

City of Bloomington Common Council

Legislative Packet

Containing legislation and materials related to:

Wednesday, 15 November 2023

Regular Session at 6:30pm



CITY OF BLOOMINGTON COMMON COUNCIL

AGENDA AND NOTICE:
REGULAR SESSION
WEDNESDAY | 6:30 PM
15 November 2023

*Council Chambers (#115), Showers Building, 401 N. Morton Street
The meeting may also be accessed at the following link:*

<https://bloomington.zoom.us/j/86554571673?pwd=SEtaVGp0R2dGUlpua2w3by9paWxJZz09>

- I. ROLL CALL
- II. AGENDA SUMMATION
- III. APPROVAL OF MINUTES:
 - A. January 25, 2023 – Regular Session
- IV. REPORTS *(A maximum of twenty minutes is set aside for each part of this section.)*
 - A. Councilmembers
 - B. The Mayor and City Offices
 - i. Housing Report from the HAND Department
 - C. Council Committees
 - D. Public*
- V. APPOINTMENTS TO BOARDS AND COMMISSIONS
- VI. LEGISLATION FOR SECOND READINGS AND RESOLUTIONS
 - A. Resolution 23-19 – To Approve the Interlocal Agreement Between Monroe County, the Town of Ellettsville, and the City of Bloomington for Animal Shelter Operation for the Year 2024
 - B. Resolution 23-20 – To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana – Re: Building Code Authority
 - C. Resolution 23-21 – To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana in Regards to the 2024 Edward Byrne Memorial Justice Assistance Grant (JAG)

(over)

*Members of the public may speak on matters of community concern not listed on the agenda at one of the two public comment opportunities. Individuals may speak at one of these periods, but not both. Speakers are allowed five minutes; this time allotment may be reduced by the presiding officer if numerous people wish to speak.

Auxiliary aids are available upon request with adequate notice. To request an accommodation or for inquiries about accessibility, please call (812) 349-3409 or e-mail council@bloomington.in.gov.

Posted: 09 November 2023

- D. Resolution 23-22 – To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana for the Operation of the Bloomington/Monroe County Capital Improvement Board and the Convention And Visitors Commission

VII. LEGISLATION FOR FIRST READINGS

- A. Ordinance 23-29 – An Ordinance Authorizing The Acquisition, Construction and Installation by the City Of Bloomington, Indiana, of Certain Extensions and Improvements to the City’s Sewage Works Utility, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation and Distribution of the Revenues of Such Sewage Works and Other Related Matters

- B. Ordinance 23- 30 - An Ordinance Concerning the Construction of Additions 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

VIII. ADDITIONAL PUBLIC COMMENT *

(A maximum of twenty-five minutes is set aside for this section.)

IX. COUNCIL SCHEDULE

X. ADJOURNMENT

*Members of the public may speak on matters of community concern not listed on the agenda at one of the two public comment opportunities. Individuals may speak at one of these periods, but not both. Speakers are allowed five minutes; this time allotment may be reduced by the presiding officer if numerous people wish to speak.

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Posted: 09 November 2023



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

Minutes for Approval

25 January 2023

In the Council Chambers of the Showers City Hall, Bloomington, Indiana on Wednesday, January 25, 2023 at 6:30pm, Council President Sue Sgambelluri presided over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
January 25, 2023

Councilmembers present: Matt Flaherty, Isabel Piedmont-Smith, Dave Rollo, Kate Rosenbarger, Susan Sandberg, Sue Sgambelluri, Ron Smith, Stephen Volan (arrived at 6:33pm)
Councilmembers present via Zoom: Jim Sims
Councilmembers absent: none

ROLL CALL [6:30pm]

Council President Sue Sgambelluri summarized the agenda.

AGENDA SUMMATION
[6:30pm]

Rollo moved and it was seconded to approve the minutes of March 2, 2022, March 23, 2022, and October 06, 2022. The motion received a roll call vote of Ayes: 8, Nays: 0, Abstain: 1 (Volan).

APPROVAL OF
MINUTES [6:32pm]

- March 02, 2022 (Regular Session)
- March 23, 2022 (Regular Session)
- October 06, 2022 (Special Session)

Volan spoke about the Community Justice Response Committee (CJRC) and his concern on its progress. He commented on the lack of transparency and collaboration, change in membership, canceling and un-canceling of meetings, CJRC's purview, and its poor process in which to develop a new jail under. The current jail had been under a consent decree for fourteen years. He discussed alternative options, including Hopewell or the Convention Center area, and believed that the jail was beyond saving. He urged the commissioners to take into consideration the feedback from other county staff.

REPORTS [6:33pm]

- COUNCIL MEMBERS [6:33pm]

Sims agreed with Volan's statement on CJRC.

Rollo said it would be beneficial to include recommendations to boards and commissions in the packet, for councilmembers to consider prior to meetings.

Piedmont-Smith commented on the two mass shootings in California that week, and urged state and federal elected officials to pass common sense gun control laws. It was important to fund mental healthcare. She also agreed with many of Volan's statements regarding the CJRC. She had attended meetings, and had requested that a city representative be on the committee, too. It was unclear what the committee's roadmap forward was. Piedmont-Smith was shocked and appalled at the condition of the current jail, presented by Sheriff Ruben Martí. There was dereliction of duty by former Sheriff Brad Swain, and previous sheriffs too. She appreciated Martí and his deputies for bringing forth the concerns, and for improving the conditions as best as they could with the budget they had.

Sandberg echoed the concerns about the jail and referenced her volunteering with New Leaf New Life there. It was clear that a new jail was needed, and it was important to not just talk about it, but to take action to do so.

Deputy Mayor Mary Catherine Carmichael thanked city staff who were out in the elements and got the sidewalks and roads clear from snow.

- The MAYOR AND CITY OFFICES [6:47pm]

There were no council committee reports.

- COUNCIL COMMITTEES [6:47pm]

Greg Alexander spoke about stop signs, safe streets, risks while riding bicycles and zooming vehicles, encouraging safe streets throughout the community, and the Greenways programs.

• PUBLIC [6:48pm]

David Sabbagh commented on districts, the need for smaller trash and recycling bins without a fee, and the resolutions on ending the embargo on Cuba and prior to that, against the war in Iraq.

Stephanie Hatton read explicit social media comments, regarding her public safety efforts in her neighborhood, made by a Traffic Commission commissioner. She spoke about her experience with the comments and their impact.

Natalia Galvan urged council to remove Greg Alexander from the Traffic Commission and gave reasons in support of doing so.

Eric Ost asked council to rescind an appointment to a commission. He said that the social media comments were furthering toxicity in the community.

Chuck Livingston spoke about the social media comments in question and stated that he stood in solidarity with Hatton. He urged council action.

Marc Haggerty talked about multiple deaths in the jail, including one suicide and another because he was not given his heart medication. This occurred after the rehabilitation program was removed. He stated that as a result of notifying officials, he was removed from New Leaf New Life. He expressed his frustration with his solutions not being heard by officials.

Joe Lee stated that inhumane conditions needed to be resolved quickly. He also discussed the insulting language used by a member of the Traffic Commission in question. That individual had written a letter to his wife after the resolution on ending the embargo on Cuba using ageist and unappealing language.

Jeff Rodgers stood with Hatton and stated that bullies would bully until people said enough. He said there were individuals who did not want to comment because they feared becoming targets of the bully, including letters to their home and videotaping their homes.

Sgambelluri stated that councilmembers appointed to the Sidewalk Committee the previous week would commence their tenure after the upcoming report. She noted that as a result of the many concerns regarding the Traffic Commission commissioner using foul language, council was working with Stephen Lucas, Council Attorney and Administrator, on possible actions.

APPOINTMENTS TO
BOARDS AND
COMMISSIONS
[7:14pm]

LEGISLATION FOR
SECOND READING
AND RESOLUTIONS
[7:16pm]

Rollo moved and it was seconded that Ordinance 23-01 be read by title and synopsis only. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0. Clerk Nicole Bolden read the legislation by title and synopsis. There was no do-pass recommendation.

Ordinance 23-01 – To Amend The City of Bloomington Zoning Maps by Rezoning a 0.57 Acre of Property From Mixed-Use Neighborhood Scale (MN) to Mixed-Use Medium Scale (MM) - Re: 300, 302, and 314 W. 1st Street (Saint

Rollo moved and it was seconded that Ordinance 23-01 be adopted.

Jackie Scanlan, Development Services Manager in the Planning and Transportation department, presented the petition. She noted the property overview, vacated alleys, allowed uses in the Mixed-Use Medium Scale (MM) district, and referenced the Comprehensive Plan. She explained a right of way, property line change, and highlighted some key differences with the zones.

The Plan Commission found that the criteria was met, with one condition. Staff believed that the rezoning matched the Comprehensive Plan designation.

Real Estate LLC,
Petitioner) [7:16pm]

Chris Cochran, FC Tucker representative for petitioner Saint Real Estate, briefly provided reasons for the petition. The redevelopment of the Hopewell site provided a once in a lifetime opportunity within Bloomington. He gave examples of the added value to the site through redevelopment opportunities.

Ordinance 23-01
(cont'd)

Volan asked for clarification on the different zoning districts, and why the Comprehensive Plan was not used as a Unified Development Ordinance (UDO).

Council questions:

Scanlan explained that was not typical, anywhere, and that designations were a guide for future development, and districts were more fine-tuned. She said that there was more than one zoning district that was appropriate for an area designated in the Comprehensive Plan.

Volan asked if it was correct to describe a Mixed Urban Residential Area as a district.

Scanlan confirmed that was most accurate.

Sandberg asked if there were neighbors that had objected to the petition.

Scanlan stated that staff had not received any negative feedback.

Cochran said there were some McDoel Gardens residents that expressed concerns with what might be built. There were about eleven residents that attended one meeting, and he had also attended Piedmont-Smith's constituent meeting.

Sandberg asked if it was mainly McDoel, or if Prospect Hill residents attended too.

Cochran confirmed that it was mainly McDoel.

Smith asked if there were any impacts to nearby businesses.

Scanlan said there were not and that the existing building was on two parcels, and there was a third vacant parcel, all owned by the same entity.

Rollo said his interpretation was that the difference with the two zones was one story, with a height difference from forty to fifty feet, and the impervious surface remained the same. Therefore, it allowed the petitioner to raise the building by one story.

Scanlan confirmed that was correct, and that currently, neighborhood scale was three stories not to exceed forty feet, and that MM would be four stories not to exceed fifty feet.

Rollo asked what would be immediately adjacent in Hopewell.

Scanlan said the zoning district in Hopewell was medium scale. When the zoning map was updated, staff proposed that the area remain as neighborhood scale so that it stayed in line with existing development.

Rollo stated that a rendering might have been useful, and asked if there would be a site plan.

Scanlan stated that a rendering could be done in the future. She said that a site plan would be done if the criteria requiring it was met.

Rosenbarger asked for a description of the right of way dedication that was consistent with the Transportation Plan.

Scanlan explained that the right of way on 1st Street was already in excess of the Transportation Plan, but on the eastside there would be an additional six feet. She provided additional details on the plat.

Sims asked for clarification on the twenty minute neighborhood concept.

Scanlan believed that it pertained to the ability to walk or bicycle to resources like a grocery store, within twenty minutes. She stated there could be additional details to it.

Sims asked about the diversification of housing in the Comprehensive Plan, with an emphasis on affordable and work force housing. He asked how that was reached.

Scanlan said that the rezone did not address incentives or require affordable housing. Allowing for more units would be beneficial as a whole, especially if the developers used the incentives for affordable housing in order to receive an additional story.

Ordinance 23-01
(cont'd)

Sims asked if it was correct that was the goal overall of the Comprehensive Plan.

Scanlan confirmed that was correct, and staff included that goal from the Comprehensive Plan into the UDO.

Piedmont-Smith asked what was around the parcel, currently.

Scanlan said to the east was Kroger, to the north there were no structures because they were scrapped, to the west was the county building operated by Centerstone, and to the south, it was zoned residential high density with small business, et cetera.

Sandberg commented on the city incentives for developers including affordable housing and asked if there was merit in keeping the smaller, less intense scale as a buffer. This was in regards to the nearby neighborhood concerns of there being a larger bulk building footprint.

Scanlan stated that there were not residents that were immediately adjacent. The nearest single family portion of the neighborhood were a block away. She provided additional details on the site including current zoning.

Sandberg asked if it was correct that there was already a buffer in place.

Scanlan confirmed that was correct.

Dave Askins, BSquare Bulletin, commented on rezoning, process, and asked what the thought process was in not having addressed the rezone a couple years prior when the opportunity was in front of council.

Public comment:

Rollo asked why the area had not been rezoned previously.

Council comment:

Scanlan stated that it was because there was existing development, staff opted to leave the zoning for consistency, with the properties on the south side of 1st Street. If the site had been vacant, then it most likely would have been changed. At the time, staff believed it was ideal to go with a less dense zone.

Flaherty asked if staff had pursued the rezone previously, then there would not have been a mechanism for the additional right of way vacation with the approval of the legislation that evening.

Scanlan confirmed that was correct.

Piedmont-Smith stated that she was in favor of the rezone, and said there were some concerns about what might be built there. Because there were no single family homes, or plexes, near the site, she did not see how it would negatively impact neighborhoods like McDoel Gardens. She appreciated the rezone which allowed more uses and increased density.

Rollo said that some sites, like the one in Ordinance 23-01, were ideal for density and gave reasons in support. He said that it was better to build up than out. He supported the legislation.

The motion to adopt Ordinance 23-01 received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Vote to adopt
Ordinance 23-01
[7:51pm]

Rollo moved and it was seconded that Resolution 23-03 be read by title and synopsis only. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0. Bolden read the legislation by title and synopsis.

Resolution 23-03 – To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and the Bloomington Public Transportation Corporation Regarding Economic Development Local Income Tax Distribution to Support Transit Projects [7:52pm]

Rollo moved and it was seconded that Resolution 23-03 be adopted

Beth Cate, Corporation Counsel, highlighted the agreement including the distribution from the city to the Bloomington Public Transportation Corporation (BPTC) and certain requirements and projects.

John Connell, General Manager of Bloomington Transit (BT), gave additional information regarding the projects and obligations.

Council questions:

Smith asked if the agreement enhanced the ability for those with disabilities or the elderly to ride the bus.

Connell said that one project funded discounted fares for people with disabilities and the elderly. There were nonprofit agencies that BT sold discounted fares to.

There was no public comment.

Public comment:

Piedmont-Smith thanked the administration, Connell, and BPTC for their work on the agreement. She said that improving transit in the city allowed her to support the increase in the Economic Development Local Income Tax (EDLIT).

Council comment:

The motion to adopt Resolution 23-03 as amended received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Vote to adopt Resolution 23-03 [8:00pm]

Rollo moved and it was seconded that Appropriation Ordinance 22-06 be read by title and synopsis only. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0. Bolden read the legislation by title and synopsis. There was no do-pass recommendation.

Appropriation Ordinance 22-06 – An Ordinance Appropriating the Proceeds of the City of Bloomington, Indiana, General Revenue Annual Appropriation Bonds of 2022, Together With All Investments Earnings Thereon, for the Purpose of Providing Funds to Be Applied to the Costs of Certain Capital Improvements for Public Safety Facilities, and Paying Miscellaneous Costs In Connection with the Foregoing and the Issuance of Said Bonds and Sale Thereof, and Approving and Agreement of the Bloomington Redevelopment Commission to

Clerk's Note: This item was last read at the January 18, 2023 Regular Session when discussion was postponed to the January 25, 2023 Regular Session.

Rollo moved and it was seconded that Appropriation Ordinance 22-06 be adopted.

There was brief council discussion on process.

Carmichael spoke about acquiring the west side of the Showers building for a public safety facility. She provided reasons in support including setting the tone, integrating public safety workers, and the validity and pleasant location of the building. She reiterated information in support of the proposal and also acknowledged concerns that had been discussed extensively. Carmichael delineated other key details and highlighted the benefits of the proposed new public safety facility.

Sgambelluri read the synopsis for Amendment 01 to Appropriation Ordinance 22-06. Smith moved and it was seconded that Amendment 01 to Appropriation Ordinance 22-06 be adopted.

Amendment 01 Synopsis: This amendment removes language from the appropriation ordinance related to a Redevelopment Commission purchase agreement for a portion of the Showers building complex at a purchase price exceeding \$5,000,000. The intent behind the removal of this language is to

indicate that the Council does not approve of said agreement. It also makes clear that the additional funds to be appropriated by App Ord 22-06 shall not be used for the purpose of paying costs associated with the acquisition of any portion of the property comprising the existing Showers building complex not currently owned by the City.

Purchase Certain Property [8:01pm]

Volan asked what would be needed to maintain Bloomington Police Department's (BPD) Commission on Accreditation for Law Enforcement Agencies (CALEA) accreditation, if the public safety facility proceeded. He asked if the location jeopardized the accreditation

Council questions:

Police Chief Mike Diekhoff stated that CALEA was policy-driven and based on best practices, though there might be site visits. He did not believe there was a risk of losing the accreditation.

Sandberg noted community policing, downtown resource officers, and other achievements. She asked if there was an additional need for police reform that had not been already addressed.

Carmichael said it was more focused on evolving, much like best practices and policing had evolved over time.

Sandberg stated that it appeared to be a new need.

Flaherty said that if Amendment 01 and Appropriation Ordinance 22-06 passed, then the Redevelopment Commission's (RDC) purchase of the Showers building would be cancelled, and other projects could be done. He asked for clarification what projects the administration would consider.

Carmichael said that the administration had a list of options but that final decisions had not been made. Fire Station 1 needed to be repaired, and Fire Station 3 could also be renovated. The training and logistics center would also be built out, but that location was not ideal.

Flaherty asked if both repair and a new facility for Fire Station 3 was a possibility, if Amendment 01 and the legislation passed.

Carmichael confirmed that was correct.

Flaherty asked for additional information.

Fire Chief Jason Moore stated that there had not been studies done to consider other locations, including the cost benefit analysis. He said that a current project would have to be added in order to consider pros and cons. Moore said that there was not enough space for fire administration at Fire Station 1.

Piedmont-Smith asked if Mayor Hamilton intended to expand the current police station if Amendment 01 passed. And if not, what funding would be available for the expanding BPD.

Carmichael said that only a renovation would take place at the current BPD headquarters, and not new construction. She believed that new bonds would need to be issued.

Jeff Underwood, Controller, said that an additional general obligation bond would be needed and would include property taxes to repay it.

Volan asked where a new BPD headquarters would be built if new funding was sourced. He asked if he was misunderstanding the discussion.

Carmichael stated that Piedmont-Smith had asked about funds and not a new building.

Volan said that the current BPD headquarters would be sold, and it was noted that there were deficiencies with the building. He asked for clarification.

Carmichael said that the value was with the land, not the building.

Volan asked how there had been a solution to the flooding near Fire Station 1 but not the BPD headquarters, which was only one block away.

Carmichael said that the basement of Fire Station 1 was completely flooded and would not be included in repairs.

Moore said that modeling by City of Bloomington Utilities (CBU) indicated that the flooding would not recur, but it was not guaranteed. He explained that

the renovation plan eliminated the basement completely. He clarified that the flooding had been from the inside through the drainage system, and not water penetrating the building from the outside. The plan was also expensive because a new, redesigned drainage system would be built.

Volan asked if Fire Station 1 had a perimeter drain.

Moore said that it did, and additional attempts to fix the problem had been done, yet there was still flooding.

Volan stated that Kunce had mentioned that a perimeter drain should fix the flooding problems.

Moore confirmed that it “should” fix the flooding but was not guaranteed. He said that other fixes also “should” have fixed the problems but did not.

Deb Kunce, architect at J.S. Held, added that the solution had to include a water-proofing component like a bentonite which expanding with water. She noted additional considerations like difference in elevation.

Volan asked about the cost.

Kunce said it would be about \$700,000 without the water-proofing.

Sandberg asked if the Showers building purchase did not occur, then Economic Development Local Income Tax (EDLIT) funds would only be used for renovation of the current police headquarters, and not expansion. She asked if it was more cost effective and fiscally responsible to both renovate and expand the current headquarters.

Carmichael said that the administration did not believe that the building was a quality investment.

Smith asked if having a police headquarters in the Showers building made the area safer, given the retribution around the nation. He asked if city employees or the Farmer’s Market attendees would feel safer.

Carmichael stated that she could not speak to peoples’ feelings.

Rollo found that officers unanimously felt unsafe primarily because of the ingress and egress. He wondered if there had been a traffic study that counted the number of police cars that exited the current police station.

Kunce said that a traffic study had not been done.

Rollo asked how there was confidence in the area by Showers, if no study had been conducted.

Kunce explained that the focus had been on not blocking police cars.

Rollo stated that there needed to be an actual count at the current location and compared with Showers.

Diekhoff clarified that there were two ways, in and out, at both the current headquarters and Showers. At the current headquarters there was a major sidewalk through the park that officers crossed all the time. Officers were highly trained to be very cautious when driving. There had been internal discussions to address concerns regarding the B-Line trail.

Rollo reiterated that he did not understand why a study had not been done especially with a safety lens.

Diekhoff highlighted the safety concerns at the current headquarters that were parallel to concerns at Showers, like pedestrians in the parking lot.

