, we will share information on the City's web page dedicated to new revenue, at bloomington.in.gov/newrevenue.

Bloomington has long been a special place to live, work, and visit. New revenue is needed to keep it so. We strive to be a leader in the midwest and across the country in livability, inclusion, access to amenities, quality of public safety services, transit options, arts, cultural opportunities, and more. New revenue is needed to achieve this and to live our values. The pandemic taught us all crucial lessons about the need to nurture community, build resilience, and close stubborn gaps in equitable access to opportunity. Our shared future depends upon our actions today.

CITY OF
BLOOMINGTON

Appendix A - Revised March 18, 2022

Figure A.1: Combined Property & Local Income Tax
Bloomington's combined tax rate relative to the 20 largest cities in Indiana.
Source: Reedy Financial Group

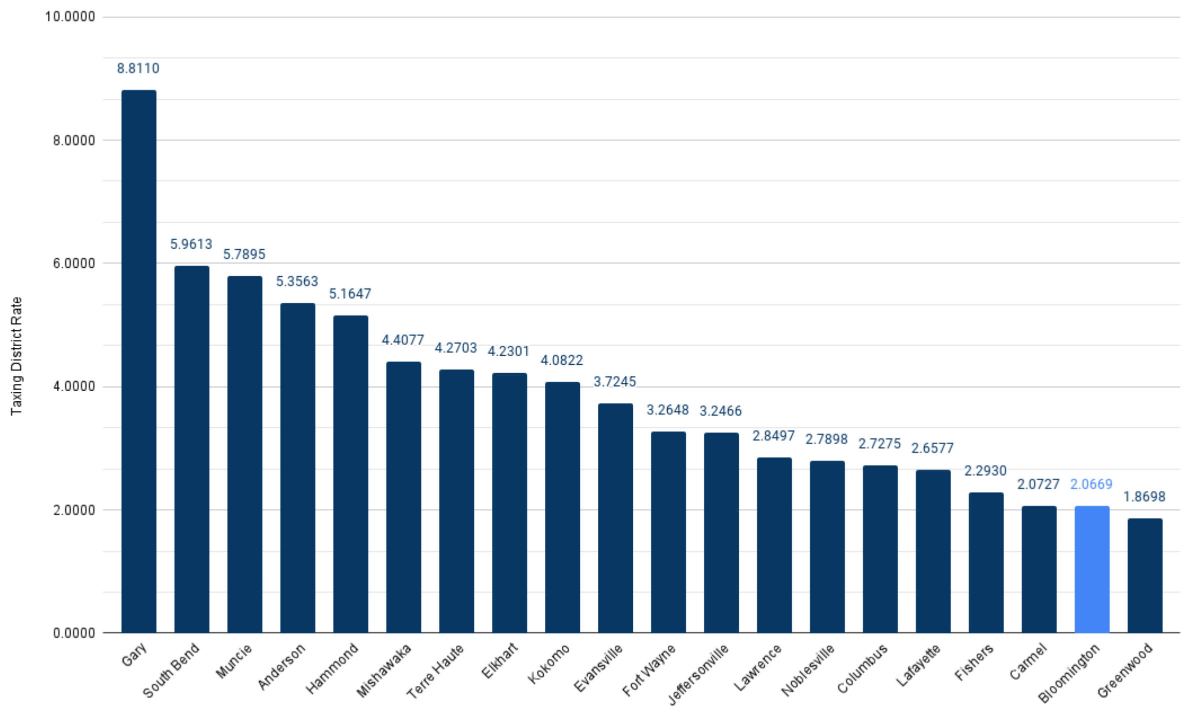


Figure A.2: County LIT Rates
Monroe County's LIT rate as compared to our six contiguous counties.
Source: Indiana Department of Revenue

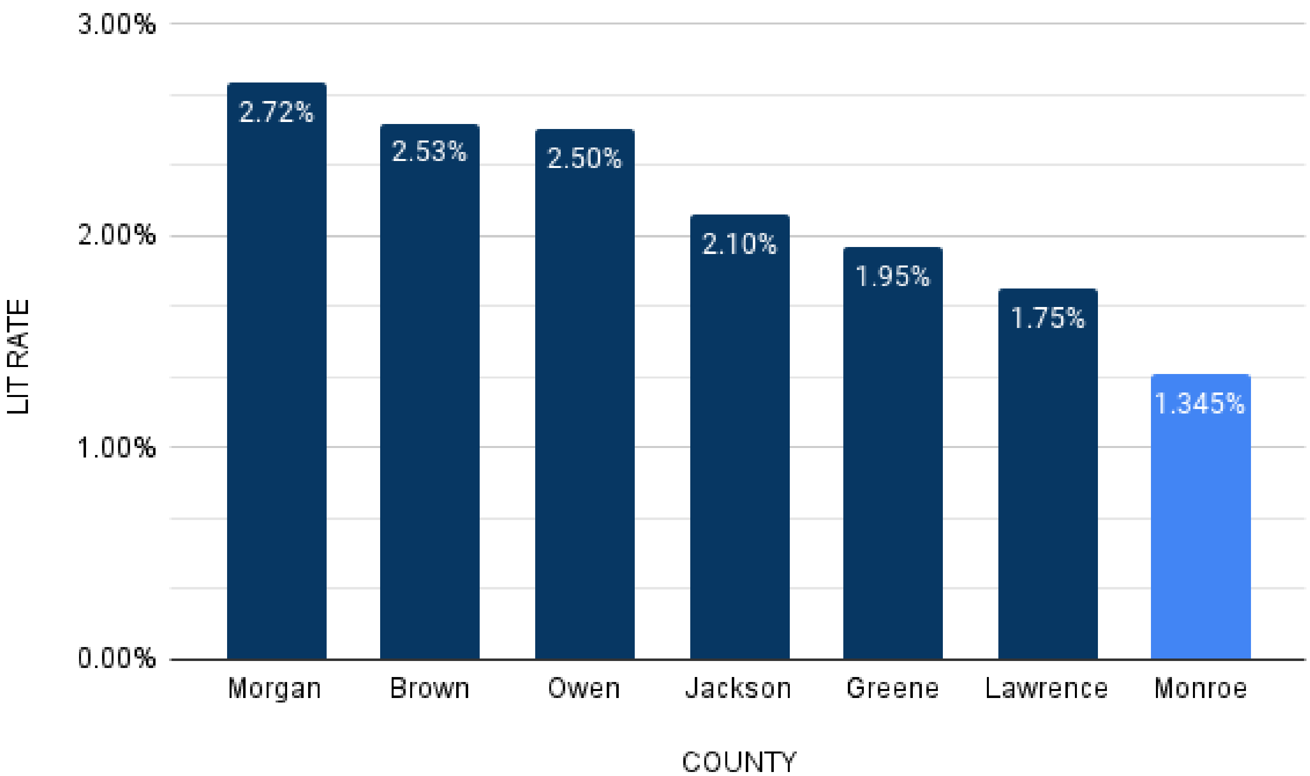


Figure A.3: Per-capita Annual Spending

The 20 largest Class 2 cities in Indiana, ranked by per-capita annual spending from the general fund.

Source #1: 2022 General Fund Budgets in Gateway

Source #2: 2020 Census Population Data

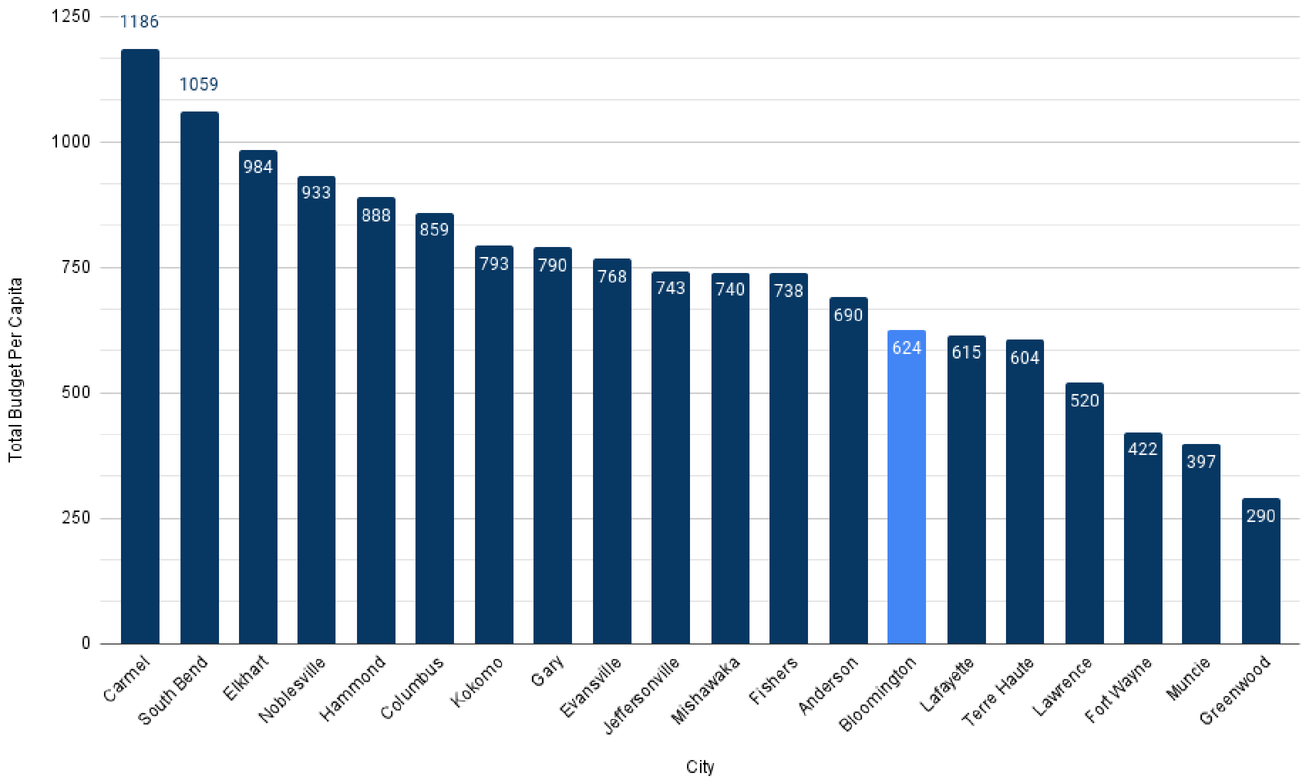


Figure A.4: Wage Growth

First-quarter wage growth in Bloomington, compared to the national and state averages and similarly-sized Indiana cities.

Source: Bureau of Labor Statistics

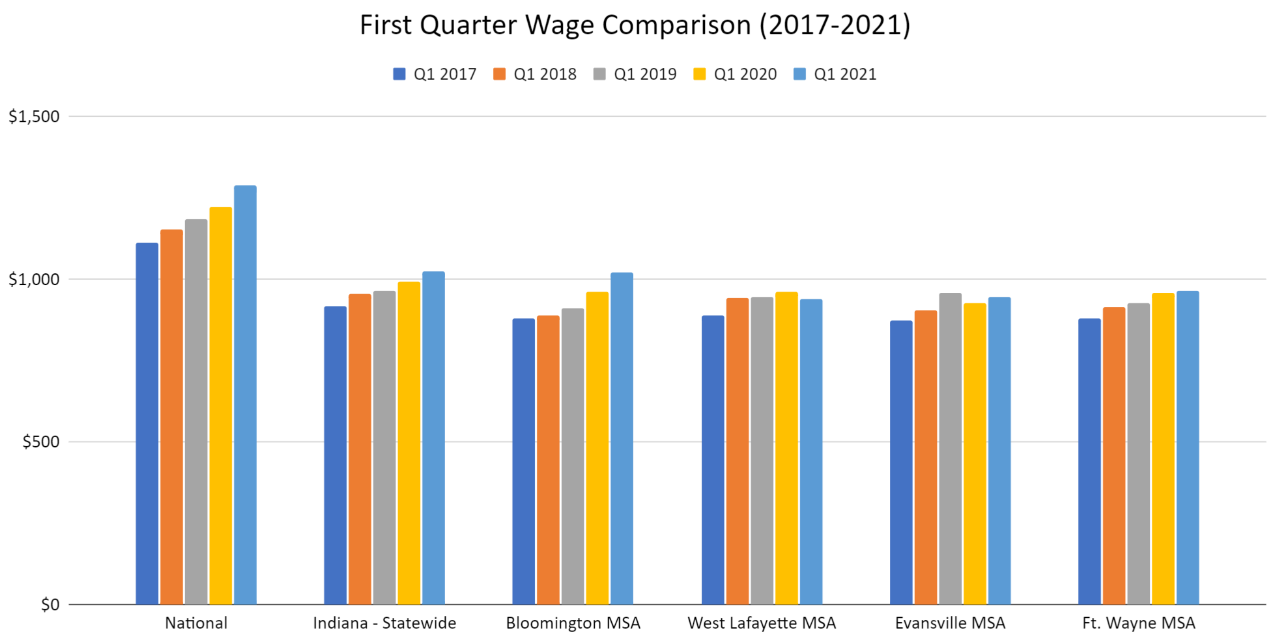


Figure A.5: Per-capita Annual Debt

The 20 largest Class 2 cities in Indiana, ranked by per-capita annual debt.

Source #1: Gateway 2021 Debt Management

Source #2: 2020 Census Population Data

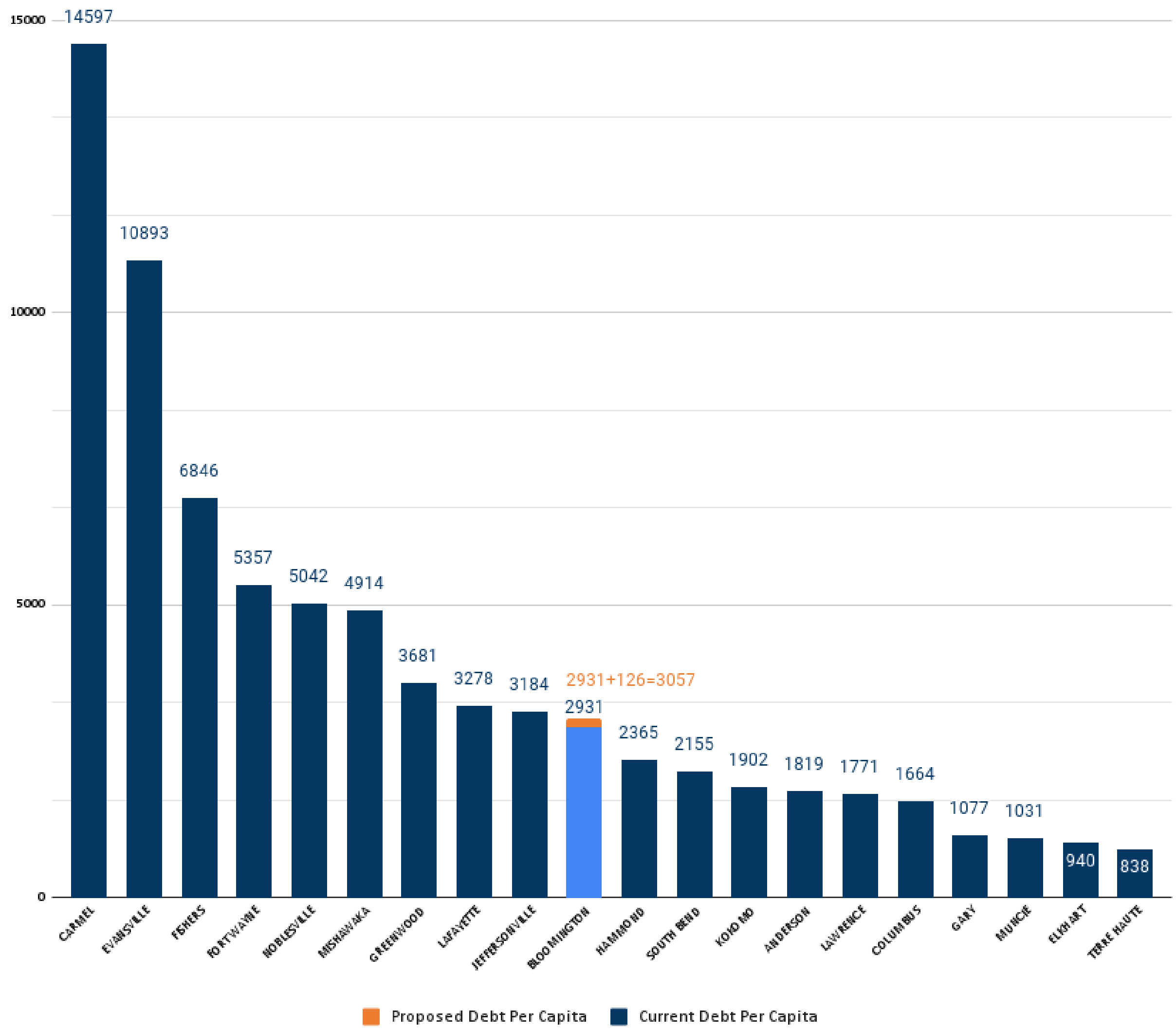


Figure A.6: City G.O. Bonding Capacity

The City's bonding capacity, with and without the issuance of another $5,000,000 in G.O. bonds.

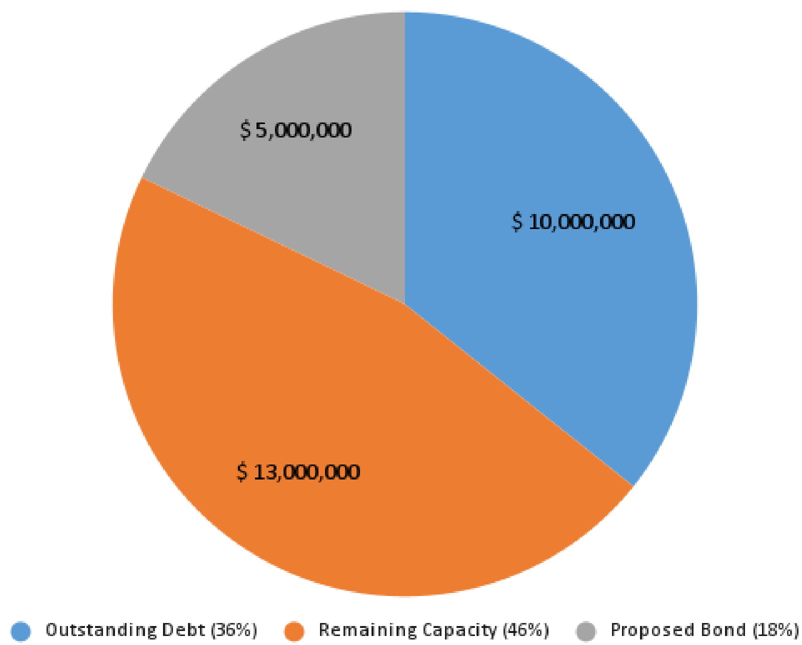


Figure A.7: Parks G.O. Bonding

Parks debt analysis: current and proposed G.O. bonds and other debt

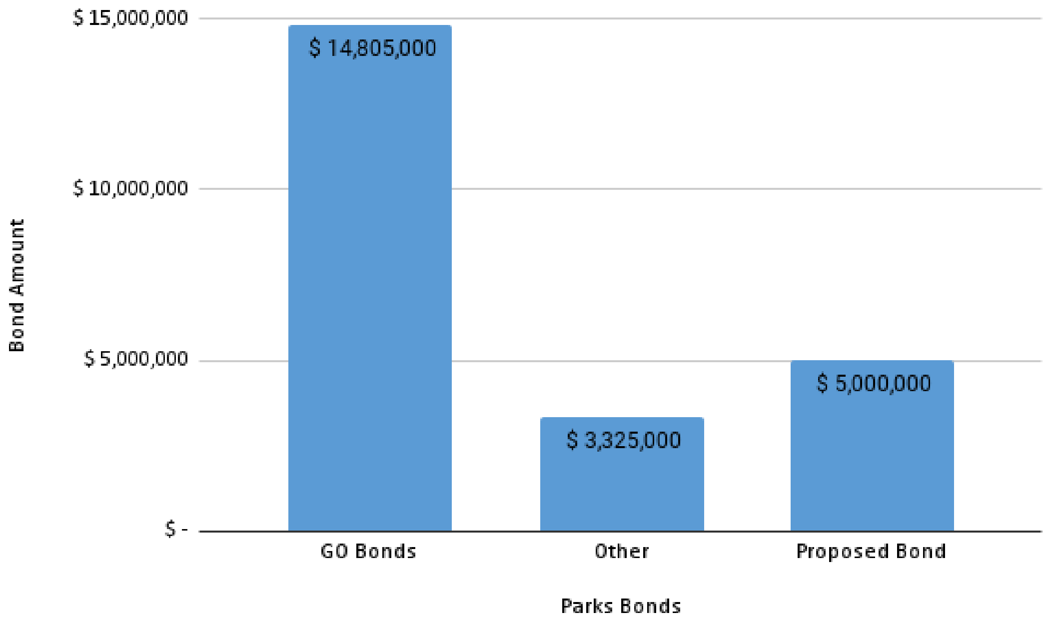


Figure A.8: Bloomington Transit New East-West Express Transit line
(Example Only)

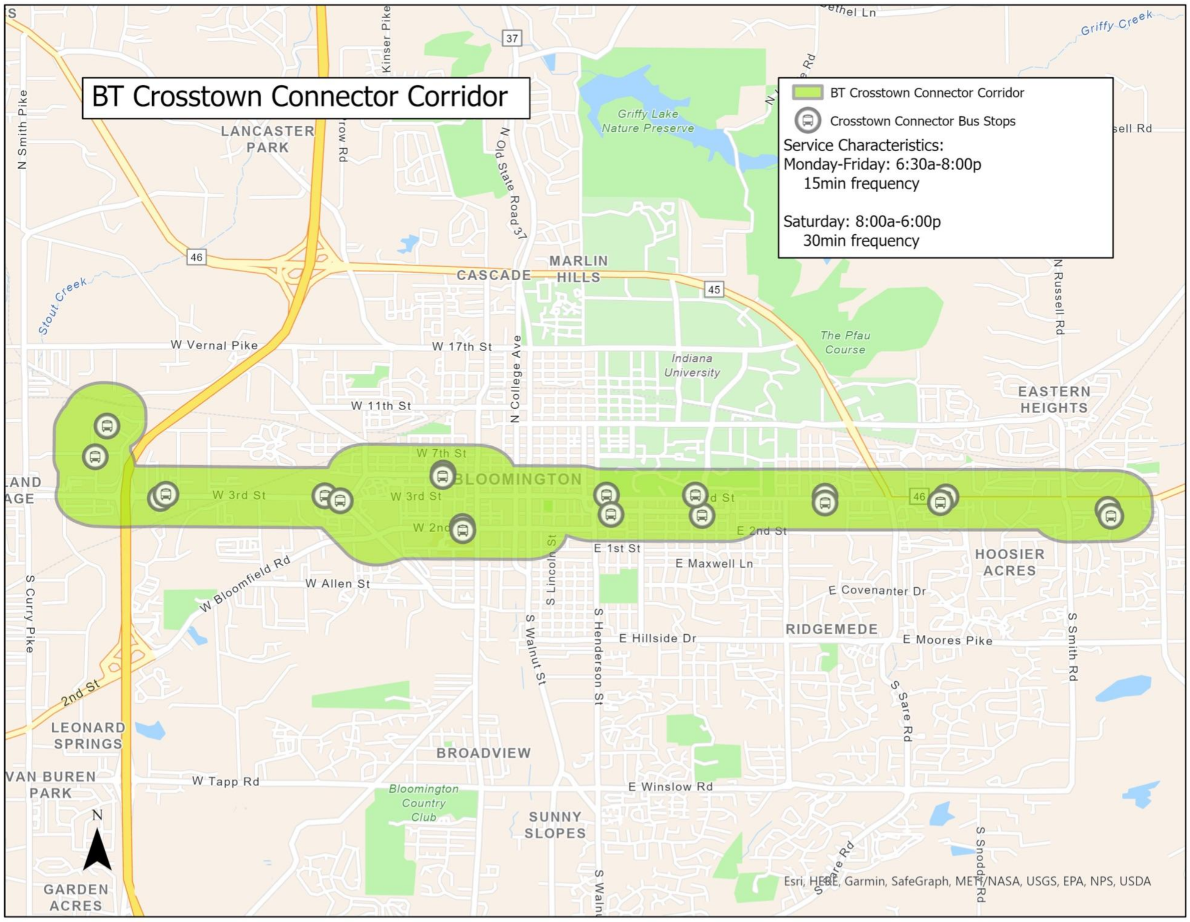


Figure A.9: Bloomington Transit New Paratransit and Microtransit Services
(Example Only)

