



City of Bloomington Common Council

Legislative Packet

Regular Session

02 June 2010

Office of the Common Council
P.O. Box 100
401 North Morton Street
Bloomington, Indiana 47402

812.349.3409

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<http://www.bloomington.in.gov/council>



Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

- **Jack Hopkins Social Services Funding Committee Debriefing Session** – Rescheduled from Wednesday, June 2nd to Wednesday, June 16th, in the Hooker Room

Legislation for Final Action:

- **Res 10-12** To Support Extension of the Bloomington Urban Enterprise Zone for an Additional Five Years Beyond Current Expiration Date
- Map of Zone; Memo from Doris Sims, Assistant Director of HAND
Contact: Doris Sims at 349-3510 or simsd@bloomington.in.gov

Legislation and Background Material for First Reading:

None

Minutes from Regular Session:

- April 7, 2010 (Action on the minutes was postponed from May 17, 2010 until June 2, 2010 to insert some changes.)
- May 12, 2010 (Special Session)
- May 17, 2010 (Special Session)

Memo

Reminders

**Deer Task Force Interviewing
Committee**

**Wednesday,
June 2nd
at 7:15 p.m.**

Council Office

**Staff /Council Internal
Work Session**

**Friday,
June 4th
at Noon**

McCloskey Room

One Item Ready for Final Action and No Items Ready for First Readings at Regular Session on Wednesday, June 2nd

There is one item ready for final action and no items ready to be introduced at the Regular Session next Wednesday. That one item is a resolution which is included in this packet and summarized herein.

Motion to Cancel Committee of the Whole

Given the lack of first readings and resolutions for the first legislative cycle in June, the Council may consider a motion to cancel the Committee of the Whole on June 9th.

Second Readings and Resolutions

Item One – Res 10-12 – Supporting the Extension of the Bloomington Urban Enterprise Association (BUEA) and Enterprise Zone for an Additional Five Years

Res 10-12 supports the work of the Bloomington Urban Enterprise Association (BUEA) and the extension of our Enterprise Zone (Zone) for an additional five years. As noted in the resolution and the memo prepared by Doris Sims, Assistant Director of HAND, it is being presented as a result of Indiana P.L. 182-2009 (ss), SEC. 80, which allows the Zone to be extended for an additional five years if the Council adopts a resolution supporting that action.

History

Enterprise Zones were created by the General Assembly in 1983 to offer a package of tax incentives to help revitalize and generate employment in a distressed area within a locality. These Zones were created for a period of 10 years with the ability to apply for two (2) five-year extensions. Our Zone began in 1992 with the encouragement of the former State Department of Commerce as a way to help Thomson Consumer Electronic and the community (Res 91-37).

Thomson and the other zone industries saw immediate savings because, under a reinvestment agreement, they could keep 80% of their inventory tax and turn the other 20% over to the Zone as a participation fee. This money, along with other nominal revenues, was then available to foster reinvestment, encourage loans, and benefit individual residents of the zone. Over the next few years, the BUEA increased business participation in the program, helped with the expansion of zone businesses, and worked with neighbors regarding zone programs and projects.

The departure of Thomson in 1997 significantly reduced zone revenues and led the BUEA to expand the Zone with its first five-year renewal in 2002. (Res 01-26) As a cost-saving measure, the BUEA also agreed to let the City serve as administrator in 2000; those duties were transferred from the Economic Development to the HAND department in 2002.

In 2005, the City took steps to obtain what it foresaw as the second and final five-year extension (Res 05-26), which is currently set to expire January 31, 2012. Around the same time, the primary revenue source for the Zone switched from a credit on an inventory tax, which was phased-out by the State, to an Enterprise Zone Loan Interest Credit. Financial institutions may take a credit of 5% on qualified loans within the Zone and, if they do so, must turn over an amount equal to 20% of the savings to the Zone as a participation fee. The other primary source of revenue is the Enterprise Zone Investment Deduction. The Council should be familiar with this 10-year deduction on property taxes for qualified improvements, since it recently approved ones for Cook Pharmica, LLC (Res 10-06) and Mike Weston (Res 10-09) in May of this year. According to the material submitted for the EZID approvals, the Zone collected approximately \$20,749 from the participation fee for the EZID and \$105,151 for the participation fee for the loan interest credit in 2009.

This resolution proposes to extend the Zone until January 31, 2017 which would be the end of the Zone, unless State law changed or the City created another after its expiration.

BUEA Composition and Duties

The BUEA consists of 12 members from the business and labor sectors, State and local government, and residents of the zone, who are appointed by the Governor (2), Mayor (6), and Council (4).

Under I.C. 5-28-15-14, it is required to:

- coordinate zone development activities and serve as a catalyst for zone development;
- promote the zone to those outside of it;
- establish formal lines of communication with zone residents and businesses; and
- serve as liaison between residents, businesses, the City, and the state board for any development activity that may affect the zone and its residents.

And, along with those required duties, it may:

- commence and coordinate community development activities that help employ residents of the zone, improve its physical environment, foster capital investment, and advise the City on use of Tax Incremental Finance District funds within its boundaries;
- recommend changes to the zone boundary and disqualification of zone businesses for zone benefits and incentives;
- incorporate as a nonprofit corporation (in which case it may receive land from the City's Redevelopment Commission); and
- request modification of a state or local law or regulation affecting the zone, which may be granted as long as it does not affect the health, safety, civil rights, or employment rights.

Local BUEA Programs and Accomplishments

According to the memo from Doris Sims, the BUEA has created a number of programs/initiatives that are administered by the HAND department. Here is a list of those programs and some their accomplishments in 2009:

- a business consulting partnership with the Small Business Development Center (SBDC) – provided technical assistance to nine businesses producing 25 new jobs and \$125,000 in zone revenue;
- a loan program - provides loans for emergencies and physical improvements;

- a historic improvement matching grant program – funded façade improvements at Little Zagreb’s Restaurant at 223 West 6th Street;
- a school grant program - provided \$20,000 to Tri-North Middle School, Summit Elementary School and the Project School; and
- scholarship programs - provided seven scholarships for zone residents to attend IVY Tech and Indiana University and two scholarship to zone residents to attend a Small Business Development class;
- special projects – funded “small improvement grants for businesses along the B-Line Trail, neighborhood infrastructure improvements, and acquisition funding grants, and included a \$10,000 grant for the Walnut Streetscape design.

BUEA Statutory Incentives

Here is a list of statutory incentives connected with the Zone:

- a Loan Interest Credit for financial institutions – offers a credit of 5% for a qualified loan made to Zone business or resident;
- an Enterprise Zone Investment Deduction (EZID) for property owners - offers a 10-year deduction on property taxes for qualified improvements within the Zone;
- an Employment Expense Credit for employers – offers a tax credit equal to \$1,500 for each employee who works and resides in the Zone;
- an Employee Wage Deduction for employees – offers as much as a \$7,500 deduction for Zone residents who live and work in the Zone; and
- an Investment Cost Credit for investors – offers up to 30% of the purchase price of a Zone business as a tax credit upon approval of the Indiana Economic Development Corporation, which will make its decision based upon whether the business is viable and whether the investment would not go forward without the credit.

Happy Birthday Steve Volan (May 31st)

**NOTICE AND AGENDA
BLOOMINGTON COMMON COUNCIL REGULAR SESSION
7:30 P.M., WEDNESDAY, JUNE 2, 2010
COUNCIL CHAMBERS
SHOWERS BUILDING, 401 N. MORTON ST.**

I. ROLL CALL

II. AGENDA SUMMATION

III. APPROVAL OF MINUTES FOR: April 7, 2010 (Postponed from May 17th)
May 12, 2010 (Special Session)
May 17, 2010 (Special Session)

IV. REPORTS FROM:

- 1. Councilmembers**
- 2. The Mayor and City Offices**
 - Bloomington Community Arts Commission
- 3. Council Committees**
- 4. Public**

V. APPOINTMENTS TO BOARDS AND COMMISSIONS

VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS

1. Resolution 10-12 To Support Extension of the Bloomington Urban Enterprise Zone for an Additional Five Years Beyond Current Expiration Date

Committee Recommendation: N/A

VII. LEGISLATION FOR FIRST READING

None

Motion to Cancel Upcoming Meeting(s)

VIII. PRIVILEGE OF THE FLOOR (This section of the agenda will be limited to 25 minutes maximum, with each speaker limited to 5 minutes)

IX. ADJOURNMENT



**City of Bloomington
Office of the Common Council**

To: Council Members
From: Council Office
Re: Calendar for the Week of May 31-June 5, 2010

Monday, May 31, 2010

City Holiday: Memorial Day – Offices Closed.

Happy Birthday Councilmember Steve Volan!

