

Bloomington Common Council-Budget Hearing Minutes
Bloomington Council Chambers, City Hall, 401 N. Morton Street, Bloomington, Indiana
Wednesday, August 18, 2025, 5:30pm

CALL TO ORDER [5:31pm]

Courtney Daily, Chair, called the meeting to order.

1. ROLL CALL (*Indicates participation via Zoom) [5:31pm]

Councilmembers present:

Isak Nti Asare (arrived at 5:32pm)	At-Large
Courtney Daily	District 5, Council Parliamentarian
Matt Flaherty	At-Large
Isabel Piedmont-Smith	District 1, Council Vice President
Dave Rollo	District 4
Kate Rosenbarger	District 2
Andy Ruff	At-Large
Hopi Stosberg	District 3, Council President
Sydney Zulich	District 6

City staff, officials, and guests present:

Nicole Bolden	City Clerk
Lisa Lehner	Council Attorney
Christine Chang	Temporary Council Researcher
Kerry Thomson	Mayor
Jessica McClellan	City Controller
Gretchen Knapp	Deputy Mayor
Margie Rice	Corporation Counsel
Sharr Pechac	Human Resources, Director
Rick Dietz	ITS, Director
Adam Wason	Public Works, Director
David Hittle	Planning and Transportation, Director
Cheryl Gilliland*	Deputy Controller
Tim Street*	Parks and Recreation, Director
Jane Kupersmith*	Economic and Sustainable Development, Director
Kate Scales*	Talent Manger, Human Resources
J.D. Boruff*	Operations and Facilities, Director

2. TOPICS DISCUSSED [5:32pm]

This week's budget hearings will include budget presentations from each city department. Each night, department heads will present on their proposed 2026 budgets along with the goals and outcomes they hope to achieve for their departments in 2026. These presentations are a preview of what each department is hoping to see reflected in the 2026 budget as a whole.

There will be no council votes taken this week on each department's proposed budget because the adoption of the 2026 budget will not include department-by-department votes. Instead, councilmembers will make comments during council comment periods as to what changes they wish to see in each individual department's budget before later this fall, when the Council is scheduled to consider the budget as a whole through a vote on three appropriation ordinances and four salary ordinances.

The three appropriation ordinances include the civil city budget, the Utilities Department budget, and the budget for Bloomington Transit. The three salary ordinances will include salaries for officers of the police and fire departments, salaries for appointed officers, non-union, and A.F.S.C.M.E. employees for all the departments of the city, and salaries for elected officials.

Council discussion and a public hearing on these items of legislation are scheduled for September 24th beginning at 6:30pm. The budget adoption meeting is scheduled for October 8th beginning at 6:30pm. There may still be changes between this week's presentations and the seven budget ordinances that come to Council later in the fall. Throughout the remainder of August and September, the administration will work with the Council and various departments to prepare a final version of the 2026 budget for the City.

Daily summarized the agenda. She noted that the priority-based budgeting focus area for the evening was High-Performing Government.

Stosberg moved and Zulich seconded that for the duration of budget week, council limits councilmember question and answer periods to a maximum of three minutes per councilmember per presentation, limit councilmember comment period to three minutes per councilmember per presentation, and limit public comment to two minutes per speaker per comment period. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Mayor Kerry Thomson introduced the City of Bloomington's proposed 2026 Budget and Jessica McClellan, City Controller, provided details. The impact from Senate Enrolled Act 1 (SEA 1) resulted in the loss of \$1.4 million in 2025, with further losses through 2028. Residents with higher property values would have a slight decrease in property taxes, and residents with moderately priced homes would have an increase in property taxes, though the city would not receive more funding. The city's ability to bond was also impacted by SEA 1. McClellan spoke about existing commitments and obligations, maintaining assets like parks and sidewalks, and providing core city services like water and sewer. She spoke about implementing priorities-based budgeting, outcomes, priority areas, city programs, and costs. She iterated that the city could not fund everything. Council discussed current commitments and Thomson provided examples. Collaboration with the county and the Monroe County Community School Corporation was needed but a formal meeting had not yet occurred.

Asare asked what had been cut in the current budget and about ways to increase revenue for the city. Thomson said the details would be provided during departmental presentations. There were few revenue options. Piedmont-Smith asked about collaboration between council and the administration, and Thomson said the Fiscal Committee (FC) was one way and gave additional examples. Stosberg highlighted the responsibilities of the FC and the Budget Task Force. Rollo asked for clarification on collaboration with the county and Thomson provided examples like the streamlining of applications for social services funding for nonprofits.