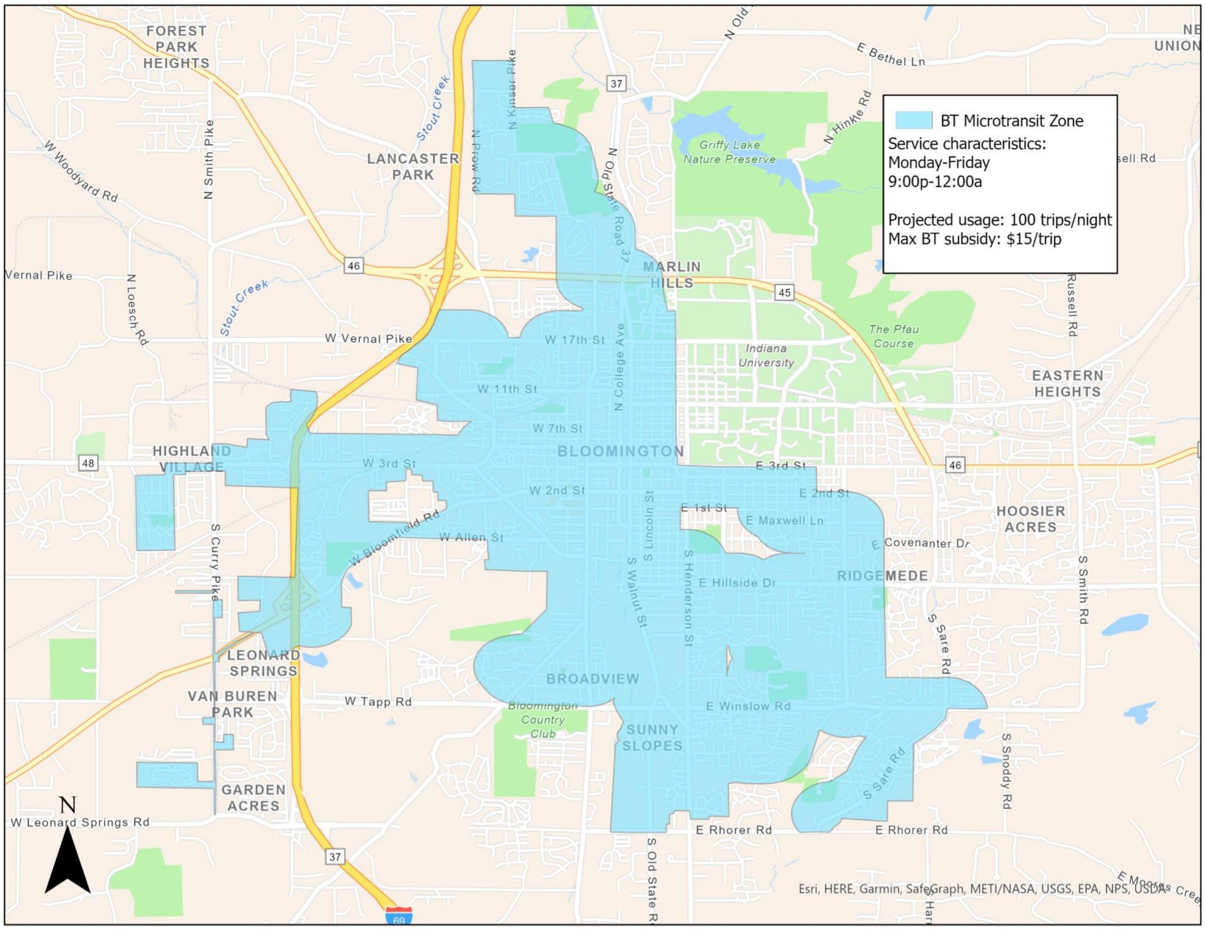
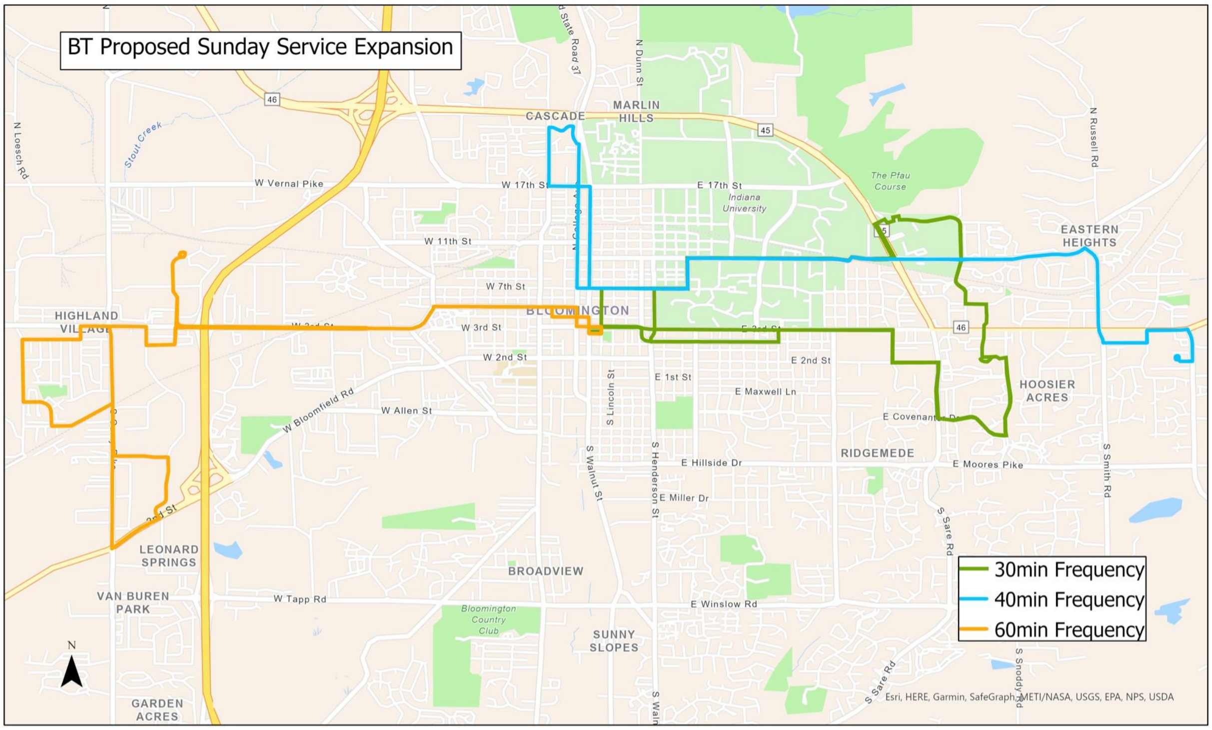


Figure A.10: Bloomington Transit Sunday Services
(Example Only)



Item	Annual Cost	Description
PUBLIC SAFETY	**$4,500,000**	
Police - Sworn Officer Salaries	$1,500,000	Fund the costs associated with the contingent Fraternal Order of Police (FOP) contract
Police - Nonsworn officer salaries and public safety programs	$250,000	Expand the roles and increase the number of Police Social Workers and Community Service Specialists to respond to some non-emergency calls for service and those calls that do not require a law enforcement response. Provide ongoing support for the STRIDE center.
Fire - public safety programs	$250,000	Tailor response options for 911 calls, health and wellness checks, etc. to divert more 911 calls to nonsworn personnel. Explore combining police/fire nonsworn.
Police & Fire headquarters	$1,000,000	Consolidate public safety headquarter operations to replace current damaged and inadequate facilities and to benefit from effeciencies of scale.
Fire - new/upgraded stations (4, including new downtown)	$1,500,000	Replace or repair damaged and aging facilities with new or upgraded facilites, in order to attract and retain employees and meet safety standards
CLIMATE CHANGE PREPAREDNESS AND MITIGATION	**$6,345,000**	
Add Bloomington Transit (BT) Sunday service	$300,000	Achieve 7-day service for greater consistency and reliability in an effort to boost ridership and reduce single occupancy vehicle use
Establish East-West Express Transit line	$2,100,000	Major new service providing 15 minute frequency across a priority East/West corridor. This route addition would boost attractiveness and convenience for riders and reduce automobile use
Enhance In-house BT Para-Transit & Microtransit	$1,400,000	Increase access/improve equity for people who can't ride fixed-route BT, qualify for paratransit, require special accomodations while enhancing convenience. and expandthose services. City-wide service expansion.
Enhance BT weekday service to maximum 30-minute frequency	$820,000	Improve convenience for all riders, boost ridership, reduce automobile use
Establish BT Park & Ride pilot program	$125,000	Focus on workforce partners to develop pilot program in collaboration with the Transportation Demand Management program; explore a potential "Park and Ride" program for special event traffic management
Subsidize BT ridership	$100,000	Improve access to public transportation with a focus on workforce and low-income riders

Item	Annual Cost	Description
Climate Action Plan (CAP) implementation	$1,500,000	Multiple efforts toward climate change prevention and preparedness. See Proposed Climate Action Plan Investments in "New Revenue FAQs" for more detail
EQUITY AND QUALITY OF LIFE FOR ALL	**$3,650,000**	
Housing funding, for ownership, rental, Housing Security	$2,000,000	Improved access to housing equity through funding assistance for the Housing Security Group/homeless; low/mod income renters; low/mod homeowners; support missing housing types
Workforce and economic development	$500,000	Funding for workforce development initiatives, including workforce re-entry, re-skilling and up-skilling, and entrepreneurship training, as well as operations and infrastructure funding for the Trades District Technology Center.
Economic equity fund	$750,000	Direct support of low income working residents / families - possible Individual Development Accounts to match savings; focused on direct impact, possibly thru SSCAP, MCUM, Trustees, others
Public art and arts development	$200,000	Funding for maintenance of existing arts spaces, execution of the recommendations of the City's Arts Feasibility Study and Public Arts Master Plan, and support for arts organizations.
Local food access and nutrition security	$200,000	Funding to improve food access and nutrition insecurity. Funding support will focus on partnerships with food service providers to address gaps in local food access for low income and food insecure residents.
ESSENTIAL CITY SERVICES	**$2,500,000**	
Personnel	$1,000,000	Offer incentives to attract and retain talented City employees, such as pay adjustments, hiring bonuses, creation of new positions, tuition reimbursement, relocation allowance, longevity bonuses, and/or housing assistance.
Maintenance/Replacement of Assets	$500,000	Maintain aging facilities and other physical assets and replace when required
Increases to major categories of expenses	$500,000	Meet obligations for city property & liability Insurance, materials & supplies, repair & maintenance.
Lost Revenue Replacement	$500,000	Replace shortfall resulting from decreased Cable Franchise Fees (cable fees lost to streaming) to fund essential IT infrastructure replacements, cybersecurity, and CATS
TOTAL	**$16,995,000**	

Item	Minimum Estimate	Maximum Estimate	General Notes	Financial Notes	Other Potential Funding That Could be Leveraged	City Plan Addressed
PARKS GO BOND	**$8,500,000**	**$9,140,000**				
Replace gas powered equipment with electric equipment	$25,000	$25,000	Advance phased approach with large purchase. Parks has been replacing gas powered equipment with battery for several years a few pieces of equipment at a time as budget allows -- namely weed eaters and blowers. This amount of funding would allow us to purchase ahead several years and speed up the replacement of gas powered equipment and investigate new battery equipment applications in Parks.	Confident in estimate.	Advances planned GF spending	Climate Action Plan
Replace missing sidewalk on Rogers St. by Switchyard Park	$200,000	$200,000	This section of sidewalk was required to be replaced by code when Switchyard was built but was missed. It is currently in design through Parks and is being coordinated with Engineering. The current sidewalk dead ends and does not connect through on the east side of Rogers to The Warehouse.	Confident in estimate from consultant.	No other funds.	Condition of Parks zoning requirement
Covenanter Drive Protected Bicycle Lanes (College Mall to Clarizz Blvd)	$2,400,000	$2,880,000	Add protected bicycle lanes per the Transportation Plan's priority bicycle network recommendations. This project will likely include bus islands, bus stop improvements, and pedestrian ramp improvements.			Comp Plan (Goal 6.1, 6.2, 6.3, 6.4) Transportation Plan (Priority Bicycle Facilities Network, Phase 2); Transportation Plan Recommended Projects Climate Action Plan (Goal TL1, Strategy TL1-A, TL1-B, TL1-C, TL1-G,
N Dunn St Multiuse Path (45/46 Bypass to Old SR 37)	$800,000	$960,000	This project would be a ~1.3 mile multiuse path on one side of N Dunn St. The proposal is to fund design in order to have a shovel-ready project for the full 1.3 miles; however, it is possible to split the project into multiple phases and start with the southern portion and create a connection to the Griffy Nature Preserve trails system and the adjacent neighborhood. The census block group south of this area (the area between Walnut and Dunn, 17th and the Bypass) is among the highest population density areas of the City. This multiuse path would create a connection for residents to the Griffy Nature Preserve and trail system.	This request will only fund the project's design phase. The intention is to create a shovel-ready project and obtain other funding for construction.	State funding could become available in the near term. Recommend funding design and a match to leverage state funds.	Comp Plan (Goal 6.1, 6.3, 6.4; Goal 1.1, Policy 1.1.3) Transportation Plan (Recommended Projects) Climate Action Plan (Goal TL1, Strategy TL1-A, TL1-B, TL1-G)
Griffy Loop Trail dam crossing and community access	$375,000	$375,000	Needed to finish Griffy Loop Trail - dam Crossing. Shovel-Ready. The Dam Crossing was value engineered out of the project due to cost when it was approved in Fall 2021. There is currently a Department of Natural Resources (DNR) permit approved for this work.	Already estimated during prior bid process and removed due to value engineering	Applied for in Next Level grant, award notifications Spring 2022.	Parks Strategic Action Plan, Parks CIP
W. 2nd Street Modernization and Protected Bike Lanes (Walker St to B-Line)	$1,500,000	$1,500,000	This project will construct multimodal safety and mobility improvements on West 2nd Street from Walker Street to the B-Line Trail. Project improvements are expected to include sidewalks, bus stops, a two-way protected bicycle lane, pavement maintenance, and traffic signal replacements.	Local funding need to leverage programmed federal dollars	Local match to leverage ~$3.1 M in MPO funding.	Comp Plan (6.1, 6.3, 6.4), Transportation Plan, MPO TIP, Climate Action Plan, Hospital Sitei Redevelopment Master Plan, Sustainability Action Plan
Cascades Phase 6 - path/connection to Miller Showers Park	$3,200,000	$3,200,000	We propose starting with an Interdepartmental Scoping Exercise to determine the preferred multi-use path/trail route for a pedestrian connection between Miller Showers Park and the Cascades Phase 5 trail (currently being completed), then moving into design and construction of Phase 6 Trail to Miller Showers.	Large estimate, exact cost will depend on decisions made.	No other funds.	Transportation Plan; Parks Strategic Action Plan

Item	Minimum Estimate	Maximum Estimate	General Notes	Financial Notes	Other Potential Funding That Could be Leveraged	City Plan Addressed
PUBLIC WORKS GO BOND	**$7,692,500**	**$15,375,000**				
Citywide LED conversion of street lights	$1,500,000	$2,000,000	Select the 2,469 leased high pressure sodium vapor (HPS) cobra head fixtures to convert to (LED) roadway fixtures mounted on existing.	Head to head conversion approach is the most cost effective since poles and/or electrical systems are not installed -- saving $725k		Sustainability Action Plan, goal # 8.1
Downtown ADA Curb Ramps (e.g., W Kirkwood and Indiana Ave)	$500,000	$1,000,000	Accessibility improvements in downtown areas (some locations are not great candidates for federal funding). We estimate ~$7,000 to install ADA compliant ramps per intersection corner (typically 2 ADA ramps). In some cases it would be beneficial to install bump outs/curb extensions which would be ~$15,000/corner. In addition to accessibility improvements appropriately located bump outs can improve pedestrian safety and help promote speed compliance. This project would be scalable based on the amount of funding allocated.	Project can be scaled between low and high estimates	These roads are not ideal for MPO funding due to historic districts	Comp Plan (6.1, 6.3, 6.4), Transportation Plan, ADA Transition Plan, Climate Action Plan, Sustainability Action Plan
Sidewalk projects (TBD)	$300,000	$1,000,000	The need and demand for sidewalks currently outpaces available funding. Sidewalk projects would be selected and prioritized based on impacts as well as the ability to pair with other capital projects. Sidewalk construction costs vary dramatically based on context, but on average, sidewalk on one side of a street costs about $1 million per half mile of new sidewalk. A half mile is about 7 city blocks or the distance from the B-Line Trail to the Sample Gates on Kirkwood Avenue.	Project can be scaled between low and high estimates	Could potentially supplement or pair with other capital projects (e.g., Council Sidewalk) and leverage outside funding sources (e.g., Community Development Block Grants).	Comp Plan (6.1, 6.3, 6.4), Transportation Plan, ADA Transition Plan, Climate Action Plan, Sustainability Action Plan
Energy efficiency retrofits for all City buildings	$1,000,000	$3,000,000	First need to conduct a building energy audit on all primary City owned facilities, then implement recommendations of these audits.	Initial cost assumptions based on GESC 2016 audits	ARPA match; Duke Energy rebates	CAP Goal EB 2 (Phase 1)
City fleet vehicle hybrid/ electrification fund	$1,200,000	$2,200,000	Replacement of conventional with hybrid. This is scalable depending on investment: will start with prioritizing top 100 vehicles identified in replacement analysis that are over 10 years old and have the fastest return on investment from conversion to hybrid or electric. Approximately 25 vehicles can be replaced for $1,000,000.	Cost is scalable depending on vehicle replacement frequency and type	ARPA match	SAP Goal 8.3, CAP TL2 (2020)
GPS for city fleet	$250,000	$250,000	The telematics component of a GPS program provides realtime data on vehicle usage citywide. Case studies have shown that across an entire organization our size that a 10-15% reduction in fuel usage is feasible from reduced driving and idling.			
High Street Multiuse Path and Intersection Modernizations (Arden Dr to 3rd St)	$2,500,000	$5,000,000	This project will construct multimodal safety and mobility improvements on High Street from Arden Drive to 3rd Street. Project improvements are expected to include sidewalk curb ramps, accessible bus stops, multiuse path, and intersection modernizations. Multiple intersection alternatives would be evaluated and considered through the project's early design phase. Upon completion, the project would result in a continuous bike and pedestrian facility from 3rd St to Rhorer Rd connecting parks, schools, trails, neighborhoods, etc.	Necessary local match to leverage federal funds.	Local match to leverage ~$3.4 M in MPO funding.	Comp Plan (6.1, 6.3, 6.4), Transportation Plan, MPO TIP, Climate Action Plan, Sustainability Action Plan

Item	Minimum Estimate	Maximum Estimate	General Notes	Financial Notes	Other Potential Funding That Could be Leveraged	City Plan Addressed
Create green waste yard at Lower Cascades Park	$400,000	$500,000	Already designed, shovel ready. We have had an initial discussion about this between Parks and Public Works (esp. Sanitation/Street): both departments generate a lot of green waste and a key disposal location in the community was recently closed. Additionally, City employees spend time and resources to haul green waste off-site. Design has already been completed to install this at Lower Cascades (south of the ball fields) but it was not completed due high bids.	Estimate should cover construction, still researching potential additional equipment costs		Climate Action Plan, Parks Strategic Action Plan, Parks CIP
Citywide traffic signal retiming	$42,500	$425,000	This is a part of continued efforts to enhance the safety and efficiency of the City's traffic signal system. This project wouldn't include changes to physical infrastructure but rather optimizes the physical infrastructure in place to be as smart/safe/efficient as possible. The project would start in FY2024 when its programmed federal Highway Safety Improvement Program funds become available.	We need a PO for $425,000 of which $382,500 will be reimbursed.	Local match to leverage $382,000 in MPO funding.	Comp Plan (6.1, 6.3, 6.4), Transportation Plan, MPO TIP, Climate Action Plan, Sustainability Action Plan
TOTAL	**$16,192,500**	**$24,515,000**				

CITY OF
BLOOMINGTON

New Revenue: Frequently Asked Questions

As of March 29, 2022. As details are developed, this document will be updated.

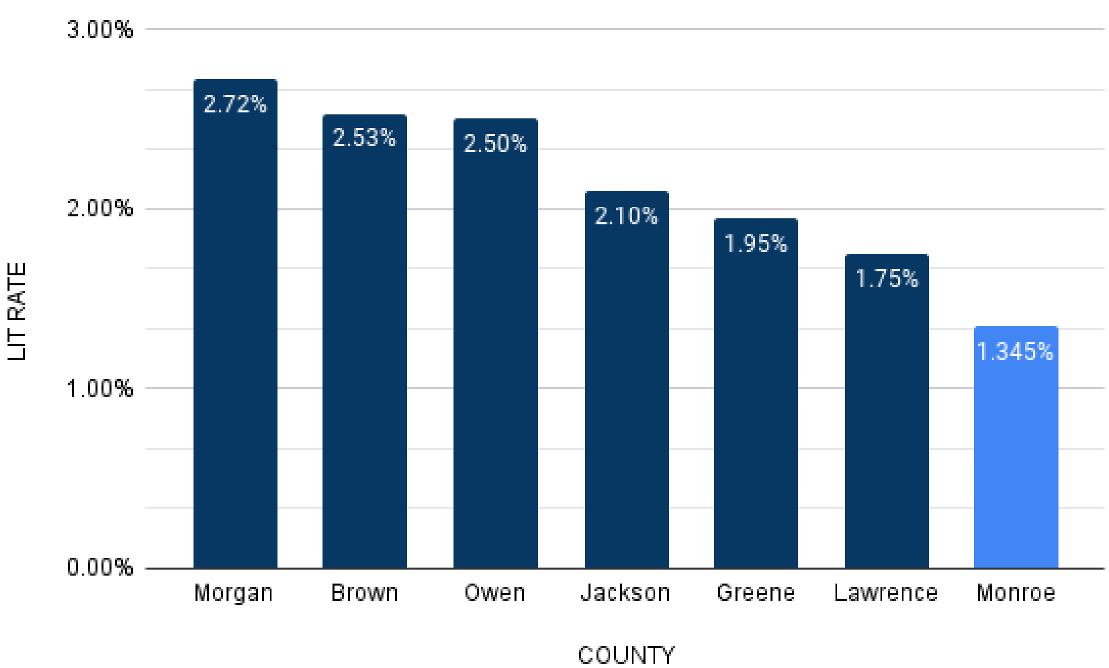
About the Local Income Tax

What is a Local Income Tax (LIT)?
The Local Income Tax (or LIT) is a tax on income, paid by individuals. It is a proportionate tax on adjusted gross income, assessed at a flat rate, meaning that the more income you earn, the more tax you pay. The LIT rate is set and imposed countywide.

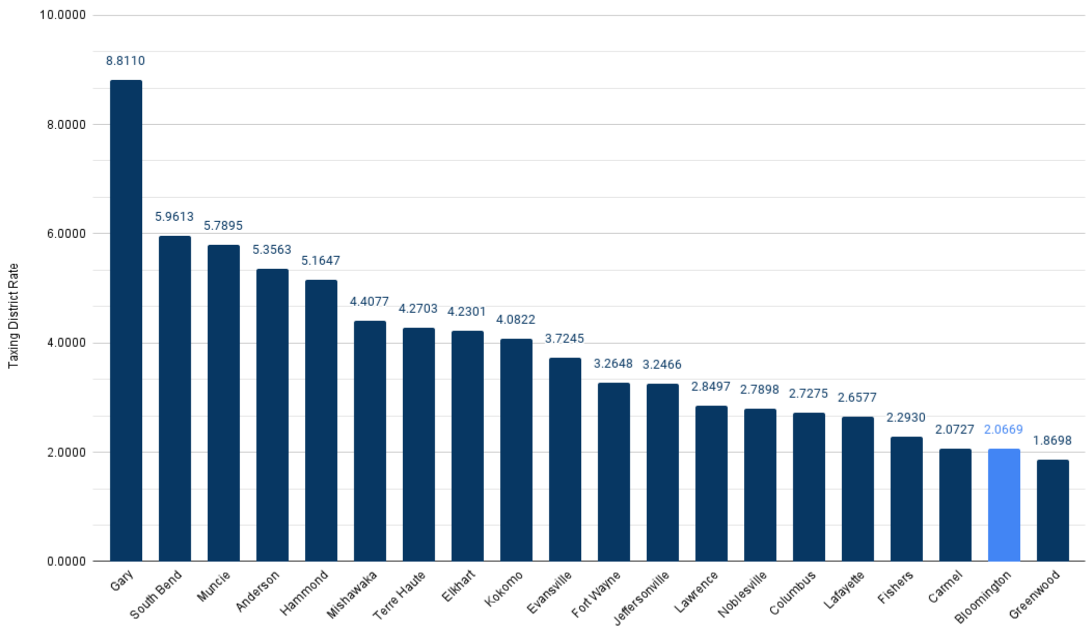
What is our current Local Income Tax rate?
The LIT rate for Monroe County is currently 1.345% of adjusted gross personal income for Monroe County residents.

