Fiscal Committee Meeting Agenda
City of Bloomington Common Council
Friday, September 18, 2026 at 8:30 a.m.
Allison Conference Room, Room 225, City Hall
401 N. Morton Street, Bloomington, IN 47404

The meeting may also be accessed remotely[1].

Chair: Hopi Stosberg

Topics to be Discussed:

1. Agenda Review and Approval
2. Sanitation Memo
    A. Presentation
    B. Questions/Comments
    C. Public Comment
3. Elected Official Salaries Discussion
    A. Public Comment
4. Scheduling
5. Adjournment

Pursuant to applicable law and policy, the following details are provided regarding the officers serving on this committee. Committee Members:

- Hopi Stosberg (Chair), Appointed by Council President, Term: 01/07/2026-01/06/2027
- Matt Flaherty, Appointed by Council President, Term: 01/07/2026-01/06/2027
- Isabel Piedmont-Smith, Appointed by Council President, Term: 01/07/2026-01/06/2027
- Dave Rollo, Appointed by Council President, Term: 01/07/2026-01/06/2027

Fiscal Committee meetings can be watched on the following websites:

- Community Action Television Services[2] (CATS)
- City's YouTube Channel[3]

Materials for meetings[4] are available on the committee website.

Posted Date: September 16, 2026

[1] https://bloomington.zoom.us/j/82252165279?pwd=a3c4cT4fwpFVFRMsmrwU4FtkRFdKTu.1#success
Meeting ID: 822 5216 5279 Passcode: 586390
[2] https://catstv.net/
[3] https://youtube.com/@citybloomington
[4] https://bloomington.in.gov/council/fiscal-committee

Staff Memo

To: Adam Wason, Director of Public Works; Joe VanDeventer, Deputy Director of Public Works; Council Fiscal Committee

From: Lazarus Sears, Director of Sanitation

Date: September 14, 2026

Re: Proposed Sanitation Rate Changes for 2027–2029

In response to interest from the City Council, staff have been reviewing the effects of eliminating the annual General Fund financial support to the Public Works Department's Sanitation Division.

This funding traditionally has been used to subsidize the shortfall between trash cart revenues, service fee income, and overall operating expenses. No longer utilizing funding from the General Fund would require that both trash cart revenue and service fee income increase to fill this now substantial operating funding gap.

Factors to Consider

Sanitation currently provides weekly curbside trash and recycling collection. Residents pay for trash based on container size and have three choices (summarized in the "Phased Approach" section). Additional fees are collected for large items, appliances and for yard waste pickup during the spring and summer months (also summarized under "Phased Approach"). There is currently no fee for recycling, replacement containers, or (during targeted seasons) for leaf pickup and holiday tree disposal.

Expenses

- Labor costs and annual collective bargaining agreements
- Annual capital replacement cycle for trucks, vehicles and trash/recycling containers
- Unpredictable fuel, oil, parts, casualty insurance and workers' compensation insurance premium costs
- Utility expenses for the Sanitation facility: power, natural gas, telecommunications and water/sewer
- Trash and recycling collection transfer costs (performed by a third-party vendor).This covers the costs of transporting all the collected recycling materials from a transfer facility in Bloomington to the Indianapolis MRF (Material Recovery Facility) and the collected trash to a landfill near Terre Haute.
- Planned and unplanned building expenses, infrastructure upkeep, and needed repairs (i.e., HVAC replacement and emergency building repairs)

Other Services Currently Subsidized by Trash Fees

Revenue is currently generated by weekly trash fees, but Sanitation performs many other services for the community. If the goal is for Sanitation to be self-sustaining on trash fees only, the City should consider how subsidizing, discontinuing, and/or charging for these services will impact resident satisfaction, public health, climate goals, and overall costs to residents.

- Weekly curbside recycling collection and processing are expensive operations for the City to undertake, but residents are not specifically charged for this service. Private trash services do charge for recycling and typically offer biweekly pickup only.
- Free citywide leaf collection is provided for 3 months each year in order to keep the stormwater drainage system clear.
- Large gatherings, celebrations, and events downtown produce high volumes of trash. Sanitation is responsible for post-event clean up and absorbs the full cost of this service.
- Sanitation also bears the operational costs of providing trash and recycling services to all City parks, trailheads, fire stations, Police Headquarters, City Hall, parking garages, municipal surface lots and downtown street containers.
- Sanitation seasonally collects a high volume of holiday trees at no extra cost to residents.
- Any trash or recycling containers that are stolen, damaged or go missing must be replaced or fixed by Sanitation, which currently bears the entire cost (over 100 are missing so far this year).