Tuesday, June 1, 2010

4:00 pm HPC Subcommittee Downtown Plan Meeting, McCloskey
4:00 pm Bloomington Community Farmers' Market, Madison St, Between 6th & 7th St
7:30 pm Telecommunications Council, Council Chambers

Wednesday, June 2, 2010

12:00 noon Bloomington Urban Enterprise Association, McCloskey
12:00 noon Bloomington Multicultural Expo Meeting, Hooker Room
2:00 pm Hearing Officer, Kelly
4:00 pm Inclusive Recreation Advisory Council, Hooker Room
5:30 pm Commission on Hispanic and Latino Affairs, McCloskey
7:30 pm Common Council Regular Session, Council Chambers

Thursday, June 3, 2010

4:00 pm Bloomington Digital Underground Advisory Council, McCloskey
5:30 pm Commission on the Status of Women, McCloskey

Friday, June 4, 2010

12:00 noon Common Council Internal Work Session, McCloskey
5:00 pm Council of Neighborhood Associations Guest Speaker, Council Chambers

Saturday, June 5, 2010

8:00 am Bloomington Community Farmers' Market, Showers Common, 401 N. Morton
9:00 am Blooming Neighborhood Celebration and Awards, Showers Common, 401 N. Morton

Posted and Distributed: Friday, May 28, 2010



City of Bloomington
Office of the Common Council

MEETING NOTICE
Common Council
Jack Hopkins Social Services
Funding Committee
De-Briefing Meeting

Scheduled for Wednesday, 2 June 2010,
City Hall, 401 N. Morton Street

HAS BEEN MOVED TO

Wednesday 16 June, 2010
6:00 p.m. Hooker Room

Per Indiana Open Door Law, this statement provides notice that this meeting is open for the public to attend, observe, and record what transpires.

Dated and Posted: Friday, May 28, 2010

401 N. Morton Street • Bloomington, IN 47404

City Hall

Phone: (812) 349-3409 • Fax: (812) 349-3570

www.bloomington.in.gov/council
council@bloomington.in.gov

RESOLUTION 10-12

TO SUPPORT EXTENSION OF THE BLOOMINGTON URBAN ENTERPRISE ZONE FOR AN ADDITIONAL FIVE YEARS BEYOND CURRENT EXPIRATION DATE

WHEREAS, the General Assembly of the State of Indiana enacted language in P.L. 182-2009 (ss), SEC. 80, an amendment to IC 5-28-15-10, authorizing the fiscal body of a municipality in which an enterprise zone is located, to adopt a resolution renewing the enterprise zone for an additional five (5) years, regardless of the number of times the enterprise zone has been renewed under IC 5-28-15-10, subsections (c) and (d); and

WHEREAS, the Bloomington Urban Enterprise Zone (“Zone”) and its administrative entity, the Bloomington Urban Enterprise Zone (“BUEA”), were created in 1991 pursuant to IC 4-4-6.1 to provide access to tax credits for Zone businesses and develop programs to promote economic development within the designated Zone boundaries, which boundaries are shown on the map attached hereto as Exhibit A; and

WHEREAS, the BUEA has developed a number of programs, which it continues to administer for the Zone, including, but not limited to:

- Entrepreneurial Financing Partnership
- Entrepreneurial Support and Technical Assistance
- Facility Rehabilitation Loans
- Historic Façade Preservation Grants
- Economic Independence Scholarship Program

WHEREAS, the programs developed by the BUEA for the Zone provide important benefits to Bloomington businesses and citizens, and enhance the economic vitality, employment opportunities and community character of Bloomington, and their continuation will aid in Bloomington’s ongoing economic and sustainable development;

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

The Common Council hereby expresses its support of the work that the Bloomington Urban Enterprise Association is doing in the Zone, and supports its continuance by approving a five-year extension of the Bloomington Urban Enterprise Zone in accordance with IC 5-28-15-10 (b), extending the expiration date of the Zone from January 31, 2012 to January 31, 2017.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2010.

ISABEL PIEDMONT-SMITH, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana,
upon this _____ day of _____, 2010.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2010.

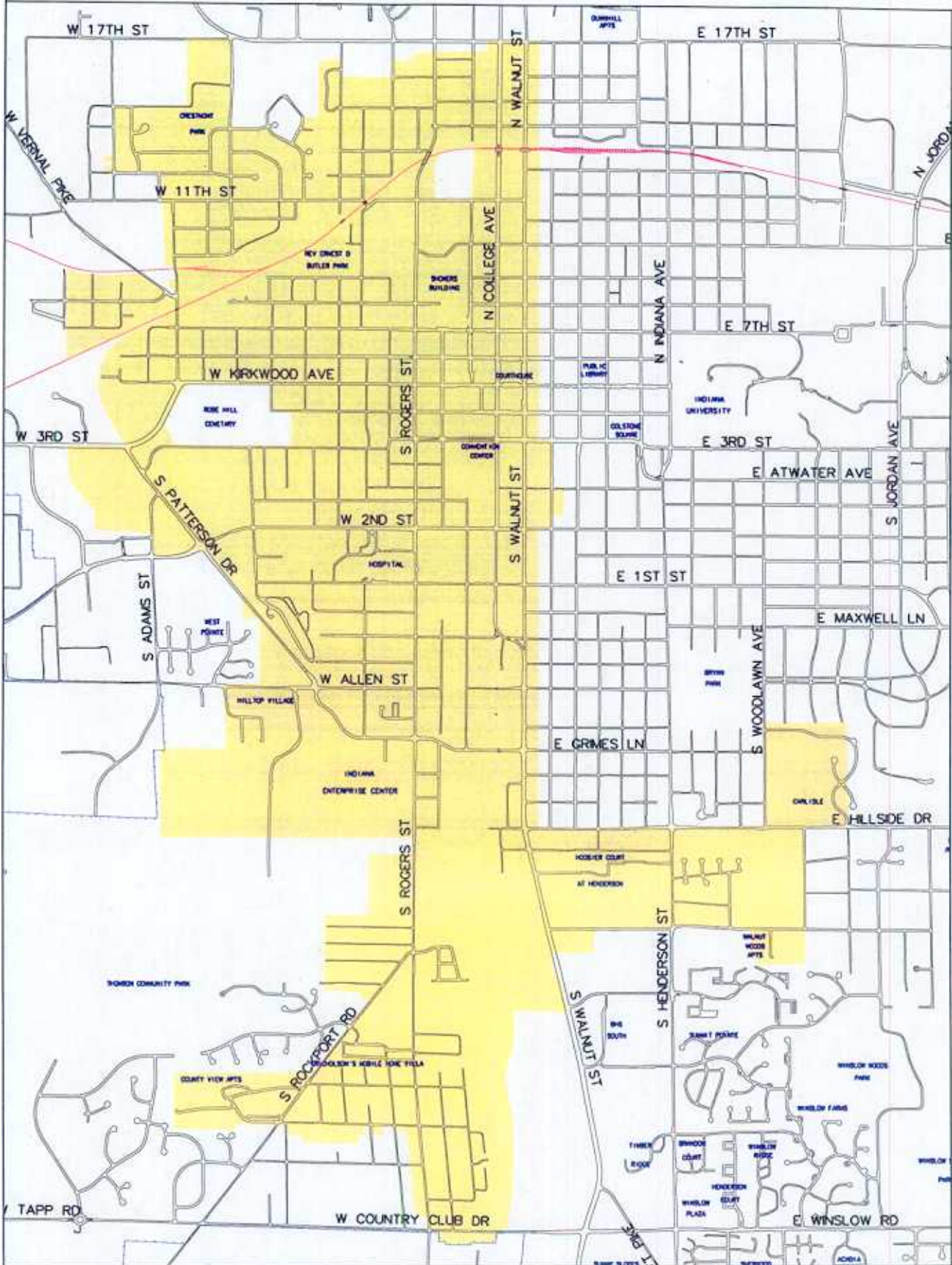
MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

HEA 1001 has amended Indiana Code 5-28-15-10, enabling the fiscal body of a municipality, in this case the Bloomington Common Council, to authorize the extension of an enterprise zone an additional five years. This is regardless of whether the enterprise zone has previously been renewed under subsections (c) and (d) of the code. The extension adds five years to the current expiration date of January 31, 2012, creating a new expiration date of January 31, 2017. The enterprise zone is not renewable beyond this date under current law.

Bloomington Urban Enterprise Zone

Aug 21, 2006



City of Bloomington
Geographic Information System

For use as map information only, information is NOT warranted.

Scale: 1" = 1800'

TuezLP

Street #		Street name
100-1099	ALL	W 1 ST ST
100-112	ALL	E 1 ST ST
100-1199	ALL	W 2 ND ST
1200-1212	EVEN	
100-115	ALL	E 2 ND ST
100-918	ALL	W 3 RD ST
925-1201	ODD	
1245-1301	ALL	
112-116	ALL	E 3 RD ST
100-914	ALL	W 4 TH ST
916-930	EVEN	
100-1499	ALL	W 6 TH ST
100-112	ALL	E 6 TH ST
100-1699	ALL	W 7 TH ST
125	ALL	E 7 TH ST
100-299	ALL	W 8 TH ST
400-1699	ALL	
100-199	ALL	E 8 TH ST
100-299	ALL	W 9 TH ST
600-1199	ALL	
100-199	ALL	E 9 TH ST
100-499	ALL	W 10 TH ST
700-799	ALL	
1000-1299	ALL	
111	ALL	E 10 TH ST
100-350	ALL	W 11 TH ST
350-499	ODD	
500-1399	ALL	
600-899	ALL	W 12 TH ST
1000-1400	ALL	
1406-1600	EVEN	
400-899	ALL	W 13 TH ST
1200-1499	ALL	
100-399	ALL	W 14 TH ST
1000-1099	ODD	
1100-1199	ALL	
100-104	ALL	E 14 TH ST
100-799	ALL	W 15 TH ST
1200-1499	ODD	
100-103	ALL	E 15 TH ST
300-599	ALL	W 16 TH ST
1100-1199	ALL	
100-103	ALL	E 16 TH ST
100-201	ODD	W 17 TH ST
1111,1211,1305		
100-199	ODD	E 17 TH ST
821-906	ALL	W 12 TH CT
821-828	ALL	W 13 TH CT
100-400	ALL	N ADAMS ST
402-598	EVEN	
600-699	ALL	
100-299	ALL	S ADAMS ST
550,545,575		
600-699	ALL	N ALEXANDER ST
100-299	ALL	W ALLEN ST
400-1201	ALL	
102	ALL	E ALLEN ST
2501-2503	ALL	S BANTA AVE
800-910	ALL	N BLAIR AVE
911-1009	ODD	
1100-1212	ALL	W BLOOMFIELD RD
2400-2499	ALL	S BROADVIEW DR
2200-2499	ALL	S BROWN AVE
2300-2699	ALL	S BRYAN ST
300-399	ALL	S BUCKNER ST
1600-1799	ALL	S BUFFSTONE CT
300-399	ALL	S BUCKNER ST
2500-2599	ALL	S CAMDEN DR
200-299	ALL	W CARPENTER DR
1200-2599	ALL	W CENTRAL ST
500-899	ALL	W CHAMBERS DR
600-899	ALL	W CHEROKEE DR
1100-1199	ALL	E COBBLEFIELD CT
100-1399	ALL	N COLLEGE AVE
100-875	ALL	S COLLEGE AVE
1500-1699	ALL	
300-999	ALL	W COOLIDGE DR
900-1299	ALL	WCOTTAGE GROVE AVE
100-108	ALL	E COTTAGE GROVE AVE