There was no public comment.

Stosberg thanked the administration for their work on the budget process. Asare said the budget process had started earlier that year and expressed gratitude for the collaboration. Piedmont-Smith appreciated the changes in the budget book because they clarified how budgets worked together toward common goals. It was important to be apparent when communicating to the public about the budget.

Jessica McClellan, Controller, presented the 2026 General Fund of the budget with proposed revenues of \$54 million and proposed expenditures of \$65.2 million including a deficit of \$11.2 million. She described the city's fiscal health, bond rating, cash reserves, property taxes, revenues, and expenditures. Expenditures included \$82.1 million in personnel, \$8.5 million in supplies, \$41.7 million in other services, and \$14.9 million in capital outlays for a total of \$147.1 million. She noted staffing changes, the net fiscal impact to the city, limitations to General Obligation bonds due to SEA 1, and summarized the city's debt and timeline for the budget. Rollo asked about cost of living increases.

Piedmont-Smith referred to the mayor's recent press release stating that the Thomson administration had started with a \$16 million deficit which was misleading because of the significant cash reserves. Thomson said the city could not spend down all the cash reserves. Flaherty clarified that the actual budget for 2024 had a \$5 million surplus. McClellan confirmed that was correct; the city did not spend the entire adopted budget, and had additional revenue from the Local Income Tax (LIT) and bank interest. Flaherty stated that

was true for 2022-2024 and McClellan agreed. There had been purposeful spending of the high cash reserves. Stosberg asked what the cash reserves would be at the end of 2026 and McClellan said it would likely be \$25 million. Health insurance costs were discussed, too.

Kevin Keough commented on the deficit and the city budget.

Rollo asked if McClellan had the schedule of revenues, expenditures, and changes. McClellan said yes and she would provide that to council and interested parties. Rollo spoke on the importance of cost of living increases. Piedmont-Smith concurred and urged councilmembers to review that information. Ruff also agreed and gave a brief history of the living wage ordinance.

Deputy Mayor Gretchen Knapp introduced the High-Performing Government priority area. She explained the process of identifying programs within priority areas. Departments that provided internal support to the city were Human Resources (HR), Information Technology Services (ITS), Controller, Fleet, and Facilities. The clerk, council, and mayor were elected officers. She gave an overview of program types and the implementation of priority-based budgeting. There was discussion on the process of defining the priority areas as well as collaboration between council and the administration.

Christopher Emge, Greater Bloomington Chamber of Commerce, commented on the need for personnel cuts.

There were no council comments.

Clerk Nicole Bolden presented the Office of the City Clerk's proposed 2026 Budget and highlighted that there had not been major changes to the budget over the previous ten years. She spoke about personnel, duties of the clerk, certifications, and new laws affecting clerk duties. Clerk staff worked to ensure compliance and Bolden gave examples of successes, challenges, and opportunities. There was no increase to the clerk's budget. Bolden thanked Thomson for writing a proclamation for the Indiana League of Municipal Clerks and Treasurers (ILMCT) and McClellan for reading it during the annual conference. Stosberg asked about officiating marriages. Piedmont-Smith asked about a cost of living increase and McClellan said there had been a vacant position the previous year that was now filled, so even with a cost of living increase, there was a net decrease in the clerk budget. There was discussion on clerk staff assisting council staff. Bolden noted that the benefits to the public provided by the clerk's office included access to records and legislation, meeting minutes and memos, attendance tracking, the legislative index, and more. The clerk's office helped the city achieve a high performing government.

There was no public comment. There were no additional council comments.

Lisa Lehner, Council Attorney, presented the Office of the Common Council's proposed 2026 Budget. She explained the Common Council's budget priorities with impacts on High Performing Government, Community Health and Vitality, Transportation, and Public Safety. There were three full time employees and a part time graduate fellow. She noted key challenges and initiatives in 2026, per priority area. Recent changes to state laws made legislative support and meeting services cumbersome, laborious, and multifaceted. Council staff retention was crucial since there had been high turnover the previous two years. She highlighted proposed budget changes like increases in office supplies and equipment, a key card system, staff instruction and subscriptions, and an additional Fellow. Lehner explained the importance of having legal research support, like contractors with expertise on complex issues, which improved efficiency and effectiveness of services delivered to council and council staff. Stosberg asked about the salary increases and Lehner said it was part of the citywide salary study, the cost of living increase, and benefits. McClellan provided additional clarification.

There was no public comment.

Stosberg thanked Lehner for her work on council's budget. Piedmont-Smith supported the budget increase and gave several reasons why. Asare expressed concern about having consultants and if it would genuinely alleviate council staff's workload.