How does our tax rate compare to other communities?
Historically, Monroe County has among the lowest tax rates in the region, including the lowest local income tax rate of our seven contiguous counties. Monroe County's rate ranks 23rd from the lowest among the 92 counties in the state - in the bottom quartile.

Source: Indiana Department of Revenue



Note that among Indiana's 20 largest cities (excluding the unique combined city/county of Indianapolis/Marion County), Bloomington is a very low-tax city. Specifically, we are in the lowest quartile of those cities both for property tax rates and local income tax rates.



Source: Reedy Financial Group

LIT Logistics and Implementation

How does the LIT change?

A new Monroe County tax may be proposed by the Bloomington City Council, the County Council, the Ellettsville Town Council, or the Stinesville Town Council. These Councils together form the "Local Income Tax Council" or LIT Council for Monroe County. The Councils can meet together to vote, or each council may vote on the proposed tax separately. The LIT Council has 100 votes in total, which are distributed among the member councils based on population. Because a majority of Monroe County's population lives in Bloomington, Bloomington's City Council has a majority share of the votes.

I've heard people argue this is "taxation without representation." Is that true?

No. The County's Tax Council (made up of the fiscal bodies of the County, Cities & Towns) is designated in each county with the authority to impose a local income tax. Every member of each county fiscal body, like every City Council member, has representation on the LIT Board and each gets to vote on a proposed tax, with proportional voting power. A total number of 100 votes is allocated based on the population of each of the fiscal bodies within that county, as follows:

- Each of 9 City Council members: 6.30 votes
- Each of 7 County Council members: 5.49 votes
- Each of 5 Ellettsville Council members: 0.95 votes
- Each of 3 Stinesville Council members: 0.05 votes

Any combination of affirmative votes adding to more than 50 (out of a total of 100 possible votes) determines the outcome of any LIT council vote on a proposal.

Are funds raised by the LIT put into a special fund or the general fund for the City, and why?

Funds resulting from a LIT increase would go into the general fund for the City, so there would be just one annual budget for the City. There are a few reasons for this:

- A LIT increase would be ongoing, as opposed to one-time monies, like federal America Rescue Plan Act (ARPA) funds.
- The revenue raised through this LIT increase wouldn't be only for one specific purpose, like revenue raised through a Public Safety (PS) LIT, but rather would be designed to meet several major pressing needs like climate change and public safety and cover increased expenses related to overall City operations.
- Our specific priorities may change over time, as our community evolves and our needs change.

The annual City budget process is public and requires approval by the City Council. This provides an annual opportunity to review and refine the way the LIT is spent.

Why doesn't the LIT proposal include a percentage increase?

The first step in this process is to identify necessary community projects and programs and how much those projects will cost annually. The resulting LIT rate is primarily just a function of the work done in step one--after the Council and the Mayor and the community have identified desired projects, we sort out the resulting LIT rate as step two of the process. That rate decision is ultimately what the Council formally acts upon – adopting a new rate through formal resolutions and votes. Basic parameters on the limits of a LIT rate are of course part of the conversation, but within those limits, the focus is first on deciding which projects should be funded, not on the rate itself.

State law outlines different options for a LIT, which have different impacts on City revenue. You'll note in the examples below there's a large revenue disparity between these different LIT approaches, which is another reason the focus has been on the needs, not the percentage.

Reflecting the healthy growth of our local economy, the following are estimates, **for illustration only**, of what a 1.0 percentage point increase in the LIT would produce annually for the City:

Economic Development LIT, using population method:	$21.04 million
Economic Development LIT, using assessed value method:	$16.83 million
Certified Shares LIT	$12.56 million

What does the portion of LIT for property tax relief mean?
Indiana Code 6-3.6-5-4 allows a county to impose a LIT rate to be used as a credit against property taxes. This allows the County to use LIT funds for the purpose of offsetting property taxes for all residents: this operates essentially as an exemption/credit on a person's property taxes.

Why Raise the LIT?

Why doesn't the City just cut costs and tighten its belt instead of raising the LIT?
The City consistently reviews and implements ways to save money through innovation and critical assessment of programs and services provided. Programs and services that have proven necessary and helpful to residents continue; those that are not are improved upon or discontinued. Savings in the past several years include solar panel installations that lower energy costs; adding quick response vehicles to the Fire Department fleet reducing wear and tear on expensive large equipment like ladder trucks; more efficient deployment of Public Works crews in longer day-shifts; and revamping how leaves are collected and processed. The scope of services, programs, and projects that the City seeks to provide to its residents, however, is much larger in scope; savings cannot fund these needs without drastic and damaging reductions in personnel and essential services.

What would happen if the LIT didn't pass?
Bloomington would be faced with very significant challenges in the coming years meeting our current level of services and continuing to move forward on economic, social, and environmental justice endeavors. The City Council would not be able to ratify the agreed-upon FOP contract, as there are no funds available for the additional salary costs (approximately $1.5 million annually.) Many other initiatives such as those outlined in the Climate Action Plan (CAP), affordable housing investments, or public transit improvements would also not have funding available.

Why is this being proposed now?
An increase is essential if we are to be proactive about rebuilding our community from this downturn in a way that better incorporates our goals for public safety and economic, racial, and climate justice. We also have to plan ahead, and one never knows if and when the state legislature might adjust a municipality's ability to accomplish new revenues. Mayor Hamilton proposed a 0.5% increase to the LIT in January of 2020, designed for climate change action and preparedness and equity. The onset of the COVID-19 pandemic made this not feasible at

the time. In the fall of 2020, Mayor Hamilton proposed a 0.25% increase to the LIT, focused on COVID response, climate action, and economic justice. This did not receive the necessary votes to be implemented.

We are very fortunate that federal funds arrived in time to allow continued services. Significant programs and initiatives have been operated with American Rescue Plan Act (ARPA) dollars to keep our community safe and operating, and to “Recover Forward” out of the recession toward a more equitable, sustainable future. Many of these essential efforts will not be able to continue without an increase in the LIT providing ongoing funding. As our community recovers from the COVID-19 pandemic, amid rising labor and materials costs, we will not have the resources we need to meet our stated goals as a community without this increase in the LIT.

The needs are urgent and the sooner the LIT is approved the sooner we will have resources available to address our community’s needs.

How will this revenue help Bloomington recover from the COVID pandemic?
City government has a responsibility to Bloomington’s future even as we seek immediately to repair the damage wrought by the COVID pandemic. The revenues generated by the proposed Local Income Tax are needed not only to compensate for the current downfall but to build the City back in a way that ensures long-term and widely distributed well-being and resiliency. Proposed investments will move us toward this stronger, more just, and more sustainable future by increasing access to jobs, housing, social services, transportation options, quality of life, retaining and attracting well-trained public safety professionals, and more.

LIT Impact

The LIT is a flat tax. Can we make the impact of the LIT more progressive (i.e. less burdensome on low-income residents)?

Unfortunately, the State of Indiana doesn’t allow municipalities to levy a wealth tax or a progressive income tax. The LIT proposal does include $750,000 annually for an economic equity fund that would provide direct benefits to low-income working residents and families.

Is the tax just for City residents or would it apply to all residents of Monroe County?

According to state law, local income taxes are county-specific; so the LIT would apply to all Monroe County residents. Revenues are allocated to different local jurisdictions – cities, county, etc. – according to a state formula.

Do all Indiana counties have a tax like this?

All 92 Indiana counties have a Local Income Tax.

Locally, how many new taxes or raised taxes have been enacted since 2016?

Two. The public safety local income tax was adopted by the LIT Council in 2016 at a 0.25% rate to fund police, fire, and dispatch improvements that protect us all. The food and beverage tax, enacted by County Council in 2018, was a new 1% sales tax placed on retail sales of prepared food and beverages and will be used to fund a convention center expansion and other tourism-related projects.

About General Obligation Bonds

What is a General Obligation (G.O.) bond?
A general obligation bond (G.O. bond) is a municipal bond backed solely by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral.

What are the benefits of using G.O. bonds to fund projects?
G.O. bonds allow cities to fund high-cost long-term capital infrastructure that allows repayment of longer periods of time. Typically bonds are issued with a repayment term of 5 to 30 years. G.O. bonds are backed by and repaid with local property taxes and are guaranteed by the State to receive first priority funding. Because of this repayment source, they generally receive a Governmental unit's highest bond rating and are therefore considered a safe investment. In addition, these G.O. bonds are generally exempt from state and local taxes.

What projects are best suited to being funded with a G.O. bond?
One-time capital investments are good projects for being funded with a G.O. bond, such as a multi-use trail or essential equipment replacements.

Proposed Climate Action Plan Investments

The proposed LIT increase provides $1,500,000 annually in investments to implement the Climate Action Plan (CAP). What are examples of items that could be implemented?
The Climate Action Plan can be found here: https://bton.in/ZC2Y5

1. Transportation investments
    a. City fleet vehicle electrification *(CAP TL 2-A: support and encourage electric vehicle adoption)*

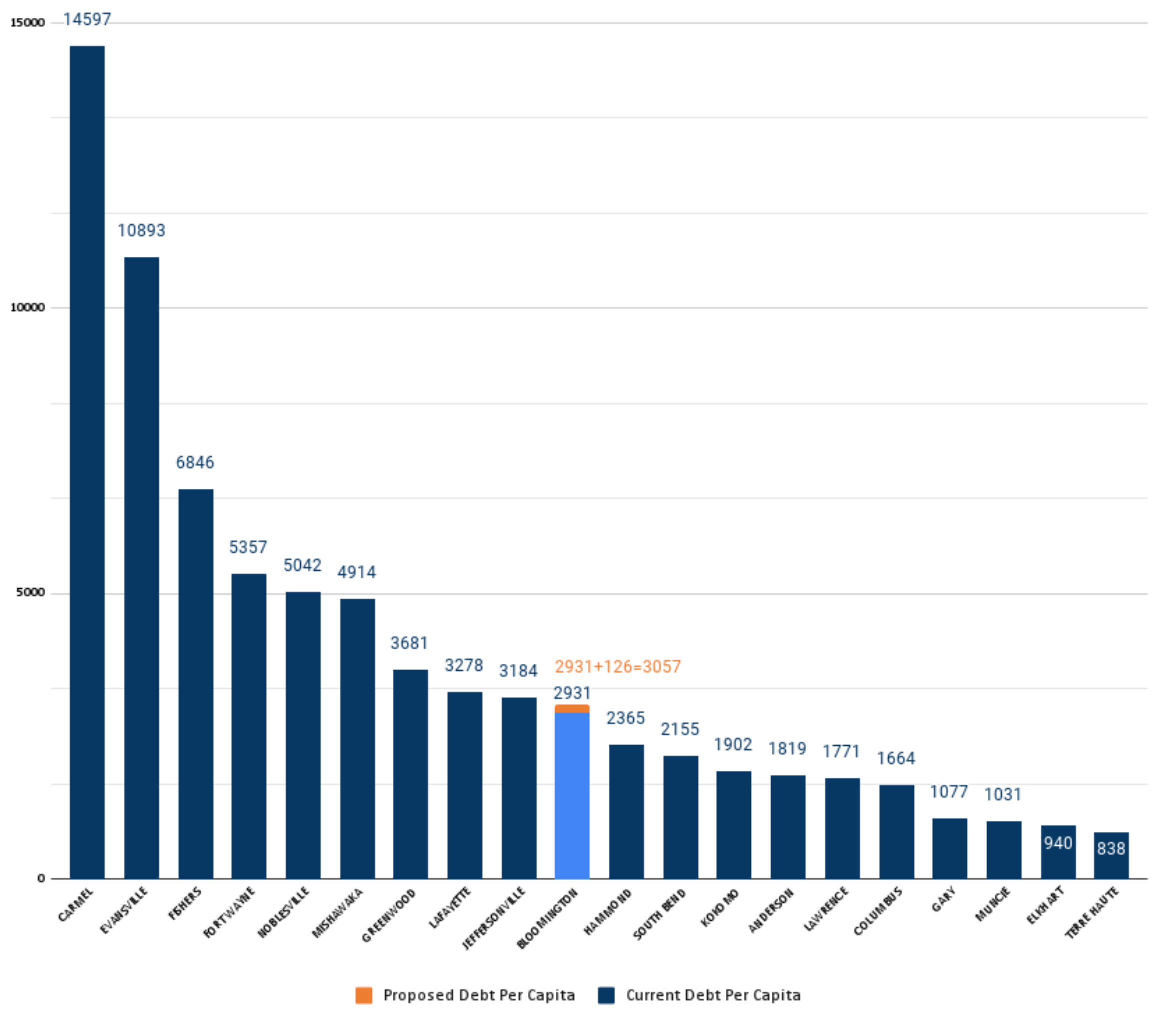
    b. Expanded micromobility options (example: electric bike share program) *(CAP TL 1-B)*
    c. Transportation demand management *(CAP TL 1-A: reduce single-occupancy vehicle use)*
2. Energy and built environment investments:
    a. Energy efficiency retrofits for all City buildings *(SAP 8.1: reduce non-renewable energy use from municipal operations)*
    b. Bloomington Housing Authority solar conversion *(CAP EB1: increase distributed renewable energy)*
    c. Continuing and expanding the Solar & Energy Efficiency Loan (SEEL) program for nonprofits and small businesses *(CAP EB5: increase financing options for energy efficiency and renewable energy)*
    d. Continuing and expanding the Bloomington Green Home Improvement Program (BGHIP) for homeowners *(CAP EB5: promote equity in energy and resource costs and ownership)*
3. Local agriculture investments:
    a. Local food purchasing incentive program *(CAP FA 3: increase and stabilize the local food market)*
    b. School food garden program *(CAP FA 3: increase local food supply)*
    c. Incentives for food processor businesses *(CAP FA 3: increase local food supply)*
    d. Increased community gardens *(Sustainability Action Plan 4.2: increase food gardens within the community)*
4. Waste management investments:
    a. Curbside composting program, parallel to trash and recycling services *(CAP WM1: increase organics diversion)*
    b. Recycling services for apartment buildings and other multi-family units (4+) *(CAP WM 1: increase recyclables diversion)*
5. Additional tree canopy measures, such as shade trees in high heat areas and/or private tree planting incentives *(CAP G2: increase citywide tree canopy coverage)*
6. Funding for the Green Ribbon Panel to accelerate climate action *(CAP CE 2: attract, create, and support businesses that are committed to sustainability and climate goals)*

New Revenue Q&A from 4/13/22 Council Meeting

Public Works GO Bond

Information on other comparable cities bonding capacity (Sgambelluri)

> ***Response from Underwood:*** There is no standard report across cities on this information. The best city-to-city comparison we have is per-capita annual debt (see graph below).



Benefit and cost comparison of LED vs. sodium lights, including information on annualized lifetime costs of LED lights compared to other lighting options and return on investment of City LED light installation (Rollo)

Response from Wason/Clemens: This three-year LED conversion project will target the 2,469 leased high pressure sodium vapor (HPS) cobra head fixtures to convert to more efficient LED roadway fixtures. The head-to-head conversion is the most cost effective approach because the approach does not require the installation of poles and/or an additional electrical system. The locations for street light conversion for this project will be selected in conjunction with Duke Energy based upon the oldest and highest energy consumption usage roadway fixtures along city arterial and collector streets during each year of the three-year term. Duke Energy crews will replace selected High Pressure Sodium fixtures with new LED fixtures.

The three-year term length provides a greater equipment and electricity cost return on investment compared to a 10-year term alternative. Given the three-year term, the City of Bloomington would pay a one-time upfront lump equipment sum of about $1.2 million and then a monthly equipment cost of $24,000 and monthly energy and maintenance costs of $42,000 throughout the 36-month term length. Paying the $1.2 million equipment cost upfront will save the City an estimated $725,000 in just equipment costs for the project compared to spreading that equipment cost over a 10-year term length. The project also has significant long-term cost savings from reductions in electricity consumption since swapping the sodium vapor lights to LED may save more than 50% of energy usage, lowering the energy portion of the Duke Energy electricity bill for the street light accounts.

Between August 2020- July 2021, street light utility costs cost the City of Bloomington $437,633. 2022 electricity rate increases of about 1.3% are expected to result in an additional $5,877 in expenses for street light operation. The project's reductions in electricity consumption will reduce electricity expenditure and reduce operational annual carbon footprint by an estimated 565 metric tons of CO_2. Street and traffic lights generate an estimated 5.6% of total operational carbon emissions for the City of Bloomington. This project is expected to reduce carbon emissions associated with street light electricity consumption by 36%.

Timing of the state funding for the trails project (Sgambelluri)

Response from Robinson: The request is to fund the design of the N. Dunn Multi-Use Path. One of the challenges is to have a competitive grant proposal where a project is as close to "shovel ready" as possible. This helps to ensure the designs, right of way, necessary permitting, and reviews have been identified to avoid possible delays if funding is awarded. Indiana's Next Level Trails program, which just concluded Round 3 applications in December of 2021, is one funding source to consider. If additional rounds are announced by the Governor, the City could submit an application for funding toward construction. No additional information or announcements have been made about future rounds.

More information on how the city will approach "matching funds" and getting status of grant applications (Sims)

Response from Robinson: The City uses general funds, TIF funds, and prior bonds to “match” federal aid/grant for transportation projects. Generally, the “match” is 20% local and 80% federal that can be used for design, right of way, and/or construction. The federal funding is formulaic and appropriated to each state. Each state then allocates available funding to Metropolitan Planning Organizations (MPOs) within each state. Locally, the federal funding is administered through the Bloomington/Monroe County MPO. Approximately $3.2 million in federal aid is available annually for transportation projects (excluding transit funding aid/grants). These funds are programmed 3-4 years in advance and are on a “use it or lose it” basis. This limits the ability to delay projects, further phase projects and/or change federal funding once the initial funding is approved by the MPO. Having a local match is essential to leverage this federal funding. The Infrastructure Investment and Jobs Act will increase available federal funding, however the specific details have not yet been determined at the State or local MPO level. Funding and various requirements associated with the funding are also yet to be determined. With that said, this bond request would position the City well to leverage additional future federal funds anticipated with the Infrastructure Investment and Jobs Act. These would be in addition to on-going ability for the City to leverage federal funds through the MPO. The City programmed approximately $13 million in federal funds for fiscal years 2020-2023.

Cost savings analysis of electric vehicle replacements

Response from Wason/Clemens: The purchase of the City of Bloomington fleet’s first light duty electric vehicle was facilitated through a negotiated cost discount through the Climate Mayor’s Electric Vehicle Purchasing Collaborative in 2020. Bloomington’s membership in the Climate Mayors provided access to a one-stop resource assisting member cities with lower cost procurement options, the ability to look at the competitive bids in a transparent way, and to calculate the estimated savings from electrification over time. Through the use of these procurement discounts for light duty vehicles, the City purchased two electric Bolts in 2020 at a cost of $33,000 each.

After completing this procurement process for the first two electric vehicles, ESD and Public Works, in conjunction with the Electrification Coalition, completed an analysis to identify near term opportunities for electric replacements from the existing fleet inventory. Given the high costs associated with fuel and associated savings from electrification, this is an immediate emissions savings opportunity with a high associated operational cost savings.

The focus of the electrification analysis was on opportunities for replacement of the 151 light duty vehicles in the fleet, which make up about 54% of the total vehicles maintained by the Fleet Division. This analysis considers total cost of ownership and analyzes the cost of owning the vehicle over its entire expected useful life, as well as each vehicle's purchase price, operations, and maintenance costs. Vehicle replacement for this project would be staggered, starting with the vehicles that are already past their useful lifespan and have the highest identified cost savings from replacement.

For the first 20 vehicles identified for replacement in the analysis, the average savings over the first 10 years of ownership would be 29%. This rate of savings is due to the age of the existing vehicles, as well as the maintenance and fuel savings from procuring a bulk order of the replacement at a negotiated rate through purchasing collaborative. Replacement of the light duty sedans are the first priority, given the ratio of average cost per mile between conventional and electric, which is $0.82 per mile for a conventional vehicle versus $0.62 per electric alternative, a 21% cost savings. Vehicle fleet also comprises about 9% of City of Bloomington's local government operations emissions due to fuel use; this bond project would reduce total fuel consumption associated with fleet operations.

Cost savings analysis of energy efficiency retrofits

Response from Clemens: The focus of the energy efficiency retrofit bond project is to create a financing method to fund the capital improvements required to reduce electricity consumption across City facilities. Electricity and natural gas consumption related to buildings and facilities (excluding water and wastewater treatment) comprise about 14% of the City of Bloomington operational carbon footprint. The focus of the initial investments would be to fund unfunded capital needs identified in the investment grade audits completed in 2018. These investment grade audits evaluated current building and property performance, as well as providing a description of existing conditions, a commercial building energy consumption survey (CBECS) benchmarking comparison, and evaluation of conservation measures for part of the City's building inventory. Reducing overall energy consumption through this project will help reduce the remainder of the carbon impact of facility operations that is not offset through renewable energy production.

The findings of past retrofit analyses indicate that the City's real estate assets and their energy infrastructures have a high percentage of deferred maintenance, which needs to be holistically addressed in order to achieve energy efficiency gains. Between August 2020-July 2021, Parks and Recreation facilities consumed 1,628,027 kWh electricity in excess of solar production with a cost of $160,227. This cost is expected to increase 7% in 2022 due a Duke Energy rate increase. Public Works facilities (not including street lights or traffic lights) also consumed 2,440,375 kWh at a cost of $251,828 a year with an expected rate increase of an average of 7%. Due to rate increases, the City would have to reduce electricity use to maintain the cost of utilities year over year.

Utilization of the bond as a funding source reduces the time to realize the energy savings from the capital repairs and improvements over other funding methods. Analysis completed looked at modeled energy savings, operations and maintenance savings, capital cost avoidance savings and specific facility improvements to reduce electricity use. Recommendations and proposed measures from the utility grade audit will be matched with existing utility rebates available to reduce the overall project cost over five years. Buildings will also be prioritized that have the greatest potential return on investment from a utility spend perspective. For those facilities that have not received an investment grade audit, those facilities will also be assessed after the completion of the first year of projects.

The project is expected to generate a positive return on net project cash flow and can be scaled depending on available funding by further targeting the phasing and facilities included. Bond funding allows for a faster realization of positive cash flow by reducing the lease payments that would be required as part of a guaranteed energy savings agreement. The match funding for this project will also allow for leveraging existing Duke Energy utility rebates which can cover a proportion of the project costs for HVAC, lighting, and other capital improvements.

Parks GO Bond

Information on cost savings of using battery powered equipment versus traditional types of equipment (Flaherty)

Response from McDevitt/Street:

Handheld Equipment Inventory
Parks currently has 10 pieces of handheld battery equipment, including weed eaters, trimmers, blowers, and a chainsaw. Along with the purchase of extra batteries and chargers, the purchase of this equipment in 2020 and 2021 totaled more than $11,000. Records show our inventory of gas-powered equipment still consists of 20 weed eaters, 20 blowers, and 6 chainsaws (each in various stages of use), leaving ample room for further investment – while also recognizing some areas of operations are still more suited for gas-powered equipment. The $25,000 bond funding request was intended to jump-start the efforts to replace handheld gas equipment.

Battery-Powered Mowers
Since the beginning of the bond process, Parks arranged a demo of Mean Green electric zero-turn mowers at Switchyard Park. After seeing the demo, we feel this technology has reached a level of reliability and performance where we are now ready to make a purchase. The potential amount approved in the bond could fund or partially fund (in conjunction with other available funding) the purchase of one or more battery mowers for use in a high-impact area, like Switchyard Park, Bryan Park, or along the B-Line Trail.

Using numbers from several data sources, including the Mean Green Electric Mowers website, mowelectric.org, along with gas and electric prices, here is a conservative estimate of savings from the use of a battery-powered motor for five years. This calculation does not factor in the increased value of the product (decreased noise, less emissions) for a park user, neighbor, or citizen. We expect operational savings to follow a similar pattern for handheld equipment, albeit on a smaller scale.