Additional Considerations

- All state minimum cash balance requirements must be maintained and adhered to at all times.
- All new residential developments built inside City limits must be serviced by Sanitation, adding additional costs and expenses.
- The flexibility to adjust the sanitation rate structure throughout the year to meet any unexpected market changes or sudden disruptions (i.e. costs for fuel, insurance, building issues, etc.) accordingly will be absolutely critical.
- Sanitation billing is handled by the Utilities Department at no cost. If that were to change, Sanitation would incur another significant (new) expense.
- Delinquent accounts (for example, due to tenant moveout) do not always contribute revenue on time, if at all.

Expense v Revenue Projections, Shortfalls, and Impacts 2027–2029

This section shows the gap between projected expenses and revenues from proposed rate increases, and summarizes the impact of proposed phased reduction in General Fund financial support over 3 years. Details on user rates contained in these projections follow in a separate section.

Core Assumptions

- The City will continue to collect recycling weekly without a separate fee, and to offer smaller container sizes to encourage recycling and composting.
- The General Fund would be billed to support community trash services such as downtown event cleanups, collection of street and parks trash, and trash services to City buildings, starting in 2027 at $200,000 and increasing 3% each year for inflation.
- Rate increases would be phased in over 3 years as follows, with a pricing glideslope proposed for a gradual implementation of the program. This phasing would also allow for evaluation of program costs and an opportunity to course correct if expenses significantly exceed initial estimates:
    - 11% increase in 2027
    - 16.7% increase in 2028
    - 11% increase in 2029
    - Additional increases suggested for yard waste, large items, and cart replacement
- The General Fund subsidy would then be phased out over 3 years as follows:
    - Cut $600K in 2027
    - Cut $600K in 2028
    - Cut $400K in 2029
- Another option would be to completely eliminate the entire $1.6 million General Fund subsidy next year with no gradual phasing option.

Projected Expenses

A capital replacement recovery amount of $850,000 is included each year for the purchase of trucks and equipment. Phased replacement of older trucks and containers is essential for seamless municipal trash and recycling operations. (The average life of a sanitation truck is approximately 7–10 years.) This capital replacement recovery amount would increase to $875,000 in 2029 to keep pace with the anticipated rising costs for trucks and equipment.

Expense Type	**2027 Projected Cost**	**2028 Projected Cost**	**2029 Projected Cost**
Sanitation budget	$4,066,605	$4,127,604	$4,189,518

Expense Type	2027 Projected Cost	2028 Projected Cost	2029 Projected Cost
Annual capital replacement	$850,000	$850,000	$875,000
TOTAL EXPENSE	**$4,916,605**	**$4,977,604**	**$5,064,518**

Projected Revenue

An annual $200K billing support charge to the General Fund is being proposed to help defray the costs of delivering trash and recycling services to municipal facilities and parks. This would increase 3% each year to keep pace with costs and inflation.

Revenue Source	2027 (No Rate Change)	2027 Proposed (11%)	2028 (No Rate Change)	2028 Proposed (16.7%)	2029 (No Rate Change)	2029 Proposed (11%)
Fees collected	$2,430,700	$4,038,703	$2,503,621	$4,713,167	$2,578,730	$5,231,615
General Fund billing for facilities and community cleanups	$0.00	$200,000	$0.00	$206,000	$0.00	$212,180
General Fund subsidy	$1,600,000	$1,000,000	$1,600,000	$400,000	$1,600,000	$0.00
TOTAL REVENUE	**$4,030,700**	**$5,238,703**	**$4,103,621**	**$5,319,167**	**$4,178,730**	**$5,443,795**

Projected Deficit/Surplus with New Rates

Expense/Revenue Item	2027	2028	2029
Projected Expenses	($4,916,605)	($4,977,604)	($5,064,518)
Projected Revenue With Rate Increases	$4,038,703	$4,713,167	$5,231,615

Expense/Revenue Item	2027	2028	2029
Proposed GF Billing for Facilities & Community Cleanups	$200,000	$206,000	$212,180
Proposed GF Subsidy	$1,000,000	$400,000	$0
PROPOSED DEFICIT/SURPLUS	**$322,098**	**$341,563**	**$379,277**
Deficit with No Rate Changes	*($885,905)*	*($873,983)*	*($885,789)*

Phased Approach

As a reminder, staff suggest an incremental phasing out of General Fund financial support (currently $1.6 million in the 2027 proposed budget) as follows:

- Cut $600K in 2027
- Cut $600K in 2028
- Cut $400K in 2029

Gradual increase in trash container pricing over 3 years would result in a new sanitation collection rate structure. This rate would be utilized to cover both trash and recycling services combined.