Flaherty asked if there was data about the claim that there was unanimous concern from police officers about the Showers building’s ingress and egress as being unsafe.

Diekhoff stated that there was not.

Rollo stated that he had spoken to representatives from the police union who said that all officers were opposed.

Flaherty mentioned that in past meetings, Diekhoff noted that most police responses to emergency calls initiated from police out in the community and not from headquarters. He asked about how many were dispatched from headquarters.

Diekhoff stated that he would get that information for council and estimated that 20-30% of the calls were dispatched from headquarters.

Amendment 01 to
Appropriation
Ordinance 22-06
(cont’d)

Flaherty understood that police officers frequently used Lincoln and Washington streets. He noted that Bloomington Transit was across the street and asked if that was considered to be a high pedestrian area.

Diekhoff confirmed both points.

Flaherty said that, additionally, there was a park adjacent to the current headquarters, with a playground for children, and asked if that was also a high pedestrian area.

Diekhoff confirmed that was correct.

Flaherty asked when the last time a traffic study had been conducted at the current headquarters.

Diekhoff did not know.

Volan asked for clarification on what Rollo meant when stating that a traffic study was necessary; whether it was a count, or behavior study.

Rollo said that he would like to see an in depth analysis of ingress and egress, including car counts, speeds, and testimonials.

Mayor John Hamilton explained that emergency services were located where there was a need. He reiterated that most police calls were responded to from officers in the community.

Rollo stated that made it hard to compare locations.

Hamilton stated that he understood that Rollo did not like the Showers building for public safety and explained that typically, traffic studies were not done for public safety facilities.

Sims said that there were insinuations of there being 100% of sworn police officers stating that the Showers building was an unsafe location. He had not seen any data supporting that claim. He asked Diekhoff for his position on that concern and on discussions had occurred regarding ingress and egress safety.

Diekhoff said there had been discussions and concerns had been addressed. Experts were confident, as was he, that a solution-based design could be attained to make the area as safe as possible.

Sims mentioned that there were districts dividing the city that police officers covered. He asked how many calls were responded to from headquarters.

Diekhoff stated that there were days that none were dispatched from the headquarters and that it depended on the work the officers were doing.

Rosenbarger asked Diekhoff about crashes involving police cars, and if there was existing data.

Diekhoff stated that he did not know but could gather that information.

Sgambelluri said it would be helpful to hear details on what the solutions were for the concerns on ingress and egress.

Carmichael gave examples like lane widening.

Kunce stated that there were two main entrances and if those were blocked, there were two other options. In an extreme emergency, even the B-Line trail could be driven on. She said that the parking garage was another alternate route.

Diekhoff mentioned notices on the B-Line, like flashing lights to alert the public, and that police cars would also use their sirens.

Carmichael said that she had spoken with community members near the current police headquarters, like The Project School, Goldcasters, and more, and no one expressed deep concerns with sirens.

Volan asked if there would be gates to block certain entry points.

Carmichael stated that there were many options for traffic and pedestrian control. It might be ideal to do a traffic study to see what the best option was. She said that safety was addressed all around the city and that the Planning and Transportation department staff were well versed in that field.

Flaherty asked what the Bloomington Fire Department's (BFD) experience was at the temporary station on 4th Street.

Moore stated that station was immediately adjacent to the B-Line trail and responded to calls five to fifteen times per day with zero incidents. He noted the use of sirens, and safety spotters.

Flaherty asked if it was correct that 100% of the time, pedestrians and cyclists using the B-Line understood what the sirens meant, and stopped and waited for emergency vehicles to proceed.

Moore explained that the lights and sirens were a request to yield, and not a demand, and if the pedestrian or cyclist did not yield, firefighters would yield to them.

Rosenbarger asked Moore for his input and reasons for the need to relocate the fire administration.

Moore stated that previously, fire administration was spread around the city. He said that BFD did much more than only responding to emergency calls, like working with Planning and Transportation department, building code issues with Monroe County, and more. He highlighted the benefit of having city departments collocated for things like a plan and fire review for construction. It supported continuity to collocate.

Piedmont-Smith asked how BPD and BFD employees would be engaged, if the purchase of the Showers building was successful.

Carmichael said that the administration would work with the employees in the planning process, especially the non-sworn BPD employees that spent a lot of the time at headquarters.

Piedmont-Smith noted the concerns about the many windows at the Showers building and asked how officer safety could be maximized.

Carmichael said that there were options and the administration was sensitive to the concerns and wanted staff to feel and be safe. She gave some examples.

Kunce added that it was important to consider all the options, like ballistic glass, privacy shades, and other options.

Rollo understood that the parking garage would be made secure, and asked how that would be considered to be an alternative route.

Kunce said that the secure area was on the lower level and to go through the garage, cars would stay to the right and be able to exit.

Rollo asked if it was possible that cars could possibly block that area.

Kunce stated that was no different than blocking a parking lot, like the one at the current headquarters.

Rollo asked for clarification with using the B-Line as an alternate route.

Kunce clarified that it would be used to access a major road. In an emergency situation where there were no other options, then the B-Line could be used since it was wide enough for a car.

Rollo asked about the difference between a large, slower firetruck crossing the B-Line versus a small, faster police car.

Diekhoff assumed that police cars would leave faster than a firetruck.

Sgambelluri revisited concerns, from nearby neighborhoods, regarding traffic patterns near a public safety facility.

Carmichael explained that she had reached out to neighbors of the current police headquarters, as she had mentioned before, and that the concerns were unfounded from their perspective.

Sgambelluri asked what she had heard from the neighbors by Showers.

Carmichael said that the concerns pertained to noise and traffic.

Sgambelluri asked about collocation and solutions for having all public safety located with local government, which could be disabled by a disaster.

Moore explained that emergency services always built continuity of operation plans. The flood that harmed Fire Station 1, stopped its operation but within a few days, it was fully functional. Then within two weeks, there

Amendment 01 to
Appropriation
Ordinance 22-06
(cont'd)

was a temporary location, and in six weeks the station was fully functional out of former lawyer's office. He explained that public safety was always dealing with what-if's and designing fall back plans and locations. He assured council that no matter the location, there would be back up plans.

Diekhoff concurred and listed the options that BPD had around the city. He said that there were current plans in place, and that if the Showers building was purchased, then the plans would be adjusted.

Hamilton said there was also a mobile command center, and Indiana University (IU) with multiple locations too. He said that with most emergencies it was beneficial to have the fire and police chiefs, and coordinators together. He said that the integration of public safety was more critically important.

Rollo asked what the Showers building was able to withstand, potentially with an earthquake or a tornado.

Kunce said that testing had not been done so she did not know exactly.

Rollo stated that a new building, or a renovated building with an addition, it would be built to higher standards.

Kunce confirmed that new construction was held to a different standard.

Rollo said it was hard to evaluate a building without knowing what it could withstand.

Cate said that the work done by Springpoint included analyses by engineers regarding soil, wind resistance, and more. She did not have the information at the moment, but recalled they were not concerned about wind events.

Jeff Richardson commented on his experience in working with the police, his time in the prosecutor's office, and his assistance in creating the first youth shelter in the county. He commented on safety concerns pertaining to the proposal.

Public comment:

Eric Ost said it was important to listen to the public safety employees, who appeared to express many concerns.

Paul Post, President of the Fraternal Order of Police Lodge 88, expressed concerns with the proposed purchase of the Showers building for a public safety facility. He urged council to reject the proposal.

David Sabbagh disagreed with the city buying property. He spoke about traffic patterns, the Showers building, and surrounding properties.

Jamie Sholl liked the current BPD headquarters and spoke against moving it to the Showers building.

Jeff Rogers said that he, and other police officers, did not think it was ideal to move the police headquarters to the Showers building. He highlighted the many concerns regarding the building, costs, and personnel issues.

Joan Middendorf commented on police violence against Black and Brown community members. She spoke about her experience witnessing police violence. She noted the need for police reform.

Volan asked where the connection with City Hall was in the schema.

Council comment:

Kunce showed where there would be a connection in a new corridor.

Volan asked if city staff would have access to the police area.

Kunce clarified that there would be some restricted access to the police area. She explained specifics from the schema.

Volan noted some details about the Showers building and said he did not see the ability to have much interaction between police and other city staff.

Hamilton clarified that he, and the administration, were very proud of public safety personnel and their work. He commented on swearing-in ceremonies and the need for the integration of public safety in the community.

Amendment 01 to
Appropriation
Ordinance 22-06
(cont'd)

There would be many layers on implementing the integration. He understood that the police social workers were excited to be colocated with the health specialists of the fire department. He commented further on the building safety, department-specific needs, interactions with the public, and said there were around two hundred and eighty employees in public safety and only around eighty would be in the Showers building at any given time.

Amendment 01 to
Appropriation
Ordinance 22-06
(cont'd)

Rollo asked when Hamilton became aware that police officers unanimously opposed moving to the Showers building.

Hamilton stated that he had not seen any data confirming that claim. He said that the FOP leadership had communicated that to him but not shown any data. Early in the process, there was an extensive study that looked at dozens of potential locations, and that as the Showers building became the optimal option, he learned that the FOP were against it. The administration had met with FOP leadership to discuss their concerns.

Rollo asked if Hamilton agreed that the proposal was a huge decision.

Hamilton responded that he did and said the decision to invest into public safety would implicate service for decades. He reiterated that the Showers building allowed for future expansion as needed.

Rosenbarger asked what the timeline would be with CFC, and what happened if the purchase did not go through.

Carmichael said that she had spoken with CFC representatives that day, and they were liquidating many properties in the city. She was told that there was a lot of pressure to sell the building, which was a once in a lifetime purchase.

Rosenbarger asked what portions of the building were old and what had been renovated.

Carmichael responded that there were the "bones" of the building, but that it had been gutted and renovated in the 1990s. The mechanical portions of the building were around twenty five years old. She said that upgrades were done expertly and well-maintained.

Sandberg asked if there were other entities interested in purchasing the west side of the Showers building and if the agreed upon price was still accurate.

Carmichael said they had not discussed other entities interested in purchasing the Shower building. She said that the price had been reduced by \$500,000.

Sandberg asked if there were entities interested in purchasing the current police department.

Carmichael stated that she was not aware of any since it was not on the market.

Rollo commented that the process was disappointing. He said there had been a short period of time discussing the purchase of the Showers building, which was tied into the bonds. He appreciated the administration separating the bonds from the proposed purchase. Rollo said it was enlightening to be on the ad hoc committee and drilling down on some topics, and noted that Volan had excellently chaired that committee. It seemed to Rollo that the cost for renovating the current police station was inflated and the discounting of expenses for Showers was concerning. He spoke about touring the police station, the suggestions made by the FOP, and highlighted some specifics like adding a perimeter drain. Rollo also stated that the Kaestle Boos Associates, Inc. estimate for Showers did not include the purchase price of the building. It was a much cheaper option to keep the police station where it was. He was worried about colocating public safety in an older building. He commented on the standards for public safety facilities, disasters, and said that the Showers building was ideal for offices, but not for public safety. Rollo stated that he listened to police officers and was alarmed about making a bad decision with having public safety in the Showers building. He highlighted some of the concerns with the proposal that had been discussed in depth over several

meetings like a traffic study, and more. He urged the council to do no harm and said he supported Amendment 01.

Amendment 01 to
Appropriation
Ordinance 22-06
(cont'd)

Flaherty commented that the notion of doing no harm was misleading and was often invoked to preserve the status quo. The nature of policing and public safety should be changing and evolving at a high level. The integration of public safety services and making progress on persistent and difficult systemic problems was crucial. He did not intend to make an indictment on any department. He acknowledged that Bloomington, like everywhere in the United States, had issues and needed to continually improve public safety outcomes to ensure they were not impacting marginalized communities disparately and to reduce the unjust and world-leading incarceration rates. There was local data that was concerning. Bloomington needed to be mindful of best practices amongst progressive communities that were working to address the issues. He said there was value in the integration and collocation of all the public safety services which would continue to evolve. Flaherty rejected the framework that the status quo did no harm. He noted that it was not a real option to renovate or expand the current police station. There was also no evidentiary basis for the idea that there was an ulterior motive for the purchase of the Showers building. He commented on the ingress and egress concerns, the pedestrian-dense downtown, the properties surrounding the current police station, and neighborhood concerns with traffic patterns. He said that the current police station was less safe than the Showers building, since there were many more children near that location. He would vote against Amendment 01.

Rosenbarger appreciated the discussion on the pros and cons with the proposal. It was compelling to have public safety in the Showers building. She noted that most responses to emergency calls were not initiated from the police station. The fire station near the B-Line had no issues with pedestrians. She believed what the police and fire chiefs had to say. It was also compelling that future expansion was doable in the Showers building. She noted that Moore had said that the fire administration had already outgrown their current space. Rosenbarger found the parking garage compelling, because it was possible to provide a secure space for police cars, which was not feasible at the current police station. She commented that public safety meant something different to different individuals and that the collocation of most city staff was ideal. She gave reasons in support. She agreed that there was likely more bicycles and pedestrians near the current police station, including the people at the Boys and Girls Club, the Bloomington Transit station, The Rise, Middle Way House, The Project School, and many multi-family housing units. She said that one of the things that Bloomington did not have was a soccer field, which was one of the least expensive sports and Third Street Park would be ideal for a soccer pitch. She commented that it was also ideal to reconsider the Farmers Market given the many other markets like the Peoples' Market. She would be voting against Amendment 01.

Smith believed that the common ground was that public safety facilities needed to be renovated or built. He also appreciated the idea of collocating. To him, the Showers building did not seem like the ideal location. He appreciated all the feedback he received. He commented that programs and services could be done regardless of the final decision on the location. He would support Amendment 01.

Sandberg commented that the ingress and egress was a small portion of why she thought the Showers building was not ideal. She would support Amendment 01 so that alternatives could be discussed and feasibility studies done. A true opportunity to hear from the stakeholders had not been done; they had been treated like members of the community and allowed to speak during public comment periods with three minutes each. She noted that different departments had different purposes, like fire and police. Functional

Amendment 01 to
Appropriation
Ordinance 22-06
(cont'd)

spaces were needed for public services and she did not think the Showers building was sufficient. She did not believe that the current police station was a failing building. Sandberg said that people arriving to Bloomington via the public buses often went to the police station first, to get information on services and more. She said the idea of a fear of change was condescending to the police department. Bloomington embraced that the police department respect all members of the community, including marginalized people. She said that collocating did not make Bloomington more progressive because it already was. Police wanted to stay in the current building, or to build a new headquarters. She iterated the need to listen to police officers and their wishes and gave kudos to the fire and police departments for their ability to keep functioning during the recent flood. She would vote for Amendment 01.

Piedmont-Smith appreciated the discussion regarding public safety. She said that the police department had needed more space for years. She stated that the mayor made it clear that expansion at the current police station would not happen with the bonds. She discussed funding for a possible new building which, as Controller Underwood explained, would have to be for new general obligation bonds. She believed the prudent decision was to purchase the Showers building and put the police station and fire administration there. She would not approve any Community Revitalization Enhancement District (CRED) funds for the proposal.

Sgambelluri thanked everyone for their participation in the discussion. She stated that the proposal was a complex decision. The decision would be based on imperfect information because there were unknowns. She found it compelling to think of the public safety function as changing over time and she believed the police department had done so. She was unsure that collocating the police department was ideal. She believed that the police officers input was important. She still had concerns with the ingress and egress at the Showers building. Sgambelluri said there were community concerns communicated to her including high costs, new traffic patterns, and more. She did not appreciate having only one proposal, and not seriously considering the expansion of the current police station.

Volan referenced a presentation from the administration highlighting the benefits of purchasing the Showers building, including the opportunity to unite public safety under one roof with City Hall, the ability for future expansion, and the soundness of the Showers building. He disagreed a bit with the last point because substantial renovation would be necessary. He stated that the administration saw value in selling the land where the police station currently stood. The FOP believed that the Showers building would not provide superior working conditions. He commented on the good accessibility of the Showers building. Volan did not agree that the current police station was in a failed building and that the Showers building was an ideal space for a public safety facility. He discussed the fitness of the Showers building and its location, and the benefit of city services collocating. He also discussed some possible improvements for the current police station. He noted the intentional calming of 8th Street. Volan commended CFC for intending to build more workforce housing. He was disappointed that there was no guarantee that CRED funds would not be used. He was undecided as to the purchase of the Showers building.

Sims appreciated the ad hoc committee because it provided important clarifying points. He referenced some comments from that evening, and expressed thanks for the discussion. He would vote against Amendment 01.

Sandberg addressed the flat out refusal by the administration to consider the expansion at the current police station. She reiterated that property taxes had been raised the previous year for the EDLIT to fund public safety. She wondered why that was not sufficient for alternatives to the Showers building.

She did not feel that the proposal was serving the need of public safety operations.

Amendment 01 to
Appropriation Ordinance 22-06
(cont'd)

Rollo said that Flaherty's characterization of his earlier comments as the status quo was a mischaracterization. He supported expanding the current police station, and did not agree that the building was antiquated and that the Showers building was not. He said that department heads were not in a position to go against the mayor. He claimed that 100% of police officers did not want to move to the Showers building. He was perturbed by the process and did not believe it was fair to eliminate the option of expanding the current police station. He noted that the current mayor would be out of office in eleven months. Rollo said that there were other public safety projects to consider using the bonds for. He gave examples of the expansion at the police station and said it was important to consider the stakeholders and listen to them.

Piedmont-Smith clarified that she had said that if the Showers building was not purchased then a general obligation bond would be needed for the police department. She explained that if Amendment 01 passed, and the mayor had no intention of expanding the current police station, then other projects could be funded, like fire station improvements. Therefore, the new mayor would need to source funding and a general obligation bond would be required. Given the circumstances, and despite being an imperfect process, it was prudent to approve the purchase of the Showers building.

The motion to adopt Amendment 01 to Appropriation Ordinance 22-06 received a roll call vote of Ayes: 4 (Rollo, Sandberg, Sgambelluri, Smith), Nays: 5 (Flaherty, Piedmont-Smith, Rosenbarger, Sims, Volan), Abstain: 0. FAILED

Vote to adopt
Amendment 01 to
Appropriation Ordinance 22-06
[10:54pm]

Piedmont-Smith moved and it was seconded to adopt Amendment 02 to Appropriation Ordinance 22-06. Piedmont-Smith presented Amendment 02.

Amendment 02 to
Appropriation Ordinance 22-06

Amendment 02 Synopsis: Because this item was first introduced and discussed in 2022 but action was postponed until 2023, this amendment makes updates to the legislation that reflect the new year, including renumbering the legislation and updating signature blocks.

There were no council questions.

Council questions:

There was no public comment.

Public comment:

There were no council comments.

Council comments:

The motion to adopt Amendment 02 to Appropriation Ordinance 22-06 received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0.

Vote to adopt
Amendment 02 to
Appropriation Ordinance 22-06
[10:57pm]

Volan asked what projects would be considered if the legislation did not pass.

Appropriation Ordinance 22-06 as amended

Moore stated that for the fire department, Fire Station 1 and 3 would be remodeled, and the training and logistics facility would be expanded.

Volan asked about Fire Station 4.

Moore stated that Fire Station 4 and 5 had already started a remodel which would allow another decade of use for those facilities but they were still on the replacement list.

Council questions:

Jeff Rogers, representative of the FOP, noted that the proposal was to purchase the Showers building with funds for public safety, but that the entire building

Public comment:

would not be used for public safety. He urged council to force the administration to dedicate the whole building to public safety.

Appropriation Ordinance 22-06 as amended (*cont'd*)

Rollo asked where the revenue would be used.

Carmichael said it would be used for the building.

Council comments:

Volan again expressed disdain for the process that was undertaken. He said that another appropriation ordinance could be considered but perhaps not in time for the RDC purchase agreement. He reiterated there could have been a better process. Volan considered voting against the legislation because of the process.

Flaherty said that the CRED funds were not being appropriated at the time and noted that Piedmont-Smith had stated that she would not support their usage for public safety at a later date. He wondered if the administration committed to not use the CRED funds affected Volan's perspective, and vote, for the appropriation ordinance.

Volan said that the administration had not withdrawn their statement to use CRED funds. The possible use of CRED funds did affect his perspective.

Sgambelluri said that if Appropriation Ordinance 22-06 did not pass, that meant that there was no appropriation of the bonds. She asked what the implications of that was.

Brad Bingham, Bond Counsel at Barnes and Thornburg LLP, said that the bonds were issued on December 22, 2022 on the basis that there were reasonable expectations to spend the proceeds within a certain time frame. He said that the longer the delay in appropriating the proceeds, then investment earnings to fund project costs would decrease. Proceeds needed to be spent within a certain period of time. He said those were significant dollars, around \$750,000 to \$1,000,000 in investment earnings.

Volan said that there were multiple projects funded by the bond and asked how much needed to be spent in order to assist with timing and the investment earnings.

Bingham said that spending the funds on other projects did help but it was all essentially in one pot. The city needed to spend 10% within six months, and 40% within one year, and 75% within eighteen months, and 100% within two years. Spending the bonds for some of the other projects would count toward those requirements.