Gas Mower	Category of Spending	Electric Mower
$13,000	Purchase Cost	$28,000*
600**	Annual operating hours	600
$3.50/gal	Fuel/electricity cost	$0.12/kWh
1.5 gal	Fuel/electricity consumption per hour	2.8 kWh
$2,000	Residual value at 3,000 hours	$6,000
900 gal	Annual fuel/electric use	1,680 kWh
$3,150	Annual fuel/electricity cost	$201.60
$1,375	Annual maintenance & repair costs	$550
$4,525	Annual operating cost	$751.60
$22,625	5-year life-cycle operating cost	$3,758

**Would also take around $500-$1,000 to create charging station(s).*
***Some Parks mowers record closer to 900 hours per year.*

Five-year operational cost savings: $18,867
Initial purchase price difference: ($15,000)
Residual resale value difference: $4,000
Five-year net savings: $7,867

LIT

Must we take final action on April 20th? Are there restrictions on changing the rate of LIT, etc.? If this fails, is there a time constraint on hearing a new LIT? Do we have guidance on what "substantially similar" means in the case law on this? (Flaherty)

Response from Cate: Council does not need to take final action on April 20 on Resolution 22-09 and the LIT Ordinance it contains. Council must conduct the public hearing on the Resolution and proposed LIT Ordinance on April 20, as currently noticed and scheduled, but it may recess and reconvene to take final action on the Resolution and Ordinance. The Council would need to give its usual public notice of the later meeting.

Council may lower the LIT rate from what has been proposed without requiring a new notice and public hearing. If the Council amended the Ordinance to change either the method of distribution under ED-LIT, or the type of LIT, it should re-notice the public and other members of the LIT Council and conduct a new public hearing on the amended Ordinance. State code says that before a member of the LIT Council may propose or vote on a LIT ordinance, it must "hold a public hearing on the proposed ordinance…." IC

6-3.6-6-7. No case law exists on this provision to indicate when amendments may alter an ordinance enough to mean that the noticed public hearing is no longer on "the proposed ordinance." An argument could be made that people know that amendments are a normal part of the legislative process and anticipate that such amendments could arise, and so they know they need to come to the public hearing if they want to support or oppose not only the original ordinance but any potential amendments. City Legal's view is that re-noticing is appropriate and advisable when amendments change the type and/or allocation of the LIT revenue, in case people who would have commented on the amended version did not anticipate that need and to avoid possible challenges to the validity of an adopted LIT ordinance.

State code says that the LIT Council may not vote on a proposed ordinance if in the same year the county auditor already received and distributed to the LIT Council a proposed ordinance "whose passage would have substantially the same effect." IC 6-3.6-3-10(c). The county auditor receives and distributes a proposed ordinance once it is passed by a member of the LIT Council (e.g., the City Council). IC 6-3.6-3-8(b), (c). Passage of the proposed ordinance requires at least 5 votes in the City Council.

What is the time scale/bond status for fire and police facilities expansions? Can we get more detail on the specific facilities that need improvement and the improvements they need? (Flaherty)

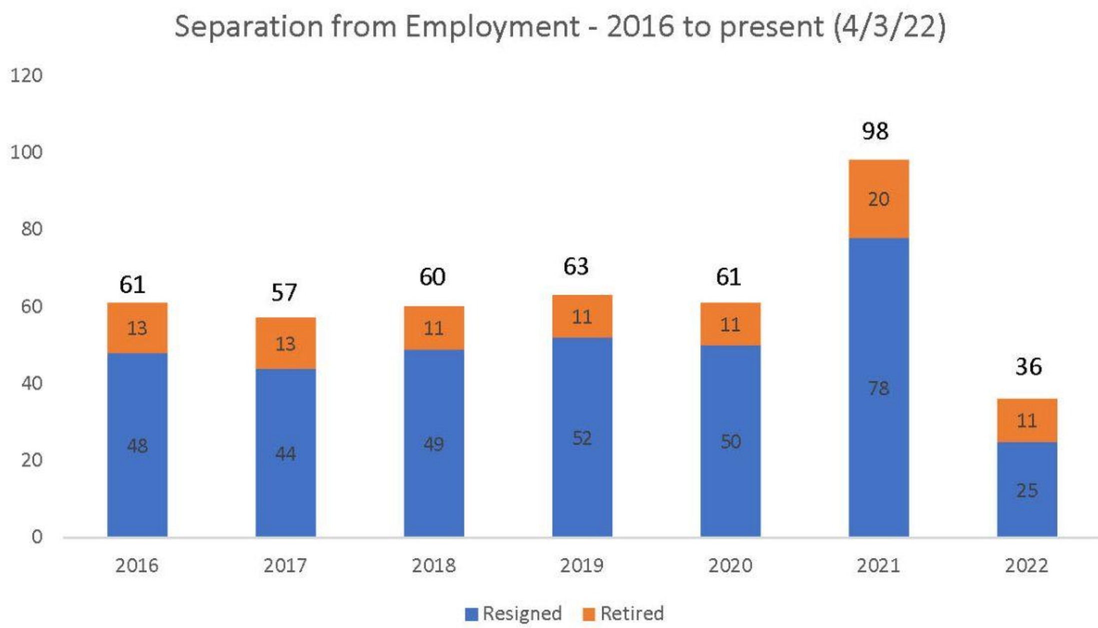
Response from Underwood: $2.5 million is the yearly debt service for the properties (for approximately 20 years). These funds would both refurbish the old and acquire the new police and fire headquarters. Bonding would assume that we combine the two headquarters into a single public safety center.

Response from Moore: An engineering study showed that three stations plus due to the flood the headquarters must be replaced. This is the beginning of a fifty-year plan for improvement of FD facilities. Emergency calls for service have increased significantly year over year but the facilities are failing. Our first priority is to build a new Station 1 to fully restore services to the downtown area and ensure the proper resources are in the proper location. This station was originally designated for a major remodel but after the flooding that completely destroyed the building's systems and caused extensive water / mold damage it needs to be replaced. In order to avoid major impacts to our service delivery and our ISO rating we need to begin construction as soon as possible on the new station 1. Second priority is Headquarters (HQ) (to be combined with the Police) , which is currently occupying a temporary space that is not a feasible long-term solution. Our third priority is replacing Station 3, which at the time of the engineering study was past due for replacement by nearly a decade. Station 3 has major issues with the plumbing and electrical systems and is horribly inefficient for heating and cooling.

Response from Diekhoff: Our building is over 50 years old and flood-damaged. We just spent over $100,000 to fix the damage. There is evidence of new water coming into the building. We cannot sustain these conditions financially and for health reasons. We are also out of space and have no more room for expansion, especially as we continue to add non-sworn positions.

How many personnel have we lost since the beginning of this calendar year? (Sims)

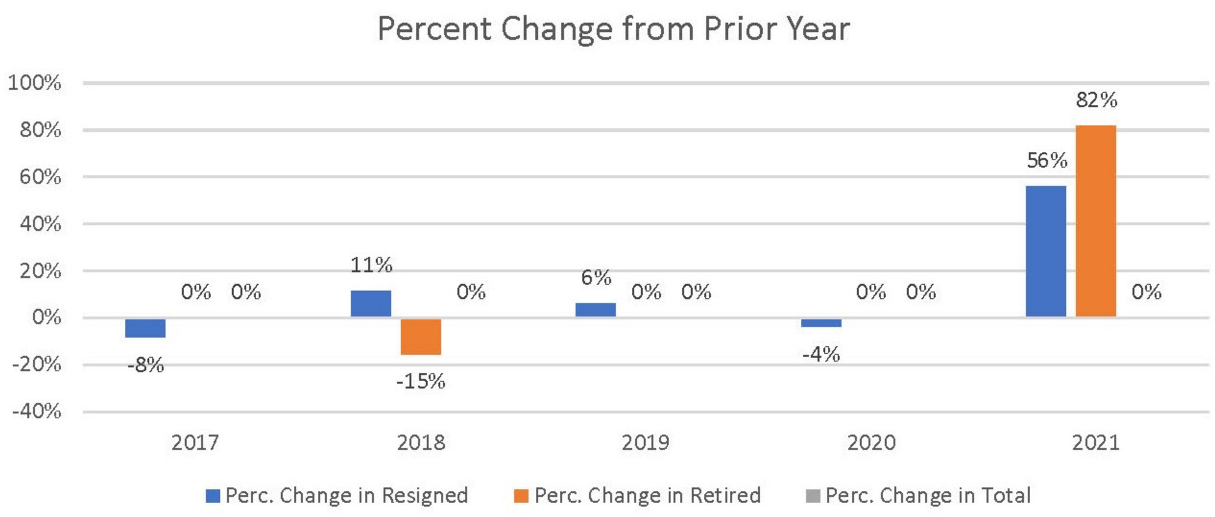
Response from Shaw: As of April 3rd, thirty-six employees have separated from employment with the City. Eleven retired and 25 resigned. The chart shows separation from employment since 2016. In 2021, we had 98 total separations from employment compared to 61 in 2020. The "Percent Change from Prior Year" chart shows a significant increase in both resignations and retirements in 2021 over prior years. The current year-to-date pace of employment separations is on pace to exceed 2021 levels.



What is the status of the Green Ribbon Panel? (Sims)

Response from Clemens: The Mayor proposed the formation of the Green Ribbon Panel in January 2020, modeled on successful efforts in other cities, to be composed of government, nonprofit, educational, and private sector community and regional representatives working together to develop mutual goals and approaches to climate action. As part of the 2022 State of the City Address, the Mayor recommitted to this effort and pledged to reach out to assemble this panel by this summer. Participation from key community sectors of the community will be essential for aligning, empowering, and engaging the broader Bloomington community to address the climate crisis.

Planning work for the group is in process to set a governance and facilitation structure, as well as determining a long-term funding plan. Initial work that is ongoing includes determining organizational commitments to participation and completing outreach to key stakeholders. Additionally, the Mayor has engaged in a review of other climate advisory committees functioning nationwide to identify and incorporate their best practices. Once participation is confirmed, another public announcement will be made about next steps for the group.


Percent Change from Prior Year
100%
80%
60%
40%
20%
0%
-20%
-40%
-8%
0%
0%
11%
-15%
0%
6%
0%
0%
-4%
0%
0%
56%
82%
0%
2017
2018
2019
2020
2021
Perc. Change in Resigned
Perc. Change in Retired
Perc. Change in Total

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MEMO FROM COUNCIL OFFICE ON:

Resolution 22-09 – Resolution Proposing an Ordinance to Modify the Monroe County Local Income Tax Rate, Allocate the Additional Revenues to Economic Development and Cast Votes in Favor of the Ordinance

Synopsis

Resolution 22-09 proposes an ordinance to the Monroe County Local Income Tax Council that would impose an economic development tax rate ("EDIT"). The Monroe County Local Income Tax Council is the body that must approve modifications to the Local Income Tax, and it consists of four member-fiscal bodies: (1) the City of Bloomington Common Council; (2) the Monroe County Council; (3) the Town of Ellettsville Town Council; and (4) the Town of Stinesville Town Council. This Resolution would cast some percentage of the City of Bloomington's votes on the Monroe County Local Income Tax Council in favor of the Ordinance modifying the Local Income Tax to impose an EDIT, depending on the votes of the individual members of the City of Bloomington Common Council.

Relevant Materials

- New Revenue Package Memo and supporting materials
- Resolution 22-09
- Memo from Mayor Hamilton
- Monroe County Income Tax Council Vote Allocation Notice from Auditor

Summary

Monroe County Local Income Tax Council Membership

Resolution 22-09 proposes an ordinance to the Monroe County Local Income Tax Council ("Tax Council") that would increase the local income tax rate and allocate the additional revenues for economic development purposes. The Bloomington Common Council is one member of the Tax Council, which also includes the Monroe County Council, the Ellettsville Town Council, and the Stinesville Town Council.

Local Income Tax Rates

Indiana Code § 6-3-6-1 and the provisions that follow it govern the procedures that the Tax Council and its members must follow to adopt, increase, decrease, or rescind a tax or tax rate. As detailed in the resolution, the local income tax currently includes the following components, for a total local income tax rate of 1.345%:

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Local Income Tax Type		Existing Rate	
Property Tax Relief Rate (Indiana Code 6-3.6-5)		0.0518%	
Total Expenditure Rate (Indiana Code 6-3.6-6)		1.1982%	
Components of Total Expenditure Rate	Public Safety		0.1693%
	Public Safety Answering Point		0.0807%
	Economic Development		0.0000%
	Certified Shares		0.9482%
Special Purpose Rate (Juvenile Local Income Tax) (Indiana Code § 6-3.6-7-16)		0.095%	
Total:		1.345%	

Resolution 22-09 proposes an increase of .855% to the total expenditure rate, with the additional revenues to be allocated for economic development purposes.

Procedure for Proposing Ordinance Adjusting Local Income Tax Rates

For such a change to the local income tax rate to occur, a majority of the Tax Council (which is the adopting body for local income taxes in Monroe County under IC § 6-3.6-3-1) must vote in favor of an ordinance increasing the local income tax. Any member of the Tax Council may present an ordinance for passage by the Tax Council. To do so, the member must adopt a resolution to propose the ordinance to the Tax Council (see IC § 6-3.6-3-8). Resolution 22-09 is therefore a resolution of the Bloomington Common Council that contains within it a proposed Ordinance Modifying Local Income Tax Rates, which would be an ordinance of the Monroe County Tax Council.

Under IC § 6-3.6-3-6, the Monroe County Tax Council has 100 total votes divided among its 4 members. Each member is allocated a percentage of the total 100 votes that may be cast, based on population. Each year, the Auditor certifies to each member of the Tax Council the number of votes, rounded to the nearest one hundredth (0.01), each member has for that year. Per the Auditor, the votes on the Monroe County Tax Council are as follows:

Unit of Government	**2010 Census Pop.**	**% of Total County Pop.**	**# of Local Income Tax Council Votes/Member**
City of Bloomington (9 Common Council Members)	79,168	56.66%	6.30/Council Member
Town of Ellettsville (5 Town Council Members)	6,655	4.76%	.95/Council Member
Town of Stinesville (3 Town Council Members)	220	0.16%	.05/Council Member
Unincorporated County area (voted on by 7 members of Monroe County Council)	53,675	38.43%	5.49/Council member
Total Monroe County	**139,718**	**100%**	**100.03**

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Due to a 2020 change in state law, the members of the Tax Council no longer cast their votes as a block on a proposal to increase a tax rate in the county. Instead, each individual who sits on the fiscal body of a county, city, or town that is a member of the Tax Council is allocated a certain number of votes, which is detailed in the far right column of the table above. Each of the nine members of the Bloomington Common Council has 6.3 votes of the Tax Council that can be cast individually.

Before a member of the Tax Council may vote to propose an ordinance or vote on a proposed ordinance, the member must hold a public hearing on the proposed ordinance and provide the public with notice of the time and place where the public hearing will be held. This notice must be published at least 10 days in advance of the hearing and must include the proposed ordinance. The public hearing on Resolution 22-09 will be held April 20, 2022. Therefore, while the Council may consider and deliberate on the resolution at the April 13th meeting, a vote on the resolution could occur no earlier than April 20th.

After a member of the Tax Council adopts a resolution proposing an ordinance, that member must distribute a copy of the proposed ordinance to the County Auditor. The Auditor shall then deliver copies of the proposed ordinance to all other members of the Tax Council within ten (10) days of receipt. Once a member of the Tax Council receives a proposed ordinance from the Auditor, the member shall vote on it within thirty (30) days after receipt.

Effective Date of Ordinance

Under state law, an ordinance that increases a local tax or a tax rate takes effect as follows:

> (1) An ordinance adopted after December 31 of the immediately preceding year and before September 1 of the current year takes effect on October 1 of the current year.
>
> (2) An ordinance adopted after August 31 and before November 1 of the current year takes effect on January 1 of the following year.
>
> (3) An ordinance adopted after October 31 of the current year and before January 1 of the following year takes effect on October 1 of the following year.

Therefore, for the proposed rate increase to take effect on October 1, 2022, the Tax Council would need to adopt an ordinance no later than August 31, 2022.

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Permissible Uses of Revenue

IC § 6-3.6-10-2 details how the city may use revenues allocated for economic development, which includes the following purposes:

(1) To pay all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project.

(2) For the retirement of bonds for economic development projects.

(3) For leases or for leases or bonds entered into or issued before the date the county economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this article at the time the lease was entered into or the bonds were issued.

(4) The construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8.

(5) The retirement of bonds issued under any provision of Indiana law for a capital project.

(6) The payment of lease rentals under any statute for a capital project.

(7) Contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects.

(8) Operating expenses of a governmental entity that plans or implements economic development projects.

(9) Funding of a revolving fund established under IC 5-1-14-14.

(10) For a regional venture capital fund or a local venture capital fund.

(11) For any lawful purpose for which money in any of its other funds may be used.

Notably, purpose (11) listed above provides for a broad range of uses for revenues allocated for economic development purposes.

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Allocation of Revenue

IC § 6-3.6-6-9 provides two methods (copied from statute below) of allocating money designated for economic development purposes to the county, cities, and towns that receive a distribution from the local income tax - either based on property taxes imposed during the preceding calendar year (IC § 6-3.6-6-9(b)) or based on population (IC § 6-3.6-6-9(c)). The Tax Council may adopt an ordinance before August 2 of a year to provide for a distribution under the population-based method, which takes effect January 1 of the following year. The ordinance proposed by Resolution 22-09 would provide for a distribution under the population-based method, beginning on January 1, 2023 and continuing from that date forward.

Method 1 - Property Taxes (per IC § 6-3.6-6-9(b)):

> Except as provided in subsections (c) and (d) and IC 6-3.6-11, and subject to adjustment as provided in IC 36-8-19-7.5, the amount of the certified distribution allocated to economic development purposes that the county and each city or town in a county is entitled to receive each month of each year equals the amount determined using the following formula:
>
> STEP ONE: Determine the sum of:
> (A) the total property taxes being imposed by the county, city, or town during the calendar year preceding the distribution year; plus
> (B) for a county, the welfare allocation amount.
> STEP TWO: Determine the quotient of:
> (A) The STEP ONE amount; divided by
> (B) the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year preceding the distribution year plus the welfare allocation amount.
> STEP THREE: Determine the product of:
> (A) the amount of the certified distribution allocated to economic development purposes for that month; multiplied by
> (B) the STEP TWO amount.

Method 2 - Population (per IC § 6-3.6-6-9(c)(2)):

> (2) The amount of the certified distribution allocated to economic development purposes that the county and each city and town in the county are entitled to receive during each month of each year equals the product of:
> (A) the amount of the certified distribution that is allocated to economic development purposes for the month; multiplied by
> (B) the quotient of:
> (i) for a city or town, the population of the city or the town that is located in the county and for a county, the population of the part of the county that is not located in a city or town; divided by
> (ii) the population of the entire county.

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Capital Improvement Plan Required

Under IC § 6-3.6-6-9.5, the city executive may adopt a capital improvement plan specifying the uses of the additional revenue allocated for economic development purposes. If the city fails to adopt a capital improvement plan, it may not receive its amount of additional revenue to be allocated for economic development purposes. Until such a plan is adopted, the County Treasurer would retain the amounts that would otherwise go to the city.

The capital improvement plan required under Indiana Code § 6-3.6-6-9.5 must include the following components:

> (1) Identification and general description of each project that would be funded by other additional revenue allocated for economic development purposes.
>
> (2) The estimated total cost of the project.
>
> (3) Identification of all sources of funds expected to be used for each project.
>
> (4) The planning, development, and construction schedule of each project.

A capital improvement plan must also:

> (1) encompass a period of not less than two (2) years; and
>
> (2) incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount of additional revenue allocated for economic development purposes that is expected to be received by the county, city, or town in that period.

The administration has not provided a capital improvement plan, but has instead pointed to the New Revenue Package Memo and related materials provided by the Mayor's Office as providing much of the substance that will be included in a capital improvement plan. The administration has indicated it would complete a full capital plan as required by statute before the new tax rate would take effect on October 1, 2022.

Contact
Jeff Underwood, Controller, 812-349-3416, underwoj@bloomington.in.gov
Beth Cate, Corporation Counsel, 812-349-3426, beth.cate@bloomington.in.gov

RESOLUTION 22-09

RESOLUTION PROPOSING AN ORDINANCE TO MODIFY THE MONROE COUNTY LOCAL INCOME TAX RATE, ALLOCATE THE ADDITIONAL REVENUES TO ECONOMIC DEVELOPMENT AND CAST VOTES IN FAVOR OF THE ORDINANCE

WHEREAS, pursuant to Indiana Code § 6-3.6-3-1(a), the Monroe County Local Income Tax Council having previously adopted a County Option Income Tax under Indiana Code 6-3.5-6, the Monroe County Local Income Tax Council continues to serve as the adopting body for the Local Income Tax with, pursuant to Indiana Code 6-3.6-3-1(b), the same membership; and

WHEREAS, in September 2016, after notice and a hearing and in support of public safety for all county residents, the Monroe County Local Income Tax Council adopted an ordinance that increased the local income tax expenditure rate by twenty-five hundredths percent (0.25%) ("2016 Increased Expenditure Rate") from nine thousand four hundred eighty-two ten-thousandths percent (0.9482%) ("Previous Expenditure Rate") to one and one thousand nine hundred eighty-two ten-thousandths percent (1.1982%) pursuant to Indiana Code § 6-3.6-6-2; and

WHEREAS, upon the passage of that 2016 ordinance, the total Local Income Tax Rate rose to one and three hundred forty-five thousandths percent (1.345%), with the Increased Expenditure Rate allocated between the Public Safety Answering Point ("PSAP") (0.0725%) and other public safety purposes (0.1775%) pursuant to Indiana Code § 6-3.6-6-8 ("Public Safety Income Tax"), and the Previous Expenditure Rate remaining allocated to Certified Shares pursuant to Indiana Code § 6-3.6-6-10; and

WHEREAS, during preceding years, the Monroe County Local Income Tax Council adopted ordinances modifying the allocation between the PSAP and other public safety purposes and said modifications for the immediately preceding four years took effect as depicted in the following table; and

Local Income Tax Type	**2019**	**2020**	**2021**	**2022**
Public Safety Answering Point Rate	0.0816%	0.0654%	0.0594%	0.0807%
Public Safety Rate	0.01684%	0.1846%	0.1906%	0.1693%

WHEREAS, the resulting overall Local Income Tax allocation as of January 1, 2022 is depicted in the following table and, pursuant to Indiana Code § 6-3.6-6-4, continues in effect until rescinded or modified; and

<table>
<tr><td colspan="2">Local Income Tax Type</td><td colspan="2">Existing Rate</td></tr>
<tr><td colspan="2">Property Tax Relief Rate (Indiana Code 6-3.6-5)</td><td colspan="2">0.0518%</td></tr>
<tr><td colspan="2">Total Expenditure Rate (Indiana Code 6-3.6-6)</td><td colspan="2">1.1982%</td></tr>
<tr><td rowspan="4">Components of Total Expenditure Rate</td><td>Public Safety</td><td></td><td>0.1693%</td></tr>
<tr><td>Public Safety Answering Point</td><td></td><td>0.0807%</td></tr>
<tr><td>Economic Development</td><td></td><td>0.0000%</td></tr>
<tr><td>Certified Shares</td><td></td><td>0.9482%</td></tr>
<tr><td colspan="2">Special Purpose Rate (Juvenile Local Income Tax) (Indiana Code § 6-3.6-7-16)</td><td colspan="2">0.095%</td></tr>
<tr><td colspan="2">Total:</td><td colspan="2">1.345%</td></tr>
</table>

WHEREAS, Indiana Code 6-3.6 permits a Local Income Tax rate to be imposed for, among other things, economic development purposes (Economic Development Income Tax or "EDIT"); and

WHEREAS, the Bloomington Common Council is a member of the Monroe County Local Income Tax Council and is adopting this resolution in order to propose to the other members of the Monroe County Local Income Tax Council the following ordinance; and

WHEREAS, pursuant to Indiana Code § 6-3.6-3-7, before a member of the Monroe County Local Income Tax Council may propose an ordinance or vote on a proposed ordinance, the member must hold a public hearing on the proposed ordinance and provide the public with the time and place where the public meeting will be held in accordance with Indiana Code 5-3-1 and include the proposed ordinance or resolution to propose an ordinance in that notice; and

WHEREAS, pursuant to Indiana Code § 6-3.6-3-7(d), the adopting body shall also provide a copy of the notice required by Indiana Code § 6-3.6-3-7(b) to all taxing units in the county at least ten (10) days before the public hearing; and

WHEREAS, the Bloomington Common Council has published notice in accordance with Indiana Code 5-3-1 and Indiana Code § 6-3.6-3-7 and has provided a copy of the notice to all taxing units in the county in accordance with Indiana Code § 6-3.6-3-7(d).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. A need now exists in Monroe County, Indiana, to impose an Economic Development Income Tax rate (“EDIT”) to serve economic development purposes throughout Monroe County. As a member of the Monroe County Local Income Tax Council, the Common Council of the City of Bloomington is adopting this resolution in order to propose the ordinance below to the other members of the Monroe County Local Income Tax Council.