Current Sanitation Rate Structure

For comparison purposes, here are the current 2026 sanitation rates, as well as the 2027 sanitation rates that incorporate the required automatic 3% annual increase. Without any legislative changes, these are the rates that will go into effect on January 1, 2027.

Container Sizes	2026 Monthly Rate	2027 Default Monthly Rate (3% Increase)	2027 Yearly Rate
35 gallon	$9.38	$9.66	$115.94
64 gallon	$16.97	$17.48	$209.75
96 gallon	$25.46	$26.22	$314.69

Proposed New Sanitation Collection Rate Structure for 2027–2029

The projections below are to incorporate changes over the next 3 years. Several assumptions have been made, including that the number of carts in the inventory will stay at or near the same as 2026 levels. This could substantially fluctuate, causing revenue to fall (especially if more residents choose smaller containers, at a lower monthly price).

If the City chooses to charge separately for recycling, some residents may stop recycling and choose a larger container size to accommodate throwing out trash. We should also note that private services typically only offer 96-gallon containers, but the majority of Bloomington residents choose smaller containers: a benefit that allows users to control their trash volume through recycling and composting.

These rates would need to be reviewed at a minimum of biannually to keep them current with any major unplanned or unforeseen financial cost changes. Such changes could include large spikes in costs associated with fuel and oil, vehicle maintenance, new vehicle costs, insurance premiums, building repairs, utilities and others that affect the Sanitation Division's operational budget. Any such increases could have substantial financial impacts on the operating budget and as a result, rates would potentially need to be increased to stay on par with these new unplanned or unforeseen expenses.

2027 Proposed Rates

Container Sizes	2027 Default Monthly Rate (3% Increase)	2027 Proposed Monthly Rate (11% Increase)	2027 Proposed Yearly Cost	Total Carts in Inventory	Total Proposed Annual Revenue from Carts
35 gallon	$9.66	$10.72	$128.69	1,155	$148,637
64 gallon	$17.48	$19.40	$232.82	7,255	$1,689,121
96 gallon	$26.22	$29.11	$349.30	6,301	$2,200,946
TOTAL REVENUE					**$4,038,703**

2028 Proposed Rates

Container Sizes	2028 Proposed Monthly Rate (16.7% Increase)	Proposed 2028 Yearly Cost	Total Carts in Inventory	Total Proposed Annual Revenue from Carts
35 gallon	$12.52	$150.18	1,155	$173,459
64 gallon	$22.64	$271.70	7,255	$1,971,204
96 gallon	$33.97	$407.63	6,301	$2,568,504
TOTAL REVENUE				**$4,713,167**

2029 Proposed Rates

Container Sizes	2029 Proposed Monthly Rate (11% Increase)	Proposed 2029 Yearly Cost	Total Carts in Inventory (2027 Inventory)	Total Proposed Annual Revenue from Carts
35 gallon	$13.89	$166.70	1,155	$192,540
64 gallon	$25.13	$301.59	7,255	$2,188,036
96 gallon	$37.71	$452.47	6,301	$2,851,039
TOTAL REVENUE				**$5,231,615**

2027 Proposed Rates with Complete General Fund Support Elimination

Container Sizes	2027 Proposed Monthly Rate (1.385 Increase)	Proposed 2027 Yearly Cost	2027 Total Carts in Inventory	Total Annual Revenue from Carts
35 gallon	$13.38	$160.57	1,155	$185,461.20
64 gallon	$24.21	$290.50	7,255	$2,107,596.67
96 gallon	$36.32	$435.84	6,301	$2,746,225.04
TOTAL REVENUE				$5,039,282.91

Yard Waste, Large Items, Appliances and Cart Exchanges

Service fees for large items and appliances have not been raised since 2023; yard waste rates have been unchanged since 2017. In addition to the new Sanitation Collection rate structure, these fees would also need to be adjusted to meet the new expense requirements from eliminating General Fund financial support.

- Staff propose changes for 2027, with new rates as follows: $2 for yard waste, $30 for large items, $40 for appliances and $30 for cart exchanges. This will allow for better cost recovery as prices for Sanitation services continue to increase.
- Prices for cart exchange fees, per size, would also be instituted to recover costs.
- These rates should be reviewed annually and adjusted, as needed.
- All revenue collected from yard waste, large items, appliances and cart exchanges can be added to the Sanitation fund's cash balance, which needs to be maintained to satisfy State Board of Accounts requirements.
- Because collection volume is unpredictable and varies considerably each year, the revenue collected would be used exclusively to provide a financial cushion for any major unforeseen cost fluctuations that occur in the future.
- The chart below shows totals from the last full year of collection (2025) and how these amounts would potentially change under a new rate structure.
- It should be noted that yard waste, large items, appliance collection and cart exchange usage varies widely each year, making it difficult to accurately project revenue, but these 2025 collection totals help to illustrate the potential impact of a fee increase.