Larry Allen, Assistant City Attorney, clarified that if the appropriation ordinance did not pass, then none of the funds could be spent on any of the projects. There was no ability to partially approve the appropriation ordinance. Also, the purchase agreement with CFC was that there would be funding secured by the end of the month and if there was not, the deal would need to be renegotiated or could possibly go away.

Carmichael stated that the mayor was willing to commit to not using any CRED funds on the project.

Flaherty said that the bonding capacity was EDLIT dollars that could be spent on many things including public safety. He asked if the bond proceeds came from the annual amount that council agreed to spend on public safety when they voted to pass the EDLIT increase. He said that the funding could change in the future through the appropriate process. He asked if the administration agreed that it was possible that future administrations could potentially change the usage of the bond proceeds.

Cate responded that the projects were prioritized by the current council but could be changed by future councils.

Flaherty said that his question was based on the commitment to not use CRED funds for the proposal.

Rollo asked where the money would come from for the renovation.

Carmichael stated that she did not know.

Rollo said he believed council was being played and resented it, deeply. He stated that he would be voting against the legislation, and believed a new appropriation ordinance could be brought forward. He urged council to reject the proposal.

Cate said that the materials for the legislation included how the funds would break down, for the renovation, which was part of the revenue that was appropriated through the appropriation ordinance.

Rollo asked Cate what she thought of the mayor. He was astounded at the process because it was not collaborative.

Volan made a point of order and stated that was not an appropriate question to ask the corporation counsel.

Rollo agreed and apologized.

Carmichael clarified that the bonds were \$1,000,000 over what was anticipated and there was funding expected from the sale of the existing property of the police station which would be applied to offset the funds.

Flaherty planned to vote in favor of the legislation. He said that Indiana law dictated that the mayor bring forward appropriation ordinances for consideration. The mayor did not believe that the expansion of the current police station was a good investment or use of taxpayers' dollars. Flaherty said that was not a threat, or coercion, nor was it playing the council. That type of inflammatory language reflected the hyper-polarization that mischaracterized the facts. He said that the argument that thinking that the public safety system needed improvement was tantamount to "a bunch of thugs wanting to pull their guns on people" was an absurd argument. Flaherty had never said anything like that. There were differences in understanding and in seeing the need to improve or change the public safety system. He resented some of the language that was used that affected a civil debate. Bloomington residents were central to him when considering the proposal.

Smith said that it was confusing to not know where the money was coming from and having council vote on a proposal was challenging. He asked where the funding would come from.

Cate responded that the appropriation ordinance was appropriating the revenue achieved through the sale of the bonds and that the breakdown of the expenditures was in the packet materials.

The motion to adopt Appropriation Ordinance 23-01 (Appropriation Ordinance 22-06) as amended received a roll call vote of Ayes: 5 (Flaherty, Piedmont-Smith, Rosenbarger, Sims, Sgambelluri), Nays: 4 (Rollo, Sandberg, Smith, Volan), Abstain: 0.

Appropriation Ordinance 22-06 as amended (*cont'd*)

Vote to adopt Appropriation Ordinance 22-06 as amended [11:24pm]

LEGISLATION FOR FIRST READING [11:24pm]

Rollo moved and it was seconded that Ordinance 23-02 be read by title and synopsis only. The motion received a roll call vote of Ayes: 9, Nays: 0, Abstain: 0. Bolden read the legislation by title and synopsis.

Ordinance 23-02 - To Amend Title 2 of the Bloomington Municipal Code Entitled "Administration and Personnel" Re: Transfer from Chapter 2.21 (Department of Law) to Chapter 2.23 (Community and Family Resources Department) [11:25pm]

Sgambelluri referred Ordinance 23-02 to the Regular Session to meet on February 01, 2023.

There was no additional public comment.

ADDITIONAL PUBLIC COMMENT [11:27pm]

Lucas reviewed the upcoming council schedule.

COUNCIL SCHEDULE [11:27pm]

Sgambelluri adjourned the meeting without objection.

ADJOURNMENT [11:28pm]

APPROVED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this ____ day of _____, 2023.

APPROVE:

ATTEST:

Sue Sgambelluri, PRESIDENT
Bloomington Common Council

Nicole Bolden, CLERK
City of Bloomington

For Approval



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Ash Kulak, Deputy Administrator/Deputy Attorney

Date: November 9, 2023

Re: Resolution 23-19 - To Approve the Interlocal Agreement Between Monroe County, the Town of Ellettsville and the City of Bloomington for Animal Shelter Operation for the Year 2024

Synopsis

This resolution authorizes execution, by the Mayor and Director of Animal Care and Control, of the Animal Shelter Interlocal Agreement for Fiscal Year 2024 between the City of Bloomington, Monroe County and Town of Ellettsville. The agreement provides that Monroe County shall pay the City of Bloomington the sum of \$371,220 for 2024 in return for the space the City provides to the County and services it renders on the County's behalf. The agreement further provides that the Town of Ellettsville shall pay to the City of Bloomington the sum of \$25,555 for 2024 in return for the space the City provides the Town of Ellettsville and services it renders on the Town of Ellettsville's behalf.

Relevant Materials

- Resolution 23-19
- Animal Shelter Interlocal Agreement for Fiscal Year 2024
- Staff Memo with Calculations Sheet from Aleksandrina Pratt, Assistant City Attorney
- Interlocal Agreement Amounts and Correlating Data from 2015 to 2024

Summary

Resolution 23-19 authorizes the signing of an Animal Shelter Interlocal agreement between Monroe County, the Town of Ellettsville, and the City regarding the funding for animal shelter operations in fiscal year 2024. [Indiana Code 36-1-7-2](#) allows governmental entities to jointly exercise powers or for one entity to exercise a power on behalf of others by entering into a written agreement. This resolution would authorize such an agreement.

The agreement provides that the City will continue providing animal shelter services to both the County and Ellettsville. It further provides that the County will reimburse the City \$371,220 and Ellettsville will reimburse the City \$25,555 for past animal shelter operation expenditures (totaling \$396,775). The amount of payment is based upon a long-standing formula that takes into account the cost of shelter operations, offset by revenues, and the percentage of shelter operations attributable to animals coming from these jurisdictions during the previous full calendar year. Included in the materials is a sheet that shows the amount of payments since 2015.

Contact

Virgil Sauder, Animal Shelter Director, sauderv@bloomington.in.gov, 812-349-3492

Aleksandrina Pratt, Assistant City Attorney, aleksandrina.pratt@bloomington.in.gov, 812-349-3426

RESOLUTION 23-19

**TO APPROVE THE INTERLOCAL AGREEMENT
BETWEEN MONROE COUNTY, THE TOWN OF ELLETTSVILLE
AND THE CITY OF BLOOMINGTON FOR
ANIMAL SHELTER OPERATION FOR THE YEAR 2024**

WHEREAS, the Common Council of the City of Bloomington desires to contract with Monroe County and the Town of Ellettsville, through the authority of I.C. § 36-1-7, to provide services and facilities to Monroe County and the Town of Ellettsville for animal care and control in consideration of payment therefore; and

WHEREAS, an agreement has been reached between the City of Bloomington, Monroe County and the Town of Ellettsville to provide said services and facilities for 2024;

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

Section 1. The Common Council hereby approves the Animal Shelter Interlocal Agreement For Fiscal Year 2024 attached hereto and incorporated herein and authorizes the Mayor and the Director of the Animal Shelter to execute the Agreement as attested to by the Clerk of the City of Bloomington.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution authorizes execution, by the Mayor and Director of Animal Care and Control, of the Animal Shelter Interlocal Agreement for Fiscal Year 2024 between the City of Bloomington, Monroe County and Town of Ellettsville. The agreement provides that Monroe County shall pay the City of Bloomington the sum of \$371,220 for 2024 in return for the space the City provides to the County and services it renders on the County’s behalf. The agreement further provides that the Town of Ellettsville shall pay to the City of Bloomington the sum of \$25,555 for 2024 in return for the space the City provides the Town of Ellettsville and services it renders on the Town of Ellettsville’s behalf.

ANIMAL SHELTER INTERLOCAL FOR FISCAL YEAR 2024

WHEREAS, the City of Bloomington Animal Care & Control Department operates the Animal Shelter for the care and control of animals; and,

WHEREAS, the City of Bloomington Animal Care & Control Department enforces licensing, animal care and animal control ordinances within the corporate boundaries of the municipality, including impoundment, adoptions and euthanization of animals of the Animal Shelter; and,

WHEREAS, the County Animal Management Officers exercise similar functions within the County, but utilize the Shelter premises and staff for impoundment, adoptions and euthanization of animals; and,

WHEREAS, the County Animal Management Officers exercise similar functions within the town limits of the Town of Ellettsville, but utilize the Shelter premises and staff for impoundment, adoptions and euthanization of animals; and,

WHEREAS, the Town of Ellettsville finds it in the best interest of its citizens to contract with Monroe County for the animal management services and the City of Bloomington, Indiana for Animal Shelter use; and,

WHEREAS, Monroe County finds it in the best interest of its citizens to contract with the City of Bloomington, Indiana for Animal Shelter use and to provide the Town of Ellettsville animal management services; and,

WHEREAS, the City of Bloomington, the Town of Ellettsville, and Monroe County are empowered pursuant to Indiana Code § 36-1-7 to contract together on the basis of mutual advantage to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local government;

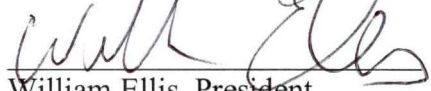
NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions herein agreed, the parties agree as follows:

1. The duration of the Agreement shall be for one (1) year, commencing January 1, 2024, and ending on December 31, 2024.
2. The City of Bloomington (“City”) agrees to provide the Town of Ellettsville (“Town”) and Monroe County (“County”) the following:
 - a. The impoundment, general animal care, adoption and euthanization of animals for the Town and County.
 - b. Use of supplies and equipment in the City Animal Shelter by the County personnel;

- c. Assistance to the Town and County in answering phone calls, dispatching service calls and explaining the County animal management laws to callers; and
 - d. Acceptance and recording payments for County license fees, and remitting these funds to the County monthly.
3. The County shall administer and enforce County Animal Management Laws, including relevant kennel regulations, within the corporate limits of the Town of Ellettsville.
 4. The County agrees to pay the City, the sum of \$371,220 in reimbursement of 2022 Animal Shelter Operations expenditures.
 5. The Town agrees to pay the City, the sum of \$25,555 in reimbursement of 2022 Animal Shelter Operations expenditures.
 6. The level of cooperation recited in this Agreement is intended to exist for the purpose of efficient and effective delivery of governmental services to the citizens of the City, Town, and County; however, the parties recognize that modifications may be required, either to the Agreement itself, or to the practices and procedures that bring the recitals contained within this document to fruition.
 7. The City, the Town, and the County departments affected by the terms of this Agreement will continue to communicate and cooperate together to assure that the purposes of this Agreement are achieved on behalf of and to the benefit of the citizens of the respective political subdivisions.
 8. This agreement shall be administered through a joint board composed of Virgil Sauder, City Director of Animal Care and Control, (fill in representatives from the Town and the County).
 9. Payments shall be made semi-annually to the Controller of the City of Bloomington, upon the timely submission by the City of a claim. Such claims should be submitted to the Monroe County Board of Commissioners, Room 322, Courthouse, Bloomington, Indiana 47404 and the Town Council of Ellettsville, P. O. Box 8, Ellettsville, Indiana, 47429.
 10. The City, the Town or the County may terminate this agreement, in whole or in part, at any time upon ninety (90)-day written notice to the others when it is in the best interest of any party. The City shall be paid any outstanding charges that are supported by verifiable documentation. The City shall promptly submit its termination claim to the Town and County to be reviewed and paid, assuming all charges are verified. If the City, the Town or the County has any property in its possession belonging to any of the others, such property shall be promptly returned to the rightful owner or disposed of in the manner the other parties direct.

THE PARTIES, intending to be bound, have executed this ANIMAL SHELTER INTERLOCAL AGREEMENT FOR FISCAL YEAR 2024 on this _____ day of _____, 2023.

TOWN OF ELLETTSVILLE, INDIANA



William Ellis, President
Ellettsville Town Council

DATE: 8/28/2023

ATTEST:



SANDRA HASH, Clerk/Treasurer

DATE: 8/28/2023

CITY OF BLOOMINGTON

MONROE COUNTY COMMISSIONERS

JOHN HAMILTON, MAYOR

PENNY GITHENS, PRESIDENT

DATE: _____

DATE: _____

LEE JONES, COMMISSIONER

DATE: _____

JULIE THOMAS, VICE PRESIDENT

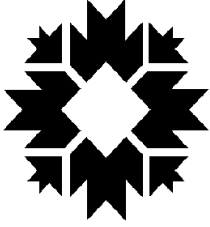
DATE: _____

ATTEST:

ATTEST:

NICOLE BOLDEN, CLERK

CATHERINE SMITH, COUNTY AUDITOR



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council
FROM: Aleksandrina Pratt, Assistant City Attorney
DATE: November 15, 2023
RE: 2024 Animal Interlocal Agreement

The City of Bloomington, Monroe County, and the Town of Ellettsville have agreed to renew the annual Animal Shelter Interlocal Agreement. This Agreement provides that the City of Bloomington will house, care for and euthanize animals from Monroe County and the Town of Ellettsville at the City's shelter, and provide related services such as adoptions, responding to inquiries from the public, and receiving and recording license fees. In exchange, Monroe County and the Town of Ellettsville agree to pay the City a percentage of the Animal Shelter Operations Program 2022 Expenditures for those services.

The amount to be paid to the City under the 2024 Animal Interlocal was calculated using the total for 2022 animal shelter expenditures, which was reduced by 2022 Actual Adoption Revenue. That sum was then multiplied by the number of animals taken in by the shelter from both Monroe County and the Town of Ellettsville. For 2024, Monroe County and the Town of Ellettsville will pay the City \$396,775. The legislation will have a minor fiscal impact on the City, in that it entails the receipt of \$396,775 from the County and Town.

**CITY OF BLOOMINGTON/MONROE COUNTY
INTERLOCAL AGREEMENT FOR ANIMAL CONTROL
FY 2024 PROJECTED COSTS**

There are four components to the Animal Control Department budget:

- Animal Shelter Operations
- Animal Control Field Operations
- Education Program
- Volunteer Program

Monroe County pays the City of Bloomington a percentage of the **Animal Shelter Operations** program. The percentage is calculated as the percentage of animals Monroe County generated of the total number of animals handled the previous year.

ANIMAL SHELTER OPERATIONS PROGRAM ACTUAL 2022 EXPENDITURES = \$860,536
(2022 Actual Expenditure amount of \$961,095 is reduced by 2022 Actual Adoption Revenue amount of \$100,559.)

2022 NUMBER OF ANIMALS FROM MONROE COUNTY SOURCES

- Picked up by AMOs 302
- Strays brought in by county residents 652
- Animals relinquished by Monroe County residents 521

Total number of Monroe County Animals 1,475

Total number of animals handled by Shelter in 2022 3,203

Cost per animal \$269

ANIMAL SHELTER OPERATIONS PROGRAM ACTUAL 2022 COST PER ANIMAL X THE
NUMBER OF ANIMALS TAKEN FROM COUNTY SOURCES = 2024 INTERLOCAL AMOUNT

$$\$269 \times 1,475 = \$396,775$$

2024 MONROE COUNTY ANIMAL INTERLOCAL AMOUNT \$396,775

City of Bloomington/ Monroe County Animal Interlocal Agreement Amounts and Correlating Data from 2015 to 2024

The chart below gives a brief look at the interlocal agreement amounts over the last 10 years for easy reference. The agreement amount is tied to the intake of the previous year. In addition to a higher percentage of animals in the shelter, cost changes not associated with basic cost increases coincide with large equipment purchases, building/grounds updates or repairs.

Agreement Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interlocal Amount	\$335,051	\$272,597	\$282,298	\$319,495	\$355,474	\$350,148	\$379,327	\$361,524	\$379,503	\$396,775

Animal Intake Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Animal Intake	3988	3794	3849	3711	3598	3629	3948	2905	3,145	3,203
County percentage of intake	46%	49%	44%	43%	49%	45%	46%	44%	43%	46%
Sheltering Operation expenses*	\$683,777	\$619,539	\$656,509	\$709,989	\$725,457	\$795,792	\$831,538	\$820,462	\$891,465	\$860,536
Adoption income	\$102,256	\$106,851	\$110,228	\$100,994	\$92,227	\$97,931	\$108,867	\$102,622	\$102,637	\$100,559

All numbers have been rounded for ease of comparison.
 *number used to figure interlocal. Actual expenses minus adoption revenue



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Council Administrator/Attorney

Date: November 9, 2023

Re: Resolution 23-20 - To Approve an Interlocal Cooperation Agreement Between The City of Bloomington and Monroe County, Indiana – Re: Building Code Authority

Synopsis

The Interlocal Cooperation Agreement extends through January 1, 2025 the long-term arrangement between the City of Bloomington and Monroe County to combine and coordinate the provision of certain building code services. This interlocal cooperation is authorized by Indiana Code § 36-1-7-1.

Relevant Materials

- Resolution 23-20
- Exhibit A - Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana Regarding Building Code Authority

Summary

Resolution 23-20 approves an Interlocal Agreement with the County that would extend the County's authority over the administration of building codes for one year, through January 1, 2025. Since 1996, when the County adopted a comprehensive plan and was able to exercise zoning authority over unincorporated areas outside of the City of Bloomington, also known as the former 2-mile fringe, the City and County have had agreements over building codes and, for most of that time, the planning and zoning jurisdictions.

The principal benefit of the agreement is to provide a convenient and efficient mechanism for citizens of Monroe County and the City of Bloomington to obtain building permits, which the County processes on behalf of the City. A few portions of the agreement have been updated since last year to reflect current practices between the City and County. The more substantive changes include:

Part 2.D. was updated to reflect the ability of both the City and the County to process Certificates of Zoning Compliance applications and building permits through online management systems, which eliminates the need to have someone physically go pick up building permit applications;

Part 2.E. was updated to reflect how the City and County prefer to communicate about occupancy inspections, in particular for single-family residential projects, which are subject to frequent cancellation or rescheduling; and



City of Bloomington Indiana

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Part 2.H. was updated to state that the City would share GIS data and maintain close communications with the County to help correct any GIS data errors.

Finally, the proposed agreement extends the term by one year from January 1, 2024 through January 1, 2025.

Interlocal agreements are authorized and governed by I.C. 36-1-7-1 (and following statutes) and must include the:

- duration;
 - purpose;
 - manner of financing, budgeting, staffing and supplying the joint undertaking;
 - method(s) for partially or completely terminating the agreement and for disposing of property in the event of a partial or complete termination;
 - administration either through a separate entity or a joint board with powers as delegated by the agreement; and
 - manner of acquiring, holding, and disposing of property used in the joint undertaking (when a joint board is created).
- In addition, these agreements may include any other appropriate matters.

Contact

Beth Cate, Corporation Counsel, beth.cate@bloomington.in.gov, (812) 349-3426

RESOLUTION 23-20

**TO APPROVE AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF BLOOMINGTON AND MONROE COUNTY, INDIANA –
Re: Building Code Authority**

WHEREAS, Indiana Code allows governmental entities, including the City of Bloomington and Monroe County, to jointly exercise powers through interlocal cooperation agreements; and

WHEREAS, the City of Bloomington and Monroe County have exercised such powers since 1996 in order to coordinate and combine certain building code services, as explained and set forth in the attached Interlocal Cooperation Agreement which is incorporated herein as Exhibit A (“Agreement”); and

WHEREAS, it is in the best interests of the citizens of Bloomington that such cooperation continue through January 1, 2025;

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

SECTION 1. It is in the best interests of the citizens of Bloomington, Indiana, to coordinate and combine certain building code services through interlocal cooperation with Monroe County Government as has been done since 1996; therefore, the City of Bloomington intends to continue such cooperation from the end of the day on January 1, 2024 through January 1, 2025, under the terms of the attached Interlocal Cooperation Agreement (Exhibit A).

SECTION 2. The Common Council of the City of Bloomington, as the fiscal and legislative body of the City of Bloomington, in Monroe County, Indiana, hereby approves the Interlocal Cooperation Agreement, pursuant to Indiana Code § 36-1-7-1, et seq.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

The Interlocal Cooperation Agreement extends through January 1, 2025 the long-term arrangement between the City of Bloomington and Monroe County to combine and coordinate the provision of certain building code services. This interlocal cooperation is authorized by Indiana Code § 36-1-7-1.

INTERLOCAL COOPERATION AGREEMENT BETWEEN THE
CITY OF BLOOMINGTON AND MONROE COUNTY, INDIANA
REGARDING BUILDING CODE AUTHORITY

WHEREAS, Indiana Code § 36-1-7-1 et seq. permits governmental entities to jointly exercise powers through interlocal cooperation agreements; and

WHEREAS, in 1996, the City of Bloomington, Indiana ("City"), acting by and through its Mayor and its Common Council, and the County of Monroe, Indiana ("County"), acting by and through its Board of Commissioners and its County Council, determined that the interests of the citizens of Monroe County, Indiana, would be better served by coordinating and combining certain City and County building code services through an interlocal cooperation agreement; and

WHEREAS, in 1996, the City and the County entered into a five-year interlocal cooperation agreement, effective beginning April 1, 1997, that conferred County-wide Building Code administration authority on the Monroe County Building Department; and

WHEREAS, the term of the original interlocal agreement has been extended, through subsequent agreements, to January 1, 2024;

WHEREAS, the City and the County have determined that it is more cost effective and convenient for the citizens of Monroe County, Indiana, to continue to have the authority, power and responsibility for local building code administration, including permit application processing, project inspection, and permit issuance vested in a single entity, the Monroe County Building Department; and

WHEREAS, this Interlocal Cooperation Agreement ("Agreement") reflects the commitments and understandings agreed to by the City and the County in order to efficiently and effectively provide the transfer of powers between the City and the County;

NOW, THEREFORE, the City and the County hereby agree as follows:

Part 1. Definitions.