ORDINANCE MODIFYING LOCAL INCOME TAX RATES WITHIN MONROE COUNTY

BE IT ORDAINED BY THE LOCAL INCOME TAX COUNCIL OF MONROE COUNTY, INDIANA, THAT:

1. A need now exists in Monroe County, Indiana, to impose an Economic Development Income Tax rate (“EDIT”) under Indiana Code § 6-3.6-6-4 to serve economic development purposes throughout Monroe County. The proposed EDIT rate is eight hundred fifty-five thousandths percent (0.855%), resulting in the current total tax rate under Indiana Code 6-3.6-6 (“Expenditure Tax Rate”) of one and three hundred forty-five thousandths percent (1.345%) increasing so that the new total Expenditure Tax Rate is two and two tenths percent (2.200%).

2. For the avoidance of doubt, no change is intended or authorized by this Ordinance to: (1) the special purpose tax rate imposed by the Monroe County Council under Indiana Code § 6-3.6-7-16 (“Juvenile Local Income Tax”) (which is currently ninety-five thousandths percent (0.095%)); (2) the property tax rate under Indiana Code 6-3.6-5 (“Property Tax Relief Rate”) (which is currently five hundred eighteen ten-thousandths percent (0.0518%)); (3) the tax rate under Indiana Code § 6-3.6-6-10 (Certified Shares) (which is currently nine thousand four hundred eighty-two ten-thousandths percent (0.9482%)) or (4) the public safety tax rate (“Public Safety Tax”) (currently twenty-five hundredths percent (0.25%)) which is divided between the Public Safety Answering Point (0.0807%) and the General Public Safety rate (0.1693%).

3. As a result of the actions in this Ordinance, the Local Income Tax will be allocated as follows, beginning on October 1 , 2022:

Local Income Tax Type	2022 Rate (Current)	2022 Rate (Beginning Oct. 1)
Certified Shares (IC 6-3.6-3)	.9482%	.9482%
Public Safety:		
Public Safety Answering Point Rate	0.0807%	0.0807%
Public Safety Rate	0.1693%	0.1693%
Economic Development (IC 6-3.6-6)	**0.0000%**	**0.855%**
Property Tax Relief Rate (IC 6-3.6-5)	0.0518%	0.0518%
Special Purpose Rate (IC 6-3.6-5)	0.095%	0.095%
Total Tax Rate	**1.345%**	**2.200%**

4. Pursuant to Indiana Code 6-3.6-6-9, the Local Income Tax Council may direct that EDIT proceeds be distributed to each city, town, and county either based on the total property taxes imposed during the preceding calendar year (Indiana Code § 6-3.6-6-9(b)) or based on population (Indiana Code § 6-3.6-6-9(c)). The Monroe County Income Tax Council hereby directs that revenue associated with the EDIT rate shall be directed to eligible taxing units who are members of the Monroe County Local Income Tax Council based upon population, in accordance with Indiana Code § 6-3.6-6-9(c). Pursuant to Indiana Code § 6-3.6-6-9(c)(1), said population-based distribution shall be in place beginning January 1, 2023 and shall continue from that date forward. From October 1, 2022 through December 31, 2022, EDIT proceeds shall be allocated based on the proportional property taxes imposed by each city, town, or county during 2021, plus for Monroe County the welfare allocation amount, in accordance Indiana Code § 6-3.6-6-9(b).

5. For further avoidance of doubt, no other change to the Monroe County Local Income Tax Council ordinance last adopted is intended or authorized. In that regard, the ordinance affirms and clarifies that, pursuant to Indiana Code § 6-3.6-6-4, the Monroe County Local Income Tax Council continues to retain the right to change the allocation of taxes comprised within the expenditure rate. At this time in Monroe County, the components of the expenditure rate that may be affected by this allocation include the EDIT rate and the Total Tax Rate. Any future change to the allocation of these local income taxes must be done via an ordinance of the Monroe County Local Income Tax Council in a manner and with an effective date as set forth Indiana Code § 6-3.6-3-3, as may be amended by the Indiana General Assembly from time to time. Currently, the effective date for an ordinance increasing a tax rate adopted after December 31st of the immediately preceding year and before September 1st of the current year is October 1st of the current year.

6. This ordinance shall take effect upon passage and in accordance with Indiana Code 6-3.6-3 and Indiana Code § 6-3.6-6-9(c)(1).

7. The Monroe County Auditor shall record all votes taken on this ordinance and immediately send a certified copy of the results to the Indiana Department of Revenue and Department of Local Government Finance by certified mail.

8. Any provision herein contained which is found by a court of competent jurisdiction to be unlawful or which by operation shall be inapplicable, shall be deemed omitted but the rest and remainder of this resolution, to the extent feasible, shall remain in full force and effect.

SECTION 2. BE IT FURTHER RESOLVED that by adopting this resolution, the City of Bloomington Common Council is casting the number of votes recorded below of its fifty-six and sixty-six hundredths (56.66) votes as a member of the Monroe County Local Income Tax Council in favor of the proposed ordinance. In accordance with Indiana Code § 6-3.6-3-6, Indiana Code § 6-3.6-6-8, and the Monroe County Auditor's 2022 Income Tax Council Voting Allocation, each member of the Bloomington Common Council may cast six and three tenths (6.30) votes in favor of or against this Resolution.

SECTION 3. BE IT FURTHER RESOLVED that a public hearing was held on this resolution and the proposed ordinance on April 20, 2022. Proper notice of the public hearing was provided pursuant to Indiana Code 5-3-1 and Indiana Code § 6-3.6-3-7.

SECTION 4. This resolution shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

Duly adopted by the following vote of the members of said Common Council of the City of Bloomington, Monroe County, on this ____ day of ________________, 2022.

Name	(circle one)			Signature
Susan Sandberg, President	Aye	Nay	Abstain	____________________
Sue Sgambelluri, Vice President	Aye	Nay	Abstain	____________________
Dave Rollo, Parliamentarian	Aye	Nay	Abstain	____________________
Matt Flaherty	Aye	Nay	Abstain	____________________
Isabel Piedmont-Smith	Aye	Nay	Abstain	____________________
Kate Rosenbarger	Aye	Nay	Abstain	____________________
Jim Sims	Aye	Nay	Abstain	____________________
Ron Smith	Aye	Nay	Abstain	____________________
Steve Volan	Aye	Nay	Abstain	____________________

Total Number of Votes Cast in Favor of the Proposed Ordinance: ________________________

ATTEST:

____
NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana upon this _________ day of _____________________, 2022.

____
NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _________ day of _____________________, 2022.

____
JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

Resolution 22-09 proposes an ordinance to the Monroe County Local Income Tax Council that would impose an economic development tax rate ("EDIT"). The Monroe County Local Income Tax Council is the body that must approve modifications to the Local Income Tax, and it consists of four member-fiscal bodies: (1) the City of Bloomington Common Council; (2) the Monroe County Council; (3) the Town of Ellettsville Town Council; and (4) the Town of Stinesville Town Council. This Resolution would cast some percentage of the City of Bloomington's votes on the Monroe County Local Income Tax Council in favor of the Ordinance modifying the Local Income Tax to impose an EDIT, depending on the votes of the individual members of the City of Bloomington Common Council.

TO: Members of the Common Council
FROM: Mayor John Hamilton
CC: Stephen Lucas, Council Administrator/Attorney
Beth Cate, Corporation Counsel, City of Bloomington
RE: Resolution 22-09 – Economic Development Income Tax
DATE: April 8, 2022

The Administration proposes an increase to the Monroe County Local Income Tax ("LIT") rate, which is governed by the provisions of Indiana Code 6-3.6-1, et seq., to promote sustainable and equitable economic development and associated essential city services. Resolution 22-09 proposes that Monroe County adopt an Economic Development Local Income Tax ("ED-LIT") allocated by population at a rate of 0.855% which brings the total rate to 2.2%.

A 0.855% increase in the LIT is projected to generate approximately $18 million in new annual revenue for the City of Bloomington. The Administration proposes this increase to invest appropriately in four key areas:

- **Public Safety - $4,500,000**
- **Climate Change Preparedness and Mitigation - $6,595,000**
- **Equity and Quality of Life for All - $3,900,000**
- **Essential City Services - $3,000,000**

See *Appendix B: LIT Details* for more detailed information about the proposed items to be funded within each area.

A memo outlining the reasons for enacting a LIT increase, containing a previous version of Appendix B, was shared with City Council on March 16 (https://bton.in/8UZMG). A copy of my remarks about the LIT from the City Council meeting on April 6 are attached.

The Administration proposes to create a separate fund to receive the increased LIT revenues from which annual appropriations would be made. This will strengthen and institutionalize full transparency, reporting, and accountability for the uses and impact of the increased revenues. In addition, the capital improvement plan that is required by state law to guide the expenditures will be reviewed regularly with the Council and the public.

It is important to note that Indiana is a relatively low-tax state. Among Indiana's 20 largest Class 2 cities, Bloomington is in the lowest quartile of both property and local income tax rates. Considering combined rates, we are nearly at the very bottom. We have the lowest LIT rate among our seven contiguous counties, and we sit in the bottom quartile statewide.

We are also low comparatively when it comes to government expenditures, revealing the capacity for responsible growth. Looking at per-capita annual spending from city general funds, Bloomington ranks 14th among Indiana's 20 largest class 2 cities. Our $624 per capita annual spending is 16% below the median of $742.

The appendices and Frequently Asked Questions attached to this memo offer further details. A dedicated City web page for new revenue has been publicly available at bloomington.in.gov/newrevenue since March 16.

LIT BACKGROUND & PROCESS

In Indiana, local communities are permitted to adopt a local income tax, or "LIT," in accordance with Indiana Code 6-3.6. Every county in Indiana has adopted a LIT, which is expressed as a percentage. A county's LIT percentage is withheld from wage earners' personal income based on the rate set in a taxpayer's county of residence. Monroe County's overall LIT rate is set at 1.345%, though LIT rates in Indiana currently range up to three percent (3.0%).

A county's overall local income tax rate comprises a series of other rates. Most of the rates that comprise the overall LIT rate are adopted by the Monroe County Local Income Tax Council ("LIT Council"). Monroe County's LIT Council comprises four member bodies: Bloomington's City Council, the Monroe County Council, the Ellettsville Town Council, and the Stinesville Town Council. LIT Council votes are allocated individually to members of each of these four bodies in proportion to the population. For 2022, the relative vote share for each member of each LIT Council body is summarized in the table below:

Unit of Government	Number LIT Council Votes per Member
Bloomington City Council (9 Members)	6.30/Council Member
Monroe County Council (7 Members)	5.49/Council Member
Ellettsville Town Council (5 Members)	.95/Council Member
Stinesville Town Council (3 Members)	.05/Council Member

A combination of individual votes from the members of these bodies totaling at least 50 total votes is required for the LIT Council to pass a measure affecting LIT, such as a LIT increase. The majority of the LIT Council's votes reside in the Bloomington City Council—56.66 votes, to be exact. This means that either 8 or 9 votes from Bloomington City Council members are sufficient on their own to pass a LIT increase. Fewer than 8 votes from the Bloomington City

Council would require positive votes from one or more members of the other three councils in the LIT Council.

In order to alter a local income tax rate, one of the members of the LIT Council must propose that the LIT Council adopt an ordinance. The member makes this proposal by adopting a resolution that proposes an ordinance. Resolution 22-09 is this type of resolution. The proposal and adoption process is set forth by state law and is a bit convoluted, but is familiar in Monroe County. Our LIT Council has adopted a resolution proposing a LIT ordinance every year since 2016 in order to adjust the relative portions and distributions of our LIT.

The effective date of an increase to a LIT rate depends on the date on which the LIT ordinance is adopted. A LIT ordinance increasing a tax rate adopted between November 1 and August 31 takes effect on October 1. A LIT ordinance increasing a tax rate adopted between September 1 and October 31 takes effect on January 1. Given the timing of this proposal, Resolution 22-09 would result in a new LIT rate taking effect on October 1, 2022.

Monroe County's overall LIT rate is 1.345%. Of the other 91 counties in Indiana, 69 have adopted a LIT higher than Monroe County. Our current LIT rate structure, broken down by type of rate, is summarized in the table below:

<table>
<tr><th colspan="2">Local Income Tax Type</th><th colspan="2">Existing Rate</th></tr>
<tr><td colspan="2">Property Tax Relief Rate (Indiana Code 6-3.6-5)</td><td colspan="2">0.0518%</td></tr>
<tr><td colspan="2">Total Expenditure Rate (Indiana Code 6-3.6-6)</td><td colspan="2">1.1982%</td></tr>
<tr><td rowspan="4">Components of Total Expenditure Rate</td><td>Public Safety (General)</td><td></td><td>0.1693%</td></tr>
<tr><td>Public Safety Answering Point</td><td></td><td>0.0807%</td></tr>
<tr><td>Economic Development</td><td></td><td>0.0000%</td></tr>
<tr><td>Certified Shares</td><td></td><td>0.9482%</td></tr>
<tr><td colspan="2">Special Purpose Rate (Juvenile Local Income Tax)
(Indiana Code § 6-3.6-7-16)</td><td colspan="2">0.095%</td></tr>
<tr><td colspan="2">Total:</td><td colspan="2">1.345%</td></tr>
</table>

Income tax revenue from the property tax relief rate may only be used by the Auditor to provide a property tax credit to reduce the property tax liability of taxpayers who own property in Monroe County.

The overall public safety local income tax rate, set at 0.25%, is broken down into two buckets—public safety answering point (PSAP) revenue and general public safety revenue. PSAP revenue may only be used by our Dispatch Department for expenses related to answering emergency calls and dispatching emergency responders. Each year, the LIT Council sets the PSAP rate based on the rate required to fund Dispatch's adopted budget. The remainder comprises the general public safety rate, and this portion flows to the public safety departments at the City of Bloomington, Monroe County, Ellettsville, and Stinesville.

The certified shares rate is more general. Revenue from certified shares flows to every local taxing unit in the County, with the exception of the two school corporations. Revenue in the form of certified shares is simply treated as additional revenue and may be used for any lawful purpose.

Lastly, Monroe County has imposed a special purpose rate for facilities that provide juvenile services. This rate is imposed exclusively by the County's fiscal body. The City had no role in adopting the rate and does not receive any revenue from the tax.

As seen in the table above, Monroe County has not yet imposed an Economic Development Local Income Tax (ED-LIT) as part of its LIT rate. Resolution 22-09 proposes for the first time that Monroe County adopt an ED-LIT, at a rate of 0.855%. This would bring the total LIT rate to 2.2%.

Like public safety local income tax revenue, ED-LIT revenue is distributed to four entities: the City, County, Ellettsville, and Stinesville. ED-LIT revenue may be used for a variety of development purposes, including capital projects, bond or lease payments related to economic development projects, operating expenses of governmental entities that plan or implement economic development projects, and any lawful purpose for which money in any other fund may be used.

ED-LIT revenue may be distributed to the four recipients in two different ways: (1) based on each entity's relative property tax levy or (2) based on each entity's relative population. Resolution 22-09 proposes to distribute ED-LIT revenue based on relative population rather than relative property tax levy. However, because of the way the effective dates are structured in the ED-LIT statute, the population-based distribution will not be in effect until January 1, 2023. Thus, from October 1, 2022, through December 31, 2022, ED-LIT revenue would be distributed based on the proportional property tax levy.

When the ED-LIT is distributed by relative population, the distribution among the members of the LIT Council would be as follows:

Member % of Population	Estimated Distribution
City of Bloomington – 58.3%	$18.00 million
Monroe County – 37.0%	$11.40 million
Town of Ellettsville – 4.6%	$1.43 million
Town of Stinesville – 0.1%	$44,000

For the last quarter of 2022, when the ED-LIT would be distributed by relative property tax levy, the distribution would be as follows:

Member % of Adjusted Certified Property Tax Levy	Estimated Distribution (Annualized)
Monroe County – 50.77%	$15.67 million
City of Bloomington – 46.62%	$14.39 million
Town of Ellettsville – 2.6%	$801,600
Town of Stinesville – .01%	$4,400

As taxes are collected based on population, the most equitable allocation of the funds collected is also by population. The City favors population-based distribution because it allows for a lower LIT increase overall while producing the revenue required to fund critical public safety needs and essential City services and to achieve sustainable and equitable growth. A population-based distribution also provides significantly more funds for the towns while preserving substantial funding for the county.

Entities receiving ED-LIT revenue must adopt a capital improvement plan, and the plan must incorporate projects, the cost of which is at least 75% of the ED-LIT revenue the entity expects to receive. The capital improvement plan must be in place before the City receives any ED-LIT revenue, but it need not be adopted at the same time that Resolution 22-09 is considered by the LIT Council. The City's capital improvement plan will incorporate the items in Appendix B and reflect Council and public input during the hearings on the Resolution. As noted above, the plan will be reviewed regularly with Council and the public (including as part of the annual budget process).

A capital improvement plan for ED-LIT typically covers multiple years–and must cover at least two years–and reflects anticipated funding for longer-term and ongoing activities to be supported by ED-LIT revenue. At the same time, the LIT increase proposed by Resolution 22-09 may be adjusted or eliminated in the future with sufficient votes from the LIT Council. The only funding commitments paid for by ED-LIT that may be made irrevocable for a necessary duration are bond debt service and lease payments.

The City appreciates the Council's careful consideration of Ordinance 22-09, and we are happy to address any additional questions the Council may have regarding Resolution 22-09.

CITY OF
BLOOMINGTON

MAYOR HAMILTON'S LOCAL INCOME TAX REMARKS

at the City Council Meeting on April 6, 2022

Bloomington is at a pivot point. You've all heard me describe pressing needs confronting us—several times. I'll begin tonight with a different voice.

Mayor Tomi Allison made the following comments in a 1984 memo to City Council, which first established the Local Option Income Tax: "No government official wants to raise taxes which are unnecessary. But our first obligation is to provide basic services to our citizens. We must maintain the high quality of our police and fire services. We must maintain our streets, curbs, sidewalks, our equipment inventory, and our city facilities." This 1984 income tax of 0.5% was raised another 0.5% five years later, in a 1989 Council action, bringing the basic LIT to 1.0% some 30 years ago, where it stayed until 2016 when the Local Income Tax Council raised a 0.25% Public Safety LIT to support critical investments in that sector.

For three decades, together, we have provided those essential services. But in order to continue to do so, with several revenue sources declining, city services and facilities expanding, pressures on our employees, and our expenses increasing, we must have additional revenue to continue the excellence we have achieved and our residents expect.

In addition, beyond those essential services, I believe we owe current and future residents a similar obligation to invest in the future, to address challenges we see today and expect tomorrow. In particular, climate, and inclusion, to ensure we are addressing this changing planet and community responsibly and in ways that allow ALL our residents to thrive, future and present, and from whatever walk of life.

That's what tonight and the next two weeks of consideration are about—meeting basic needs and meeting fundamental obligations. Tonight I'll briefly share where we are and our recent progress together over the past few years. Then we will review the process that has led us this LIT proposal. And the next steps. I'll be happy to address questions during the presentation or thereafter, continuing the extensive dialogue we have engaged in over the past weeks and months.

BACKGROUND

Just to set the table: Since 2016, together, we have made great progress in our City in providing excellent essential services and improving opportunities for our residents.

Through your support of the Public Safety LIT in 2016, we have been able to equip and update our dispatch, police, and fire departments. Today, we are the only city in Indiana with a nationally accredited police force and a top-ranked fire department (ISO 1). With declining crime rates and an unprecedented fifth year in a row with zero fire fatalities. *(See Figures A.1 and A.2).*

Through your support for affordable housing through the Housing Development Fund and zoning incentives, we have expanded our investments in affordable housing dramatically, resulting in 1,121 units of affordable housing over the past six years *(See Figure A.3).*

Through your support for the integrated Tax Increment Finance (TIF) district and the Redevelopment Commission, we have been able to create Switchyard Park, the Trades District, Hopewell, and support other key local infrastructure investments. Our jobs and wage rates are increasing *(See Figure A.4)*. And we have seen unprecedented private investment and public infrastructure progress, over $3 billion in recent years.

Through your support for our Parks department, through the years and through the Bicentennial, we have been able to earn two national gold medals and expand a department to the envy of most cities our size. Including, of course, our largest new parks project ever, Switchyard Park *(See Figure A.5)*.

Through your support for three affiliated entities, we have seen strong growth in impact and quality at each: incremental rate adjustments at our Utilities department have accelerated water main replacements and improved the size and quality of our wastewater plants, as well as protecting the quality of our water and Lake Monroe *(See Figures A.6, A.7, and A.8).*

Bloomington Transit has attracted substantial federal support to replace buses, buying 28 new buses over the past six years, compared with only 10 in the previous six years *(See Figure A.9).*

And the Bloomington Housing Authority has dramatically accelerated the upgrades of more than 200 public housing units, doing in about five years what was previously scheduled to take more than 25 years *(See Figure A.10)*.

Through your support for our solar contract and expanding our investments in sustainability, we have begun implementing our first-ever Climate Action Plan.

Overall, through the Council's consistent support for fiscal stewardship throughout all the years, we have been able to advance our community in these many ways, responsibly and proactively. The most recent investments of Recover Forward are one more example, allowing us during a pandemic and great recession to keep investing in our nonprofits and our people, our employers, and our basic services to weather the storms and do our job to help people thrive.

LOOKING FORWARD

Today is another step in being those good stewards and meeting those challenges and opportunities. Our fiscal condition at present is good, but not without future revenue.

Two years ago, in January 2020, we previewed critical investments needed and discussed a potential LIT. Then COVID hit. In 2021, we considered a LIT again amid a very challenging pandemic and recession. We dedicated local reserves and then federal money to Recover Forward. The federal support from the American Rescue Plan of last year was absolutely critical to sustain our good efforts. But as you know, that was just one-time support. Finally, during deliberations for the 2022 budget, as a Council, you indicated support for more public safety investments and more regular infrastructure investments.

Three weeks ago, our Administration shared a detailed outline of categories and programs for the LIT and the bonds. We specified four key areas for LIT investments. First, critical public safety investments, including staffing costs for both sworn and non-sworn personnel and major facility costs that are not covered in the ten-year PS-LIT capital plan.

Second, investments are needed to sustain other essential city services in the face of pressures on workforce costs, increasing operating and supply costs, growing general maintenance and replacement needs, as well as revenue reductions, in particular, affecting information technology needs, including cybersecurity.

Third, investments to prepare for and mitigate climate change and its effects locally. This includes major local investments in improved transit services, which should also help leverage significant federal funding and direct investments to implement the ambitious city-wide Climate Action Plan.

And fourth, we outlined key LIT investments needed to assure Bloomington is a place of diversity, equity, and inclusion, where all can thrive, including significant investments in affordable housing – both ownership and rental – and help people access jobs and careers, including in trades, for example, as infrastructure spending in coming years increases. We also establish an economic equity fund to help low-income working residents and ongoing investments to support our vital arts and local food sectors.

All of this reflects our community at a pivot point. How will we come out of the pandemic and recession? As President Biden has urged, will we Build Back Better? Will we keep up Bloomington’s momentum?

Since sharing that outline and all of those details, we have been listening. To you directly, in a public Council work session, and through many, many individual conversations. We have heard from organizations and from individual public members, including through an online poll active for weeks, with scores of people responding. And truly, since January 2020, countless conversations and communications.

And of course, it's worth noting that the proposal reflects extensive public input incorporated in documents like the Climate Action Plan itself and three city-wide scientific surveys, for example, reflecting the public's opinion that the City should seriously address affordable housing and our Comprehensive Plan and Transportation Plan both updated through long public processes in the past five years

Specifically, since mid-March, in reaction to our proposals, we heard feedback including:

- A 1% rate rise seems too much; lower if possible. Others strongly support a full 1%
- Some wanted even greater investment in basic city services beyond public safety
- Some wanted to reduce new investments in transit; others said they are essential and to increase
- Some wanted to eliminate or reduce jobs money; others view it as important
- Some wanted more, and some wanted less in the economic equity fund
- Several supported housing, some especially for homeownership
- Some wanted more Climate Action Plan direct investment. Some wanted less.
- Some expressed interest in knowing what leverage the LIT investments offered
- Some wanted assurance of transparency in explicitly tracking LIT expenditures over time
- The public voted allocations among all four categories, within a 20-30% range for each one.