Street #		Street name
298-499	ALL	W COUNTRY CLUB DR
600-699	ALL	W CURVE ST
500-599	ALL	W DAVIS ST
104	ALL	E DAVIS ST
300-499	ALL	S DAVISON ST
600-799	ALL	N DIAMOND ST
500-899	ALL	W DIXIE ST
107	ALL	E DIXIE ST
100-899	ALL	W DODDS ST
400-499	ALL	W DRISCOLL DR
103	ALL	E DRISCOLL DR
500-699	ALL	W DUNCAN DR
1000-1199	ALL	N DYER DR
100-499	ALL	N ELM ST
100-198	EVEN	S ELM ST
300-599	ALL	S EUCLID AVE
100-199	ALL	N FAIRVIEW ST
300-999	ALL	
100-499	ALL	S FAIRVIEW ST
700-1199	ALL	
2300-2499	ALL	S FORD AVE
100-199	ALL	S GENTRY ST
100-599,609	ALL	W GRAHAM DR
613,705,707	ALL	
711,800-999	ALL	
2500	ALL	
1500-1599	ALL	S GRANT ST
1600-1699	ALL	S GREYSTONE CT
100-299	ALL	W GRIMES LN
400-499	ALL	
104	ALL	E GRIMES LN
600-635	ALL	W GUY AVE
1400-1499	ALL	W HABITAT ST
1100-1399	ALL	N HANCOCK DR
300-499	ALL	N HAY ST
500-599	ALL	W HAYS CT
1500-1897	ALL	S HENDERSON ST
1899	ALL	
100-499	ALL	W HILLSIDE DR
100-107	ALL	E HILLSIDE DR
108-898	EVEN	
900-1099	ALL	
1101-1199	ODD	
100-199	ALL	N HOPEWELL ST
300-499	ALL	
300-1099	ALL	W HOWE ST
1500-1799	EVEN	S HUNTINGTON DR
1800-1899	ALL	S HUNTINGTON GARDENS PLACE
1400-1499	ALL	W ILLINOIS CT
800-899	EVEN	N ILLINOIS ST
900-1199	ALL	
100-299	ALL	N JACKSON ST
400-499	ALL	
800-1099	ALL	
1106-1110	EVEN	
100-399	ALL	S JACKSON ST
2200-2299	ALL	S JEAN ST
300-499	ALL	W JED ST
400-499	ALL	N JOHN ST
400-499	ALL	W JOY ST
2600-2699	ALL	S KENDALL DR
300-399	ALL	W KENWOOD DR
100-999	ALL	W KIRKWOOD AVE
1000-1298	EVEN	
1300-1599	ALL	
100-111	ALL	E KIRKWOOD AVE
100-1400	ALL	W KISSELL DR
800-1118	EVEN	N LINDBERGH DR
919, 919 ½	ALL	
100-299	ALL	N MADISON ST
800-1224	ALL	
100-599	ALL	S MADISON ST
800-1300	ALL	
1400-1499	ALL	
2300-2799	ALL	
100-499	ALL	N MAPLE ST
600-999	ALL	
1200-1230	ALL	

Street #		Street name
1231-1311	ODD	
100-599	ALL	S MAPLE ST
1-126	ALL	MAPLE COURT
		MOBILE HOME COMMUNITY
400-599	ALL	E MELROSE AVE
100,121,122	ALL	E MILLER DR
333-801	ODD	
802-999	ALL	
1300-1499	ALL	S MLTON DR
2300-2499	ALL	
1300-1424	ALL	S MONON DR
600-803	ALL	N MONROE ST
904-1099	ALL	
1100-1399	ODD	
600-799	ALL	E MOODY DR
100-699	ALL	N MORTON ST
300-1199	ALL	S MORTON ST
2-85	ALL	NICHOLSON'S
		MOBILE HOME VILLA
100-299	ALL	N OAK ST
400-499	ALL	
800-1099	ALL	W ORRIS DR
600-799	ALL	N ORRIS DR
1700-1799	ALL	S PARK AVE
300-599	ALL	S PATTERSON DR
600-1099	ODD	
1100-1400	ALL	
100-299	ALL	N PINE ST
1600-1799	ALL	S PINESTONE CT
400-599	ALL	N PROSPECT ST
500-511	ALL	W RALSTON DR
100-299	ALL	N RITTER ST
2000-2199	ALL	S ROCKPORT RD
2201-2499	ODD	
2202, 2206	ALL	
2500-2519	ALL	
100-799	ALL	N ROGERS ST
900-1099	ALL	
100-2799	ALL	S ROGERS ST
100-1099	ALL	W SMITH AVE
100-199	ALL	E SMITH AVE
200-220	EVEN	
100-599	ALL	E SOUTHERN DR
100-199	ALL	W SOUTHERN DR
200-498	EVEN	N SPRING ST
1100-1500	ALL	S. STRONG DR
600-699	ALL	N SUMMIT ST
900-1099	ALL	
600-899	ALL	E THORNTON DR
1600-1699	ALL	S TROY CT
100-399	ALL	E VERMILYA AVE
1301-1317	ODD	W VERNAL PIKE
100-399	ALL	N WALDRON ST
100-199	ALL	S WALDRON ST
300-799	ALL	S WALKER ST
100-1915	ALL	
100-1399	ALL	N WALNUT ST
100-1921	ALL	S WALNUT ST
300-398	EVEN	S WASHINGTON ST
400-423	ALL	
424-498	EVEN	
300-499	ALL	W WATSON ST
1100-1180	ALL	S WEATHERSTONE LN
1345-1444	ALL	
1470-1476	ALL	
400-499	ALL	N WILLIAM ST
400-499	ALL	W WILSON ST
100-104	ALL	E WILSON ST
900-1327	ALL	N WOODBURN AVE
1100-1499	ODD	S WOODLAWN AVE
500-899	ALL	W WYLIE ST
100-109	ALL	E WYLIE ST

UPDATED 2/2007

Memo

To: Dan Sherman
From: Doris Sims, Asst. Director, HAND
CC: Lisa Abbott, Director, HAND; Maria Heslin, Deputy Mayor
Date: May 28, 2010
Re: Bloomington Urban Enterprise Association Zone Extension Resolution

The Bloomington Urban Enterprise Association (BUEA) was created in 1991 to provide access to tax credits and to encourage economic development in the urban core of Bloomington. Zones are created for a period of 10 years, with the ability to apply for two five-year renewals. The Bloomington Urban Enterprise Zone received its second five-year renewal in March of 2007 with an expiration date of January 31, 2012. In 2009, The Indiana General Assembly amended the code on Enterprise Zones to extend the expiration date of a local Enterprise Zone for an additional five years if the Common Council adopts a renewal resolution and submits the resolution to the Indiana Economic Development Corporation.

The Housing and Neighborhood Development Department administers the BUEA program for the BUEA board.

The BUEA has created a number of programs/initiatives that are administered by the HAND Department, which include:

- BUEA/SBDC Business Consulting partnership
- BUEA Loan Program
- BUEA Historic Improvement Grant
- Zone School Grant
- Resident Scholarship program for zone residents
- Special projects including funding of small improvement grants for businesses along the B-Line Trail, neighborhood infrastructure improvements, and acquisition funding grants to Middle Way House and Rhino's.

In 2009, BUEA accomplishments included:

1. Through its partnership with the SCSBDC, provided nine businesses with technical assistance which resulted in the creation of 25 new jobs and increased zone revenue by \$125,000;
2. Sponsored the FUSE Business Awards banquet;
3. Approved \$10,000 loan to the Project School to renovate its location at 349 South Walnut Street;
4. Allocated \$20,000 through the Zone School Grant program. Schools that received grants included Tri-North Middle School, Summit Elementary and the Project School;
5. Provided seven scholarships for zone residents to attend IVY Tech and Indiana University;

6. Provided two scholarships for zone residents to attend the Small Business Development Center's (SCSBDC) Small Business Development Class;
7. Granted a \$10,000 Façade Grant to Little Zagreb's Restaurant located at 223 West 6th Street; and
8. In cooperation with the City of Bloomington, granted funds to businesses located along the B-Line Trail for exterior facility upgrades.