"Building Permit" shall include without limitation any permit for construction, remodeling, demolition, moving, plumbing, electrical, or any other permit that affects construction, demolition, use and/or occupancy of land, buildings or structures, provided that such permit is within the scope of "Building Code Jurisdiction" as defined herein.

"Building Code Jurisdiction" refers to applicability, administration and enforcement of City and County ordinances adopting state building, plumbing, electrical, mechanical, energy conservation, swimming pool, and fire safety codes; specifically, this term refers to Monroe County Code Chapter 430 and to those portions of Bloomington Municipal Code Title 17 that concern such State codes.

"City Zoning Jurisdiction Area" refers to those portions of the County over which the City, by law or by interlocal cooperation agreement, possesses planning, zoning, and subdivision control authority.

"County Zoning Jurisdiction Area" refers to those portions of the County over which the County, by law or by interlocal cooperation agreement, possesses planning, zoning, and subdivision control authority.

Part 2. Building Code Jurisdiction.

The Monroe County Building Department shall enforce all State building, plumbing, electrical, mechanical, energy conservation, and fire building safety codes, as adopted by City and County ordinances, within the corporate limits of the City, and within all other unincorporated areas of Monroe County, Indiana. The City will administer planning, zoning, and subdivision compliance functions within the City Zoning Jurisdiction Area, including, without limitation, the assignment of street addresses.

- A. The Monroe County Building Department shall accept building permit applications and will provide review, issue permits, receive fees, and provide inspections and enforcement, as required, for all buildings within the County in accordance with County Building Codes.
- B. City zoning compliance review and the issuance of a Certificate of Zoning Compliance ("CZC") by the City are conditions precedent to the issuance of a building permit for any project located within the City Zoning Jurisdiction Area. For projects located within the City Zoning Jurisdiction Area, the County will collect the City Zoning Compliance Review Fee, in the amount established by the City, in addition to the County Building Permit Fee.
- C. The County will not issue a building permit for a project located within the City Zoning Jurisdiction Area unless and until a Certificate of Zoning Compliance has been issued for the project by the City. The County will include CZC conditions required by the City along with the building permit; and the County will require compliance with the conditions as part of any temporary or permanent Certificate of Occupancy issued for the project by the County.
- D. The City Planning & Transportation Department and Monroe County Building Department will simultaneously process CZC and Building Permit applications through respective on-line permit/application management systems. The Departments will use their respective systems to communicate directly regarding the status of permit applications (for example, the Building Department may grant credentials in OpenGov to Planning & Transportation staff that enable them to view files directly, and the Planning & Transportation Department may grant similar credentials to Building staff to view CZC files within EPL or may use EPL to share with the Building Department a .pdf of approved CZCs). The Building Department will not release a Building Permit before electronically receiving or confirming a CZC approved by the Planning & Transportation Department. Both parties agree to make their best efforts to expedite the processing of permits under this agreement, and specifically, City and County agree to coordinate with respective applicants their responsibility to submit applications

through respective permit/application management systems to insure that all permit applications are reviewed as soon as reasonably possible after receipt by the City and County.

- E. The City will inspect and enforce zoning and subdivision compliance and administer bonds within the City Zoning Jurisdiction Area. The Monroe County Building Department will notify the City Planning & Transportation Department when an occupancy inspection for a project in the City is to take place, other than single-family residential projects. The County and the City will cooperate in providing information requested by the other party in a timely fashion.
- F. The County will not issue any construction, remodel, demolition, moving, or any other type of permit that might change the disposition of a structure to a residential rental within the corporate limits of the City until the City Code Enforcement Division ("HAND") has completed plan review and released the application. The County will schedule all final inspections of those permits with HAND where reasonably possible. The County will not issue a Certificate of Occupancy to a residential rental property within the corporate limits of the City unless and until compliance with the City of Bloomington Property Maintenance Code has been determined by HAND.
- G. For projects located within the corporate limits of the City, the County agrees to recognize and enforce Section 17.08.050(c) of the Bloomington Municipal Code which provides for the waiver of fees under specified conditions for eligible affordable housing projects up to the amount of \$2,500.00 per year.
- H. In recognition of the City's investment in the GIS mapping system, the County agrees to collect and verify GIS data for the City in a manner consistent with both the informational needs of the City and the information gathering and processing capabilities of the County. The County shall provide such data as is customarily obtained through building permit administration and planning subdivision approvals, and the City will share data in its possession and otherwise maintain robust communications with the County to help correct GIS data errors. The County will cooperate in enhancing its computer capability and compatibility for information exchange with the City.
- I. The County will notify the appropriate Fire Department for fire code inspections and shall transcribe all notations requested by the Fire Department, with jurisdiction over the project area, on to temporary and permanent Certificates of Occupancy. The County will notify the City Fire Department to coordinate review, response, and comment to the State Fire and Building Safety Commission regarding all applications for variance within the corporate boundaries of the City.
- J. The County shall inspect for compliance with all City of Bloomington Utilities regulations and any City ordinances governing construction/connection of utilities related to permit activity between the building and the connection to City's meter or main.
- K. The County shall issue stop work orders on Building Permits issued by the County where violations of applicable City zoning/subdivision, erosion control, or historic preservation

regulations would result from continued construction activity, or where work is stayed due to an appeal to the Board of Zoning Appeals as provided in Indiana Code § 36-7-4-1001. The County shall issue such stop work order upon written request of the City Planning & Transportation Director, the Director of Engineering, the Director of Utilities, or the Director of Housing and Neighborhood Development. Enforcement action shall be taken by the governmental entity whose ordinances or conditions of approval have been violated.

Part 3. Recitals of Commitment, Purpose, Duration, and Renewal of Agreement.

- A. The level of cooperation recited in this Agreement is intended to exist in perpetuity for the efficient and effective delivery of governmental services to the citizens of Monroe County. However, the parties recognize that modifications may be required, both to the Agreement itself, and to the practices and procedures that bring the recitals contained within this document to fruition.
- B. The County will collect the City Zoning Compliance Review Fee specified by the City, pursuant to Part 2, Paragraph B of this Agreement, and will transmit the collected fees to the City on a quarterly basis. Payments to the City will be made as promptly as possible after April 1, July 1, October 1, and January 1 of each year of this Agreement, allowing for the County's claim processing procedures. No other payments will be due to the City, from the County, under this Agreement.
- C. The term of this Agreement shall be from January 2, 2024, through January 1, 2025. This Agreement may be renewed by mutual agreement of the parties for an appropriate term of years.
- D. The City and County departments affected by the terms of this Agreement will continue to communicate and cooperate together to assure that the purposes of this Agreement are achieved on behalf of and to the benefit of the citizens of Monroe County, Indiana.

Part 4. Interpretation and Severability.

- A. Because the jurisdictional approach set forth in this Agreement departs from current practice, the parties acknowledge and agree that this Agreement shall be liberally construed so that the parties can cooperatively address unforeseen problems through the implementation of policies, with minimal need for Agreement amendment.
- B. If any provision of this Agreement is declared, by a court of competent jurisdiction, to be invalid, null, void, or unenforceable, the remaining provisions shall not be affected and shall have full force and effect.

Part 5. Approval, Consent and/or Cooperation.

Whenever this Agreement requires the approval, consent and/or cooperation of a party (or parties), said approval, consent and/or cooperation shall not be unreasonably withheld.

Part 6. Appropriation of Funds.

The parties acknowledge and agree that the performance of this Agreement is subject to the appropriation of sufficient funds by their respective councils. The parties agree to make a good faith effort to obtain all necessary appropriations from their councils and to comply with all provisions of this Agreement to the extent feasible under current or future appropriations.

SO AGREED this _____ day of _____, 20__.

MONROE COUNTY, INDIANA

CITY OF BLOOMINGTON, INDIANA

PENNY GITHENS, President
Monroe County Board of Commissioners

JOHN HAMILTON, Mayor

KATE WILTZ, President
Monroe County Council

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

ATTEST:

CATHERINE SMITH, Auditor

NICOLE BOLDEN City Clerk



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Council Administrator/Attorney

Date: November 9, 2023

Re: Resolution 23-21 - To Approve an Interlocal Cooperation Agreement between the City of Bloomington and Monroe County, Indiana in Regards to the 2023 Edward Byrne Memorial Justice Assistance Grant (JAG)

Synopsis

This resolution approves the Interlocal Cooperation Agreement between the City and the County for 2023 JAG funds. JAG funds are divided between the City and the County based on violent crime statistics reported to the FBI through the Uniform Crime Report. A three year review of violent crime statistics shows that the City is entitled to 93% of the grant funds, and the County is entitled to the remaining 7%. The overall JAG award for 2023 is \$54,337. The City will receive \$50,533, and the County will receive \$3,804. The City will apply its award to the purchase of portable radios. The County will apply its award to the purchase of automated external defibrillators (AEDs).

Relevant Materials

- Resolution 23-21
- Interlocal Cooperation Agreement re: 2023 Justice Assistance Grant Funds
- JAG Program Fact Sheet

Summary

Resolution 23-21 approves of an Interlocal Cooperation Agreement between the City and County specifying the division of 2023 Justice Assistance Grant (JAG) funds. The JAG program is a federal grant program intended to allow local communities to target with greater specificity their crime-fighting needs. JAG funds are to be used for the following:

- (1) Law enforcement programs;
- (2) Prosecution and court programs;
- (3) Prevention and education programs;
- (4) Corrections and community corrections programs;
- (5) Drug treatment and enforcement programs;
- (6) Planning, evaluation, and technology improvement programs;
- (7) Crime victim and witness programs (other than compensation);
- (8) Mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams; and
- (9) Implementation of State crisis intervention court proceedings and related programs or initiatives.

34 U.S.C.A. § 10152



City of Bloomington Indiana

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More information about the program is available in the JAG Program Fact Sheet, included in this packet, or online at <https://bj.a.ojp.gov/program/jag/overview>.

Since at least 2009, the City and County have cooperatively pursued JAG funds. Locally, these grants have helped acquire items such as: vehicle-mounted video recording equipment for marked police vehicles, automated external defibrillators, body cameras, an NC4 *Street Smart* computer program, eDesk kiosks, a telephone system, digital interviewing equipment, in-car cameras, security cameras in the downtown area, vehicle locator equipment and software, tire deflation devices for vehicle pursuits, and special vehicles.

Agreement

As a precondition to an award, the City and the County must enter into an Agreement (a copy of the Agreement is included in the packet). The Agreement:

- Reflects “the commitments and understandings...[of] the governmental entities in order to efficiently and effectively utilize proceeds” from the 2023 Edward Byrne Memorial Justice Assistance Grant;
- Makes each party solely responsible for their own actions in furnishing services under the Agreement;
- Requires the parties to communicate and cooperate with each other and to make good-faith efforts to obtain all necessary funds and otherwise comply with the Agreement;
- Conditions performance of the duties under the Agreement on the receipt and appropriation of sufficient JAG funds; and
- Divides funds between the two governmental entities based on a review of violent crime statistics reported to the Federal Bureau of Investigation through the Uniform Crime Reports.

Use of Funds

For the calendar year 2023, JAG funds dedicated to the City and County amount to \$54,337 collectively (compared to \$49,363 in 2022). A three year review of the violent crime statistics for both governmental agencies indicates that the City is to receive 93% (\$50,533) of the total JAG funds, and that the County is to receive the remaining 7% (\$3,804) of the total JAG funds. The Bloomington Police Department will use these funds towards the purchase of portable radios. The County will use its portion towards the purchase of automated external defibrillators.

Contact

Beth Cate, Corporation Counsel, beth.cate@bloomington.in.gov, (812) 349-3426

RESOLUTION 23-21

**TO APPROVE AN INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE CITY OF BLOOMINGTON AND
MONROE COUNTY, INDIANA
IN REGARDS TO THE 2023 EDWARD BYRNE MEMORIAL
JUSTICE ASSISTANCE GRANT (JAG)**

WHEREAS, the City of Bloomington and Monroe County are authorized by I.C. 36-1-7-1, et seq., to enter into agreements for the joint exercise of their powers for the provision of services to the public; and

WHEREAS, this Interlocal Cooperation Agreement reflects the commitments and understandings agreed to by the governmental entities in order to efficiently and effectively utilize proceeds received from the 2023 Edward Byrne Memorial Justice Assistance Grant (JAG),

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

SECTION 1. The Interlocal Cooperation Agreement between the City of Bloomington and Monroe County, Indiana in regards to the 2023 Edward Byrne Memorial Justice Assistance Grant, a copy of which is attached hereto and made a part hereof, is hereby approved.

SECTION 2. If any sections, sentences or provisions of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 3. This resolution shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution approves the Interlocal Cooperation Agreement between the City and the County for 2023 JAG funds. JAG funds are divided between the City and the County based on violent crime statistics reported to the FBI through the Uniform Crime Report. A three year review of violent crime statistics shows that the City is entitled to 93% of the grant funds, and the County is entitled to the remaining 7%. The overall JAG award for 2023 is \$54,337. The City will receive \$50,533, and the County will receive \$3,804. The City will apply its award to the purchase of portable radios. The County will apply its award to the purchase of automated external defibrillators (AEDs).

INTERLOCAL COOPERATION AGREEMENT
BETWEEN
THE CITY OF BLOOMINGTON AND
MONROE COUNTY, INDIANA
IN REGARDS TO 2023 EDWARD BYRNE MEMORIAL
JUSTICE ASSISTANCE GRANT (JAG)

- WHEREAS, Indiana Code § 36-1-7-1 *et seq.* permits governmental entities to jointly exercise powers through Interlocal Cooperation Agreements; and
- WHEREAS, each governmental entity, in performing their governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and
- WHEREAS, each governmental entity finds that the performance of this Interlocal Cooperation Agreement is in the best interests of both entities, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Interlocal Cooperation Agreement; and
- WHEREAS, this Interlocal Cooperation Agreement reflects the commitments and understandings agreed to by the governmental entities in order to efficiently and effectively utilize proceeds received from the 2023 Edward Byrne Memorial Justice Assistance Grant (JAG); and
- WHEREAS, the funds from the JAG are to be divided between the two governmental entities based on violent crime statistics reported to the Federal Bureau of Investigation through the Uniform Crime Reports; and
- WHEREAS, for calendar year 2023, a three (3) year review of the violent crime statistics for both governmental agencies indicates that the Bloomington Police Department is to receive ninety-three percent (93%) of the total JAG funds and that the Monroe County Sheriff's Department is to receive the remaining seven percent (7%) of the JAG funds; and

NOW, THEREFORE, City of Bloomington and Monroe County, Indiana, hereby agree as follows:

Section 1. Payments

For calendar year 2023, the City shall receipt in all of the \$54,337 associated with the 2023 JAG and thereafter disburse \$3,804 (7% of the total JAG funds) to the Monroe County Sheriff's Department, while retaining \$50,533 for use by the City of Bloomington Police Department.

Section 2. Use of Funds

The City shall use the \$50,533 it is allocated from the 2023 JAG funds towards the purchase of portable radios.

The County shall use the \$3,804 it is allocated from the 2023 JAG funds towards the purchase of automated external defibrillators (AEDs).

Section 3. Liability

Nothing in the performance of this Interlocal Cooperation Agreement (hereinafter, "Agreement") shall impose any liability for claims against either governmental entity other than claims for which liability may be imposed by the Indiana Tort Claims Act.

Section 4. Responsibility

Each entity to this Agreement shall be responsible for its own actions in providing services under this Agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party.

Section 5. Commitment

The entities shall communicate and cooperate with one another to ensure that the purposes of this Agreement are achieved on behalf of and to the benefit of the publics they serve.

Section 6. Third Parties

The entities to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

Section 7. Intent

By entering into this Agreement, the entities do not intend to create any obligations, express or implied, other than those set out herein. Further, this Agreement shall not create any rights in any party not a signatory hereto.

Section 8. Severability

If any provision of this Agreement is declared, by a court of competent jurisdiction, to be invalid, null, void or unenforceable, the remaining provisions shall not be affected and shall have full force and effect.

Section 9. Appropriation of Funds

The entities acknowledge and agree that the performance of this Agreement is subject to the appropriation of sufficient funds by JAG. The parties agree to make a good faith effort to obtain all necessary appropriations and to comply with all provisions of this Agreement to the extent feasible under current or future appropriations.

Approved this _____ day of _____, 2023, by the Monroe County, Indiana Commissioners:

MONROE COUNTY, INDIANA

ATTEST:

Penny Githens, President
Monroe County Commissioners

Catherine Smith, Auditor

Julie Thomas, Vice President
Monroe County Commissioners

Lee Jones, Commissioner
Monroe County Commissioners

Approved this _____ day of _____, 2023, by the City of Bloomington Common Council.

Sue Sgambelluri, President
Bloomington Common Council

ATTEST:

Nicole Bolden, Clerk

Approved this _____ day of _____, 2023, by the City of Bloomington.

CITY OF BLOOMINGTON, INDIANA

ATTEST:

John Hamilton, Mayor

Nicole Bolden, Clerk

BUREAU OF JUSTICE ASSISTANCE FACT SHEET

EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM

Program Overview

Named after [Edward “Eddie” R. Byrne](#), an officer in the New York City Police Department who was murdered while protecting a witness in a drug case, the Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the leading federal source of criminal justice funding to state and local jurisdictions. Administered by the Bureau of Justice Assistance (BJA), the JAG Program provides states, territories, tribes, and local governments with critical funding necessary to support a range of program areas including:

- law enforcement;
- prosecution and court;
- prevention and education;
- corrections and community corrections, including reentry;
- drug treatment and enforcement;
- planning, evaluation, and technology improvement;
- crime victim and witness initiatives;
- mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams; and
- implementation of state crisis intervention court proceedings and related programs or initiatives including, but not limited to mental health courts, drug courts, veterans courts, and extreme risk protection order programs.

Also see [Purposes for Which Funds Awarded Under the JAG Program May Be Used](#) for more information.

Legislation

The JAG Program is authorized by Title I of Public Law 90–351 (generally codified at [34 U.S.C. 10151-10726](#)), including subpart 1 of part E (codified at [34 U.S.C. 10151-10158](#)); see also [28 U.S.C. 530C \(a\)](#).

Funding and Awards

Since fiscal year (FY) 2005, BJA has funded over 24,000 direct JAG awards, totalling over \$7.6 billion. Award information can be found at [Opportunities & Awards | OJP Award Data | Office of Justice Programs](#).

Formula

For each state and territory, the Bureau of Justice Statistics calculates a minimum base allocation which, based on the congressionally mandated JAG formula, can be enhanced by (1) the state’s share of the national population and (2) the state’s share of the country’s Part 1 violent crime statistics as reported by the Federal Bureau of Investigation’s (FBI’s) Uniform Crime Reporting (UCR) Program. Once the state funding is calculated, 60 percent of the allocation is awarded to the state and 40 percent to eligible units of local government. For additional details regarding the JAG formula and award calculation process, with examples, please review the [JAG Technical Report](#).

Eligibility and Program Guidance

All 56 states and territories are eligible as well as units of local government and tribes identified annually in the JAG allocation charts.¹ BJA posts the annual JAG Program

¹ States must designate a single State Administering Agency (SAA) that has authority to apply on their behalf. Contact information for each SAA can be found at www.ojp.gov/saa.



solicitations (program guidance) and allocation charts to its [JAG web page](#), which also contains a direct link to [JAG Frequently Asked Questions](#) (JAG FAQs) that are updated regularly.

Areas of Emphasis

BJA recognizes that many state and local criminal justice systems currently face challenging fiscal environments and that an important, cost-effective way to relieve those pressures is to share or leverage resources through cooperation among federal, state, and local law enforcement. Each year, BJA includes areas of emphasis in the JAG program solicitations, encouraging state and local award recipients to consider coordination with federal law enforcement agencies and other stakeholders, including communities most impacted by crime and violence, in addressing these challenges. In FY 2023, the JAG areas of emphasis are:

- Advancing Justice System Reform Efforts;
- Advancing Racial Equity and Support for Underserved Communities;
- Preventing and Combating Hate Crimes;
- Crime and Violence Reduction Strategies; and
- Community Based Violence Intervention (CVI) Approaches.

Additional information on each area of emphasis can be found in the state and local JAG solicitations located on the [BJA JAG web page](#).

How/When to Apply

BJA solicits applications for state and local JAG awards every year in the spring/summer. All JAG applications must be submitted via [Grants.gov](#) and the Department of Justice's (DOJ's) [Justice Grants \(JustGrants\) System](#).