- Increased revenue in these items would be in addition to the increased revenue shown in earlier revenue projection charts in this memo.

Service	Current Rate	Number of Items Collected in 2025	Total 2025 Revenue	Proposed 2027 Rate	Projected 2027 Revenue
Yard Waste	$1.00	$45,202.00	$45,202.00	$2.00	$90,404.00
Large Items	$25.00	$1,484.00	$37,100.00	$30.00	$44,520.00
Appliances	$35.00	$184.00	$6,440.00	$40.00	$7,360.00
Cart Exchanges	$25.00	$252.00	$6,300.00	$30.00	$7,560.00
Cart 35 gallon Extra Pickup	$2.54	$50.00	$127.00	$3.23	$161.29
Cart 64 gallon Extra Pickup	$4.65	$158.00	$734.70	$5.91	$933.07
Cart 96 gallon Extra Pickup	$6.98	$48.00	$335.04	$8.86	$425.50
Grand Total			**$96,238.74**		**$151,363.86**

Current Recycling Program Expenses

Weekly curbside single-stream recycling services are currently provided to eligible Bloomington residents, who have the option of choosing a container from three separate sizes (35, 64 or 96 gallons). Residents do not receive an itemized bill for recycling services and are not billed specifically for these services.

Recycling Process

The City of Bloomington switched to single stream recycling as part of the 2017 Sanitation Modernization Program. The reason for the program was to make operations more efficient, safer for workers and make it easier for residents to recycle. After collection, recyclables are consolidated and loaded into transfer trailers for transport to Republic Service's MRF (Material Recovery Facility). At the MRF, the mixed recyclables are unloaded onto a conveyor belt where they are separated. After the material is separated, it is then compressed into large bales.

However, the full costs of providing this program are completely absorbed by the Sanitation Division's annual budget. Because these are weekly, curbside collections, these costs are not inconsequential. Full operational costs include recycling transfer fees as well as personnel, fuel, vehicle maintenance, insurance, equipment, cart purchases, building and utility costs, etc.

For cost estimation purposes, staff looked to the 2025 collection tonnage totals to offer a reasonable benchmark. This would show a summary for the last full year of collection, from which a more focused idea of recycling service provision could be made.

Type of Service Provided	2025 Tonnage Total	Overall % of Tonnage Collected
Trash	7,914.81	73.2%
Recycling	2,126.33	19.7%
Yard Waste	770	7.1%

Recycling constitutes 19.7% of the overall tonnage of items collected by the Sanitation Division. As such, staff took 19.7% and applied it to the total 2026 Sanitation Division budget. This would allow a better specific monetary amount to be extracted that would highlight the true costs of providing the residential recycling program.

The total approved 2026 Sanitation Division budget (including the General Fund subsidy) is $5,591,068. Applying the 19.7% for recycling tonnage, this amounts to the recycling program's most recent annual operating cost being $1,101,440.40.

An additional $425,000 should also be included to cover the capital costs associated with purchasing trucks for recycling collection, as well for new recycling containers and lid replacements. Including the capital costs, this would be a total of $1,526,440.40.

If yard waste was added to the recycling percentage, which it could reasonably be considered as being since it diverts items from entering the waste stream (yard waste is sent to a private compost facility), then the percentage of recycling tonnage would increase to 26.8%. This would make the recycling program annual operating cost $1,502,775.16. Adding in the capital expense of $425,000, this would make an overall total of $1,927,775.16.

Trash and Recycling Program Private Market Comparisons

Staff researched the recycling program options of 3 large private haulers (Republic Services, Rumpke and Ava's) that are available to single-family residents in areas outside of the

Bloomington corporate limits. This can shed light on both cost comparisons and service differences in recycling collection programs between private haulers and the City of Bloomington Sanitation Division.

Some notable recycling program highlights of the private haulers include the following observations:

- Recycling collection is provided to customers only on an every other week basis, as compared to the City's recycling service that is provided on a weekly basis.
- Container size is generally limited to the largest 96-gallon container only, with only one provider offering two container sizing options (64 and 96 gallon containers).
- Billing is conducted quarterly, and price ranges between $25 and $31 (between $100 to $124 annually).
- Fuel surcharges and administrative recovery fees are assessed on each quarterly invoice - these billing amounts are variable based on fuel and other costs that change frequently. For the bills examined, these currently ranged between $25 and $57 (between $100 and $228).
- Unlike the City, private haulers do not offer either a small 35-gallon trash or recycling container size. Having a smaller 35-gallon trash container size through the City of Bloomington Sanitation Division helps residents save costs on trash services and encourages greater recycling. Approximately 43% of residents currently utilize the small trash and recycling container sizes.
- Regarding the larger 96 gallon trash containers, City rates are on par with private hauler rates ($25.46 per month for City service and between $18-$27.27 monthly for private service). Additionally, the City also provides weekly recycling collection instead of bi-weekly collection and does not charge for a fuel surcharge or environmental recovery fee.