Funding for the above zone programs are provided through a participation fee which are paid by local businesses and financial institutions which take advantage of zone tax incentives.

Failure to adopt the resolution will result in the termination of the zone effective January 31, 2012.

In the Council Chambers of the Showers City Hall on Wednesday, April 7, 2010 at 7:30 pm with Council President Isabel Piedmont-Smith presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
April 7, 2010

Roll Call: Mayer, Piedmont-Smith, Rollo, Ruff, Sandberg, Satterfield, Sturbaum, Volan, Wisler

ROLL CALL

Council President Piedmont-Smith gave the Agenda Summation

AGENDA SUMMATION

The minutes of February 3, 2010 were approved by a voice vote.

APPROVAL OF MINUTES

Dave Rollo gave a power point presentation for a report on Peak Oil based on the Peak Oil Task Force's 18 month study on a community wide preparation for Peak Oil. The Task Force Report was accepted by the city council as an advisory document by a vote of 8-1. He said it claimed that many energy experts concluded Peak Oil, the maximum global production, had been reached in 2008. He said the report examined oil dependency as a community and as a society, and recommended a variety of strategies to prepare for its inevitability, most importantly by building resiliency in vital areas.

REPORTS:
COUNCILMEMBERS

He spoke about the interconnection between this issue and the current economic conditions and spoke to the urgency of the situation and that the media had utterly failed to report an issue that had such a drastic impact on our lives.

Rollo updated the council on several international reports:

- A report by a consortium of businesses from the United Kingdom, released on February 10, 2010 to the Royal Society, which is the chief scientific body in the UK that indicated that we are indeed at peak, and that oil shortages, insecurity of supply, and price volatility would destabilize economic, social and political activity potentially by 2015 when we go into the decline phase.
- A report in Energy and Fuels Journal, March 12, 2010, which forecasted by using advanced mathematical modeling that world production would peak in 2014.
- The Oxford Report, Oxford University which concluded that we're past peak.
- The March 25, 2010, *Le Monde*, in which Department of Energy Glen Sweetnam, said "once maximum world oil production is reached, that level will be approximately maintained for several years thereafter creating an undulating plateau. After this plateau period of production, we'll experience a decline."
- Richard Heinberg, who maintained that "the idea of the undulating plateau has been part of the Peak Oil discussion for years and world oil production, in fact, has been at plateau since 2004". He also faulted the mainstream press in North America for failing to report on the issue
- A statement from Mr. Sweetnam's that we were headed into the terrain of unidentified projects to supply demand in the near future. Since it would take about ten years before an oil source was identified, capitalized and the technology was brought to bear, we were at a near term supply shortfall.
- The report from the American Joint Forces Command published March 15, 2010 predicted that in 2015 the world capacity for petroleum production could be ten million barrels per day less than demand, which was similar to the DOE's forecast which projected that in 2015 the lack of production would be about ten million barrels per day.

Rollo said that this was a very compelling picture, and a key energy resource was about to go into permanent decline and become ever more scarce. However, he said a place for to start was with our own Peak Oil Report that could be found at the city website.

Susan Sandberg announced the Homeward Bound Walk that would raise money for agencies dedicated to the homeless issue. She urged citizens to support this event.

Chris Sturbaum said that he and Tim Mayer were representing the council on the Hospital Facilities Task Force. He said that it was planned for Bloomington Hospital to be an intermediary facility for the Clarion system. He said that 3 or 4 of the options for the system facilities involved reusing the existing hospital site. He said it was a little more expensive to create a new site. He said he was glad to hear that the hospital was considering the use of the present site. He said that work in Orange County and Bedford would take the next few years and that nothing would happen in Bloomington until about 2015. He said that the task force would meet two more times before the end of the year and would have a public meeting, too. He said that the options were all open and great care was being taken in the decisions.

Steve Volan reminded citizens that they should fill out and return their census forms or be ready to have someone come to their door to get that information. He stressed the importance of the accuracy of this count.

Mike Satterfield said that this past Monday brought the first severe weather warnings of the season. He said that new and old TV formats and telecommunications systems were supposed to provide an emergency override, but might not always work. He said that the cable franchises were no longer responsible for the emergency override, a changed made by the state administration. He said that citizens should rely on radio information and urged them to contact their state representatives about this issue.

Mayor Mark Kruzan acknowledged the work done by Prosecutor Chris Gaal and other representatives in preventing crimes against the elderly. He said that the group entitled TRIADS, a partnership of law enforcement, senior citizens, and community groups was committed to reducing crime against seniors and to reducing the fear of crime that the elderly often experience. He said that these goals coincided with the city's priorities and thanked the county for their participation.

MAYOR and CITY OFFICES

Prosecutor Gaal spoke about his agenda on the issue of crimes against the elderly. He said his philosophy was that prevention was important and that with agency partnerships, he formed an Elder Crimes Task Force in 2007. He said that this group allowed him to create trainings and public education information that had been distributed to the community. He thanked the Mayor for recognizing this important work. He thanked the council for hearing the proclamation the Mayor read after his presentation.

Georgia Schaich spoke briefly about the local chapter of the National Association of TRIADS group and said that she helped form the TRIADS group in 1993. She urged folks to get involved with the group.

Mayor Kruzan read his proclamation naming the month of March 2010 as Older Hoosiers Awareness Month in Bloomington.

Mayor Mark Kruzan awarded Marines Fornerino the Mayor's Award for Excellence in Civic Engagement for her work in community service in

Reports from the Mayor (cont'd)

her adopted city of Bloomington. Fornerino thanked Kruzan for the award and said she was lucky to have two homes and two families, and truly loved her work in community service.

Mayor Kruzan read a Proclamation for long time resident and activist Rosemary Miller to congratulate her on her 92nd birthday. Miller was present in the council chambers to receive her proclamation and gave some remarks but did not walk to the podium to have them recorded.

Sturbaum said that Miller's career started after she retired and thanked her for her inspiration and work for the community. Mayer noted that Miller should also be recognized for her work and contributions to the John Waldron Arts Center.

Kathy Mayer gave an extensive overview of the Homeward Bound Walk to be held on April 18, 2010. She talked about the agency recipients of the funds that would be raised and invited the council members and general public to participate in the walk.

There were no reports from council committees at this meeting.

Iris Kiesling, Monroe County Commissioner spoke about the importance of this year's Census and how the returns were coming in.

Gabe Rivera thanked several people by name for helping him restructure his thinking as an activist.

There were no appointments to boards or commissions at this meeting.

It was moved and seconded that Resolution 10-03 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 9-0-0.

It was moved and seconded that Resolution 10-03 be adopted.

Dave Rollo noted the purpose and multi-governmental approach to this issue and said that the resolution was cosponsored by Common Councilmember Andy Ruff, and County Commissioner Iris Kiesling.

Rollo said that the purpose of the joint city and county task force was to bring together residents, local government and the Indiana Department of Natural Resources to create a community based approach to deer in urban and suburban environments. He outlined problems with the ever increasing deer population and said that there was a will to deal with the issue, but a significant lack of community knowledge regarding the complexity of addressing deer in urban environments. He added that the task force's purpose would be to understand and communicate what was known about urban deer management. He said that it was important that a wide range of perspectives be represented on the task force. He noted that the resolution further stated that members should be open-minded and capable of working alongside those of differing opinions. The task force would issue its non-binding recommendations to local government and the IDNR, and would end when it made those recommendations. He added that it was reasonable to expect that the task force would wrap up its work by September. He noted that peer reviewed published papers had been referenced in the council packet along with how other communities have dealt with the issue.

Iris Kiesling, County Commissioner, thanked the council for making this a cooperative effort between the city and county. She said issues do

REPORTS FROM CITY OFFICES:
Community and Family Resources

COUNCIL COMMITTEES

PUBLIC INPUT

BOARD AND COMMISSION
APPOINTMENTS

LEGISLATION FOR SECOND
READING

Resolution 10-03 Creating a Joint
City of Bloomington-Monroe County
Deer Task Force

not stop at the city borders, and that this was an issue that encompassed public safety, health, and sustainability.

Sandra Ducey said animals were only trying to live their lives, and we needed to learn to live with them, even if it meant putting up fences to protect gardens. She said her main concern was for wounded deer and what might happen if little children would see this sight as a result of bow hunting in the city.

David Haberman, professor of Religious Studies at Indiana University, spoke about the deer problem. He read a statement that he said might convert to an op-ed piece. He said that we should co-exist with deer in our forested environment and said that he took great pleasure in watching these creatures on his property. He noted that there were not instances of deer attacking humans in urban environments, and asked if they were such a threat that we would want to eliminate them from our environment. He encouraged tolerance instead of extermination.

Gabe Rivera said he appreciated the passion of the previous two speakers. He suggested increased deer warnings on traffic signs and signals.

Marc Haggerty said it was a blessing to live with the wildlife.

Sturbaum said he knew as many people who wanted to keep the deer as wanted to get as rid of them. He wished the task force well.

Volan said he was encouraged and noted that the term 'deer problem' was a product of trying to reduce issues to the shortest possible terms in order to deal with them in short order. He said that the presence of deer was an issue of safety because an urban environment was not set up for them. He wished the task force well and said he looked forward to the solution.