Award Length

Awards of \$25,000 or more begin October 1, the first day of the fiscal year, and are 4 years in length. Awards that are less than \$25,000 also begin October 1 and are 2 years in length. Requests for up to 2 additional years to complete performance of the award will be granted automatically for awards that are less than \$25,000. Extensions beyond a 4-year period for all JAG awards may be approved on a case-by-case basis at the discretion of BJA.

Match Requirement

A match is not required.

Reporting Requirements

For FY 2020 and future years, JAG recipients of less than \$25,000 are required to submit quarterly [performance measures](#) in the [Performance Measurement Tool](#) (PMT) as well as quarterly Federal Financial Reports (SF-425s) and annual programmatic performance reports in [JustGrants](#). All other JAG award recipients are required to submit quarterly performance measures in the PMT as well as quarterly SF-425s and semi-annual programmatic performance reports in [JustGrants](#). Detailed reporting information can be found in the [JAG FAQs](#).

Statewide Strategic Plans

States are required to submit a comprehensive strategic plan with their applications. Additionally, in any year in which the statewide strategic plan is not fully updated, states must also submit a brief annual report with their applications.

To help ensure that states consider the impact of JAG funding decisions across the entire criminal justice system, BJA strongly encourages each state to bring all criminal justice system stakeholders together in the strategic planning process. The strategic planning process should include local governments and representatives of all segments of the criminal justice system, including judges, prosecutors, law enforcement personnel, and corrections personnel, as well as providers of indigent defense services, victim services, juvenile justice delinquency prevention programs, community corrections, and reentry services. BJA offers no-cost training and technical assistance to state JAG recipients to support strategic planning efforts and the implementation of fair, just, evidence-based and effective policies and practices. To learn more visit: <https://bja.ojp.gov/program/jag/training-technical-assistance>.

Reductions/Penalties

The Sex Offender Registration and Notification Act (SORNA), which is Title I of the [Adam Walsh Child Protection and Safety Act of 2006](#), mandates a 10 percent

reduction in a JAG award to a state that has failed to substantially implement SORNA. Further, states that have substantially implemented SORNA have an ongoing obligation to maintain their implementation each year. A JAG reduction will be applied for each year a jurisdiction has failed to substantially implement SORNA. For additional information regarding SORNA implementation, including requirements and a list of states that will be affected in the current fiscal year by the 10 percent reduction to the JAG award, send inquiries to AskSMART@usdoj.gov. Additional SORNA guidance can be found within the [SORNA FAQs](#).

The Prison Rape Elimination Act (PREA) National Standards are set out at [28 C.F.R. Part 115](#) and apply to confinement facilities including adult prisons and jails, juvenile facilities, and police lockups. Under PREA, if a state's chief executive (e.g., Governor) does not certify full compliance with the PREA National Standards, the state is subject to the loss of 5 percent of certain DOJ grant funds, including JAG award funds, unless the chief executive submits an assurance to DOJ that no less than 5 percent of such funds will be used solely for the purpose of enabling the state to achieve and certify full compliance with the PREA National Standards in future years. See [34 U.S.C. § 30307\(e\)\(2\)](#). For additional information concerning PREA implementation, send inquiries to the PREA Management Office at PREACompliance@usdoj.gov and/or review the [PREA FAQs](#).

National Incident-Based Reporting System Compliance

By statute, BJA JAG awards are calculated using summary part 1 violent crime data from the FBI's UCR program. Specifically, the formula allocations for JAG rely heavily on the ratio of "the average number of part 1 violent crimes of the UCR of the FBI reported by such State for the three most recent years reported by such State to the average annual number of such crimes reported by all States for such years" (34 U.S.C. 10156(a)(1)(B)). Historically, JAG calculations have been based on data collected by the FBI through the Uniform Crime Reporting (UCR) Program's Summary Reporting System (SRS).

As of January 1, 2021, the UCR Program phased out SRS and transitioned to NIBRS-only data collection and agencies are no longer able to submit SRS data. BJS uses a combination of NIBRS and SRS data in determining

eligibility, with NIBRS data being used from 2021 forward. In practice, if a jurisdiction has previously reported at least 3 years of SRS data during the prior 10-year period (2012-2021) and did not begin reporting NIBRS data in 2021, the jurisdiction will still be potentially eligible for a JAG award, as the jurisdiction still meets the minimum statutory requirement. Agencies that began reporting NIBRS data in 2021 but have not previously reported SRS data or who reported fewer than 2 years of SRS data during the 2012-2021 data years will not be eligible for an award. For more information on NIBRS, please see: [National Incident-Based Reporting System \(NIBRS\) | Bureau of Justice Statistics \(ojp.gov\)](#).

Death in Custody Reporting Act Compliance

In FY 2019, BJA began requiring reporting from states pursuant to the Death in Custody Reporting Act (DCRA; [Public Law 113-242](#)). DCRA requires states to report to the Attorney General information regarding the death of any person who is detained, under arrest, in the process of being arrested, en route to be incarcerated, or is incarcerated at a municipal or county jail, state prison, state-run boot camp prison, boot camp prison that is contracted out by the state, any state or local contract facility, or other local or state correctional facility (including any juvenile facility). All DCRA data are reported in the [PMT](#). Beginning with FY 2023 awards, States must submit a DCRA state implementation plan with their applications, which includes its plan for collecting and reporting DCRA program data. The required elements in the DCRA state implementation plan can be found at: [DCRA State Implementation Plan Guidance](#). Additionally, in any year in which the DCRA state implementation plan is not updated, states must submit a brief annual DCRA implementation update with their applications. BJA offers no-cost training and technical assistance to state JAG recipients to support DCRA data collection efforts. To learn more visit: <https://bjp.ojp.gov/program/dcra/training-and-technical-assistance>. Additional information on DCRA reporting can be found on the [DCRA web page](#) and in the [DCRA Reporting Guidance and FAQs](#). A state that fails to comply may, at the discretion of the Attorney General, be subject to not more than a 10-percent reduction of the funds that would otherwise be allocated for that fiscal year to the state under the JAG program.

About Officer Byrne

Edward R. Byrne was destined for a life in law enforcement, having a father who was an officer with the New York City Police Department. Born on February 21, 1966, Eddie – as he was known by family and friends – was an outgoing and friendly person who had a strong calling to public service and wanted to make his city, New York City, a safer place.



In 1986, Eddie became a New York City Transit Police Officer, to help ensure the safety of New York City's subway commuters. In 1987, Officer Byrne joined the New York City Police Department's finest, assigned to the 103rd Precinct. Well-liked by his brothers and sisters in blue, Eddie was passionate about his job and loved the opportunities it offered him to interact with the people he had sworn to protect.

In the early morning hours of February 26, 1988, Officer Byrne was on detail protecting a witness who had agreed to testify in court against local drug dealers. Officer Byrne was in his patrol car outside the witness's home around 3:30 a.m. when two armed gunmen crept up to his car from both sides. One of the men knocked on the passenger-side window to distract Officer Byrne just as a second perpetrator ran up to the driver's side window and, without uttering a sound, opened fire. Officer Byrne was shot five times in the head. Both gunmen, along with two other perpetrators who served as lookouts, fled the scene. Officer Byrne was rushed to Mary Immaculate Hospital where he died of his wounds. He was only 22 years old.

The four assailants were captured six days after the murder and were eventually sentenced to 25 years to life. They were members of a gang who had been instructed by a jailed drug kingpin to kill a police officer.

NYPD lost one of its finest that day, and Eddie's family lost a loved and cherished son and brother. Leaving behind his parents and three brothers, Eddie's brothers continued the family tradition of law enforcement and justice by dedicating their careers to the field.

BJA is honored to administer "Byrne" funding to communities nationwide in memory of Officer Byrne.

ABOUT BJA

BJA helps America's state, local, and tribal jurisdictions reduce and prevent crime, lower recidivism, and promote a fair and safe criminal justice system. BJA provides a wide range of resources—including grants, funding, and training and technical assistance—to law enforcement, courts and corrections agencies, treatment providers, reentry practitioners, justice information sharing professionals, and community-based partners to address chronic and emerging criminal justice challenges nationwide. To learn more about BJA, visit bja.ojp.gov or follow us on Facebook (www.facebook.com/DOJBJA) and Twitter (@DOJBJA). BJA is a component of the Department of Justice's Office of Justice Programs.

NCJ 307098



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Council Office

Date: November 9, 2023

Re: [Resolution 23-22](#) - To Approve an Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana for the Operation of the Bloomington/Monroe County Capital Improvement Board and the Convention And Visitors Commission

Synopsis

This resolution approves the Interlocal Cooperation Agreement between the City and the County for mutual and collaborative support of an expanded Convention Center, any related amenities, and necessary related entities, including the Capital Improvement Board (“CIB”) and Convention & Visitors Commission (“CVC”), managing the expansion project and Convention Center operations.

Relevant Materials

- [Resolution 23-22](#)
- Interlocal Cooperation Agreement Between the City of Bloomington and Monroe County, Indiana Regarding Operation of the Bloomington/Monroe County Capital Improvement Board and the Convention And Visitors Commission

Summary

[Resolution 23-22](#) authorizes an interlocal agreement between Monroe County and the City of Bloomington detailing the operation of the Bloomington/Monroe County Capital Improvement Board (CIB) and the Convention and Visitors Commission (CVC) as a means to further a Monroe County Convention Center (“Convention Center”) expansion project.

Brief History

In 2017, through [Resolution 17-38](#), the Council supported the passage of a county-wide food and beverage tax to fund expansion of the Convention Center. Shortly thereafter, the Monroe County Council adopted an ordinance imposing such a tax, which has been collected since that time. The tax is authorized by state law ([Indiana Code 6-9-41](#)) and may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.

In the years since, both city and county officials have met at various times to advance the Convention Center expansion project. Most recently, members of the Monroe County government took the step of creating a CIB to manage and direct the affairs of the Convention Center and its expansion. The creation and operation of a CIB is detailed in state law under [IC 36-10-8](#). The statute addresses board membership and appointments,



City of Bloomington Indiana

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meetings, powers, budgets and bonding, and joint and cooperative planning, among other items.

The attached interlocal agreement provides several terms defining the city’s and county’s responsibilities with respect to the Convention Center expansion project as well as the membership and funding of the CIB and CVC.

CIB Membership

The CIB will have seven members, pursuant to state code. The county will appoint three members, the city will appoint three members, and those six members will appoint the seventh member by a vote of at least four.

Within the three city-made appointments, two will be from the Mayor (neither of which can be from the same political party) and one appointment will be from the Council. The same appointment regime (two from the executive and one from the legislative) also applies to the county.

The appointments will have staggered terms to comply with state law, under which the appointments made by the executive branch of both the city and the county expire on January 15, 2024, and all other appointments have two-year terms starting from January 15, 2023.

CVC Membership

The CVC will continue to have five members, as required by state law. All of the CVC members will be appointed by the County, two by the Commissioners and three by the County Council. Two of the County Council appointees would be made after giving “good faith consideration” to a list of at least three qualifying individuals. The third County Council appointee, the only one that is not subject to statutory restrictions, would be made by the County Council from a list of four recommendations by the City Council.

Funding

The agreement also contains several provisions regarding the real property assets that the CIB might request from the parties to successfully complete the Convention Center expansion project, the funding and management of the Convention Center expansion project’s construction and design, the operation and management of the existing and expanded Convention Center, and the funding of the CIB and CVC through an appropriations and budgeting process.

The agreement states that, during the initial design and construction period, the CIB’s budget will be determined by the CIB subject solely to the City Council’s approval. After this initial design and construction period, the agreement contemplates a joint review process of the CIB budget, subject to both City Council and County Council review/approval.



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The agreement also provides for city involvement in the CVC annual budget process (after the project's initial design and construction period) by including joint review of that entity's budget by the City Council and the County Council. Currently, the CVC's budget is subject to approval by the County Council.

Other additional miscellaneous provisions include the process for selecting the name of the expanded Convention Center; the intention to incorporate sustainability into the design and its future operations; and cooperation with the review and approval of documents.

Generally, interlocal agreements are authorized and governed by I.C. 36-1-7-1 (and following statutes) and must include the:

- duration;
- purpose;
- manner of financing, budgeting, staffing and supplying the joint undertaking;
- method(s) for partially or completely terminating the agreement and for disposing of property in the event of a partial or complete termination;
- administration either through a separate entity or a joint board with powers as delegated by the agreement; and
- manner of acquiring, holding, and disposing of property used in the joint undertaking (when a joint board is created).
- In addition, these agreements may include any other appropriate matters.

Contact

Beth Cate, Corporation Counsel, beth.cate@bloomington.in.gov, (812) 349-3426

RESOLUTION 23-22

**TO APPROVE AN INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE CITY OF BLOOMINGTON AND
MONROE COUNTY, INDIANA
FOR THE OPERATION OF THE BLOOMINGTON/MONROE COUNTY CAPITAL
IMPROVEMENT BOARD AND THE CONVENTION AND VISITORS COMMISSION**

WHEREAS, Indiana Code 36-1-7, *et seq.*, allows local government entities to make the most efficient use of their powers by enabling them to contract with other governmental entities for the provision of services to the public; and

WHEREAS, the City and County each possesses the power and authority to engage in activities that promote tourism and recreation and to construct and operate improvements to further those ends; and

WHEREAS, Bloomington/Monroe County is a highly sought-after destination for groups seeking to hold events of significant size in Indiana; and

WHEREAS, people attending events at the Monroe Convention Center (“Convention Center”) also patronize restaurants and shops in the County and City, which has benefited the local economy by hundreds of millions of dollars since the existing Convention Center began operating; and

WHEREAS, the Convention Center was upgraded and remodeled, but not enlarged, in 2012, and its current size has limited its ability to accommodate many groups desiring to hold events in Bloomington; and

WHEREAS, the City and County agree that an expanded Convention Center (“Expanded Convention Center”) would provide civic benefits as well as significantly enhance the local economy through additional visitors to the area and increased employment opportunities; and

WHEREAS, the City and County agree that the success of an Expanded Convention Center project requires an effective distribution of responsibility for funding and managing the construction and future management and operation of the Expanded Convention Center and related amenities such as a hotel and/or parking garage (collectively, the “Project”); and

WHEREAS, the City and County have negotiated an Interlocal Agreement to provide for collaborative support for the Project and the entities, including the Capital Improvement Board (“CIB”) and Convention & Visitors Commission (“CVC”), managing the Project and Convention Center operations, which Interlocal Agreement includes appropriate terms governing the contribution to the Project of real property assets and certain tax revenues provided for under Indiana Code § 6-9-41-0.3, *et seq.* (“Food and Beverage Tax”), and under Indiana Code § 6-9-4-1, *et seq.* (“Innkeepers Tax”); and

WHEREAS, the Interlocal Agreement reflects a partnership between the City and County to achieve community economic, civic, and sustainability goals; and

WHEREAS, the Common Council considers it in the best interests of the City to enter into the Interlocal Agreement;

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

SECTION 1. The Interlocal Cooperation Agreement between the City of Bloomington and Monroe County, Indiana For the Operation of the Bloomington/Monroe County Capital Improvement Board and the Convention and Visitors Commission, a copy of which is attached hereto and made a part hereof, is hereby approved.

SECTION 2. If any sections, sentences or provisions of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 3. This resolution shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana upon this _____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution approves the Interlocal Cooperation Agreement between the City and the County for mutual and collaborative support of an expanded Convention Center, any related amenities, and necessary related entities, including the Capital Improvement Board (“CIB”) and Convention & Visitors Commission (“CVC”), managing the expansion project and Convention Center operations.

**MONROE COUNTY AND CITY OF BLOOMINGTON, INDIANA
INTERLOCAL COOPERATION AGREEMENT
FOR
THE OPERATION OF THE BLOOMINGTON/MONROE COUNTY CAPITAL
IMPROVEMENT BOARD AND THE
CONVENTION AND VISITORS COMMISSION**

This Interlocal Cooperation Agreement, entered into on this ___ day of _____, 2023, by and between Monroe County, Indiana (“County”), the City of Bloomington, Indiana. (“City”).

WITNESSETH:

WHEREAS, Indiana Code 36-1-7, *et seq.*, allows local government entities to make the most efficient use of their powers by enabling them to contract with other governmental entities for the provision of services to the public; and

WHEREAS, the County and the City each possesses the power and authority to engage in activities that promote tourism and recreation, and to construct and operate improvements to further those ends; and

WHEREAS, Bloomington/Monroe County is a highly sought-after destination for groups seeking to hold events of significant size in Indiana; and

WHEREAS, people attending events at the Monroe Convention Center (“Convention Center”) also patronize restaurants and shops in the County and City, which has benefited the local economy by hundreds of millions of dollars since the existing Convention Center began operating; and

WHEREAS, the Convention Center was upgraded and remodeled, but not enlarged, in 2012, and its current size has limited its ability to accommodate many groups desiring to hold events in Bloomington; and

WHEREAS, the parties agree that an expanded Convention Center (“Expanded Convention Center”) would provide civic benefits as well as significantly enhance the local economy through additional visitors to the area and increased employment opportunities; and

WHEREAS, the parties acknowledge that building and activating an Expanded Convention Center and any related amenities such as a hotel and/or parking garage (collectively, the “Project”) requires their collaboration and that a Capital Improvement Board (“CIB”) is an appropriate vehicle for achieving that collaboration; and

WHEREAS, the parties agree that the Project and ongoing operations of an Expanded Convention Center will be funded through a combination of assets to be transferred or pledged by each party to the CIB, including but not limited to real property controlled by the parties, as well as certain tax revenues provided for under Indiana Code § 6-9-41-0.3, *et seq.* (“Food and Beverage Tax”), and under Indiana Code §6-9-4-1 *et seq.* (“Innkeepers Tax”); and

WHEREAS, the County is authorized under Indiana Code §36-10-8-4 to determine who may appoint members to the CIB, and the County is also authorized to make appointments to the Convention & Visitors Commission (“CVC”), which oversees expenditures of the Innkeepers Tax revenues; and

WHEREAS, the parties agree that their success of the Project requires an effective distribution of responsibility for funding and managing the Project and the future management and operation of the Expanded Convention Center and related amenities;

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, the County and the City hereby agree as follows:

ARTICLE I
PURPOSE AND DURATION OF AGREEMENT

Section 1. Purpose: The purpose of this Agreement is to set forth and define the respective duties, obligations, rights and responsibilities of the parties with regard to the Project and their interactions with the CIB and the CVC, as these entities together will control (except as provided below) the Expanded Convention Center’s assets and funding streams.

The Project goals are threefold, 1) to expand the convention and tourism industries in downtown Bloomington, Monroe County, and the region; 2) to provide accommodations to local not for profits and civic organizations; and 3) to accentuate the Community goals of sustainable and environmentally progressive action.

Section 2. Duration: This Agreement shall be in full force and effect as of the date of its execution and shall remain in full force and effect for the duration of the longest term of any of the bonds issued to finance the Project, and thereafter until either party provides written notice of termination at least six (6) months in advance. The terms of this Agreement may not be changed except by mutual agreement of the parties. In the event state statutes governing the CIB and CVC are amended so as to substantively affect the balance of authority among the parties under either the terms of this Agreement or any of the other governing documents for the CIB or CVC, the County and City agree to renegotiate the terms of this Agreement in the interest of maintaining the balance of authority between the parties, including finding other means of restoring the balance. The County and City also agree that regardless of the duration of this specific Agreement, their explicitly shared and publicly declared intent is to continue collaboration in perpetuity to oversee and direct the affairs of the Convention Center for the betterment of the entire community and region, as future office holders determine.

ARTICLE II
CIB AND CVC BOARD/COMMISSION MEMBERSHIP

Section 1. CIB Membership:

- A. Per County Ordinance 2023-24, the CIB shall be composed of seven (7) members, consistent with IC 36-10-8-4. The units of government which shall make appointments to the CIB are Monroe County and the City of Bloomington. Specifically, Monroe County (“County”) shall appoint three (3) members and the City of Bloomington (“City”) shall appoint three (3) members. Those six (6) members appointed shall appoint the seventh appointment by a vote of at least four (4) members. The Mayor shall appoint two members to the CIB; the appointments must not be from the same political party. The City Council shall appoint one member to the CIB. The County Commissioners shall appoint two members to the CIB; the appointments must not be from the same political party. The County Council shall appoint one member to the CIB. To create staggered appointments, the first round of appointments made by the Mayor and the County Commissioners will expire at 12:01 am on January 15, 2024. All other and subsequent appointments will be two-year appointments to the CIB.
- B. No members of the CIB may be elected officials of or employees of either the County or the City, Visit Bloomington, the Convention Center Management Company or of the following entities affiliated with or related to the County or City: the Bloomington Housing Authority, the City of Bloomington Utilities, and Bloomington Public Transportation Corporation (“Bloomington Transit”). This restriction does not apply to board members of any County or City convention center building corporation or City of Bloomington Capital Improvements, Inc.
- C. No member of the CIB may also serve simultaneously on the CVC or Food & Beverage Tax Advisory Commission (FABTAC).
- D. Except as provided above, all terms of office shall begin on January 15th, consistent with State law. A member whose term expires may be reappointed to serve another term. If a vacancy occurs, a person shall be appointed by the original appointing authority in the same manner as the original appointment to serve for the remainder of the term.