We took all that feedback in, and before we share revisions to the proposal, I want to remind the Council of our local capacity to invest. As we have discussed, our county LIT is low now. Lowest among the seven contiguous counties *(See Figure A.11)*. Low statewide. We haven't raised the basic LIT for 30 years. When you look at our overall tax rate – income and property – we are among the lowest of Indiana's large cities *(See Figure A.12).* We also have modest spending levels when we compare ourselves to those cities *(See Figure A.13)*

THE PROPOSAL

Again based on feedback, and as always focusing on meeting needs regarding the LIT, we will advance for your review a proposal based on the March 17 outline, adjusted as follows:

- A 0.855% increase in the LIT – lower than the full 1% that some have advocated but sufficient to meet our community's needs. This incorporates the Economic Development LIT proposal allocated by population.
- An increase in essential city services, of $500k allocated to personnel, and major expenses increases
- An increase in Climate Action Plan investments of $250k
- An increase of $250k for the economic equity fund to help address any negative impacts

Also, based on your feedback, we will create a new fund into which the ED LIT revenue will go. It will be appropriated annually through the budget process and the program budgets, tracking through to each department and program.

These proposals will result in a local LIT rate of 2.2%, which will put us exactly in the middle of our immediate neighbor counties – three higher and three lower *(See Figure A.14)*. Statewide it will put us in the second quartile of LIT rates. And by the way, it's important to note that the state recently adopted a reduction in the state income tax, planning a 0.33% point reduction over the coming years. That would bring the effective rate we are adding down nearly to 0.5%.

A 0.855% increase in the LIT, as proposed here, is projected to generate approximately $18 million in new annual revenue for the City of Bloomington. Other governmental units would also receive additional projected annual revenue: specifically, the County would receive $11.4 million, Ellettsville $1.4 million, and the town of Stinesville about $44 thousand annually.

These new funds will change our community's trajectory. They will allow us to address critical needs and meet fundamental obligations to our residents, present and future. As Mayor Allison said 38 years ago, we meet our "first obligation" of basic services, and we also advance our community into a much brighter future, more sustainable and more equitable.

This proposal will soon be in your hands. I know very well that all nine of you, like me, love this City and work diligently to advance our future. I also know that the ten of us may have different assessments of how best precisely to do that. I believe we share a great deal in values and in goals. Indeed we share a great deal in approaches and priorities. But we are not all of one mind. That's a democracy. I have done my best to provide a proposal that reflects the range of thinking on this Council and this community. On how best to move forward. It's up to us now to work together to find that common ground, reflecting the fact that none of us will find a final result matching exactly what we might want personally. Still, we can be confident that the solution will be a great step forward for all of Bloomington.