Wisler said that there were some neighborhoods that didn't see as many deer, possibly because of dogs in some yards. He wished the task force well and said that there was a challenge to mitigating the circumstances of the individuals who were most affected.

Rollo said that comments at this meeting would be forwarded to the deer task force. He noted that the resolution did not specify extermination or elimination of deer; however it did address biological carrying capacity and social carrying capacity. He said the resolution called for the expertise of biologists, ecologists and wildlife specialists who would be able to evaluate the carrying capacities and impacts on other species, sustainability, health and safety. He said it was a complex problem and preferred to suspend judgment until experts came up with a report.

Ruff said that other communities had formed this type of task force, and that it wasn't just a Bloomington thing. He said that the community based study group with a diversity of backgrounds, experiences, interests and perspectives was supported by the Department of Natural Resources. He said that understanding the issues and educating people on this issue was a productive outcome of this endeavor. He thanked the members of the public who spoke on the issue.

Rollo thanked Stacy Jane Rhoads for her research on the topic, and thanked Iris Kiesling for working on this at the county level.

Volan cautioned that one should take care with the words we choose as they make a difference in the solutions we shape.

Resolution 10-03 received a roll call vote of Ayes: 9, Nays: 0

There was no legislation to introduce at this meeting.

LEGISLATION FOR FIRST
READING

Gabe Rivera continued his remarks at this point in the meeting.

PUBLIC INPUT

The meeting was adjourned at 9:17 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Isabel Piedmont-Smith PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

FOR APPROVAL

In the Council Chambers of the Showers City Hall on Wednesday, May 12, 2010 at 7:30 pm with Council President Isabel Piedmont-Smith presiding over a Special Session of the Common Council.

COMMON COUNCIL
SPECIAL SESSION
May 12, 2010

Roll Call: Mayer, Piedmont-Smith, Rollo, Ruff, Sandberg, Satterfield, Volan, Wisler
Absent: Sturbaum

ROLL CALL

Council President Piedmont-Smith gave the Agenda Summation

AGENDA SUMMATION

It was moved and seconded that Resolution 10-10 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation.

LEGISLATION FOR SECOND
READING

It was moved and seconded that Resolution 10-10 be adopted.

Ordinance 10-10 To Create a Task Force to Recommend How the City Can Achieve a Platinum Designation from the League of American Bicyclists' *Bicycle Friendly Community Program by 2016.*

Piedmont-Smith noted that she was one of the ordinance's co-sponsors along with Ruff and Rollo. She said that they, along with Scott Robinson, Transportation Planner with the Planning Department, were available to answer questions regarding this legislation. She noted that there were members of the Bicycle and Pedestrian Safety Commission present as well.

Ruff said that the idea of actively pursuing the Platinum Designation under the Bicycle Friendly Program was brought to him by a member of the planning staff. He said they had great enthusiasm and great ideas about ways the community could be moved towards implementing its stated goals and philosophy of transportation. He said this became even timelier with the announcement of Bikes Week. He said the resolution had specific goals that would meet measures and standards. He thanked Robinson, Joe Fish, Piedmont-Smith and Rollo for their work.

Robinson was asked to speak about the program under which Bloomington has achieved a Bronze level. Robinson said the level was achieved in 2003, and said there were a number of reasons to seek a higher level. Robinson said the League evaluated a community's commitment regarding engineering, educational activities, encouragement, enforcement, evaluation/planning and the way these areas interact with their philosophy. He said past evaluations of Bloomington have shown good marks in the engineering and planning aspects of this program, and that the task force would help forge ways of improvement.

Rollo asked if it was true that Bloomington was one of 108 communities that was considered bicycle friendly. Robinson said that the number was continually growing and that for the first time four communities had been rated Platinum. Rollo asked for examples and Robinson said Portland, OR; Boulder, CO; and Davis, CA had this rating while Madison, WI was rated Gold, and that Chicago was rated Silver. Robinson noted that businesses could apply for designation as well. Rollo asked if Robinson considered this designation of good bicycle infrastructure to be part of economic development. Robinson said this was part of the livability metric that would enter into economic development.

Rollo noted that there were about 2.7% of citizens who rode bikes and asked Robinson if that number could double or triple in 5 years if the infrastructure, safety and education for bicyclists were upgraded. Robinson said he thought it would be easy to attain in a college town and in a city with our population. Robinson said 10-15 volunteers counted bikes earlier this year and the city planned on continuing this count.

Volan asked what it would take for our community to become Platinum within six years. He wondered what other communities had done to achieve this status.

Piedmont-Smith gave examples of what other cities had done. She specifically mentioned bike lanes which were buffered from traffic on busy streets, bike boulevards, "car-free Sunday" parkways on a major road, dedicated funds and personnel to plow bike paths free from snow, a transit village to facilitate using transit, underpasses under car thoroughfares, a 'road diet' making a particular street narrower to make it safer to ride, a higher degree of enforcement of rules for cyclists and drivers. She noted that cities dedicated money to provide bike path maintenance. Robinson said that there wasn't a set list of requirements, but innovation in addressing priorities was encouraged.

Wisler asked if there was a reason that this required a council action and wasn't incorporated into another committee or commission. Ruff said it was a deliberate action to give it the status of a formal council hearing because it was important. He said that the Bike and Pedestrian Safety Commission dealt with pedestrians also. Robinson said it elevated the efforts to have the support of the council and to engage the greater community. Wisler asked if it was more of a declaration of support for the cause rather than an organizational need. Ruff said that in order to get the staff support and organization needed, this task force would provide the mechanism to do the job in an organized and aggressive manner. He said this was a different activity, project, goal and priority. He said that this would also bring in additional broad citizen involvement to strategize about reaching this goal. Piedmont-Smith added that the Bike and Pedestrian Safety Commission focused on safety and that this task force would look at infrastructure and education. She said that the task force had a deadline to do this work which was different from the way other boards or commissions approached their work.

Public comments were from:

Keith Vogelsang, president of the Bloomington Bicycle Club, said that they supported the city's goal of Platinum Status. He said the Club had a strong advocacy component, and had been giving small grants to churches, schools and youth centers to promote their own bicycling program and bike racks. He said the club was a natural ally in this effort and referred to some of the questions in the League of American Bicyclists' survey for the Platinum status.

Buff Brown said he was excited to see the resolution come to this point. He said, however, he hadn't seen the work of other committees and task forces trickle down to transportation policy changes. He said he was worried that this committee would distract advocates into thinking that the city was doing something, while the staff was doing business as usual. He also commented on the one-year length of the task force, saying that it would give another year of ignoring the greenways plan and continuing the building of roads. On the other hand, he applauded the charge of the task force. He referred to actions taken by Davis, CA in a five year period to create their status. He also referred to actions taken in Portland, OR in this regard. He thanked the council members for sponsoring this action and asked that they back it up with money.

Jim Rosenbarger, chair of the Bicycle and Pedestrian Safety Commission, said the commission unanimously supported this resolution. He said that the Platinum award was actually a means to an end, not the end itself; not an award to hang on a city hall wall, but what was happening on the streets of the city. He said bike riding was 'the

thing to do' or the norm in the communities mentioned earlier and that was the main thing we could do to encourage bike riding.

Sarah Ryterband, MD, thanked the council and Robinson for their work on behalf of the Citizens Advisory Commission of the Metropolitan Planning Commission and Bloomington Transportation Options for People. She said the obesity in the community was surprising and that biking to school or work would be a boon to the health and well-being of citizens.

Nate O'Donnell said he lived a few blocks away from City Hall and that he didn't own a car, but biked to work. He said that it was hard to bike to get some supplies and sometimes shopped online. He noted this was a loss of economic activity to our community. He said changes in our bike infrastructure could change that.

Aaron Pollitt said he approved of the proposal for a more bike friendly community. He said that economic benefits for the community could result from the increased bike infrastructure, as well as environmental benefits. He said that changing ourselves was a big part of this effort and by example we would help with the change.

Alex Martin said he was from Florida and could bike long distances there and added tourists and residents of all ages rode bikes there. He said that he biked home at night from his job, and sometimes found it difficult to maneuver in the dark.

Travis Pontrelli thanked the council for its efforts and said he was in favor of having people focused on bicycles regardless of age.

Zach Elgie said it was difficult to find a good, safe route into town without meandering through smaller, safer streets. He spoke from the perspective of a Bloomington native and a former student. He said the increasing trend of medians was not efficient and said that effort could be better used for the installation of bike lanes.

Rollo said that he understood that there were cynical opinions about this resolution, but said that he felt this was moving ahead, and that this resolution gave urgency to the initiative. He said it framed the task force within the city's commitment to the Kyoto Protocol and the reduction of greenhouse gas emissions and the Peak Oil Task force report.

Rollo related that he and Ruff had challenged each other to bike to all council meetings in 2006. He said they were continuing to do this even though it was sometimes difficult due to weather or safe routes. He said this gave him personal experience in the bike friendliness of the community and said the need is great for this type of infrastructure. He said the need for the comprehensive look at this issue was urgent. He gave information as to how citizens could apply for the task force.

Wisler said it was a worthwhile cause and was glad it was coming from Planning. He said that equally important to the design of roads was what was located on them in terms of walkability and bikeability. He said that land use, with the encouragement of mixed use in the downtown, would have a more immediate impact and should be considered by this task force. He added that upgrading and improving the roads between the downtown and the west side was a longer term project.