Section 2. CVC Membership:

- A. The CVC shall be composed of five (5) members, as required by IC 6-9-4-2.
- B. No members of the CVC may be elected officials of or employees of either the County or the City, or of the following entities affiliated with or related to the County or the City: the Bloomington Housing Authority, the City of Bloomington Utilities, and Bloomington Public Transportation Corporation (“Bloomington Transit”). This restriction does not apply to board members of any County or City convention center building corporation or City of Bloomington Capital Improvements, Inc.

- C. The Commissioners shall appoint two members to one-year terms, with the restrictions found in the IC 6-9-4-2.
- D. The County Council shall appoint three members to two-year terms. Two appointees shall meet the statutory restrictions found in the second sentence of IC 6-9-4-2(b) -- i.e., shall be the owners or general managers of hotels or motels in the county with at least 40 beds - - and shall be made after giving good faith consideration to a list of at least three recommendations made by the City Council. The third appointee, who is not subject to statutory restrictions (“the unrestricted appointment”), shall be made by the County Council from a list of four recommendations made by the City Council.

City Council recommendations for appointments must be made in writing to the County Council before November 1. The County Council shall make the appointments before January 1. If the County Council has not received the City Council’s recommendations by October 15, the County Council shall send a written reminder to the City Council Administrator/Attorney.

If the County Council has not received the City Council’s list of four recommendations for the unrestricted appointment by November 1, the County Council shall make the unrestricted appointment at their discretion.

- E. All terms of office shall begin on January 1 and end on December 31, consistent with State law. A member whose term expires may be reappointed to serve another term. If a vacancy occurs, a person shall be appointed by the original appointing authority in the same manner as the original appointment to serve for the remainder of the term.
- F. No member of the CVC may also serve simultaneously on the CIB or FABTAC.

ARTICLE III
ASSETS, FUNDING AND OPERATIONAL RESPONSIBILITIES

Section 1. Real Property Assets:

- A. The parties agree that the work previously conducted regarding location, scope and design of the Convention Center expansion retains relevance. Accordingly, they expect the CIB to incorporate that work, updated as appropriate with additional data and input from City and County leadership and the public, into the CIB’s selection of a site for the Expanded Convention Center and sites for related amenities (e.g., hotel(s), parking garage), corresponding designs for the same, and partner selection for architectural and design services and hotelier(s).
- B. The CIB shall request from the parties such transfer of ownership of property assets as are needed in its judgment successfully to complete the Project, including property needed directly for such structures or needed to help finance them, and on such terms as needed. The Parties shall in good faith review and negotiate regarding such requests. The Parties agree that the County properties located south of W. 3rd Street and east of South

College Avenue shall not become available for use prior to the conclusion of the 2024 election cycle.

Section 2. Project Construction Funding and Management:

- A. The City shall be solely responsible for approving any debt issued to finance the design and construction of the Expanded Convention Center. For this purpose, the City intends to use a non-CIB third-party building corporation (“City Building Corporation”) to issue debt on behalf of the City. Such City Building Corporation shall own the Expanded Convention Center and lease it to the City, and the City Building Corporation and the City shall contract with the CIB to manage the design and construction of the Expanded Convention Center, consistent with and subject to Indiana public construction laws and the terms of the debt financing and budgets for design and construction approved by the City Council. These same provisions shall apply in the event that any debt used to finance amenities such as a parking garage or hotel is issued on behalf of the City rather than the CIB or County.
- B. The bond proceeds and any other designated funds provided by the City to be used in connection with the Project shall not be included in any annual budget presented by the CIB to the County Council or otherwise require approval for their use from County authorities.
- C. As soon as reasonably practicable following completion of construction, the City shall enter into a contract with the CIB for post-construction operation and management of the Expanded Convention Center.
- D. Once debt service is completed, the City Building Corporation shall transfer ownership of the Expanded Convention Center, and the real property(ies) on which it is located, and any other structures that are financed with debt approved and issued on behalf of the City and the real property(ies) on which they are located, first to the City as lessee, in accordance with the terms of the debt financing arrangements and such terms as have been agreed between the entity(ies) that transferred real property to the City Building Corporation on terms agreed under Section 1(B) above. Subject to Indiana property disposition laws and federal tax laws relating to tax-exempt debt issued by the City Building Corporation, the City shall then transfer ownership to the CIB.

Section 3. Convention Center Operation and Management:

The Parties understand and agree to the following regarding the operation and management of the existing and expanded Convention Center and any related amenities:

- A. The existing County contract with the CVC for facility management of the current Convention Center will be assigned to the CIB as soon as practicable following completion of the design and construction period, but not before, to ensure that the ongoing operations of the current Convention Center are sustained smoothly and to allow the CIB to focus fully on the design and construction of the Project.

- B. The CVC shall promote the existing and Expanded Convention Center and related tourism and convention opportunities.
- C. The CVC shall provide the City and County Councils with updates concerning revenue projections of the Innkeepers' tax prior to July 1 of each year.
- D. The CIB shall be responsible for selecting and overseeing partnerships with any hotelier partners.
- E. The CIB shall have the authority to name the Expanded Convention Center, subject to Article IV Section 1 below.

Section 4: CIB and CVC Funding:

- A. CIB Funding:
 - a. The parties agree that during the Project design and construction period and before implementation of the contract described in Article III Section 2C above, the CIB shall have authority to determine its budget solely with the City Council, including City food and beverage funds or any other City-designated funds needed to cover the hiring/retention during the design and construction phase of relevant support staff (e.g., an Executive Director/Project Manager, financial and legal support, administrative support).
 - b. The parties anticipate that the CIB shall be funded solely with City funds through the completion of the Project design and construction period. However, to the extent that the CIB does seek appropriations from the County during the Project design and construction phase, the County agrees not to use its approval authorities over CIB annual budgets or otherwise to override, change, or interfere with (i) CIB budgets and expenditures that are agreed to by the City Council during and covering the Project design and construction period, or (ii) Project design and construction decisions that rest with the CIB and are to be funded through debt approved by the City Council or other City Council appropriations.
 - c. The parties agree that following the Project design and construction period and implementation of the contract described in Article III Section 2C above, the CIB shall work with both the City and County Councils in developing its annual budget to reach agreement among the parties prior to presenting the budget for official approval. The parties shall coordinate with the CIB so that it will present its budget to the City Council for review and approval prior to the County Council Budget Session, and will present its budget to the County Council during a County Council Budget Session. In the event the County Council does not agree with the budget approved by the City Council, the two Councils shall work to come to agreement on a budget that both Councils can approve. If the Councils cannot agree on a budget by December 1st, the budget for the then-current year shall be the budget for the succeeding year.

- d. The parties agree that in the event the CIB determines a bond or other financing is recommended for activities other than Expanded Convention Center design and construction, the CIB shall make that recommendation to the City and/or County Council, depending on the proposed source(s) of financing. If the relevant Council(s), by resolution, approve the recommendation, then the statutory process for issuing the debt may proceed. No such bond or other financing may be issued for CIB purposes without first going through this process.

B. CVC Funding:

- a. The parties agree that during the Project design and construction period, the CVC shall develop and present its annual budget to the County Council. The County Council shall ensure that such budget reflects the continued use of Innkeepers Tax revenue to properly and sufficiently fund the operation and management of the existing Convention Center.
- b. Following the Project design and construction period and implementation of the contract described in Article III Section 2C above, the City and County shall work with the CVC in developing its annual budget to reach agreement among the parties prior to the CVC presenting its budget for official approval. The parties shall ensure through this process that the CVC uses Innkeeper's Tax to properly and sufficiently fund the ongoing operation and maintenance of the Expanded Convention Center, with at least the same proportion or dollar amount, whichever is greater, of Innkeepers Tax revenue going to support the expanded Convention Center as the CVC and County Council have approved for existing Convention Center support in recent years. The parties shall coordinate with the CVC so that the CVC shall present its proposed budget to the City Council for review and approval prior to the County Council Budget Session, and then present the budget to the County Council during a County Council Budget Session. In the event the County Council does not agree with the budget approved by the City Council, the two Councils shall work to come to agreement on a budget that both Councils can approve. If the Councils cannot agree on a budget by December 1st, the budget for the then-current year shall be the budget for the succeeding year.

ARTICLE IV
MISCELLANEOUS PROVISIONS

Section 1. Convention Center Name: The CIB shall determine a process for selecting a name for the Expanded Convention Center, except that any sale of overall naming rights to the Expanded Convention Center by the CIB shall require prior approval by both the County Board of Commissioners and the Mayor of the City of Bloomington.

Section 2. Local Government Approvals: The parties shall cooperate on the review and approval of any documents necessary to secure timely regulatory approvals for the Project site plan, design, and construction.

Section 3. Amendment of this Agreement: The parties may mutually agree to amend this Agreement to correct errors, clarify the understanding of the parties, or to otherwise fulfill the intent of the parties where the initial signed version is deemed inadequate for that purpose. The CIB and CVC may recommend changes to this Agreement for review by the parties.

Section 4. Effective Date: This Agreement will be effective when approved, in the same manner as approval of all Interlocal Agreements, except that the State Attorney General shall not be asked to approve this contract.

Section 5. General Intention as to Convention Center Use: The parties intend that the Expanded Convention Center shall also serve as a Civic Center for the use of community residents and non-profit organizations, consistent with the financial and operational needs of the Expanded Convention Center.

Section 6. Sustainability: The parties hereby express their desire and intention that the Project will incorporate sustainability into its design and future operations, and the CIB is directed to continually pursue sustainability as a primary goal, so far as financially and operationally feasible and practicable.

Section 7. Savings Clause: In the event any Article, Section or Portion of this Interlocal Agreement should be held invalid and unenforceable by any court of competent jurisdiction, such decision shall apply only to the specific Article, Section or Portion thereof specifically specified in the court's decision.

WHEREFORE, the parties hereto have executed this Agreement as of the date first set forth above.

COUNTY OF MONROE, INDIANA
BOARD OF COMMISSIONERS

CITY OF BLOOMINGTON

Penny Githens, President

John Hamilton, Mayor

Julie Thomas, Vice President

Lee Jones, Member

ATTEST: (Dated: _____)

Auditor, Monroe County, Indiana

CITY OF BLOOMINGTON COMMON COUNCIL

_____, President

ATTEST:

Nicole Bolden, Clerk
City of Bloomington

MONROE COUNTY COUNCIL

_____, President

ATTEST:

_____, Auditor
Monroe County



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Council Administrator/Attorney

Date: November 9, 2023

Re: Ordinance 23-29 - An Ordinance Authorizing the Acquisition, Construction and Installation by the City of Bloomington, Indiana, of Certain Extensions and Improvements to the City's Sewage Works Utility, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation and Distribution of the Revenues of Such Sewage Works and Other Related Matters

Synopsis

This ordinance authorizes the City of Bloomington to issue its Sewage Works Revenue Bonds of 2024 in the aggregate principal amount not to exceed \$55,000,000. The 2024 bonds will be issued to finance the second phase of modernizing the Dillman Road WWTP, the Blucher Pool Waste Water Treatment Plant, the Collection System Project, other projects, and to pay costs of issuance of the bonds.

Relevant Materials

- Ordinance 23-29
- Staff memo from Assistant City Attorney Chris Wheeler
- Utilities Service Board Resolution 2023-21
- Link to Winston Thomas Site Master Plan: <https://bton.in/VNvzu>

Summary

Ordinance 23-29 authorizes the construction of several major utilities projects and authorizes the issuance of revenue bonds to fund the costs of the projects.

Overview of Proposed Capital Improvements

The projects to be funded are listed in Exhibit A to the ordinance and include:

- Dillman Road Wastewater Treatment Plant Project – funding for an earlier phase of this project was funded through a bond issuance approved via [Ordinance 20-26](#);
- Blucher Pool Wastewater Treatment Plant Project –equipment replacements/upgrades/improvements and other various projects;
- Collection System Project; and
- Other projects – including a new Utilities Service Center, including but not limited to demolition of the existing buildings at the Winston Thomas property, design of a new Service Center and maintenance facility and any other costs or equipment related thereto.

Detailed cost estimates and preliminary design plans should be made available for public inspection ([pursuant to I.C. 36-1-5-4](#)) in the Office of the City Clerk. Members of the public wishing to view these files may contact the City Clerk's Office at 812-349-3408 or clerk@bloomington.in.gov.



General Overview of Bond Ordinances

Bond ordinances are long and very technical documents that set forth the procedures and the assurances necessary for the relevant financial interests to engage in these transactions involving as much as \$55 million. The following paragraphs categorize and highlight the provisions of the ordinance. In brief, the ordinance:

Amount and Purpose of the Bonds (with Accompanying Documents)

- Authorizes the City to sell a maximum of \$55 million in sewage works revenue bonds;
- Attaches Exhibit A, which provides a brief description of the projects to be funded with the bond revenues;
- Indicates that the *Cost Estimates and Preliminary Design Plans* for these improvements will be made available for public inspection in the Clerk's Office.

Kinds of Bonds, Limits on Interest and Maturity, Relationship with Outstanding Bonds, and Life Cycle of Bonds

- Authorizes bonds with a maximum interest rate of 7% per year and maximum maturity period of no more than 25 years;
- Authorizes the issuance of Bond Anticipation Notes (BANs provide money prior to sale of bonds) at an interest rate of no more than 7% and a maturity date, with extensions, of no more than 5 years after initial date of delivery of these financial instruments;
- Acknowledges outstanding bonds (See the table below) and provides for the new bonds to be issued in parity (on equal ground) with the outstanding ones;
- Authorize Municipal Bond Insurance (which may help lower rates);
- Sets forth procedures for issuing, holding, transferring, and redeeming the BANs and bonds.

Outstanding Wastewater Parity Bonds

Name	Original Date	Amended	Current aggregate principal amount outstanding (Nov 2023)
Amended Sewage Works Revenue of 2006, Series A-1	May 4, 2006	March 26, 2015	\$2,016,000
Sewage Works Refunding Revenue Bonds, Series 2013	May 17, 2013	N/A	\$2,320,000
Sewage Works Revenue Bonds of 2017	August 8, 2017	N/A	\$5,360,000
Sewage Works Refunding Revenue Bonds, Series 2019	November 6, 2019	N/A	\$3,380,000



Sewage Works Revenue Bonds of 2020	December 23, 2020	N/A	\$24,445,000
Sewage Works Revenue Refunding Bonds of 2021	December 21, 2021	N/A	\$5,105,000
Total			\$42,626,000

Safeguarding Bondholders

- Requires the separation of funds into various accounts and prescribes the uses and minimum balances of these accounts;
- Requires the utility to set reasonable, just, and equitable rates and charges sufficient to cover its operations as well as reserve amounts slightly in excess of annual debt service and related obligations;
 - o Note: CBU completed a rate case in 2022 for both wastewater and stormwater that contemplated the projects being funded by this bond issuance. According to the city’s financial advisor, Krohn & Associates, the “wastewater and stormwater rates the City adopted in 2022 will generate sufficient net revenues to repay the debt service on the proposed bonds.”
- Allows the bond holders to appoint a receiver in the event of default or other adverse actions on the part of the City;
- Allows for the issuance of further bonds and BANs on certain conditions;
- Prohibits the City from amending the ordinance in a manner that adversely affects bond holders without obtaining consent of owners of at least 66 2/3% of the principle;
- Requires the City to preserve the tax exempt status of the bonds by not using more than a small percentage of the funds for private purposes; and
- Repeals portions of any previous ordinances that are inconsistent with these provisions.

Contact

Vic Kelson, Utilities Director, kelsonv@bloomington.in.gov, 812-349-3650

Phil Peden, Assistant Director-Engineering, pedenp@bloomington.in.gov, 812-349-3634

Matt Havey, Assistant Director-Finance, matt.havey@bloomington.in.gov, 812-349-3635

Chris Wheeler, Assistant City Attorney, wheelech@bloomington.in.gov, 812-349-3426

ORDINANCE 23-29

AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION BY THE CITY OF BLOOMINGTON, INDIANA, OF CERTAIN EXTENSIONS AND IMPROVEMENTS TO THE CITY'S SEWAGE WORKS UTILITY, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SEWAGE WORKS AND OTHER RELATED MATTERS

WHEREAS, the City of Bloomington, Indiana (the "City"), has heretofore established, acquired, constructed and financed its sewage works and currently owns and operates such sewage works (the "Sewage Works") pursuant to the provisions of Indiana Code 36-9-23, as amended; and

WHEREAS, the Common Council of the City (the "Common Council") hereby finds that certain wastewater and storm water improvements, additions and extensions to the Sewage Works are necessary; and that preliminary design plans, specifications, detailed descriptions and cost estimates have been prepared and filed by the engineers employed by the City for the construction of said improvements, additions and extensions, which plans, specifications, descriptions and estimates have been or will be approved by the Utility Service Board (the "Board") and by all governmental authorities having jurisdiction thereover; and

WHEREAS, the Common Council further finds that the City has obtained estimates prepared and delivered by the engineers employed by the City for the construction of said improvements, additions and extensions and will advertise for and receive construction bids therefor; that on the basis of said estimates, the maximum estimated cost of the projects, as defined in Indiana Code 36-9-23 and Indiana Code 36-9-1, each as amended, including all authorized expenses relating thereto, including the costs of issuance of bonds on account of the financing of all or a portion thereof, is in the amount of Fifty-Five Million Dollars (\$55,000,000); and

WHEREAS, the Common Council further finds that there are not sufficient funds on hand from the Sewage Works to pay the costs of the improvements, additions and extensions thereto, and that the financing of the costs of the improvements, additions and extensions to the Sewage Works should be accomplished by the issuance of revenue bonds of the Sewage Works, in an aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000), and, if necessary, bond anticipation notes, all on the terms and conditions set forth herein; and

WHEREAS, the Common Council finds that there are now outstanding bonds of the Sewage Works consisting of its (a) Amended Sewage Works Revenue Bonds of 2006, Series A-1, originally dated May 4, 2006 and amended on March 26, 2015, currently outstanding in the aggregate principal amount of \$2,016,000 (b) Sewage Works Refunding Revenue Bonds, Series 2013, dated May 17, 2013, currently outstanding in the aggregate principal amount of \$2,320,000, (c) Sewage Works Revenue Bonds of 2017, dated August 8, 2017, currently outstanding in the aggregate principal amount of \$5,360,000, (d) Sewage Works Refunding Revenue Bonds, Series 2019, dated November 6, 2019, currently outstanding in the aggregate principal amount of \$3,380,000, (e) Sewage Works Revenue Bonds of 2020, dated December 23, 2020, currently outstanding in the aggregate principal amount of \$24,445,000, and (f) Sewage Works Revenue Refunding Bonds of 2021, dated December 21, 2021, currently outstanding in the aggregate principal amount of \$5,105,000 (clauses (a) through (f), collectively, the "Outstanding Parity Bonds"), which Outstanding Parity Bonds constitute a first charge upon the Net Revenues of the sewage works; and

WHEREAS, each of the respective ordinances authorizing the Outstanding Parity Bonds allow for the issuance of additional bonds payable from the Net Revenues of the City's Sewage Works ranking on parity with the pledge thereof to the Outstanding Parity Bonds provided certain financial conditions can be met (such financial conditions, the "Parity Tests"); and

WHEREAS, the Common Council finds that the Parity Tests can be met with respect to the bonds to be issued pursuant to this ordinance, and, accordingly, such bonds will constitute a first charge against the Net Revenues (as hereinafter defined) of the Sewage Works on a parity with the pledge thereof to the Outstanding Parity Bonds and are to be issued subject to the provisions of the laws of the State of Indiana, including Indiana Code 36-9-23, as in effect

on the date of delivery of the Bonds authorized herein (collectively, the “Act”) and the terms and restrictions of this Ordinance; and

WHEREAS, this Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds and, if necessary, bond anticipation notes, have been complied with in accordance with the provisions of the Act;

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

SECTION 1. Description of Projects. The City, being the owner of and engaged in operating an unencumbered Sewage Works supplying the City, its inhabitants, and the residents adjacent thereto, with sewage treatment and collection services, now finds it necessary to proceed with the construction of improvements, additions and extensions to its Sewage Works in accordance with the cost estimates and the preliminary design plans heretofore prepared and filed by the consulting engineers employed by the City, which cost estimates and preliminary design plans are by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the Office of the City Clerk and are open for public inspection pursuant to IC 36-1-5-4, that the cost of construction of said improvements, additions and extensions to be financed by the issuance of sewage works revenue bonds shall not exceed the sum of \$55,000,000, plus investment earnings on the bond and BAN proceeds, without further authorization from this Common Council.

Where used in this Ordinance, the term “City” shall be construed also to include any department, board, commission or officer or officers of the City or of any City department, board or commission. The terms “Sewage Works”, “sewage works”, “works”, “system” and similar terms used in this Ordinance shall be construed to mean the City’s existing sewage works system together with all the real estate, equipment and appurtenances thereto used in connection therewith, and all improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired as well as the drainage of storm and surface water to relieve the sewage works system of such water.

A description of the proposed improvements, additions and extensions is set forth on Exhibit A attached hereto (collectively, the “Projects”), and the Projects shall be constructed in accordance with the plans heretofore mentioned, which plans are hereby approved. Said Projects shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the Act.