Knapp presented the Office of the Mayor's proposed 2026 Budget and noted a 2% decrease in the budget. She spoke about the duties of the mayor's office and gave examples. She highlighted focus areas like attainable housing, homelessness, transparency, the city's website overhaul, capital improvements, maintenance, and improvements to operations. The decrease in the budget resulted from no longer needing one-time expenses like rebranding or conducting a community survey in 2026. There would be increases to personnel including a part time employee for emergency management planning.

Piedmont-Smith asked about emergency management planning and how that position would work with the county's emergency management agency. Knapp noted the importance of having an employee embedded in the city with knowledge of the city's specific facilities. There was discussion on the organizational chart and the salary of the proposed position. Zulich asked about the expected output of the legislative affairs specialist. Knapp stated that employee tracked city, county, and state legislation, as well as worked with boards and commissions. Zulich inquired about how the Director of Communications and the Public Information Officers (PIO) within departments worked together for consistent messaging. Knapp explained how department PIOs worked on press releases, the website, and more. Asare asked about the administration's plan for reducing duplication of work. Knapp said the administration focused on the user end; what people wanted to know from the city. She gave examples of proposed improvements to reduce duplication of work.

There was no public comment.

Asare gave comments on the budget, generally, and progress on the new budget structure. Stosberg commented in favor of the emergency management planning position.

McClellan presented the Controller's proposed 2026 Budget. The controller's office supported all city departments but did not deliver direct services to the public. Achievements included completed audits, proposed updates and changes to purchasing, and more. She spoke about identifying revenue sources to enact in 2026 and noted that more people living in the city and county resulted in more LIT and property taxes. She spoke about inter-fund transfers managed by the controller's office, and reductions to instruction, travel, fees, workshops, consultants, and office supplies. McClellan spoke about long term financial stability. Council discussed evidence-based project evaluations and the inter-fund transfers into the controller's budget. McClellan clarified that the transfers included the Jack Hopkins Social Services Fund, funds from the Housing and Neighborhood Development department, and the Alternative Transportation Fund from the Sidewalk Committee. She gave additional information. The funds were not a part of the department's budget so it made sense to house the funds in the controller's budget. When asked, McClellan stated those funds that had been zeroed out were put into the LIT fund in order to reduce confusion on funding sources.

There was no public comment.

Rollo commented that adding housing increased tax revenue but also increased the need for things like public safety, water, storm water, and more. He referenced a study in Elbermar County, Virginia which indicated that the increase in revenue did not match the additional services needed. Additional costs should be internalized to developers. Ruff concurred with Rollo. It was important to balance the cost of growth and new development with city services. Proposed new revenue, like a wheel tax, affected lower income residents disproportionately. Ruff said it was crucial to not increase income inequality.

Margie Rice, Corporation Counsel, presented the Legal Department's proposed 2026 Budget. The Legal department managed the legal affairs for the city. She highlighted key programs like litigation, negotiation of settlements, and prosecution of violations of the Bloomington Municipal Code (BMC). There were eight attorneys, one paralegal, and one administrative assistant. She discussed workload, attorney assignments, statistics on contracts, public records requests and response time, and nineteen open litigation cases. Council discussed the annexation litigation and earmarked funding, usage of artificial intelligence, self-insurance, and the risk budget contributed to from each department. There was clarification on the special legal services fund, outside legal services, budgeting for annexation litigation, and the importance of high-level expertise. Rice said unused funds would revert.

Meeting Date: August 18, 2025

There was no public comment.

Stosberg commented on council's budgeted amount for outside legal services.

Sharr Pechac, Human Resources (HR), Director, presented the HR's proposed 2026 Budget. She gave a brief summary of the role of HR including talent and engagement, compensation and benefits, employee relations, operations, and noted HR's strategic plans for 2026. There was not a budget increase. Pechac summarized 2025 highlights, events, onboarding for new employees, a salary study, benefits awareness, and more. Staff developed a new employee handbook, administered surveys, reviewed pay practices, and provided training. She stated goals for 2026. Zulich asked about the usage of the Marathon Health clinic and Pechac gave details. Piedmont-Smith inquired about the discontinued educational reimbursement benefit. Pechac said that it was right-sizing based on the usage of the program. McClellan said there was \$30,000 remaining. Piedmont-Smith asked about exit interviews which were based on former employees' willingness to participate. Stosberg asked about the reduction in consulting services and Pechac clarified that Crowe would likely not be needed in 2026 for the compensation study.