Ruff thanked the staff for their initiative and enthusiasm for the project. He thanked the council for allowing this to be considered in time for

Bike's Week. He read a quote from Ray LaHood, the US Secretary of Transportation, who wrote in the United States Department of Transportation Policy Statement on Bicycle and Pedestrian Accommodation Regulations and Recommendations dated March 11, 2010:

The United States Department of Transportation (DOT) is providing this Policy Statement to reflect the Department's support for the development of fully integrated active transportation networks.... Walking and bicycling foster safer, more livable, family-friendly communities; promote physical activity and health; and reduce vehicle emissions and fuel use..... The DOT encourages States, local governments, professional associations, community organizations, public transportation agencies, and other government agencies, to adopt similar policy statements on bicycle and pedestrian accommodation as an indication of their commitment to accommodating bicyclists and pedestrians as an integral element of the transportation system. In support of this commitment, transportation agencies and local communities should go beyond minimum design standards and requirements to create safe, attractive, sustainable, accessible, and convenient bicycling and walking networks. Such actions should include:

Considering walking and bicycling as equals with other transportation modes: The primary goal of a transportation system is to safely and efficiently move people and goods. Walking and bicycling are efficient transportation modes for most short trips and, where convenient intermodal systems exist, these nonmotorized trips can easily be linked with transit to significantly increase trip distance. Because of the benefits they provide, transportation agencies should give the same priority to walking and bicycling as is given to other transportation modes.

Increased commitment to and investment in bicycle facilities and walking networks can help meet goals for cleaner, healthier air; less congested roadways; and more livable, safe, cost-efficient communities. Walking and bicycling provide low-cost mobility options that place fewer demands on local roads and highways. DOT recognizes that safe and convenient walking and bicycling facilities may look different depending on the context — appropriate facilities in a rural community may be different from a dense, urban area. However, regardless of regional, climate, and population density differences, it is important that pedestrian and bicycle facilities be integrated into transportation systems. While DOT leads the effort to provide safe and convenient accommodations for pedestrians and bicyclists, success will ultimately depend on transportation agencies across the country embracing and implementing this policy.

Ruff said that it was a bold and significant statement to say that walking and bicycling should be considered as equal to and prioritized as other transportation modes. Ruff said he was aware of an inexplicable hostility from people toward bicyclists, and had recently noticed mean-spirited and angry online comments regarding bicycling and the proposal of this resolution. He said that the use of bikes reduced pollution on the planet, reduced congestion on the roadways, created more parking opportunities, promoted economic development and reduced health care costs. He said that he hoped that part of this initiative would help educate and inform people to reduce some of the intolerance he had seen.

Volan said that Ruff's gratitude for staff and council was reflective of that of the whole council. He said that he had always thought that the Little 500 and "Breaking Away" had given Bloomington a reputation for bicycling, but that the community's accommodations for bicycles were woeful. He said that had seen high speed bicycle lanes at the University of Illinois at Urbana-Champaign and said it treated this form of transportation with respect, and later added that bicyclists and pedestrians should not be considered "alternative" but as equals to auto transportation. He applauded the practical, concrete, and doable nature of this proposal. He urged people to attend the task force meetings and keep pressure on the elected officials and the mayor to make the changes needed after the information was assembled and a plan was formed. He said that there should be no illusions about the amount of work and time involved in this proposal.

Ordinance 10-10 (cont'd)

Volan noted that the bypass expansion project bids had been opened on that day. He noted that there were design issues that had to be addressed in pursuit of the Platinum status and specifically mentioned an underpass for bicyclists at 7th Street with no access to the bypass, a new traffic light at 17th Street that would not have crosswalks, and sidepaths located two feet from through traffic. Volan said the hostility towards bicyclists was associated with the way roads were designed and noted that narrowing and signage would give more positive cues to motorists. He urged citizens to help with the hard work involved in these projects.

Satterfield said that there were health benefits to riding bicycles, but that there were a lot of people who simply could not do this. He noted that he had witnessed hostility towards bicycles, but asked the task force to address the reasons for the aggravation of people who have little sympathy for bicyclists.

Piedmont-Smith noted the website for the League of American Bicyclists so that citizens could learn more about the League, status levels and application process involved in pursuing their Platinum Status. She gave information for online applications and said the deadline for applications would be in mid-June. She thanked Robinson, Fish and the council for their work.

Resolution 10-10 received a roll call vote of Ayes: 8, Nays: 0.

It was moved and seconded that the rules be suspended to take up an item not already on the agenda.

Motion to Suspend the Rules

The motion was approved by a voice vote.

It was moved and seconded that the May 19, 2010 Regular Session Meeting and the May 26, 2010 Committee of the Whole meeting be cancelled.

MOTION TO Cancel Meetings

Piedmont-Smith and Satterfield noted that there was no legislation coming to the council to discuss at these meetings.

The motion was approved by a voice vote.

The meeting was adjourned at 8:40 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Isabel Piedmont-Smith PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

In the Council Chambers of the Showers City Hall on Wednesday, May 17, 2010 at 7:30 pm with Council President Isabel Piedmont-Smith presiding over a Special Session of the Common Council.

COMMON COUNCIL
SPECIAL SESSION
May 17, 2010

Roll Call: Mayer, Piedmont-Smith, Rollo, Ruff, Sandberg, Satterfield, Sturbaum, Volan, Wisler

ROLL CALL

Council President Piedmont-Smith gave the Agenda Summation

AGENDA SUMMATION

The minutes of Regular Sessions of January 20, 2010 and February 17, 2010 were approved by a voice vote.

APPROVAL OF MINUTES

It was moved and seconded to postpone the approval of minutes for April 7, 2010 until the June 2, 2010 meeting so that the statement by Councilmember Rollo could be amended. The motion was approved by a voice vote.

It was moved and seconded that Ordinance 10-06 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the following information:

LEGISLATION FOR SECOND
READING

April 28, 2010 Committee Recommendation:
To Continue Discussion to May 12th: 6-1-1
May 12, 2010 Committee Recommendations:
Amendment #1 -- Do Pass: 2-1-5
Ordinance 10-06 -- Do Pass: 4-0-4

Ordinance 10-06 To Amend Title 9 of
the Bloomington Municipal Code
Entitled "Water" (Rate Adjustment)

It was moved and seconded that Ordinance 10-06 be adopted.

Patrick Murphy, Director of Utilities, noted that this ordinance and the next one regarded a rate increase to fund the expansion of the water treatment plant that would provide for the long term needs of the community while increasing capacity. He said that this had been in discussion for quite a while to protect the water supply and for increase in water services. He noted that many questions from the council had been answered but offered to answer any others.

Rollo asked if the parallel line from the lake would be pumping water simultaneously with the first line, and if so, would it take stress from the first line.

Mike Bengston, Assistant Director of Engineering, said they would be operating together. He affirmed Rollo's subsequent conjecture that the second line could take the entire capacity if need be.

Sturbaum asked if Murphy could summarize the proposal for Boy Scouts in attendance, and also for other viewers of this meeting. Murphy said that this was the third meeting on this issue that would increase rates to increase plant expansion. He said that currently the plant could provide 24 million gallons of water, but the capacity would, with this proposal, be increased to 30 million gallons. He said that the water line would be enhanced by a parallel line, an additional storage tank would be built and some additional improvements would be made to the water treatment plant. He noted that the ability to treat water and the ability to meet the Ten States Standards (Recommended Standards for Water Works) would be expanded by increasing filter capacity. He said pumps would be enlarged, both at the plant and in the field, with additional improvements in operations and maintenance.

Volan asked how much each improvement would cost. He specifically asked about the expansion, without the redundancy capacity. In the ensuing discussion it was determined that the cost of expansion was the majority of the total amount of the projected project, with the

redundancy factor alone a much smaller portion of the project. It was noted that some capital items would serve for both redundancy and expansion.

Rollo asked about the life span of the water line from Lake Monroe, referring to its current condition. Murphy said that the line was 43 years old, and that an analysis of the line was done in 2004 by Price Brothers of Dayton OH, the manufacturer of the pipe, who found it to be in excellent condition with no significant wear and tear.

Rollo asked what would happen if one of the lines would rupture in terms of a safeguard of distance between the lines. Bengston said that the lines had soil rather than asphalt paving over it making leaks easier to detect. He added that the pipes would be fifteen to twenty feet apart, and added that he thought it was a safe distance. Rollo said he understood the plant was sophisticated but wondered if a leak could be detected without actual visual inspection. Bengston said that if there was a rupture it would be noted through monitoring pumping data, and that valves would be used to isolate the affected area.

Volan asked how the costs of redundancy and expansion were split so evenly in some of the documents and information he had received. John Skomp, Financial Advisor with Crowe Horwath LLP, said that the report was put together in three phases. He said that 22% of the cost was attributed to the increase in the cost of operation and maintenance of the plant, that 13% was if the redundant line only was built, and that the additional 12% was the cost of the second line plus an expansion of the plant capacity. Volan asked for the thought process in putting together the proposal, wondering which phase came first. Skomp said that the total cost of the project was \$36.3 million (with total bonding at \$41 million). He said that \$24 million was targeted at the construction of the second line into the city, and he considered that redundancy, and that this cost could be viewed either way, as redundancy or expansion.

Piedmont-Smith asked about Exhibit J in the report, referring to the 47% rate increase and use of funds. Skomp said that Exhibit G in the report reflected the sources and uses for the line only project. Piedmont-Smith noted that the second water line costs were twice as much as the treatment plant expansion.