SECTION 2. Issuance of Bonds and BANs.

(a) The City may issue, if necessary, bond anticipation notes (“the BANs”) for the purpose of procuring interim financing to pay the costs of the Projects, and, if deemed appropriate, the costs of issuance of the BANs. The City may issue the BANs in one or more series, in an aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000), to be designated “Sewage Works Revenue Bond Anticipation Notes, Series 20__” (to be completed with the year in which the BAN is issued, together with such further or different series designation as may be necessary or appropriate). The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of \$1,000 or more (or such higher denominations as the Controller of the City (the “Controller”) shall determine prior to the sale of the BANs). The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed seven percent (7.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations with the purchasers of the BANs) payable upon maturity. Each series of BANs will mature no later than three (3) years after their date of delivery, unless determined otherwise by the Controller with the advice of the City’s Municipal Advisor (as defined below). The BANs are subject to renewal or extension at an interest rate or rates not to exceed seven percent (7.0%) per annum (the exact rate or rates to be determined by bidding or negotiation). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

The BANs shall be issued pursuant to IC 5-1-14-5, as amended, and may be sold to a financial institution or any other purchaser. The BANs shall be sold at a price not less than ninety-seven and a half percent (97.5%) of the principal amount thereof. The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale of the Bonds authorized hereunder. The interest on the BANs shall be payable either from the Net Revenues of the Sewage Works or from proceeds from the issuance and sale hereunder of the Bonds. The Mayor of the City (the “Mayor”) and the Controller are hereby authorized and directed to execute a BAN Purchase Agreement in such form or substance as they shall approve acting upon the advice of counsel. The BANs may be made prepayable at the option of the

City, in whole or in part, on dates and with premiums, if any, and subject to any other terms as determined by the Controller with the advice of the Municipal Advisor, prior to the sale of the BANs. In the case of prepayment, the principal and accrued interest due on the BANs shall be paid only from proceeds of the Bonds, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor; provided, however, that such other funds are not pledged to the payment of the BANs. The Mayor and the Controller may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith. Unless otherwise indicated by the context, references herein to the Bonds shall also apply to the BANs.

Notwithstanding any other provision of this Ordinance, if the BANs are sold to a purchaser that so agrees, the City may receive payment for the BANs in installments, and principal shall not be payable and interest shall not accrue on the BANs until such principal amount has been advanced pursuant to requests made by the City to such purchaser. In the event that the total principal amount of the BANs sold to such purchaser is not advanced to the City, the principal amount of the BANs shall be reduced accordingly.

(b) In accordance with the Act, the City shall issue, in one or more series, its sewage works revenue bonds designated “City of Bloomington, Indiana Sewage Works Revenue Bonds of 2024”, with any such further or different series designation as determined by the Controller to be necessary or appropriate, in the aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000) (the “Bonds”), for the purpose of providing funds to (i) pay costs of the Projects, (ii) fund a debt service reserve fund or pay the premium for a debt service reserve surety policy, and (iii) pay the costs incurred on account of the issuance and sale of the Bonds, including any premiums for any municipal bond insurance policies. The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Net Revenues deposited into the Sinking Fund, as defined and described herein. The Bonds shall rank on parity with the Outstanding Parity Bonds.

The Bonds shall be issued in one or more series as fully registered bonds in denominations of: (i) Five Thousand Dollars (\$5,000) or any integral multiple thereof, or (ii) if sold through a private placement, in denominations of One Hundred Thousand Dollars (\$100,000), plus any integral multiple of One Thousand Dollars (\$1,000) in excess thereof, or the aggregate principal amount of such Bonds maturing in any year if less than \$100,000; in either case not exceeding the aggregate principal amount of the Bonds maturing in any one year. The Bonds shall be numbered consecutively from R-1 upward, and shall bear interest at a rate not to exceed seven percent (7.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations). Interest on the Bonds shall be payable semiannually on January 1 and July 1 of each year (each an “Interest Payment Date”), commencing not earlier than January 1, 2024. The principal of the Bonds shall mature annually on January 1 of each year, or be subject to mandatory sinking fund redemption on January 1 of each year, commencing not earlier than January 1, 2025, and ending no later than January 1, 2049, until the principal is fully paid. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. Subject to the terms and conditions herein, the Bonds shall mature on such dates and amounts as determined by the Controller prior to the sale of the Bonds with the advice of the Municipal Advisor.

The Bonds shall bear an original issue date which shall be the date of delivery and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the fifteenth (15th) day of the month immediately preceding the first Interest Payment Date, shall pay interest from its original date. Any Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest thereon has been paid or duly provided for, unless such Bond is authenticated after the fifteenth (15th) day of the month immediately preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

The Controller is authorized to serve as, or the Mayor and Controller are authorized to appoint a qualified financial institution to serve as, the Registrar and Paying Agent for the Bonds (the “Registrar and Paying Agent”) as will enable and facilitate the performance of its duties and responsibilities, and are authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, with such fees to be paid from the Sinking Fund as described in this Ordinance. The Registrar and Paying Agent is hereby charged with the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the Bonds.

If wire transfer payment for the Bonds is not required, the principal of and any redemption premium on the Bonds shall be payable at the designated corporate trust operations office of the Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the fifteenth (15th) day of the month immediately preceding an Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

Each Bond shall be transferable or exchangeable only on the books of the City maintained for such purpose at the designated corporate trust operations office of the Registrar, by the registered owner thereof in person, or by his or her attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. Each Bond may be transferred or exchanged without cost to the registered owner or his or her attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond for redemption. The City, the Registrar and the Paying Agent may treat and consider the person in whose name any Bond is registered as the absolute owner thereof for all purposes including the purpose of receiving payment of, or on account of, the principal thereof and redemption premium, if any, and interest thereon.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder.

In the event that any Bond is not presented for payment or redemption on the date established therefor, the City may deposit in trust with the Paying Agent an amount sufficient to pay such Bond or the redemption price thereof, as appropriate, and thereafter the owner of such Bond shall look only to the funds so deposited in trust with the Paying Agent for payment and the City shall have no further obligation or liability with respect thereto.

SECTION 3. Redemption of Bonds. The Mayor and the Controller, upon consultation with the Municipal Advisor, may designate maturities of Bonds (or portion thereof in integral multiples of \$5,000 principal amount each) that shall be subject to optional redemption and/or maturity sinking fund redemption, and the corresponding redemption dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Mayor and the Controller, upon consultation with the Municipal Advisor, are hereby authorized and directed to determine the terms governing any such redemption, as evidenced by the delivery of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at 100% of the principal amount thereof against the

mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called shall be selected by lot by the Registrar.

Notice of such redemption shall be mailed by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by such registered owner), at the address shown on the books of the Registrar. The notice shall specify date and place of redemption, and the registration numbers of the Bonds called for redemption. The place of redemption may be at the designated corporate trust operations office of the Paying Agent or as otherwise determined by the City. Interest on the Bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Bonds are presented for payment.

In addition to the foregoing notice, the City may also direct that further notice of redemption of the Bonds be given, including without limitation and at the option of the City, notice described in paragraph (a) below given by the Registrar to the parties described in paragraph (b) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the City, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bond being redeemed.

(b) If so directed by the City, each further notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories as the Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of the Bonds being redeemed and if so directed by the City, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 4. Authorization for Book-Entry System. The Bonds may, in compliance with all applicable laws and as determined by the Controller based upon the advice of the Municipal Advisor, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of bonds to the purchasers. The following provisions of this Section apply in such event.

One definitive Bond of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such

Bond, the receiving of notice and the giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Bond called for partial redemption, if any, prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the City.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of the Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Controller and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Bonds are held in book-entry form, the provisions of this Section 4 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 5. Execution and Authentication of the Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and attested by the manual or facsimile signature of the Controller, with the seal of the City, if any, or a facsimile thereof to be affixed to each of the Bonds. The Bonds shall be authenticated by the manual signature of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any Bond shall cease to be such official before the delivery of such Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Bonds, the Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

SECTION 6. Security and Sources of Payment; Pledge of Net Revenues. The Bonds, together with the Outstanding Parity Bonds, and any bonds hereafter issued on a parity therewith, as to both principal and interest, shall be payable from and secured by, and shall constitute a first charge upon, all of the Net Revenues (herein defined as gross revenues of the Sewage Works after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the Sewage Works, including all such Net Revenues from the existing works and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside in the Sinking Fund, which are hereby irrevocably pledged to the payment of the Bonds, to the extent necessary for that purpose. The City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Sewage Works, and the Bonds shall not constitute an indebtedness of the City within the

meaning of the provisions and limitations of the constitution of the State of Indiana. The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein.

SECTION 7. Form of the Bonds. The form and tenor of the Bonds shall be substantially as set forth in Exhibit B, attached hereto and incorporated herein as if set forth at this place (with all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof).

SECTION 8. Issuance, Sale and Delivery of the Bonds. The Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Controller are hereby authorized and directed to execute or to cause the execution of the Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or respective purchasers have agreed to pay therefor, which shall not be less than 97.5% of the par amount of the Bonds, plus accrued interest thereon to the date of delivery. The Bonds, when fully paid for and delivered to the purchaser or purchasers shall be the binding special revenue obligations of the City, payable out of the revenues of the Sewage Works to be set aside and paid into the Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the application to the costs of the Projects and the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds on account of the financing thereof. The authorized officers of the City are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

If the Bonds are sold by competitive bid, the Controller shall cause to be published either (i) a notice of such sale two (2) times, at least one (1) week apart, with the first publication made at least fifteen (15) days before the date of such sale and the second publication at least three (3) days before the date of the sale in accordance with Indiana Code 5-3-1-2 in one (1) newspaper, as defined in and in accordance with Indiana Code 5-3-1-4, or (ii) a notice of intent to sell bonds once each week for two (2) weeks in accordance with Indiana Code 5-1-11-2 and Indiana Code 5-3-1-4 and in a newspaper of general circulation published in the State capital, in which case bids may not be received more than ninety (90) days after the first publication. Such notice, or a summary thereof, may also be published in any other publications deemed appropriate in the discretion of the Controller. The bond sale notice shall state the time and place of sale, the purpose for which the Bonds are being issued, the total amount and maturities thereof, the maximum rate of interest thereon and any limitations as to the number of interest rates and the setting of such rates, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys employed by the City shall deem necessary or advisable. Such notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check or wire transfer in the amount of one percent of the par amount of the Bonds to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the Bonds as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then such check and the proceeds thereof shall become the property of the City and shall be considered as the City's liquidated damages on account of such default.

All bids for the Bonds shall be sealed and shall be presented to the Controller or his or designee at the physical or electronic address identified in the notice. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5.0%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent. Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate. The rate on any maturity shall be equal to or greater than the rate on the immediately preceding maturity. The Bonds shall be awarded by the Controller to the best bidder who has submitted a bid in accordance with the terms of this Ordinance and the notice of sale. The best bidder will be the bidder who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds from the date thereof to their respective maturities and deducting therefrom the premium bid, if any. No bid for less than all of the Bonds, plus accrued interest to the date of delivery, shall be considered. The City shall have the right to reject any and all bids. In the event an acceptable bid is not received on the date fixed in the notice, the Controller shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without readvertising. During the continuation of the sale, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time originally fixed for the sale of the Bonds in the bond sale notice.

As an alternative to competitive bid, the Controller may negotiate the sale of said Bonds at an interest rate or rates not exceeding seven percent (7.0%) per annum. The Mayor and the Controller are hereby authorized to (i) execute a purchase agreement with the purchaser, and (ii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this Ordinance. The final form of the purchase agreement shall be approved by the Mayor and Controller, upon the advice of the City's bond counsel and Municipal Advisor, and the Mayor and Controller are hereby authorized and directed to complete, execute and attest the same on behalf of the City so long as its provisions are consistent with the Ordinance.

Prior to the delivery of the Bonds, the Controller (i) shall be authorized, but not required, to investigate and to obtain insurance, surety bonds and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, and such opinion shall be furnished to the purchasers of the Bonds at the expense of the City. The costs of obtaining any such insurance, surety bonds and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the cost of issuance of the Bonds and shall be paid out of the proceeds of the sale of the Bonds.

SECTION 9. Official Statement. Any series of the BANs or the Bonds may be offered and sold pursuant to an Official Statement (preliminary and final) or other offering document with respect to such BANs or Bonds (collectively, the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board, to the extent applicable to the Bonds. The City hereby authorizes the Mayor or Controller (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the City with respect to the BANs or Bonds, (b) on behalf of the City, to designate the Preliminary Official Statement a "final" Official Statement of the City with respect to the Bonds, and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule.

SECTION 10. Continuing Disclosure. If required under the Rule, the Common Council hereby approves, and authorizes and directs the Mayor and the Controller, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under, a Continuing Disclosure Contract from the City to each registered owner or holder of any BAN or Bond (the "Continuing Disclosure Contract"). The Mayor and the Controller are authorized to approve the form of the Continuing Disclosure Contract, upon the advice of the City's bond counsel, with such determination to be conclusively evidenced by such Mayor's and such Controller's execution thereof.

SECTION 11. Construction Account; Use of Proceeds of Bonds. All of the proceeds from the sale of the Bonds, to the extent not used to refund BANs, and all proceeds of any BANs (if issued) shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Bloomington, 2024 Sewage Works Construction Account," or such different or further designation as determined by the Controller to be necessary or appropriate (the "Construction Account"). All funds deposited to the credit of the Sewage Works Sinking Fund or the Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, as amended. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Projects, refunding the BANs (if any), or as otherwise required by the Act or for the expenses of issuance of the Bonds.

All costs of issuance of the Bonds or the BANs, including, without limitation, any rating agency fees, fiscal agency charges, fees and expenses of legal counsel and municipal advisors, printing costs, DTC and CUSIP fees and charges, and/or premiums for credit facilities or reserve fund surety policies, shall be considered as a part of the cost of the Projects on account of which the BANs and Bonds are issued, and the Controller is hereby authority to pay such costs of issuance from the proceeds of the BANs or Bonds.

If any proceeds of the Bonds will be used to fund all or a portion of the Reserve Account (as defined herein), the Controller shall transfer such proceeds of the Bonds to the Reserve Account of the Sinking Fund, as hereinafter described.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Projects, which are not required to meet unpaid obligations incurred in connection with such Projects, shall be either (i) paid into the Sinking Fund and used solely for the purposes of said Sinking Fund or (ii) used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with Indiana Code 5-1-13, as amended.

SECTION 12. Segregation and Application of Sewage Works Revenues. The City shall segregate, deposit and keep in a special fund, separate and apart from all other funds of the City, all gross revenues received on account of the rates and charges of the Sewage Works, which special fund was established and designated as the "City of Bloomington, Sewage Works General Account" (the "General Account") and is continued hereby. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the sewage works shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, reserves shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided.

The balance maintained in the General Account shall be sufficient to pay the expenses of operation, repair and maintenance of the Sewage Works for the then next succeeding two (2) calendar months. The moneys credited to the General Account shall be used for the payment of the reasonable and proper expenses of operation, repair and maintenance of the Sewage Works on a day-to-day basis, including the reasonable legal and professional expenses not taken into account in the definition of Net Revenues, but none of the moneys in the General Account shall be used for depreciation, payments in lieu of taxes, replacements, improvements, extensions or additions. Any moneys in the General Account may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of and interest on the outstanding bonds of the Sewage Works, or if necessary to eliminate any deficiencies in credits to, or minimum balance in, the Reserve Account, as defined and described below.

Moneys in the General Account shall be transferred from time to time to meet the requirements of the Sinking Fund. Moneys in excess of those transferred to the Sinking Fund may be transferred to the Improvement Fund or may be retained in the General Account, in the discretion of the Board, and in a manner consistent with the requirements of this Ordinance. Moneys in excess of those required to be in the General Account and the Sinking Fund may also be used, in the discretion of the Board, for any other lawful purpose related to the Sewage Works. Notwithstanding the foregoing, in the event that any amounts are due to any providers (including their successors and assigns) of any municipal bond insurance policies or debt service reserve surety policies acquired by the City in connection with the Bonds or any of the Outstanding Parity Bonds, any excess moneys in the General Account after making all required transfers to the Sinking Fund shall be first used to pay any amounts owed under such policies.

SECTION 13. Sewage Works Sinking Fund. (a) There is hereby continued a fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Sewage Works and the payment of any fiscal agency charges in connection with the payment of the bonds and interest, which fund has been previously designated as the Sewage Works Sinking Fund ("Sinking Fund"). There shall be set aside, transferred and deposited into the Sinking Fund from the General Account, as available and as hereinafter provided, a sufficient amount of the Net Revenues of the Sewage Works to meet the requirements of the Bond and Interest Account and the Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds of the Sewage Works to their final maturity and provide for payment of all fiscal agency charges.

(b) Bond and Interest Account. The Bond and Interest Account is hereby continued. There shall be credited, on the last day of each calendar month from the General Account to the Bond and Interest Account an amount of the Net Revenues equal to at least one-sixth (1/6) of the principal of and interest on all then outstanding bonds payable on the then next succeeding Interest Payment Date and at least one-twelfth (1/12) of the principal on all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited; provided, that such fractional amounts shall be appropriately increased, if necessary, to provide for the first interest and principal payments on the Bonds. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on the bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of any bank fiscal agency charges.

(c) Reserve Account. The Reserve Account is hereby continued. On the date of delivery of the Bonds, the City shall cause funds on hand of the Sewage Works, proceeds of the Bonds or such other bonds, or a combination thereof to be deposited into the Reserve Account so that the balance therein shall equal, but not exceed, the maximum annual debt service requirements on the Outstanding Parity Bonds and the Bonds (such amount, the "Reserve Requirement").

If the initial deposit into the Reserve Account does not equal the Reserve Requirement or if no deposit is made, the City shall deposit a sum of Net Revenues into the Reserve Account on the last day of each calendar month, beginning with the first month after the Bonds are delivered, until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Outstanding Parity Bonds, the Bonds and any Additional Parity Bonds (as defined herein), and the moneys in the Reserve Account shall be used to pay current principal and interest on the Outstanding Parity Bonds, the Bonds and any Additional Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall, at the direction of the Board, either be transferred to the General Account or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding the par plus accrued interest and redemption premium, if any.

Notwithstanding anything herein to the contrary, but subject to the terms of the Prior Ordinances, the City reserves the right to satisfy the Reserve Account at any time with funds on hand of the Sewage Works, proceeds of the Bonds or other bonds, a debt service reserve surety bond or a combination thereof. Any such surety bond must be issued by an insurance company rated at the time of issuance of such instrument in one of the two highest rating categories by Standard & Poor's Global Ratings Services and Moody's Investors Service. If such surety bond is purchased, the Mayor and the Controller are hereby authorized to execute and deliver all agreements with the provider of the surety bond to the extent necessary to comply with the terms of such surety bond and the commitment to issue such surety. Such agreement shall be deemed a part of this Ordinance for all purposes and is hereby incorporated herein by reference.

SECTION 14. Sewage Works Improvement Fund. After meeting the requirements of the Sinking Fund, any excess Net Revenues may be transferred or credited to the fund previously designated as the "Sewage Works Improvement Fund" (the "Improvement Fund"), hereby continued. The Improvement Fund shall be used for improvements, replacements, additions and extensions of the sewage works, and payments in lieu of taxes. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to, or minimum balance in, the Reserve Account of the Sinking Fund or may be transferred to the General Account to meet unforeseen contingencies in the operation and maintenance of the Sewage Works.

SECTION 15. Maintenance of Funds; Investments. The proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The General Account and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All of the funds and accounts of the Sewage Works created or continued by this Ordinance, and all moneys deposited therein, shall be continuously maintained, deposited, held, secured and invested as public funds in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including, particularly, applicable provisions of Indiana Code 5-13 and the acts amendatory thereof and supplemental thereto. Any interest or income derived from any such investments shall become a part of the moneys in the fund or account so invested and shall be used only as provided in this Ordinance and the Prior Ordinances. In no event shall any of the Net Revenues of the Sewage Works be transferred or used for any purpose not authorized by this Ordinance or the Prior Ordinances, so long as any of the bonds secured by and payable from the Net Revenues shall be outstanding. Upon

issuance of the Bonds, moneys held and on deposit in the existing funds and accounts established under the Prior Ordinances shall remain on deposit therein.

SECTION 16. Books of Records and Accounts. The City shall keep proper record books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected on account of the operation of the Sewage Works and all disbursements made therefrom and all transactions relating to the Sewage Works. Copies of all such statements and reports shall be kept on file in the office of the Controller. There shall be prepared and furnished, upon the written request, to any owner of the Bonds then outstanding, not more than ninety (90) days after the close of each fiscal year, complete financial statements of the Sewage Works, covering the preceding fiscal year. Copies of all such statements and reports shall be kept on file in the office of the Assistant Director of Finance of the Sewage Works. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the Sewage Works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

SECTION 17. Rate Covenant. The Common Council has previously adopted Ordinance No. 22-33 and Ordinance No. 22-34 (collectively, the "Rate Ordinance"), imposing fees and charges for the several classes of users or property to be served by the Sewage Works utility, which Rate Ordinance (as the same may be subsequently amended or modified from time to time) is incorporated herein by reference as if fully included and set forth in this Ordinance. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the Sewage Works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said Sewage Works by or through any part of the sewage system of the City, or that in any way uses or is served by such works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the City), to provide for the proper operation, repair and maintenance of the Sewage Works, to comply with and satisfy all covenants contained in this Ordinance and to pay all obligations of the Sewage Works and of the City with respect to the Sewage Works. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the Sewage Works and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such Sewage Works by and service rendered to the City and all departments thereof, and shall be paid by the City or the various departments thereof as the charges accrue.