Monthly Private Rates

Service Provider	Weekly Trash	Biweekly Recycling	Fees and Surcharges*	Total Monthly Fee
Republic	$22.27	$10.02	$24.69	$56.98
Rumpke	$22.02	$8.50	$8.16	$38.68
Ava’s	$18.00	$10.00	n/a	$28.00

*Some fees are charged quarterly; for comparison purposes, this column applies the monthly equivalent.

Republic Services Basic Monthly Rates

- Trash (weekly service): $22.27 per month
- Recycle (bi-weekly service) $10.02 per month
- Administrative Fee (Quarterly charge) $5.95
- Fuel/Environmental Recovery Fee (Charged and reviewed quarterly) $56.21

Rumpke Basic Monthly Rates

- Trash (weekly service) $22.02
- Recycle (bi-weekly service) $8.50
- Fuel Surcharge (Charged and reviewed quarterly) $24.48

Ava's Waste Removal Basic Monthly Rates

- Trash (weekly service) $18
- Recycle (bi-weekly service) $10
- Fuel Surcharge (charged and reviewed quarterly) None specifically known, but possibly are charged to customers.
- Service charges may vary where you live.
- Ava's operational services can be substantially cheaper because of its cost structure with smaller trucks, fewer non-CDL drivers, and direct owner/manager involvement.
- As a result, they offer pricing options significantly lower than other local waste collection companies. As with any business, these prices are always subject to change, especially pending any acquisition by another waste collection provider.

Summary

Staff are happy to answer questions or discuss further any of these proposals.

Elected Official Compensation Framework-2026

Guiding Principles:

Values:

1) **Accessibility of Public Service:** Service in elected office is financially viable for community members at all socioeconomic levels, taking into account compensation relative to time spent.
2) **Quality Community Service:** Elected officials are paid a rate that motivates them to prioritize their city work and to do their best work. The compensation level leads highly qualified candidates to seek the office.
3) **Equitable Pay:** Elected officials are compensated equitably according to their respective levels of responsibility and relative to other Bloomington elected officials and departmental leadership.

Process:

1) **Informed Decisions:** Council makes informed decisions about elected official compensation in alignment with the above values and based on relevant objective data such as budgetary limitation, city compensation levels, comparisons with other cities, and historic inequities.
2) **Transparency and Consistency:** Council follows a transparent, repeatable process to make compensation decisions for elected officials and clearly explains this process to the public and all city elected officials.

Annual Process

March/April: Fiscal Committee validates and updates the Compensation Framework.

May-July: Fiscal Committee gathers and analyzes relevant data and information.

August: Preliminary numbers are available for budget presentations

October: Fiscal Committee drafts the Elected Salary Ordinance and presents it to the full council.

Relevant Information/Data

- City Budget Constraints/Capacity
- Civil City pay ranges
- Peer City data/analysis
- Bloomington Area Median Income
- Bloomington Cost of Living
- State law (elected salaries may never be decreased)
- Consultation with all Bloomington Elected Officials

Basis of Salary Setting

**This is what we really need to focus on. Ideally, we would be able to create a basis for salary setting that could be replicated year over year in terms of agreed upon processes. We need to determine whether it is still possible this year to create a basis that has some longevity or if we want to use a basis for 2027 that we may want to further modify next spring.

The ad hoc committee in 2024 ended up with the following recommendation:

- Mayor's salary was the midpoint of the salary range for the highest civil city pay grade
- Clerk's salary was the midpoint of the salary range for "leaders of civil city departments" (so one grade lower than the mayor if I remember correctly)
- Council Member salary was set as a percentage of the mayor's salary (proposal was originally 25%, if I remember correctly)

Ultimately those recommendations were not taken due to the salary increase that would result in for all three elected roles.

Considerations for 2027:

This year we have looked into some comparisons to other second class cities. I'm not sure how helpful those are.

There has been discussion of increasing council salaries in 2027 since it is an election year and higher salaries could encourage more highly qualified candidates to run for election.

We are facing future financial uncertainty and funding changes.

The viewpoints of Clerk Bolden and Mayor Thomson.