Piedmont-Smith asked about the amount of impermeable surface that would be built to expand the water treatment plant. Bengston said a building would be housing new filters and a settlement basin could be added but that he didn't know for sure. He said that his estimate would be a 25% increase in size.

Piedmont-Smith said she couldn't determine from the documents that she examined the intent to deal with additional storm water run off. Bengston said that the new Utilities building included a rain garden and assumed that the expansion would have something of that sort.

Piedmont-Smith noted that the Indiana Utilities Regulatory Commission (IURC) did not view rates that would increase with the usage of more water as cost-of-service based and would frown on such an inclined rate structure. She asked what their position might be if such a rate structure would actually prevent the necessity of an expansion in a water treatment plant.

Dave McGimpsey, Rate Attorney with Bingham McHale, said he believed it would be hard to sell that point to the Commission. He agreed with Piedmont-Smith's assertion that it probably had never been done before, and said that a study that would prove the point might help.

Rollo noted that the Sustainability Commission had submitted a statement for this deliberation.

Ordinance 10-06

It was moved and seconded that the Water Advisory Statement of the Commission on Sustainability* of April 23, 2010 be added to the minutes of this meeting as part of the record. The motion was approved by a voice vote. *This statement has been appended to these minutes.

Volan asked if there was information on the average water usage in the USA in the Whitman report. Skomp said that in larger communities in Indiana the average water usage was 5000 gallons. Skomp said that the Cost of Service classes he attended used the figure of 7500 gallons. He said that the average of 3516 gallons/month for a City of Bloomington Utilities customer was a conservative number.

It was moved and seconded that Amendment #1 to Ordinance 10-06 be adopted.

Piedmont-Smith read the synopsis and said the 54% increase would allow the Utilities to start paying on the principal right away with the result of saving a significant amount of money.

Mayer said that the USB was trying to schedule more regular rate increases. He asked if the proposed 54% rate increase would forego a rate increase in a two or three year cycle. Murphy deferred to Skomp who said he didn't think it would. He said the additional 7% (from 47% to 54%) would be used to elevate the level of the debt service payments so that the principal could be paid immediately. He said that the increase in the plant's operation and maintenance would still need to be evaluated on a more regular basis to see how the increase in those areas affected the ability of the rates to maintain that level of service.

Satterfield asked if there was a figure that would reflect a cost of operation increase in today's environment. Skomp said he didn't have that number. He explained that a 47% increase there would be about \$15 million in revenue of which approximately \$5.5 million would be in debt service. He said the fixed rate bonds would not change rates, and would not be subject to inflation. He said that operation and maintenance expenses would be about \$6 million and would be subject to inflation. He said that if inflation came to 3 to 4%, it didn't necessarily mean that there would be a 3 to 4% rate increase and that all of the components of service delivery should be taken into account as a whole in determining a potential rate increase in the future.

Satterfield noted that he was concerned about the future costs of delivering services and the potential need for another substantial rate increase. Skomp said that smaller increases on a more frequent basis would allow the revenue to cover operating expenses as well as capital improvements. He said that the annual rate increase of 2-3% would most likely reduce the need for a large increase for capital improvements.

Sturbaum asked if the savings was calculated in real dollars or inflated dollars and if we were really saving the \$9 million. Skomp said the number was determined by running two schedules in today's dollars.

Sturbaum asked the prospects of the IURC approving the larger rate increase. Skomp said he wouldn't hazard a guess. He said that the Commission would look at both the 47% and 54% increases in their deliberation, but that they would consider the pros and cons to both proposals.

Amendment #1 This amendment is sponsored by Council President Piedmont-Smith. It raises the water rates from a 47% to a 54% increase in order to save about \$9.5 million in debt service (interest) payments as recommended by the Utilities Service Board at its March 24, 2010 meeting.

Satterfield asked if there would be any negative ramifications if the IURC decided for the 47% increase. Skomp said he didn't see any.

Amendment #1 to Ordinance 10-06
(cont'd)

Rollo noted a memo that referred to a calculation of water conservation that would be necessary to offset an increase in rates, and clarified that the difference between the 47% and 54% increase would mean an increase of \$1.03 per month for a residential customer who used 4000 gallons per month. He made the point that since the average residential customer used less than that, the increase from 47% to 54% would be less than a dollar a month for that average customer. Skomp said that was correct. Rollo asked how the average residential consumption was calculated to which Skomp replied that it was the total consumption divided by the number of customer bills.

Rollo noted that Aurora, Colorado conserved a lot of water due to a drought there with their average citizen using about 3000 gallons of water per day. He noted that Bloomington was similar to that community that had been exemplary in their conservation.

Public Comment:

Larry Jacobs, Chamber of Commerce, said the Chamber supported the amendment and approved of the plan to pay down the interest as soon as possible.

Piedmont-Smith noted for those planning for future expenses that the rate increase would be phased in in two parts, something that the consultants and the IURC favor. She noted that there were mechanisms in place to help low income families with their water bills. She said it was fiscally prudent to start a significant payment on the principal of the bond right away in order to save the community almost \$10 million.

Volan noted that Utilities billed for water, stormwater and wastewater, but that the proposed increase in rate would be on the water rate. He said that the initial step in increasing the rate would be in January of 2011 and that the second step would follow, and he hoped that it would be as late as January of 2012.

Rollo said he had voted against this amendment during the Committee of the Whole meeting on the issue, but had changed his opinion based on the prudence of not burdening the future with greater debt service.

Amendment #1 to Ordinance 10-06 received a roll call vote of Ayes: 9, Nays: 0

It was moved and seconded that Amendment #2 to Ordinance 10-06 be adopted.

Rollo read the amendment synopsis and the actual "Whereas" clause. He said that there were actually eight strategies to explore according to the Peak Oil Task Force report, and mentioned expanding storage capacity, exploring hybrid energy generation, transitioning back up generators to renewable sources of energy such as biogas or biomass, and developing an emergency ration and education plan. He said that he understood that the Utilities Director looked upon this amendment as a favorable one. Murphy said he had no problem with the amendment as offered.

Amendment #2 This amendment is sponsored by Councilmember Rollo and adds a Whereas clause that reflects the commitment of the Utilities Department to explore the feasibility of implementing the *Mitigation Goals & Strategies* regarding water supply set forth in the *Report of the Bloomington Peak Oil Task Force*.

Volan asked Rollo to put the amendment into perspective. Rollo said he looked at the rate increase and investment in the treatment plant and redundant line as water security. He said that the rate increase was for financial security, and the rest for physical infrastructure security. He

said the Peak Oil Task Force reviewed a grid failure which was experienced in about a quarter of the country in 2003. He said that a liquid fuel shortage at the same time as something of this nature might not allow the use of generators. Volan said he wanted to know of a set of actions that might occur. Rollo said that the amendment would formalize the recognition of this vulnerability and committed to the feasibility of exploring the implementation. He said it was important to signal to the public that serious consideration was being given to these issues by Utilities, the administration and the council.

Amendment #2 to Ordinance 10-06
(cont'd)

Public Comment:

Larry Jacobs, Chamber of Commerce, said the Chamber supported this amendment as a reasonable expectation of the USB and the Utilities Department. He said water security was important to all citizens and thanked Rollo for his concerns.

Matt Laherty, Vice Chair of Sustainability Commission, noted the support of the Commission for this amendment. He said they were looking forward to design strategies for sustainability in water security and said it was an important function of Utilities.

Ruff said he thought the amendment was in the same spirit as the redundant water line and was needed for emergency situations.

Volan said he would have liked to have seen a tangible product such as a list of recommendations resulting from this clause. He supported the amendment.

Piedmont-Smith said our community was very reliant on the electric grid for delivery of the essential service of water and was in favor of exploring a hybrid or alternative energy source. She said this was a good first step in looking at alternatives in running the water treatment and wastewater treatment plants.

Amendment #2 to Ordinance 10-06 received a roll call vote of Ayes: 9, Nays: 0

It was moved and seconded to adopt Ordinance 10-06 as amended.

FINAL VOTE on Ordinance 10-06 as amended.

Rollo referred to a list of Indiana communities and their water rates and asked if Bloomington was in the middle of this range. Murphy confirmed this.

Public Comment:

Jim Tolen said he supported the 54% increase without hesitancy. He noted that our water service was a bargain. He lauded visionaries who were taking care of our water, and noted that there were folks north of here who were interested in our water.

Larry Jacobs thanked the council and said they had been very thorough in studying this issue. He thanked the USB and Utilities employees, and the Mayor. He said that the Chamber was in support of this proposal.

Andy Davis, member of the sustainability commission said he was the dissenting vote on their statement to the council. He said that he believed that this was problem we could solve with conservation. He noted a conservation effort similar to Aurora (Colorado) could save about 15% of water usage. He also noted the Whitman study's cost of living rate increase and resulting demand drop as an example of needing something other than this ordinance. He said the choice was to allow

citizens to manage their water usage in a more conservative way or just raising rates. He said that money could be used for a conservation program which would result in the savings of the bond issuance – more than the savings alluded to in Amendment #1.

FINAL VOTE on Ordinance 10-06 as amended. (*cont'd*)

Mayor Mark Kruzan thanked council for scheduling this meeting on this date, and thanked the USB, noting it was a citizen board. He thanked those who provided information and support in this legislative process and noted that many citizens had been involved in reviewing this issue. He said that this proposal was the result of thorough study and the culmination of more than 2 years of work that consisted of countless hours of work, research, public and internal meetings, discussion and questioning that may not be evident to someone just watching the meeting. He said that the choice of the 54% increase was fiscally prudent and said that this was an investment in future services, some of which we may not yet be aware. He said that this was a community service that expanded on the work of preceding councils, and that the council could take great pride in their work and the manner in which it was done.