Local Income Tax Memo

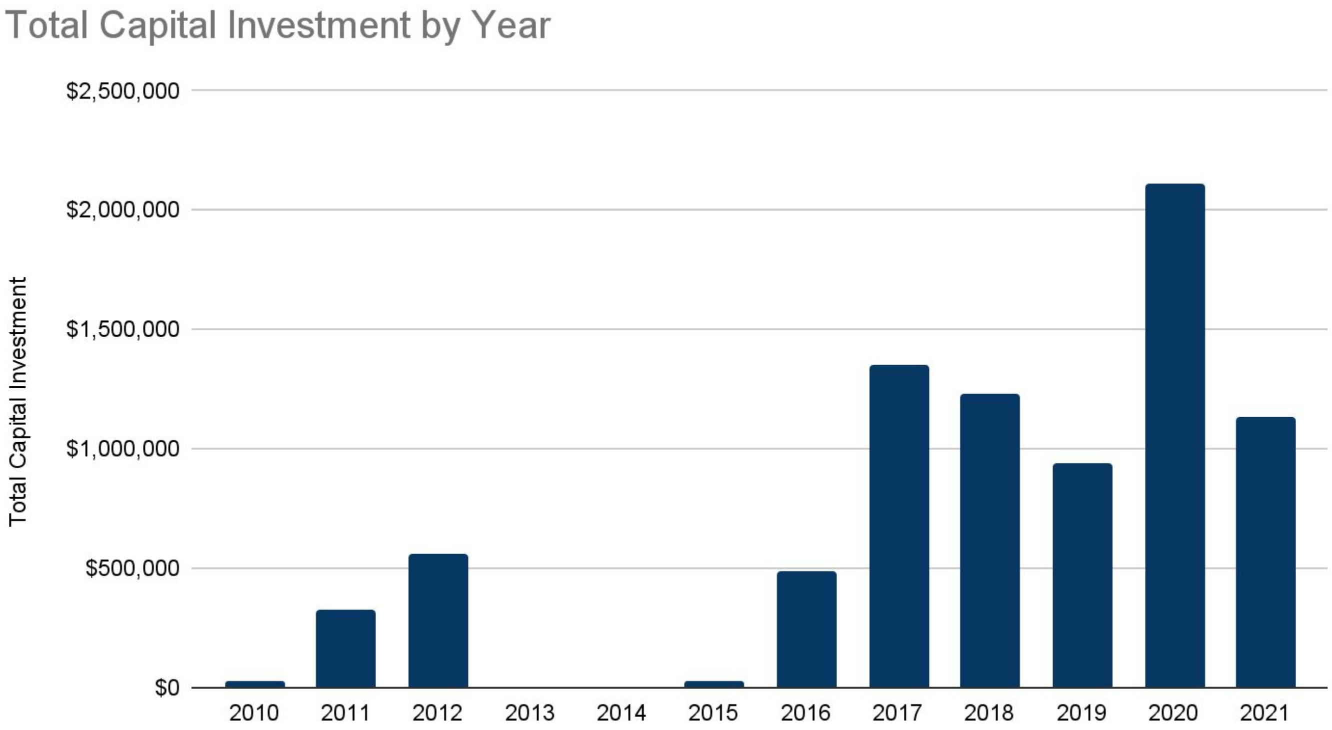
Appendix A

CITY OF BLOOMINGTON

citybloomington

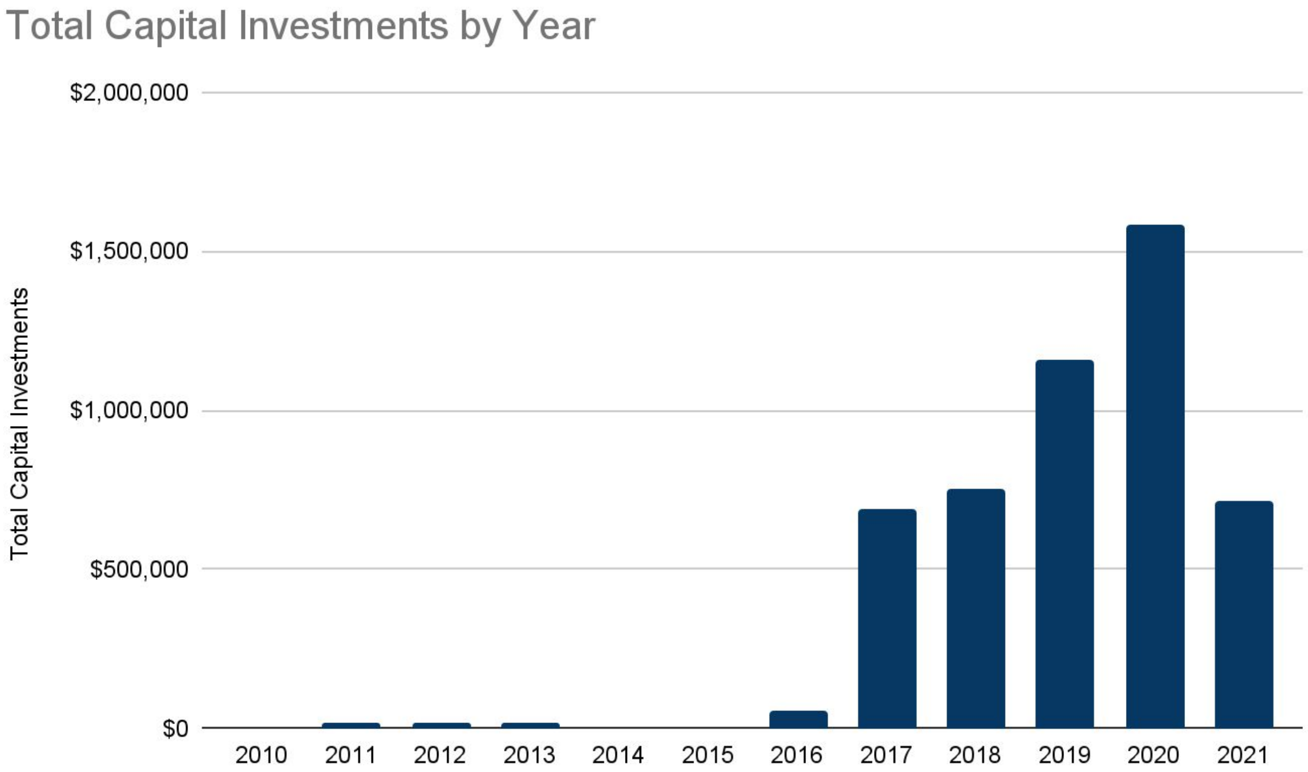
BLOOMINGTON FIRE DEPARTMENT

Figure A.1



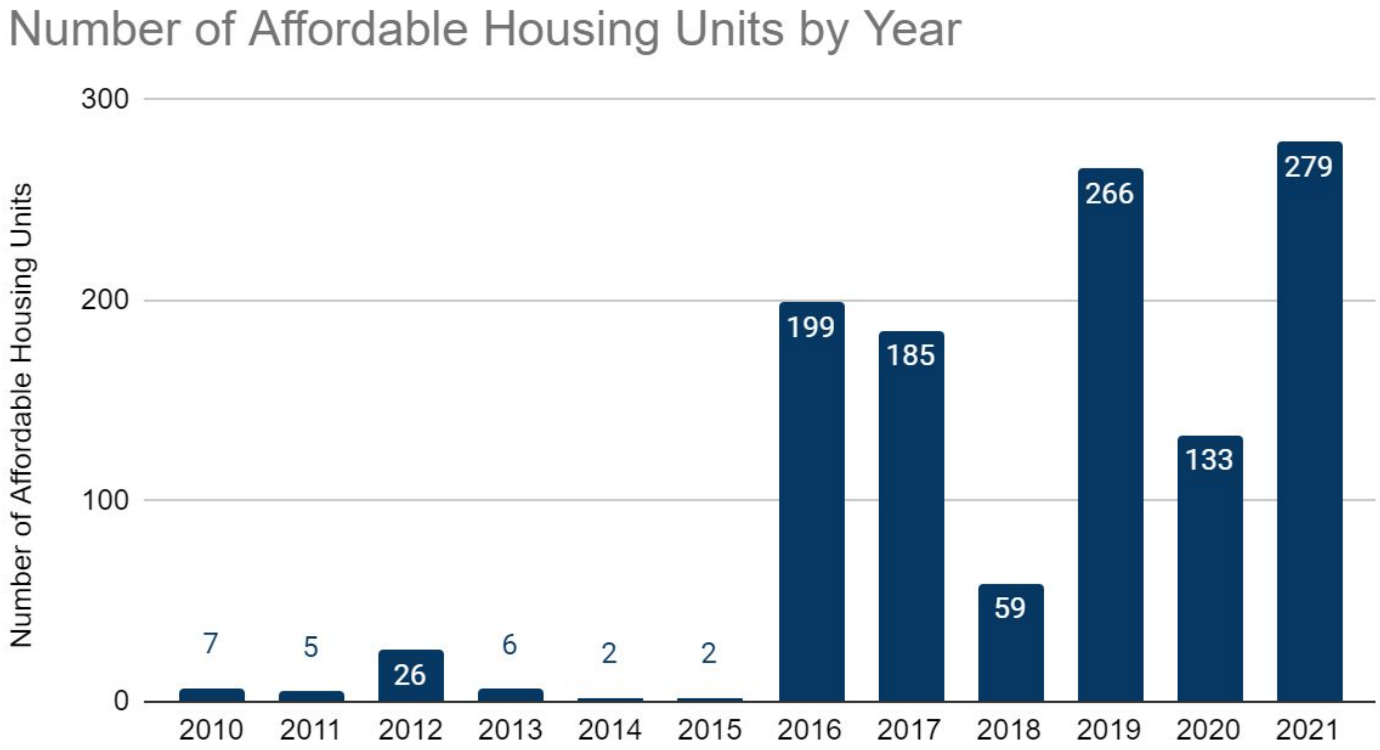
BLOOMINGTON POLICE DEPARTMENT

Figure A.2



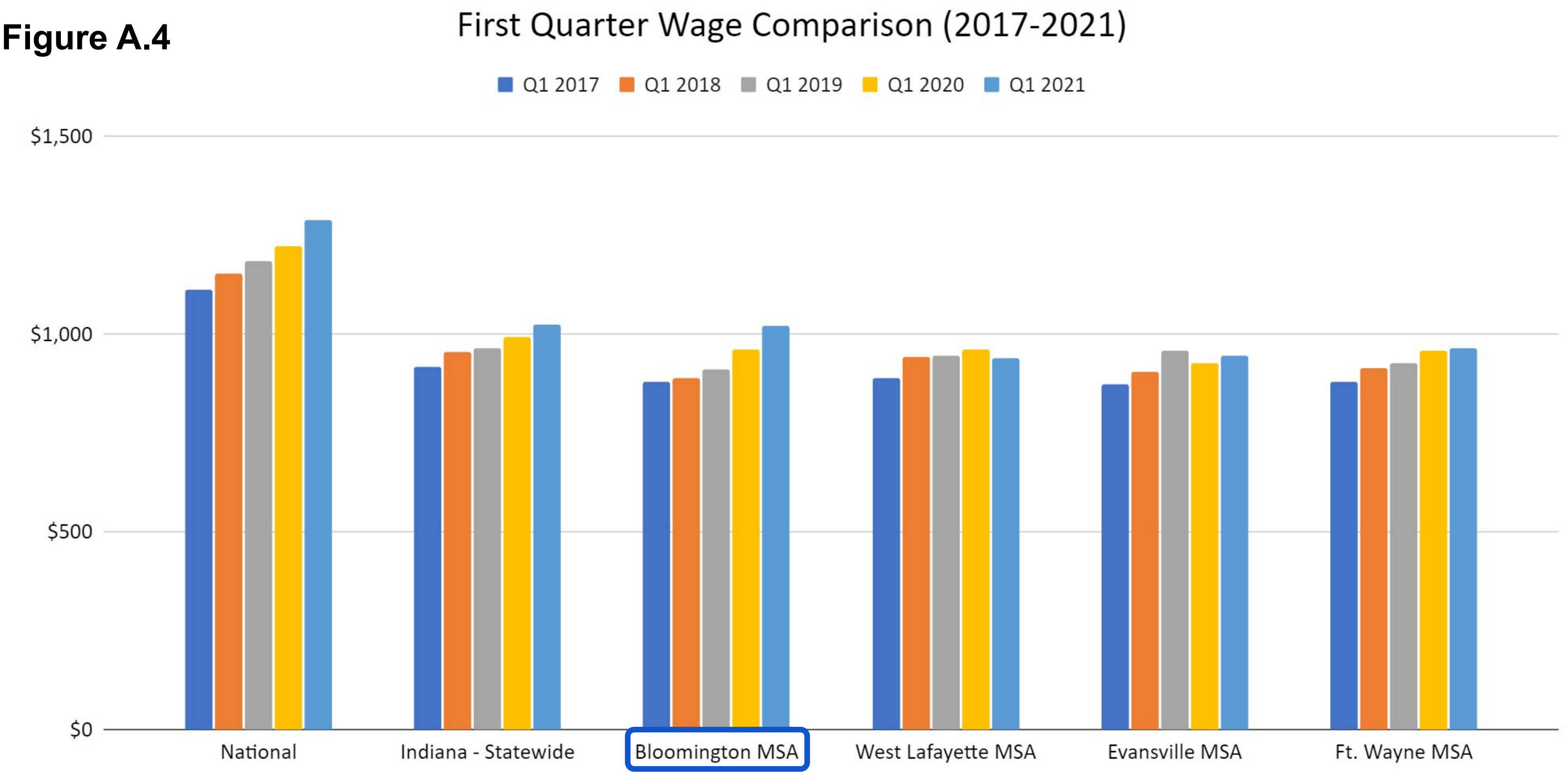
AFFORDABLE HOUSING

Figure A.3



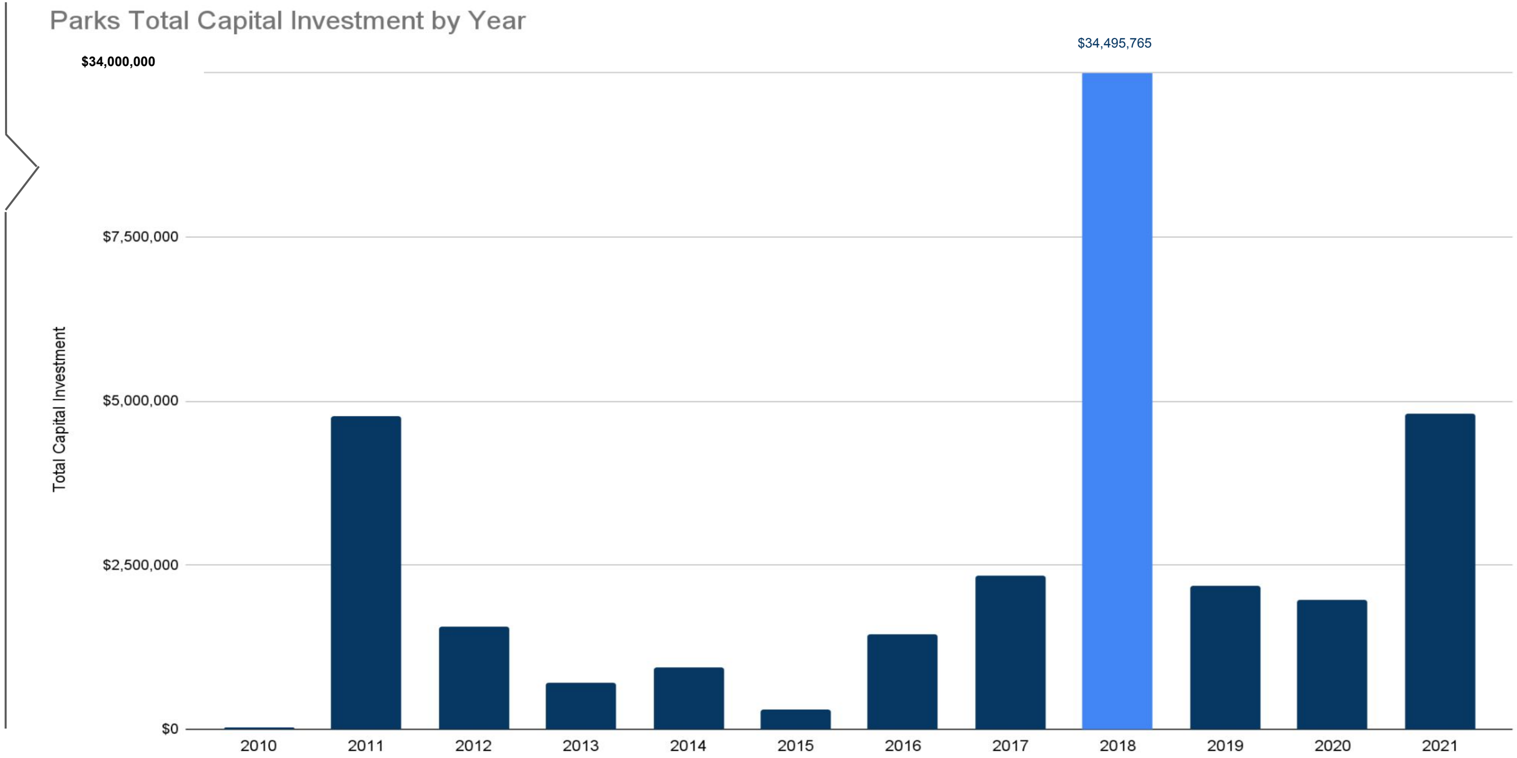
JOBS

Figure A.4



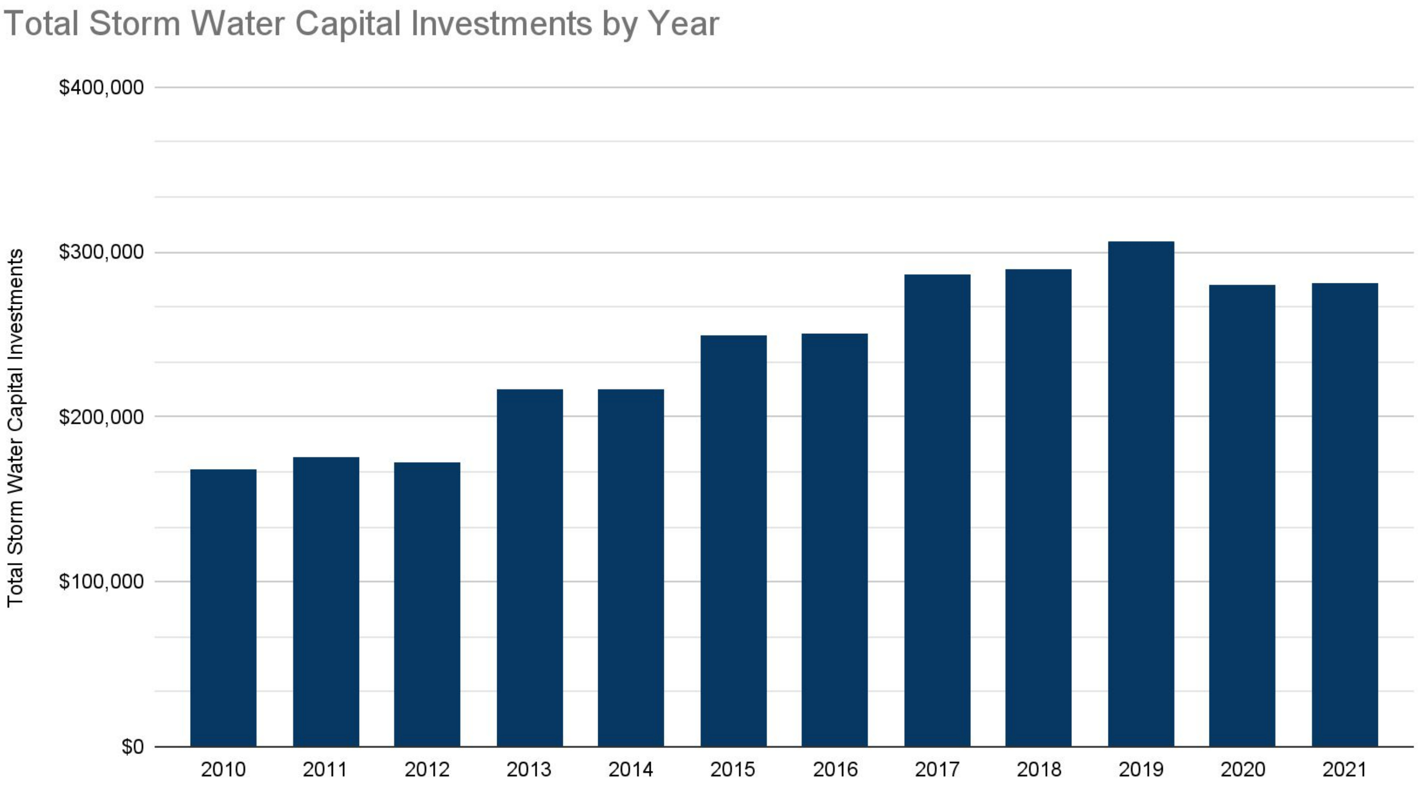
PARKS AND RECREATION DEPARTMENT

Figure A.5



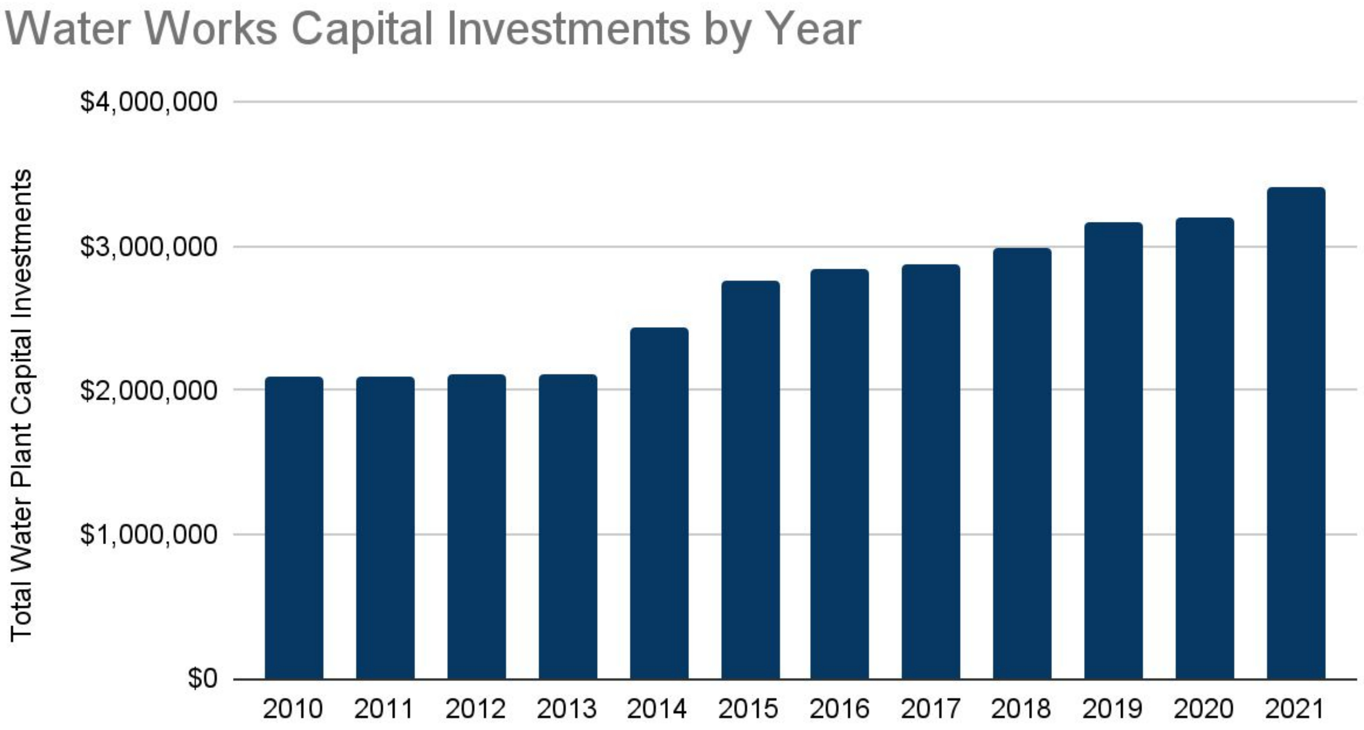
STORMWATER UTILITY CAPITAL INVESTMENTS

Figure A.6



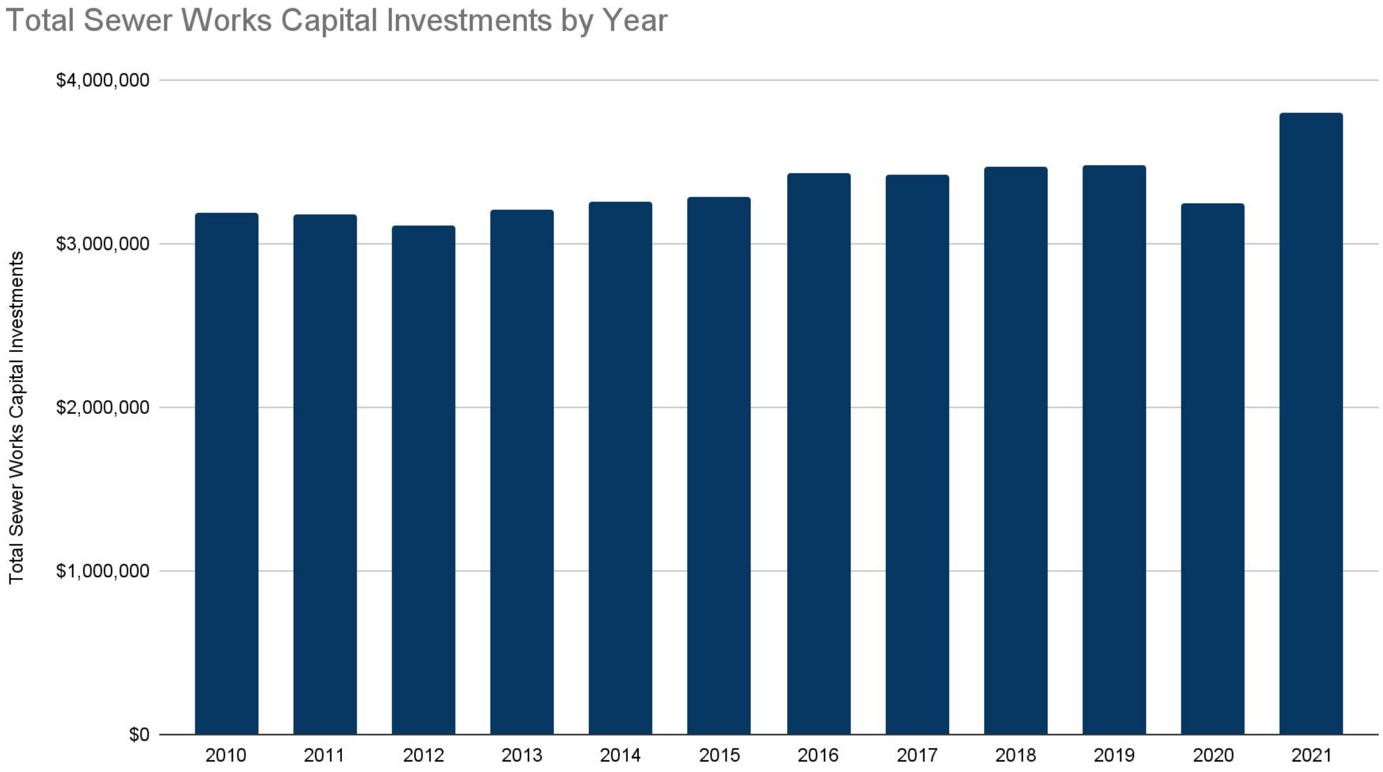
WATER WORKS CAPITAL INVESTMENTS

Figure A.7



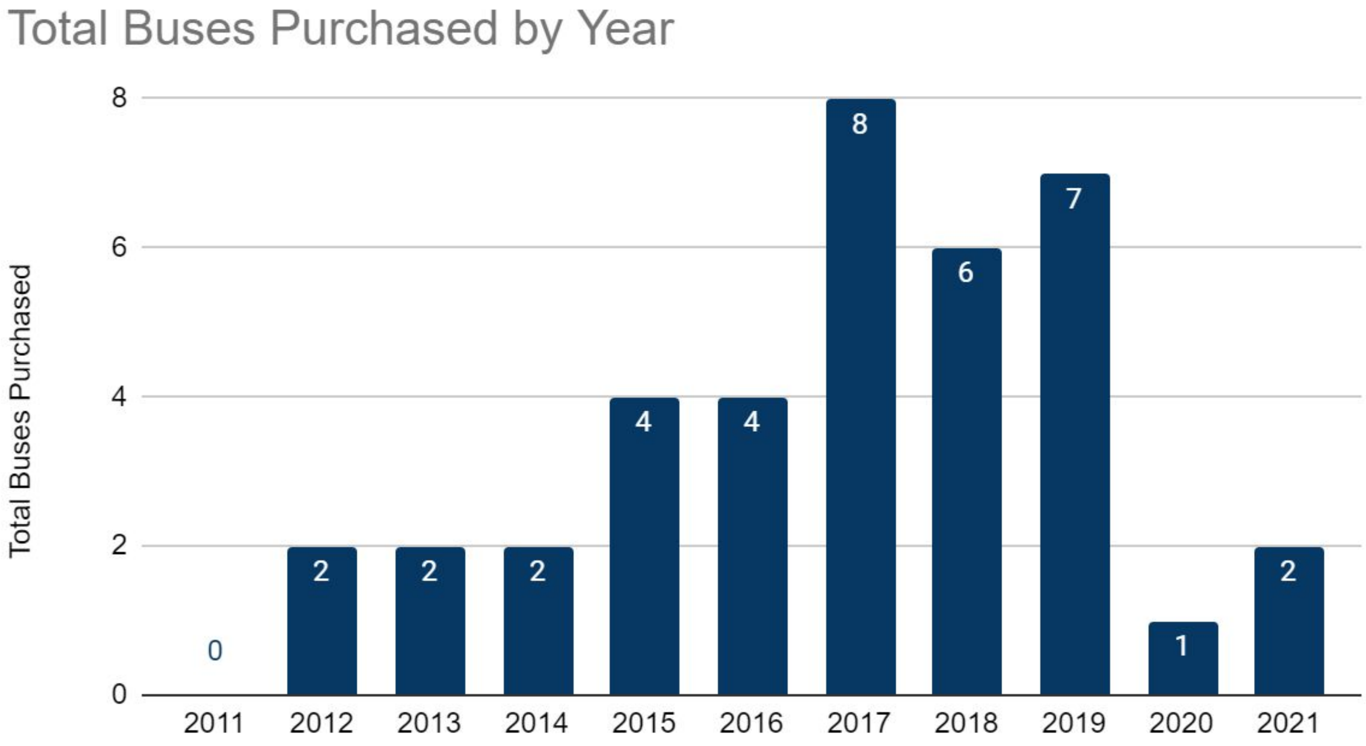
SEWER WORKS CAPITAL INVESTMENTS

Figure A.8



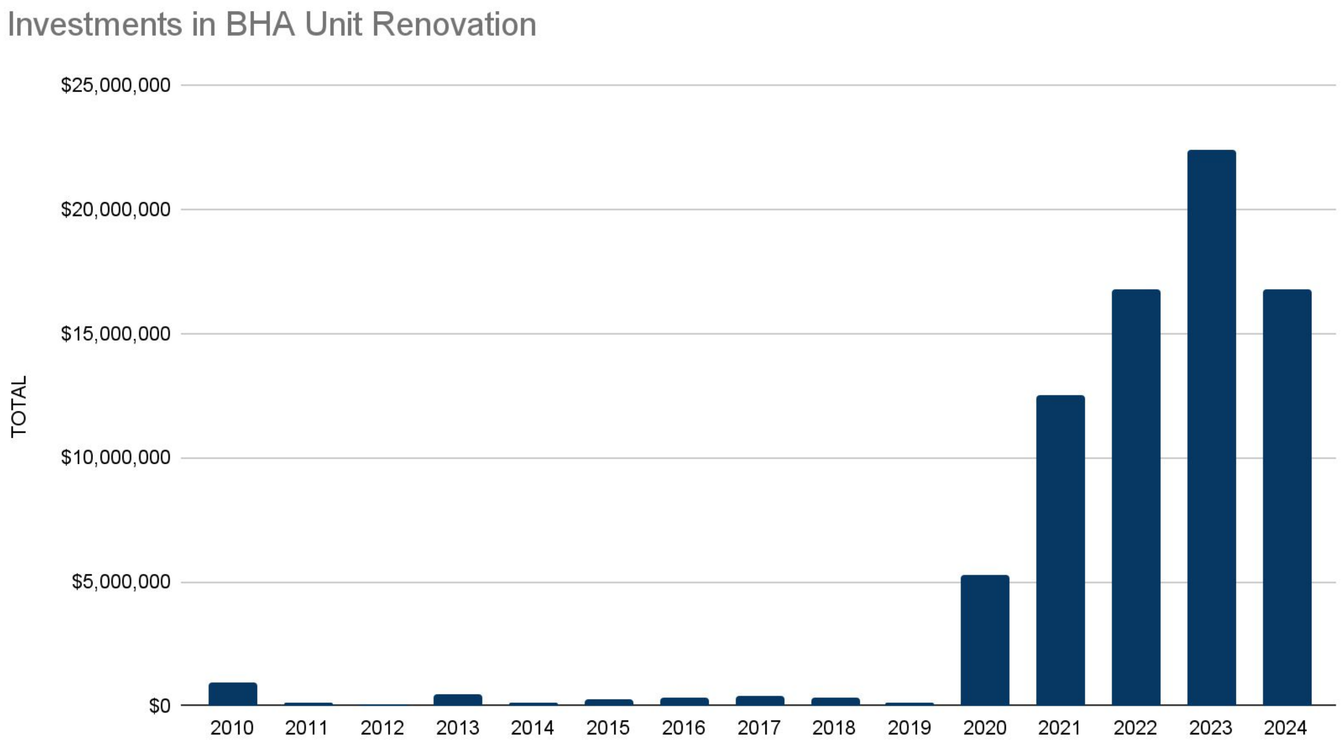
BLOOMINGTON TRANSIT

Figure A.9



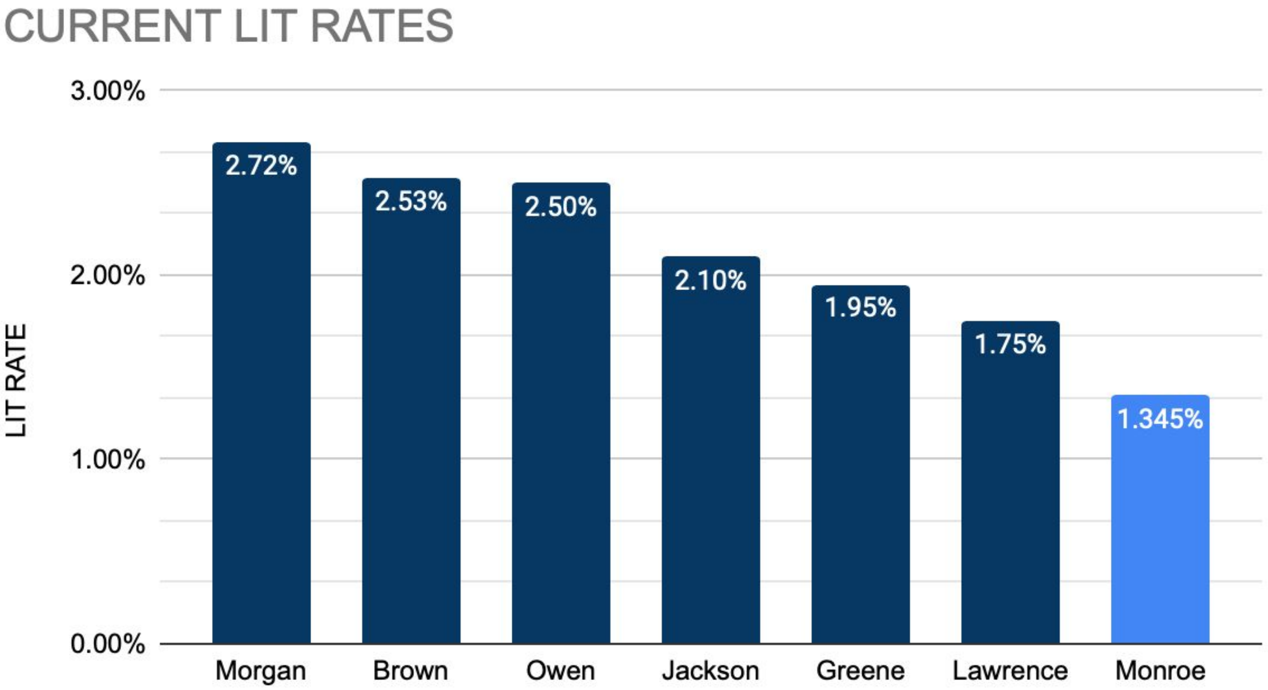
BLOOMINGTON HOUSING AUTHORITY

Figure A.10



CURRENT LIT FOR CONTIGUOUS COUNTIES

Figure A.11

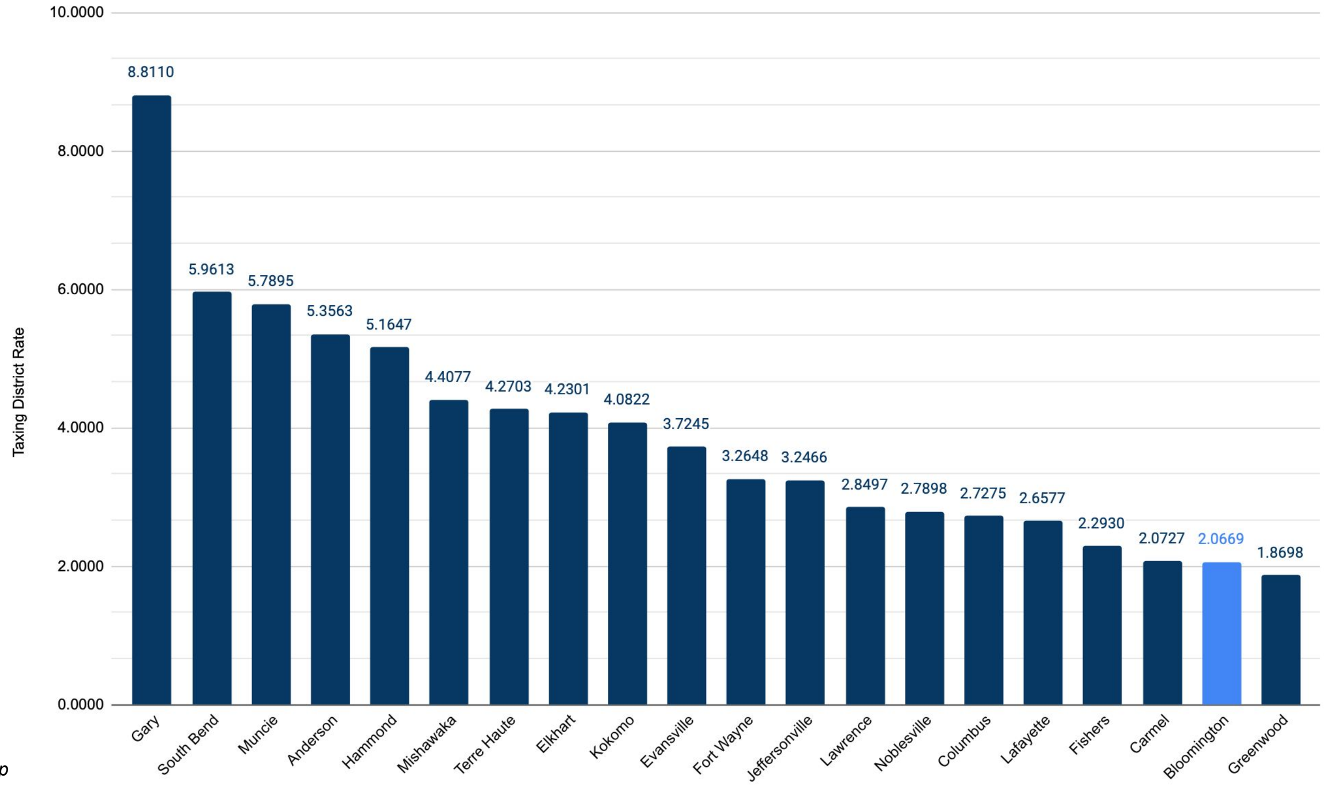


Source: Indiana Department of Revenue

CURRENT COMBINED PROPERTY & LOCAL INCOME TAX

BLOOMINGTON'S COMBINED TAX RATE RELATIVE TO THE 20 LARGEST CLASS 2 CITIES IN INDIANA.

Figure A.12

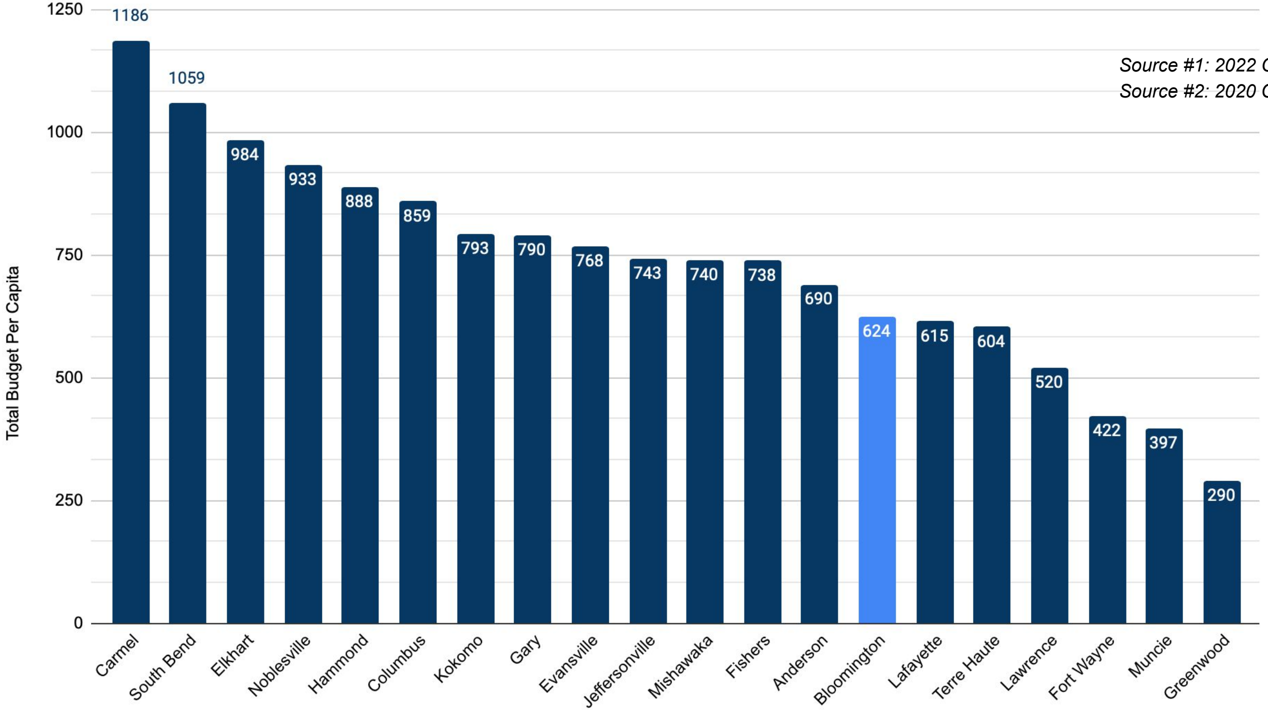


Source: Reedy Financial Group

PER CAPITA ANNUAL SPENDING

20 LARGEST CLASS 2 CITIES IN INDIANA, RANKED BY PER-CAPITA ANNUAL SPENDING FROM THE GENERAL FUND.

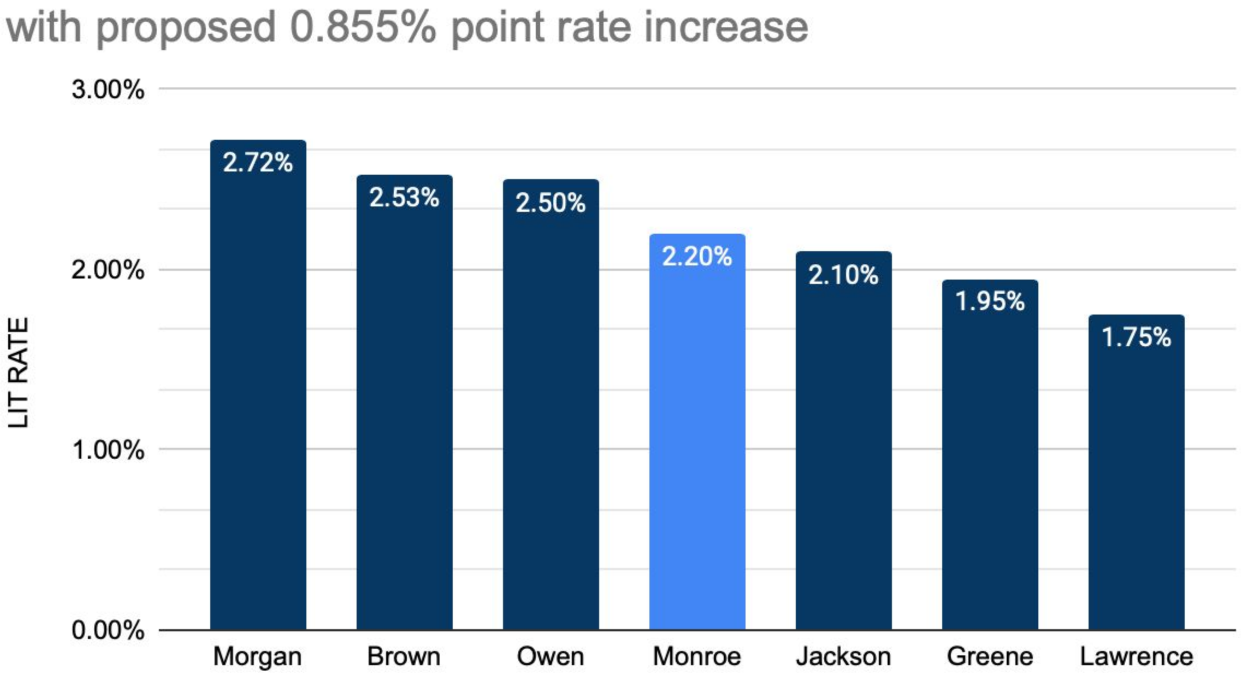
Figure A.13



Source #1: 2022 General Fund Budgets in Gateway
Source #2: 2020 Census Population Data