There was no public comment.

Stosberg said a large portion of the city budget was for personnel. It was important to keep already-trained employees.

Rick Dietz, Information Technology Services (ITS), Director, presented ITS's proposed 2026 Budget. ITS supported the city's core IT systems like computer hardware, software, and networks. Other focus areas were cybersecurity and digital services. The seven primary program areas were administration, innovation, process improvement and data services, enterprise applications management, Geographic Information Systems and Geospatial Services, IT infrastructure, technology support and training, and broadband and digital opportunity initiatives. He provided a proposed budget summary, noted some key changes, and summarized initiatives and challenges within each program area. He explained notable changes like moving Community Access Television Services (CATS) from the General Fund to the Economic Development LIT and more. Zulich asked about a uReport app and Dietz said there was mobile device capability with the online version. Asare asked if it was possible to generate revenue via ITS programs, to which Dietz responded that had not been discussed yet. Dietz added that there had been an increase in fees for things like the permitting system that had been paper-based. Piedmont-Smith inquired about time clocks and Dietz clarified it was for union employees who clocked in/out. Additional discussion pertained to an increase in need for ITS support, consultants, and the timeline for the new website. Knapp confirmed the website would be done in summer of 2026.

Kevin Keough asked about dedicated staff for cybersecurity.

Asare commented on municipalities and cybersecurity and appreciated ITS for their work. Stosberg noted an increase in local needs for cybersecurity due to withdrawal of federal government support. She spoke in favor of robust cybersecurity for the city. Recent legislative changes had been well supported by ITS and Stosberg expressed gratitude.

Adam Wason, Public Works, Director, presented the proposed 2026 Budget for the Administration Division which was composed of six full time staff members in City Hall. He spoke about the Board of Public Works, the accreditation process, a Public Works operation center, the beautification of the downtown, and more. He summarized initiatives for 2026 including a new position, pedestrian facilities operation plan, and upcoming challenges including funding and rates. He iterated the need to be good stewards of taxpayer resources. Piedmont-Smith inquired about funding for sidewalks in the staff memo, and Wason gave details on how the funding would be used for improvements to sidewalks. There was discussion on the proposed deputy director and their responsibilities, as well as sanitation services to residents.

There was no public comment.

Zulich thanked Wason specifically for clearing sidewalks during snowstorms.

Wason presented the proposed 2026 Facilities Maintenance Division budget and spoke about the staff in the division. He discussed the number of facilities within the city that the division managed. He spoke about the plans for 2026 including investments into the Waldron Arts Center and more. He highlighted recent improvements for efficiency to some of the aging buildings and noted that there could be large and unforeseen projects that would be required, and gave examples. Piedmont-Smith asked about the additional downtown specialist and Wason said the purpose was to maintain downtown cleanliness and maintain relationships with downtown businesses. Currently, there was only one downtown specialist. Ruff asked if facilities maintenance for the expanded Convention Center would fall to Public Works and Wason said he did not believe so.

There was no public comment.

Zulich appreciated the downtown specialist position. Stosberg expressed gratitude for the division’s help with moving all council staff into one office suite.

Wason presented the Fleet Maintenance Division’s proposed 2026 budget. The division maintained all of the vehicles and equipment that provided city services, like firetrucks. He spoke about asset management, the sharing of city vehicles, and end of life for vehicles and equipment. There was environmental compliance with the city’s two fueling stations. He commented on other programs like an apprenticeship program with Hoosier Hills Career Center of the Monroe County Community School Corporation. There were increases to the budget in category one for compensation and benefits, and an increase in the supplies budget line. Stosberg asked about the line item for instruction and Wason clarified that staff was required to maintain certifications and undergo continuing education for specific vehicle software. There was brief discussion on Public Works’ operation center being delayed due to SEA 1.

There was no public comment.

Stosberg appreciate the partnership with Hoosier Hills Career Center.

3. ADJOURNMENT [9:28pm]


Daily adjourned the meeting until August 20, 2025 at 5:30pm.

APPROVED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 17 day of December, 2025.

APPROVE:

ATTEST:


Hopi Stosberg, COUNCIL PRESIDENT


City Clerk Nicole Bolden

Clerk’s Note: The above minutes summarize the motions passed and issues discussed rather than providing a verbatim account of every word spoken.

Bloomington City Council meetings can be watched on the following websites:

- Community Action Television Services (CATS) – <https://catvstv.net>
- YouTube – <https://youtube.com/@citybloomington>

Background materials and packets are available at <https://bloomington.in.gov/council>