Sturbaum noted that there would be citizens who would not be happy with the increase in water rates. He said that the numbers had been crunched and that this was what water costs to come out of a tap. He said that the council trusted the consultants and their own investigation and apologized to those who would be paying more. He noted that this was being done for the future and that perhaps conservation could be used later.

Sandberg thanked the council for due diligence. She said she was appreciative of her time as a member of the Utilities Service Board and said that she came to appreciate the fact that the community was fortunate to have such professional oversight and management of this important service. She noted the conservation efforts and said it would take time to change human behaviors, but said she felt that the time to make this investment in the community was now.

Rollo said that the rate increase proposed for operations had to be done. He said that the additional line was needed in case of failure of the first line, and was prudent to do it now, as was noted by several speakers. He said he was skeptical at first of the expansion of the plant and explored possibilities of conservation so that the expansion would not be needed. He said that the plant tour had changed his mind as he saw many points of potential failure and learned that at points of maximum production there was no buffering capacity that existed for outages. He said that it would be irresponsible to not respond to this need. He said that a conservation program was necessary, however, and looked forward to working to put that into place. He reiterated that the proposal represented water security, but noted that energy failures were a real possibility in the future and that we should look to preparing for that.

Wisler noted that the council had done everything they could to find another way to cover this proposal without raising rates. He said that he and the council found that this was the only way to prepare the community to meet needs into the future, and was being done in a financially responsible way.

Satterfield said that in talking to citizens and explaining that their water bill would increase only by about \$7-8, some of their anxiety was allayed. He added that citizens were aware of the need for redundancy and upgrade of infrastructure. He thanked citizens for watching and reading and staying informed.

Mayer noted that the drug store was selling bottled water at \$0.20 per bottle. He said that at the proposed 54% rate increase, the cost per household would be about \$0.265 per day for water service, much cheaper than one bottle of water. He said that the history of Bloomington could be told through its efforts to bring water to residents citing Leonard Springs, Twin Lakes, Lake Griffey, and Lake Lemon. He said that now we were dealing with the future. He thanked the staff, consultants, the USB, council members and everyone who had been involved in what he called a discussion of many years.

FINAL VOTE on Ordinance 10-06 as amended. (*cont'd*)

Ruff said this issue was different from expansion in anticipation of future consumption, or doubts about the ability to conserve to avoid an expansion. He said that to look at the past as a projection of the future was the wrong approach, as the consumption of all resources and our very lifestyles would be different. He said he had been convinced that there was a need to provide security and reliability to the water delivery system and, in doing that, could obtain additional capacity that would provide benefits. He expressed concern about the undermining of motivation and incentive to be more careful, thoughtful and conservative about the consumption of water. He expressed concern about a conflict between the CBU policy about generating revenue and encouraging conservation. He said many months of careful considerations, discussions, deliberations, conversation, tours, and research had convinced him that this was the right way to proceed. He thanked Laherty for his tour and recognized the citizen USB members appointed by the council, Pedro Roman, Sam Frank, Jeff Ehman, as well as Tim Henke before them.

Volan said he had heard many reasons for the proposal including the growth of Bloomington, the growth of Monroe County, the peak capacity of the plant, and the many potential points of failure in the system. He said there was a little bit of truth in all the reasons, even though each of them were at one time advanced as the main reason for the project. He said that this proposal did not create a comprehensive, long term water policy. He added that if conservation alone would solve the problems, he would not approve this proposal, but had been convinced of its necessity. He said that Indiana's flat rate pricing structure was not progressive or one that encouraged conservation. He noted that the last rate increase was in 2005 and that we hadn't accounted for a cost of living increase since then, regretting the lack of action in that area since then. He said that this rate increase was not actually looking into the future, but was actually catching up to present best practices. He said looking to the future would be taking a lesson from this process, its timing and costs.

Piedmont-Smith said she agreed with Volan that the arguments had changed over the years, and added that she agreed with the arguments for this proposal today. She said that the council, city administration and Utilities Service Board members needed to follow up on the conservation plan rather than merely agree to the inclusion of the "whereas" clause in Amendment #2. She said she would like to see aggressive conservation measures implemented in the coming years. She noted that the rate increase would be hard on low income citizens and that made it more difficult for her to vote on the proposal. She said the waiver program help should be publicized more, along with the possible expansion of that program.

Piedmont-Smith said that the conservation rate structure should be considered, and that might mean that the City of Bloomington Utilities leave the Indiana Utilities Regulatory Commission purview. She said that higher rates for higher usage made sense conservation wise, and would be the best sustainability measure for use in our community.

She outlined the procedure that would follow the passage of this ordinance saying that the issue would go to the IURC where the Office of the Utilities Consumer Counselor would look out for the welfare of the rate payers. She said that the office had shown short-sightedness in some of their dealings with other bodies and noted the large rate increase requested by Duke Energy to fund a coal-fired power plant at Edwardsport, Indiana, with dubious application of untested technology which has already had huge cost overruns. She said that she hoped that the OUCC would realize that the rate increase would save the citizens a substantial amount of money in the long run. She extended thanks to all the utilities staff for answering numerous questions of the council; she thanked the council's appointments to the USB who met with the council members to help them understand the complex issues involved in the proposal.

Ordinance 10-06 as amended received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Ordinance 10-07 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the following information:

April 28, 2010 Committee Recommendation:
To Continue Discussion to May 12th: 7-1-0
Do Pass: 4-0-4

It was moved and seconded that Ordinance 10-07 be adopted.

Patrick Murphy, Director of Utilities, noted that this ordinance was required in order for the bonds to be issued. He noted that Hans Steck, bond counsel from the firm Bingham McHale, was present to answer questions.

Volan asked Steck what questions he heard during the Committee of the Whole on May 12, 2010 that needed to be answered regarding the bond issuance. Steck said the rate increase change was worthy of mention since the rate change was increased by amendment. He said the question could be asked: if the ordinance as drafted would allow for a smooth issuance at the 54%. He said the ordinance would allow for either rate increase scenario. Volan said he was trying to establish if it was necessary for Steck to hear the changes in Ordinance 10-06 before Ordinance 10-07 was rewritten to accommodate the changes. Steck said that he had written Ordinance 10-07 to work with either rate. Steck's exchange with Volan about his presence being necessary brought Steck to say that the practice of submitting questions and allowing consultants to submit answers while allowing time for researching the answers was an excellent procedure.

Rollo wanted to know when the bond would be retired with consideration given to the 54% rate increase. Steck said that there was a 20 year maximum on the term. He said assuming the IURC approved the 54% rate increase, it was conceivable to retire the bond earlier as the projected data is based on the current interest and market rates.

There was no public comment on Ordinance 10-07.

Volan noted that the point he was trying to make earlier was that since Ordinance 10-07 was tied to Ordinance 10-06 that at least one consultant's time might have been saved from sitting through the discussion of Ordinance 10-06. He said he supported this ordinance.

Ordinance 10-07 received a roll call vote of Ayes: 9, Nays: 0.

FINAL VOTE on Ordinance 10-06 as amended. (cont'd)

Ordinance 10-07 An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith

The meeting was adjourned at 9:32 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Isabel Piedmont-Smith PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

ADDENDUM:

The Bloomington Commission on Sustainability
Water Advisory Statement, 4-23-10

In our ongoing efforts to monitor, report and recommend improved practices for a sustainable city, the Bloomington Commission on Sustainability has investigated the Bloomington Utilities water treatment facilities, transmission systems and operations practices.

We learned that the Bloomington Utilities is doing an excellent job providing clean water to customers despite processing and delivering it through an aging and undersized system. We learned that the system has regularly operated at maximum capacity during summer heat waves. At maximum throughput, the system lacks a buffer to cope with unplanned outages. Resilient systems must have enough capacity to ensure that routine and non-routine maintenance can be performed while meeting customer demand and storing enough water for fire protection. Resilient systems dictate redundant components to ensure non-stop operation. The existing water treatment plant and transmission system has multiple single points of failure and lacks spare capacity.

While the Bloomington Commission on Sustainability remains an active and leading voice in the cause of conservation, we recognize the time to conserve water to prevent this expansion has passed. This event presents us with an opportunity to engage the community in a constructive dialogue about water conservation for the future. Though our community has an abundance of self renewing fresh water, water treatment and distribution requires significant amounts of electricity—powered by coal. The Bloomington Commission on Sustainability will continue to promote water conservation and supports treatment facility expansion in order to meet current needs.

We recommend that the Bloomington City Council and Mayor approve the following:

1. Expand the existing Monroe treatment plant to at least 30 Million Gallons Per Day.
2. Enhance the existing processing infrastructure to meet industry recognized “10 state requirements”.
<http://10statesstandards.com/waterstandards.html>
3. Implement real-time energy monitoring and control so that plant operators can reduce monthly electric demand charges. Use this data to populate a real-time water plant conditions dashboard so that the community can actively participate in conservation whenever the system experiences high demand. The data can also be used to plan for future operations with renewable energy.
4. Add a second transmission pipe between Monroe Reservoir and Bloomington.
5. Develop and support an ongoing conservation program to postpone future expansion and conserve water and energy.