PROPOSED LIT COMPARED TO CONTIGUOUS COUNTIES

Figure A.14



Item	Annual Cost	Description
PUBLIC SAFETY	**$4,500,000**	
Police - Sworn Officer Salaries	$1,500,000	Fund the costs associated with the contingent Fraternal Order of Police (FOP) contract
Police - Nonsworn officer salaries and public safety programs	$250,000	Expand the roles and increase the number of Police Social Workers and Community Service Specialists to respond to some non-emergency calls for service and those calls that do not require a law enforcement response. Provide ongoing support for the STRIDE center.
Fire - public safety programs	$250,000	Tailor response options for 911 calls, health and wellness checks, etc. to divert more 911 calls to nonsworn personnel. Explore combining police/fire nonsworn.
Police & Fire headquarters	$1,000,000	Consolidate public safety headquarter operations to replace current damaged and inadequate facilities and to benefit from effeciencies of scale.
Fire - new/upgraded stations (4, including new downtown)	$1,500,000	Replace or repair damaged and aging facilities with new or upgraded facilites, in order to attract and retain employees and meet safety standards
CLIMATE CHANGE PREPAREDNESS AND MITIGATION	**$6,595,000**	
Add Bloomington Transit (BT) Sunday service	$300,000	Achieve 7-day service for greater consistency and reliability in an effort to boost ridership and reduce single occupancy vehicle use
Establish East-West Express Transit line	$2,100,000	Major new service providing 15 minute frequency across a priority East/West corridor. This route addition would boost attractiveness and convenience for riders and reduce automobile use
Enhance In-house BT Para-Transit & Microtransit	$1,400,000	Increase access/improve equity for people who can't ride fixed-route BT, qualify for paratransit, require special accomodations while enhancing convenience. and expandthose services. City-wide service expansion.
Enhance BT weekday service to maximum 30-minute frequency	$820,000	Improve convenience for all riders, boost ridership, reduce automobile use
Establish BT Park & Ride pilot program	$125,000	Focus on workforce partners to develop pilot program in collaboration with the Transportation Demand Management program; explore a potential "Park and Ride" program for special event traffic management
Subsidize BT ridership	$100,000	Improve access to public transportation with a focus on workforce and low-income riders

Item	Annual Cost	Description
Climate Action Plan (CAP) implementation	$1,750,000	Multiple efforts toward climate change prevention and preparedness. See Proposed Climate Action Plan Investments in "New Revenue FAQs" for more detail
EQUITY AND QUALITY OF LIFE FOR ALL	**$3,900,000**	
Housing funding, for ownership, rental, Housing Security	$2,000,000	Improved access to housing equity through funding assistance for the Housing Security Group/homeless; low/mod income renters; low/mod homeowners; support missing housing types
Workforce and economic development	$500,000	Funding for workforce development initiatives, including workforce re-entry, re-skilling and up-skilling, and entrepreneurship training, as well as operations and infrastructure funding for the Trades District Technology Center.
Economic equity fund	$1,000,000	Direct support of low income working residents / families - possible Individual Development Accounts to match savings; focused on direct impact, possibly thru SSCAP, MCUM, Trustees, others
Public art and arts development	$200,000	Funding for maintenance of existing arts spaces, execution of the recommendations of the City's Arts Feasibility Study and Public Arts Master Plan, and support for arts organizations.
Local food access and nutrition security	$200,000	Funding to improve food access and nutrition insecurity. Funding support will focus on partnerships with food service providers to address gaps in local food access for low income and food insecure residents.
ESSENTIAL CITY SERVICES	**$3,000,000**	
Personnel	$1,250,000	Offer incentives to attract and retain talented City employees, such as pay adjustments, hiring bonuses, creation of new positions, tuition reimbursement, relocation allowance, longevity bonuses, and/or housing assistance.
Maintenance/Replacement of Assets	$500,000	Maintain aging facilities and other physical assets and replace when required
Increases to major categories of expenses	$750,000	Meet obligations for city property & liability Insurance, materials & supplies, repair & maintenance.
Lost Revenue Replacement	$500,000	Replace shortfall resulting from decreased Cable Franchise Fees (cable fees lost to streaming) to fund essential IT infrastructure replacements, cybersecurity, and CATS
TOTAL	**$17,995,000**	

CITY OF
BLOOMINGTON

New Revenue: Frequently Asked Questions

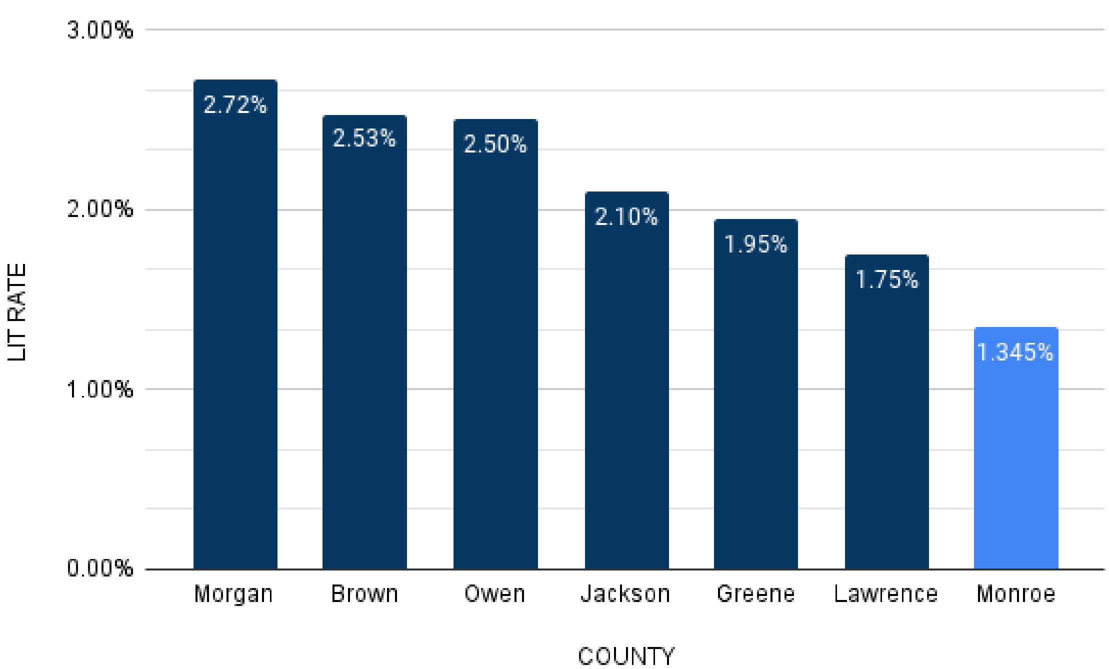
As of April 8, 2022. As details are developed, this document will be updated.

About the Local Income Tax

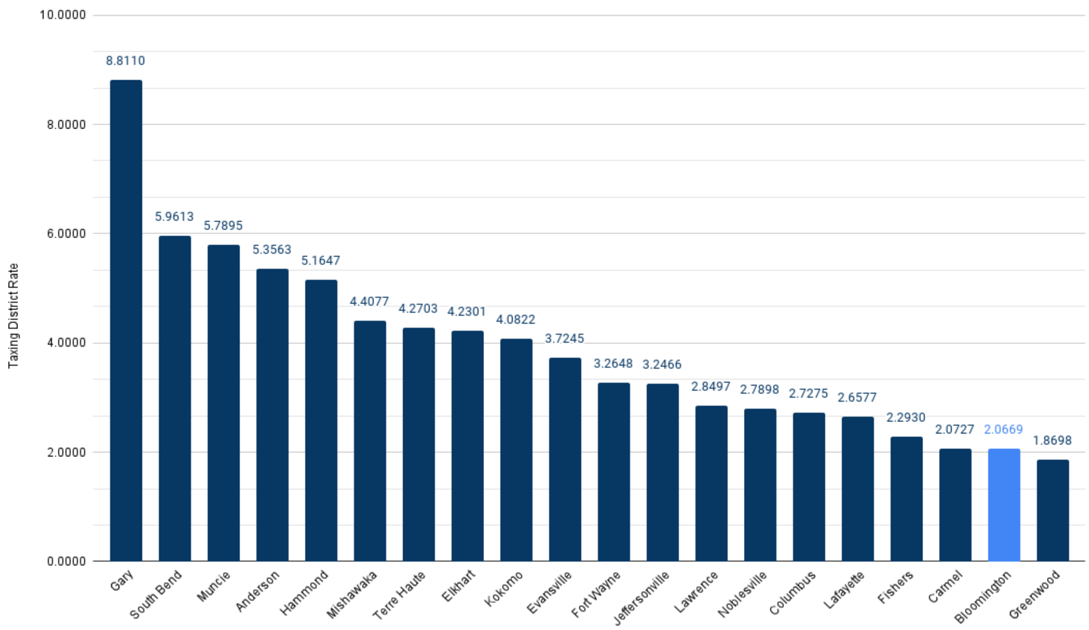
What is a Local Income Tax (LIT)?
The Local Income Tax (or LIT) is a tax on income, paid by individuals. It is a proportionate tax on state adjusted gross income, assessed at a flat rate, meaning that the more income you earn, the more tax you pay. The LIT rate is set and imposed countywide.

What is our current Local Income Tax rate?
The LIT rate for Monroe County is currently 1.345% of adjusted gross personal income for Monroe County residents.

How does our tax rate compare to other communities?
Historically, Monroe County has among the lowest tax rates in the region, including the lowest local income tax rate of our seven contiguous counties. Monroe County's rate ranks 23rd from the lowest among the 92 counties in the state - in the bottom quartile.
Source: Indiana Department of Revenue



Note that among Indiana's 20 largest class-2 cities (excluding the unique combined city/county of Indianapolis/Marion County), Bloomington is a very low-tax city. Specifically, we are in the lowest quartile of those cities both for property tax rates and local income tax rates.



Source: Reedy Financial Group

What is the proposed increase percentage for the Local Income Tax (LIT)?
The proposed rate increase is 0.855%, bringing the total tax to 2.20% of state adjusted gross personal income.

What is an Economic Development LIT?
The Economic Development Income Tax (ED LIT) was authorized by the Indiana General Assembly in 1987 to provide funding for local economic development projects that increase local employment opportunities and/or attract or retain businesses, and relevant operational and administrative expenses.

Are LIT funds distributed based on population or assessed value?
State law establishes different distribution metrics for different types of local income taxes. ED LIT funds can be allocated based on two different metrics, at the option of the Local Income Tax Council: (1) proportional property tax levy, plus, for Monroe County a welfare allocation amount, or (2) population. The City has proposed using the simpler and more sensible population-based allocation method.

Are there limitations on what an ED LIT can be spent on?
No, an ED LIT can be spent on any legal and permitted use of the City.

Under an ED LIT, how is the funding distributed?
With an ED LIT, the funding is distributed to the County government and all municipalities within the county, based upon the population of each taxing unit:

- City of Bloomington: 58.3%
- Monroe County: 37.0%
- Town of Ellettsville: 4.6%
- Town of Stinesville: 0.1%

How much revenue would the additional tax generate?
Reflecting the healthy growth of our local economy, the following are estimates of the annual revenue impact of a 0.855% point ED LIT increase:

- City of Bloomington: $18.00 million
- Monroe County: $11.40 million
- Town of Ellettsville: $1.43 million
- Town of Stinesville: $44,000

There are different components of LIT a community can raise: Economic Development (ED LIT), Certified Shares (CS LIT), and Public Safety (PS LIT). Why is an ED LIT being proposed, and why?
The City of Bloomington is proposing an increase in the economic development local income tax (ED LIT). This type of LIT is the most flexible in terms of what it can be used for, and it focuses the funds raised on County and municipal governments. The PS LIT is currently at the maximum allowable amount, but funds raised through an increase in the ED LIT could be used in part for public safety.

The City gets a higher percentage of ED LIT raised compared to CS LIT (58.3% vs. 37%), so an ED LIT allows for the City to raise the same amount of money without raising the LIT rate as much.

LIT Logistics and Implementation

How does the LIT change?
A new Monroe County tax may be proposed by the Bloomington City Council, the County Council, the Ellettsville Town Council, or the Stinesville Town Council. These Councils together form the “Local Income Tax Council” or LIT Council for Monroe County. The Councils can meet together to vote, or each council may vote on the proposed tax separately. The LIT Council has 100 votes in total, which are distributed among the member councils based on population.

Because a majority of Monroe County's population lives in Bloomington, Bloomington's City Council has a majority share of the votes.

Is this "taxation without representation?"

No. The County's Tax Council (made up of the fiscal bodies of the County, Cities & Towns) is designated in each county with the authority to impose a local income tax. Every member of each county fiscal body, like every City Council member, has representation on the LIT Board and each gets to vote on a proposed tax, with proportional voting power. A total number of 100 votes is allocated based on the population of each of the fiscal bodies within that county, as follows:

- Each of 9 City Council members: 6.30 votes
- Each of 7 County Council members: 5.49 votes
- Each of 5 Ellettsville Council members: 0.95 votes
- Each of 3 Stinesville Council members: 0.05 votes

Any combination of affirmative votes adding to more than 50 (out of a total of 100 possible votes) determines the outcome of any LIT council vote on a proposal.

Are funds raised by the LIT put into a special fund or the general fund for the City, and why?

In response to feedback received, funds resulting from a LIT increase would go into a special fund to increase transparency. The annual City budget process is public and requires approval by the City Council. This provides an annual opportunity explicitly to review and refine the way the new LIT proceeds are spent.

Why didn't the LIT proposal published on March 16 include a percentage increase?

The first step in this process is to identify necessary community projects and programs and how much those projects will cost annually. The resulting LIT rate is primarily just a function of the work done in step one--after the Council and the Mayor and the community have identified desired projects, we sort out the resulting LIT rate as step two of the process. That rate decision is ultimately what the Council formally acts upon – adopting a new rate through formal resolutions and votes. Basic parameters on the limits of a LIT rate are of course part of the conversation, but within those limits, the focus is first on deciding which projects should be funded, not on the rate itself.

As of April 6th, the proposed LIT increase is now identified at 0.855% as an Economic Development LIT using a population allocation method.

What does the portion of LIT for property tax relief mean?

Indiana Code 6-3.6-5-4 allows a county to impose a LIT rate to be used as a credit against property taxes. This allows the County to use LIT funds for the purpose of offsetting property taxes for all residents: this operates essentially as an exemption/credit on a person's property taxes.

Could we sunset the LIT at a later date if it was no longer necessary?
Local income taxes can always be reduced or eliminated by the Local Income Tax Council.

How long have we been paying a LIT in Monroe County?
A County Option Income Tax (prior name of what is now called the LIT) was first established in 1984, at a rate of 0.5%. In 1989 that rate was increased to 1.0% (with a brief phase in period). That basic rate hasn’t changed in 30 years. In 2014 a special new rate of 0.095% was added specifically to fund needed juvenile justice services, and in 2016 a special new rate of 0.25% was added specifically to fund public safety needs across the county.

Why Raise the LIT?

“These investments are crucially important to our community,” said Mayor John Hamilton. “We haven’t had a general increase in our LIT for 30 years, during which time our needs have grown substantially and our challenges have mounted. We have more parks and sidewalks now. We have more residents and more employers. We face a climate emergency. Our residents need more affordable housing. New revenue will fund our continued recovery from the pandemic and recession, to assure Bloomington helps people thrive, whatever their station in life.”

Why doesn’t the City just cut costs and tighten its belt instead of raising the LIT?
The City consistently reviews and implements ways to save money through innovation and critical assessment of programs and services provided. Programs and services that have proven necessary and helpful to residents continue; those that are not are improved upon or discontinued. Savings in the past several years include solar panel installations that lower energy costs; adding quick response vehicles to the Fire Department fleet reducing wear and tear on expensive large equipment like ladder trucks; more efficient deployment of Public Works crews in longer day-shifts; and revamping how leaves are collected and processed. The scope of services, programs, and projects that the City seeks to provide to its residents, however, is much larger in scope; savings cannot fund these needs without drastic and damaging reductions in personnel and essential services.

What would happen if the LIT didn’t pass?
Bloomington would be faced with very significant challenges in the coming years meeting our current level of services and continuing to move forward on economic, social, and environmental justice endeavors. The City Council would not be able to ratify the agreed-upon FOP contract, as there are no funds available for the additional salary costs (approximately $1.5 million annually.) Many other initiatives such as those outlined in the Climate Action Plan (CAP),

affordable housing investments, or public transit improvements would also not have funding available.

Why is this being proposed now?
An increase is essential if we are to be proactive about rebuilding our community from this downturn in a way that better incorporates our goals for public safety and economic, racial, and climate justice. We also have to plan ahead, and one never knows if and when the state legislature might adjust a municipality's ability to accomplish new revenues. Mayor Hamilton proposed a 0.5% increase to the LIT in January of 2020, designed for climate change action and preparedness and equity. The onset of the COVID-19 pandemic made this not feasible at the time. In the fall of 2020, Mayor Hamilton proposed a 0.25% increase to the LIT, focused on COVID response, climate action, and economic justice. This did not receive sufficient affirmative votes to be implemented.

As our community recovers from the COVID-19 pandemic, amid rising labor and materials costs, we will not have the resources we need to meet our stated goals as a community without this increase in the LIT. We are very fortunate that federal funds arrived in time to allow continued services. Significant programs and initiatives have been operated in 2021 and 2022 with American Rescue Plan Act (ARPA) dollars to keep our community safe and operating and to "Recover Forward" out of the recession toward a more equitable, sustainable future. Many of these essential efforts cannot continue without an increase in the LIT providing ongoing funding.

The needs are urgent and the sooner the LIT is approved the sooner we will have resources available to address our community's needs.

How will this revenue help Bloomington recover from the COVID pandemic?
City government has a responsibility to Bloomington's future even as we seek immediately to repair the damage wrought by the COVID pandemic. The revenues generated by the proposed Local Income Tax are needed not only to compensate for the current downfall but to build the City back in a way that ensures long-term and widely distributed well-being and resiliency. Proposed investments will move us toward this stronger, more just, and more sustainable future by increasing access to jobs, housing, social services, transportation options, quality of life, retaining and attracting well-trained public safety professionals, and more.

LIT Impact

The LIT is a flat tax. Can we make the impact of the LIT more progressive (i.e. less burdensome on low-income residents)?

The State of Indiana doesn't allow municipalities to levy a wealth tax or a progressive income tax. The LIT proposal does include $1,000,000 annually for an economic equity fund that would provide direct benefits to low-income working residents and families.

Social security benefits–both retirement and disability–are not currently taxed by the State of Indiana or local governments such as ours.

Is the tax just for City residents or would it apply to all residents of Monroe County?

According to state law, local income taxes are county-wide; so the LIT would apply to all Monroe County residents. Revenues are allocated to different local jurisdictions – cities, counties, etc. – according to a state formula.

Do all Indiana counties have a tax like this?
All 92 Indiana counties have a Local Income Tax.

Locally, how many new taxes or raised taxes have been enacted since 2016?

Two. The public safety local income tax was adopted by the LIT Council in 2016 at a 0.25% rate to fund police, fire, and dispatch improvements that protect us all. The food and beverage tax, enacted by County Council in 2018, was a new 1% sales tax placed on retail sales of prepared food and beverages and will be used to fund a convention center expansion and other tourism-related projects county-wide.

About General Obligation Bonds

What is a General Obligation (G.O.) bond?
A general obligation bond (G.O. bond) is a municipal bond backed solely by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral.

What are the benefits of using G.O. bonds to fund projects?
G.O. bonds allow cities to fund high-cost long-term capital infrastructure that allows repayment of longer periods of time. Typically bonds are issued with a repayment term of 5 to 30 years. G.O. bonds are backed by and repaid with local property taxes and are guaranteed by the State to receive first priority funding. Because of this repayment source, they generally receive a Governmental unit's highest bond rating and are therefore considered a safe investment. In addition, these G.O. bonds are generally exempt from state and local taxes.

What projects are best suited to being funded with a G.O. bond?
One-time capital investments are good projects for being funded with a G.O. bond, such as a multi-use trail or essential equipment replacements.

Proposed Climate Action Plan Investments

The proposed LIT increase provides $1,750,000 annually in investments to implement the Climate Action Plan (CAP). What are examples of items that could be implemented?
The Climate Action Plan can be found here: https://bton.in/ZC2Y5

1. Transportation investments
    a. City fleet vehicle electrification *(CAP TL 2-A: support and encourage electric vehicle adoption)*
    b. Expanded micromobility options (example: electric bike share program) *(CAP TL 1-B)*
    c. Transportation demand management *(CAP TL 1-A: reduce single-occupancy vehicle use)*
2. Energy and built environment investments:
    a. Energy efficiency retrofits for all City buildings *(SAP 8.1: reduce non-renewable energy use from municipal operations)*
    b. Bloomington Housing Authority solar conversion *(CAP EB1: increase distributed renewable energy)*
    c. Continuing and expanding the Solar & Energy Efficiency Loan (SEEL) program for nonprofits and small businesses *(CAP EB5: increase financing options for energy efficiency and renewable energy)*
    d. Continuing and expanding the Bloomington Green Home Improvement Program (BGHIP) for homeowners *(CAP EB5: promote equity in energy and resource costs and ownership)*
3. Local agriculture investments:
    a. Local food purchasing incentive program *(CAP FA 3: increase and stabilize the local food market)*
    b. School food garden program *(CAP FA 3: increase local food supply)*
    c. Incentives for food processor businesses *(CAP FA 3: increase local food supply)*
    d. Increased community gardens *(Sustainability Action Plan 4.2: increase food gardens within the community)*
4. Waste management investments:
    a. Curbside composting program, parallel to trash and recycling services *(CAP WM1: increase organics diversion)*
    b. Recycling services for apartment buildings and other multi-family units (4+) *(CAP WM 1: increase recyclables diversion)*

5. Additional tree canopy measures, such as shade trees in high heat areas and/or private tree planting incentives *(CAP G2: increase citywide tree canopy coverage)*
6. Funding for the Green Ribbon Panel to accelerate climate action *(CAP CE 2: attract, create, and support businesses that are committed to sustainability and climate goals)*

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Bloomington, IN 47404
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INTERNAL MEMORANDUM

Intended Audience: All Monroe County Taxing Entities

Reference: 2022 Monroe County Income Tax Council Voting Allocation

Date: March 10, 2022

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1. IC 6-3.6-3-1(b) defines who participates in a local income tax council's membership. (See attached codified law)

2. IC 6-3.6-3-6 defines the allocation of votes for each taxing entity. Item (c) states the distributing of voting shares mimic the same percentage as their percentage of the total county census in the taxing entity.

3. Total 2020 Official Census for Monroe County is 139,718.

4. This document provides the official Monroe County Income Tax Council Vote Allocation Notice with the voting allocation for all official Income Tax Council business. The population percentage for each taxing unit is converted to the total population percentage for the county for that unit and this assigns their numerical voting allocation. The entire county's population is divided by the numerical population for each unit, such that all units add up to 100%. The table below provides the official mathematical computation for each unit.

Unit of Government	**2020 Census Population**	**Percentage of Total County Population**	**Number of Income Tax Votes Computed**
City of Bloomington 9 City Council Members	79,168	56.66%	6.30/Council Member
Town of Ellettsville 5 Town Council Members	6,655	4.76%	.95/Council Member
Town of Stinesville 3 Town Council Members	220	0.16%	.05/Council Member
Unincorporated County area-voted on by the 7 Members of Monroe County Council	53,675	38.43%	5.49/Council Member
Total Monroe County	**139,718**	**100%**	**100.03**