SECTION 18. Defeasance. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, (ii) direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) any combination thereof, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's sewage works.

SECTION 19. Additional Bond Provisions. The City reserves the right to authorize and issue additional parity bonds, payable out of the Net Revenues of its sewage works, ranking on a parity with the pledge thereof to the Bonds and the Outstanding Parity Bonds (such bonds, the "Additional Parity Bonds"), for the purpose of financing the cost of future extensions, betterments or improvements to the Sewage Works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund and the accounts thereof shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the sewage works shall have been paid to date in accordance with their terms.

(b) (i) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such proposed Additional Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all of then outstanding bonds payable from the Net Revenues of the Sewage Works and the Additional Parity Bonds proposed to be issued; or (ii) prior to the issuance of the proposed Additional Parity Bonds, the sewage rates and charges shall be increased sufficiently so that the increased rates and charges, if realized and when applied to the previous fiscal year's operations, would have produced Net Revenues for said year equal to not less

than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the Net Revenues of the Sewage Works and the Additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the Sewage Works shall be analyzed and all showings shall be prepared by an independent certified public accountant or nationally recognized firm of professional consultants experienced in analyzing financial records of municipal utilities employed by the City for that purpose who shall certify the satisfaction of the foregoing conditions for the issuance of parity bonds.

(c) The interest on any Additional Parity Bonds shall be payable semiannually on the first days of January and July and the principal of, or the mandatory sinking fund redemption dates for, any Additional Parity Bonds shall be payable annually on the first day of January.

(d) The Reserve Requirement shall be satisfied for the Additional Parity Bonds either as of the date of delivery of said Additional Parity Bonds or through equal monthly deposits of Net Revenues sufficient to accumulate the reserve in a manner commensurate with and proportional to the provisions established by Section 13(c) of this Ordinance.

SECTION 20. Additional Covenants of the City. For the purpose of further safeguarding the interests of the owners of the Bonds, it is hereby specifically provided as follows:

(a) So long as any of the Bonds are outstanding, the City shall at all times maintain its sewage works system in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds are outstanding, the City shall acquire and maintain insurance coverage, including fidelity bonds, to protect the sewage works and its operations of a kind and in an amount such as is automatically carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. All insurance proceeds and condemnation awards shall be used to replace or repair the property destroyed or damaged.

(c) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its sewage works system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, except to replace equipment which may become worn out or obsolete.

(d) Except as hereinbefore provided in Section 19 hereof, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed, retired or defeased coincidentally with the delivery of such additional bonds or other obligations or, as provided in Section 18 hereof, funds sufficient to effect such redemption are available and set aside for such purpose at the time of issuance of such additional bonds or obligations.

(e) The City shall take all action or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(f) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds, the interest thereon remain outstanding or unpaid. Except for the changes set forth in Section 24(a)-(g), this Ordinance may be amended, however, without the consent of Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(g) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the governing Act. The provisions of this Ordinance shall also be construed to create a trust in the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and

purposes of said fund as in this Ordinance set forth. The owners of the Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer the sewage works in the event the City shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Bonds.

SECTION 21. Investment of Funds. (a) The Controller is hereby authorized pursuant to IC 5-1-14-3 and the provisions of this Ordinance to invest moneys (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

(b) The Controller shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts referenced herein. In order to comply with the provisions of the ordinance, the Controller is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion. The Controller may pay any fees as operation expenses of the sewage works.

SECTION 22. Tax Covenants. In order to preserve the excludability of interest on the BANs or Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the BANs or Bonds, as the case may be (“Code”) and as an inducement to purchasers of the BANs or the Bonds, the City represents, covenants and agrees that:

(a) The sewage works will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or property financed or refinanced by the proceeds of the Bonds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed or refinanced by proceeds of the Bonds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds. If the City enters into a management contract for the sewage works, the terms of the contract will comply with IRS Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds.

(e) No more than 5% of the proceeds of the Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds to be treated as private activity bonds under Section 141 of the Code.

(g) It shall be not an event of default under this Ordinance if the interest on any Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds.

(i) The City represents that it will rebate any arbitrage profits to the United States in accordance with the Code.

(j) The Common Council hereby authorizes the Mayor and the Controller to determine whether any series of Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations. Such designation, if made, will be set forth in the arbitrage certificate delivered by the City in connection with the Bonds.

SECTION 23. Waiver of Tax Covenants. Notwithstanding any other provision of this Ordinance, any of the covenants and authorizations contained in Section 22 of this Ordinance (the "Tax Covenants"), which are designed to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, need not be complied with if the City receives an opinion of nationally recognized bond counsel to the effect that compliance with such Tax Covenant is unnecessary to preserve such exclusion of interest.

SECTION 24. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 20(f), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or

(b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or

(f) A reduction in the required balance to be held as a reserve for the Bonds; or

(g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Controller of the City, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption

thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

SECTION 25. Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, is a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal day.

SECTION 26. Other Actions. Each of the Mayor and the Controller is hereby authorized and directed, for an on behalf of the City, to execute and deliver any agreement, certificate or other instrument or take any other action which such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

SECTION 27. Construction with Other Ordinances. All ordinances, except for the Prior Ordinance, in conflict with this Ordinance are hereby repealed.

SECTION 28. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

SECTION 29. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Indiana, this ____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Indiana, this ____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED this ____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the City of Bloomington to issue its Sewage Works Revenue Bonds of 2024 in the aggregate principal amount not to exceed \$55,000,000. The 2024 bonds will be issued to finance the second phase of modernizing the Dillman Road WWTP, the Blucher Pool Waste Water Treatment Plant, the Collection System Project, other projects, and to pay costs of issuance of the bonds.

EXHIBIT A

DESCRIPTION OF PROJECTS

Dillman Road Wastewater Treatment Plant Project:

The Dillman Road Wastewater Treatment Plant project is the first phase of the treatment plant expansion and modernization plan. The focus of this phase of the project is the replacement of select electrical and mechanical systems due to age and condition. The equipment replacement will include process modernization of the mixed liquor and aerobic digestion aeration systems. The project also includes the addition of a new disc filter and building to expand filtration capacity from 15 million gallon per day (mgd) to 20 mgd. Other improvements will include, but not be limited to, replacement and upgrade of the administrative building heating and cooling system, replacement of the main entry gate with an electronic operated gate, replacement of polymer blending units for the belt press, and design, site safety and miscellaneous improvements at all or any portion of the Dillman Road Wastewater Treatment Plant.

Blucher Pool Wastewater Treatment Plant Project:

The Blucher Pool Wastewater Treatment Plant Project includes replacement, upgrade and improvement projects at the existing wastewater treatment facility, including, but not limited to, repair of the damaged belt press, replacement of three (3) RAS pumps, completion of a hydraulic capacity study for the north sewer basin and the Blucher Poole Wastewater Treatment Plant, design of a plant hydraulic system to include an equalization basin and primary clarifier, replacement of plumbing in the solids handling building, switching current PCL (HMI) over to an ignition system with replacement units, replacement of intake pumps and flow meters, rehabilitation of influent flume, replacement of yard valves, replacement of the primary splitter gate to aeration basin No. 3, and miscellaneous design and equipment replacement projects related thereto.

Collection System Project:

The Collection System Project includes collection system replacement, upgrade and improvement projects, including, but not limited to, a sump pump disconnect program, rehabilitation of sewer pipes and manholes, replacement and upgrade of existing lift stations, coordination with INDOT and the City engineering on road improvement and relocation projects, design of capacity upgrades and all equipment related thereto.

Other Projects:

Other projects include construction and equipping projects at a new Service Center, including, but not limited to, demolition of the existing buildings at the Winston Thomas property, design of a new Service Center and maintenance facility and any other costs or equipment related thereto.

EXHIBIT B

R-__

[FORM OF REGISTERED BOND]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
SEWAGE WORKS REVENUE BOND OF 2024

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Date of Authentication</u>	<u>[CUSIP]</u>
__%	January 1, 20__	_____, 20__	_____, 20__	[_____]

REGISTERED
OWNER: _____

PRINCIPAL AMOUNT: _____ Dollars (\$_____)

The City of Bloomington, in Monroe County, State of Indiana, (the "City") for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above as evidenced by the records of the registered owner making payments for this bond, or its assigns, on the Maturity Date specified above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is paid upon redemption or at maturity, at the Interest Rate per annum specified above and from the interest payment date to which interest has been paid or duly provided for next preceding the Date of Authentication of this bond as shown above (unless this bond is authenticated after the fifteenth day of the month immediately preceding an interest payment date (the "Record Date") and on or before the next such interest payment date, in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before [January/July] 1, 20__, in which case it shall bear interest from the Original Date specified above), with such interest payable semiannually on January 1 and July 1 of each year, commencing [January/July] 1, 20__. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this Bond are payable upon the surrender thereof at the principal office of _____ (the "Registrar" or the "Paying Agent") in the

_____, _____. All payments of interest on this Bond shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record Date at the address as it appears on the registrations books kept by the Registrar. Each Registered Owner of \$1,000,000 or more in principal amount of the Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of, and premium, if any, on the Bonds (as hereinafter defined) shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

THE CITY SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS A PART SHALL IN ANY RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE CITY WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

This bond is one of an authorized series of bonds of like date, tenor and effect, except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating _____ Dollars (\$_____), numbered and lettered consecutively from R-1 upward (the “Bonds”), issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the sewage works of the City, [fund a debt service reserve fund/pay the premium on a debt service reserve surety policy] and pay the costs of issuance of the Bonds. This Bond is issued pursuant to an ordinance adopted by the Common Council of the City on the ____ day of _____, 2020, entitled “An Ordinance Authorizing the Acquisition, Construction and Installation by the City of Bloomington, Indiana, of Certain Extensions and Improvements to the City’s Sewage Works Utility, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation and Distribution of the Revenues of Such Sewage Works and Other Related Matters” (the “Ordinance”), and in accordance with the provisions of Indiana law, including, without limitation, Indiana Code 36-9-23, as amended (the “Act”).

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this Bond, the Outstanding Parity Bonds (as defined in the Ordinance), and any bonds hereafter issued on a parity therewith are payable solely from the Sewage Works Sinking Fund (the “Sinking Fund”) maintained under the Ordinance to be funded from the Net Revenues (herein defined as the gross revenues of the Sewage Works (defined as the City’s Sewage Works system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at anytime hereafter constructed or acquired, after deduction only for the payment of the reasonable expenses of operation, repair and maintenance of the System).

The City irrevocably pledges the entire Net Revenues of the Sewage Works deposited into the Sinking Fund to the prompt payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any bonds ranking on a parity therewith to the extent necessary for such purposes, and covenants that it will cause to be fixed, maintained and collected such rates

and charges for services rendered by the Sewage Works as are sufficient in each year for the payment of the proper and reasonable expenses of operation and maintenance of the Sewage Works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there shall be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the System and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The City further covenants that for so long as the Bonds, the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith (the "Additional Parity Bonds") remain outstanding, it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues of the Sewage Works for the payment of (a) the interest on all bonds payable from the revenues of the Sewage Works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, (c) the principal of all bonds payable from the revenues of the Sewage Works, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the System. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

[Insert optional redemption terms, if applicable].

[The bonds maturing on _____ 1, ___ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

<u>Date</u>	<u>Amount</u>
-------------	---------------

*

*Final Maturity]

[Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed shall be selected by lot by the Registrar.]

Notice of such redemption shall be mailed to the address of the registered owners of the Bonds to be redeemed as shown on the registration records of the City, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, unless the notice is waived by the registered owner of the Bonds to be redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be

determined by the City. Interest on the Bonds called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the Registered Owner shall look only to the funds so deposited in trust for payment and the City shall have no further obligation or liability with respect thereto.

This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the designated corporate trust operations office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner, or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or to the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. The City, the Registrar and the Paying Agent may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal hereof and interest and premium, if any, due hereon.

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. **THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE.** The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance if the Common Council determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the Bonds.

The Bonds are issuable only in fully registered form in the denomination of [\$5,000] or any integral multiple thereof.

[A Continuing Disclosure Contract from the City to each registered owner or holder of any Bond, dated as of the date of initial issuance of the Bonds (the "Contract"), has been executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Contract contains certain promises of the City to each registered owner or holder of any Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Contract and to the exchange of such payment and acceptance for such promises.]

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Bloomington, in Monroe County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the Mayor of the City, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Controller.

CITY OF BLOOMINGTON

Mayor

(Seal)

ATTEST:

Controller

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds issued and delivered pursuant to the provisions of the within-mentioned Ordinance.

_____]

By _____
Authorized Representative

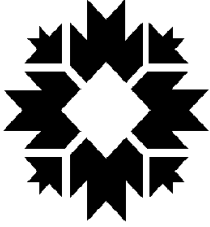
ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (insert name and address) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.
Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a broker-dealer or a commercial bank or trust company.



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council Members
FROM: Christopher J. Wheeler, Assistant City Attorney
RE: Ordinance 23-29 - Authorizing the combined Wastewater and Stormwater Utility bond issuance
DATE: November 9, 2023

Ordinance 23-29 (“Ordinance”) is before the Common Council for approval as a necessary step in the City’s financing of the planned capital construction projects for the City of Bloomington’s wastewater collection and treatment system and stormwater conveyance for the years 2023 and 2024. This Ordinance frames the terms and conditions required to meet IRS requirements for tax-exempt municipal bonds for low interest bond issuances, and to ensure that the bonds can be sold for the best terms possible to the Utility.

The maximum total bond authorization sought is \$55,000,000.00 (it could end up being less than this, but not more without further Council approval) which includes the cost of the projects listed below plus additional funds for contingencies, debt service reserve funding and costs of issuance. The total figure and the terms of the Bond Ordinance were determined by CBU’s financial advisor in consultation with its bond counsel. They have worked closely with CBU to ensure that all legal and fiscal requirements are met.

The planned wastewater capital improvements for 2023 and 2024 include:

1. Dillman Road Wastewater Treatment Plant Project:

The Dillman Road Wastewater Treatment Plant project is the first phase of the treatment plant expansion and modernization plan. The focus of this phase of the project is the replacement of select electrical and mechanical systems due to age and condition. The equipment replacement will include process modernization of the mixed liquor and aerobic digestion aeration systems. The project also includes the addition of a new disc filter and building to expand filtration capacity from 15 million gallon per day (mgd) to 20 mgd. Other improvements will include, but not be limited to, replacement and upgrade of the administrative building heating and cooling system, replacement of the main entry gate with an electronic operated gate, replacement of polymer blending units for the belt press, and design, site safety and miscellaneous improvements at all or any portion of the Dillman Road Wastewater Treatment Plant.

2. Blucher Pool Wastewater Treatment Plant Project:

The Blucher Pool Wastewater Treatment Plant Project includes replacement, upgrade and improvement projects at the existing wastewater treatment facility, including, but not limited to, repair of the damaged belt press, replacement of three (3) RAS pumps, completion of a hydraulic capacity study for the north sewer basin and the Blucher Poole Wastewater Treatment Plant, design of a plant hydraulic system to include an equalization basin and primary clarifier, replacement of plumbing in the solids handling building, switching current PCL (HMI) over to an ignition system with replacement units, replacement of intake pumps and flow meters, rehabilitation of influent flume, replacement of yard valves, replacement of the primary splitter gate to aeration basin No. 3, and miscellaneous design and equipment replacement projects related thereto.

3. Collection System Project:

The Collection System Project includes collection system replacement, upgrade and improvement projects, including, but not limited to, a sump pump disconnect program, rehabilitation of sewer pipes and manholes, replacement and upgrade of existing lift stations, coordination with INDOT and the City engineering on road improvement and relocation projects, design of capacity upgrades and all equipment related thereto.

4. Other Projects:

Other projects include construction and equipping projects at a proposed new Service Center, including, but not limited to, demolition of the existing buildings at the Winston Thomas property, design of a proposed new Service Center and maintenance facility and any other costs or equipment related thereto.

The planned stormwater capital improvements for 2023 and 2024 consist entirely of the final phase of reconstruction to the clear creek stormwater culvert which runs from Dunn Street across Indiana into Dunn Meadow on the IU campus. The total cost for that final phase is anticipated to be \$6,000,000.00.

The Bond Ordinance will go into effect upon Order of the Council. If you have any questions regarding this ordinance, please feel free to contact me by calling City Legal at 812.349.3549 or e-mailing me at wheelech@bloomington.in.gov.

**UTILITY SERVICE BOARD
OF THE CITY OF BLOOMINGTON, INDIANA
RESOLUTION NO. 2023-21**

A RESOLUTION AUTHORIZING CERTAIN CAPITAL PROJECTS FOR THE CITY OF BLOOMINGTON'S SEWAGE WORKS UTILITY, APPROVING THE ISSUANCE OF REVENUE BONDS THEREFOR, AND DECLARING AN OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR SUCH PROJECTS FROM THE PROCEEDS OF SAID BONDS

WHEREAS, the City of Bloomington, Indiana (the "City"), has previously established and constructed and now owns and operates, through its Utility Service Board (the "Board"), a sewage works system for the collection, treatment and disposal of sewage and other wastes from inhabitants and entities in and around the City (the "Sewage Works"), in accordance with the provisions of Indiana Code 36-9-23, as amended, through the City of Bloomington Utilities Department; and

WHEREAS, the Board hereby finds that certain wastewater and storm water improvements, additions and extensions to the Sewage Works, more particularly described on Exhibit A hereto (the "Projects") are necessary; and that preliminary design plans, specifications, detailed descriptions and cost estimates have been prepared and filed by the engineers employed by the City for the construction of said Projects, which plans, specifications, descriptions and estimates have been or will be approved by the Board and by all governmental authorities having jurisdiction thereover; and

WHEREAS, the Board further finds that the City has obtained estimates prepared and delivered by the engineers employed by the City for the construction of said Projects and will advertise for and receive construction bids therefor; that on the basis of said estimates, the maximum estimated cost of the projects, as defined in Indiana Code 36-9-23 and Indiana Code 36-9-1, each as amended, including all authorized expenses relating thereto, including the costs of issuance of bonds on account of the financing of all or a portion thereof, is in the amount of Fifty-Five Million Dollars (\$55,000,000); and

WHEREAS, the Board further finds that there are not sufficient funds on hand from the Sewage Works to pay the costs of the Projects, and that the financing of the costs of the Projects should be accomplished by the issuance of revenue bonds of the Sewage Works, in an aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000), and, if necessary, bond anticipation notes, all on the terms and conditions set forth herein; and

WHEREAS, this Board finds that it would be beneficial to finance the costs of the Projects and hereby authorizes the same by issuance of one or more series of the City of Bloomington, Indiana Sewage Works Revenue Bonds (collectively, the "Bonds") and, pending the issuance of such Bonds, one or more series of bond anticipation notes (collectively, the "BANs") for such purpose; and

WHEREAS, the Board finds that the City has previously issued and there are now outstanding bonds of the Sewage Works consisting of its (a) Amended Sewage Works Revenue Bonds of 2006, Series A-1, originally dated May 4, 2006 and amended on March 26, 2015, currently outstanding in the aggregate principal amount of \$2,016,000 (b) Sewage Works Refunding Revenue Bonds, Series 2013, dated May 17, 2013, currently outstanding in the aggregate principal amount of \$2,320,000, (c) Sewage Works Revenue Bonds of 2017, dated August 8, 2017, currently outstanding in the aggregate principal amount of \$5,360,000, (d) Sewage Works Refunding Revenue Bonds, Series 2019, dated November 6, 2019, currently outstanding in the aggregate principal amount of \$3,380,000, (e) Sewage Works Revenue Bonds of 2020, dated December 23, 2020, currently outstanding in the aggregate principal amount of \$24,445,000, and (f) Sewage Works Revenue Refunding Bonds of 2021, dated December 21, 2021, currently outstanding in the aggregate principal amount of \$5,105,000 (clauses (a) through (f), collectively, the “Outstanding Parity Bonds”), which Outstanding Parity Bonds constitute a first charge on the net revenues of the Sewage Works, defined as the gross revenues of the Sewage Works after deduction only for payment of the reasonable expenses of operation and maintenance, derived from the Sewage Works, including all such net revenues from the existing works and all additions, improvements and replacements thereof subsequently constructed or acquired (the “Net Revenues”); and

WHEREAS, each of the respective ordinances authorizing the Outstanding Parity Bonds allow for the issuance of additional bonds payable from the Net Revenues of the City’s Sewage Works ranking on parity with the pledge thereof to the Outstanding Parity Bonds provided certain financial conditions can be met (such financial conditions, the “Parity Tests”); and

WHEREAS, based on information presented to the Board at this meeting, the Board finds that the Parity Tests can be met with respect to the bonds to be issued pursuant to this ordinance, and, accordingly, such bonds will constitute a first charge against the Net Revenues (as hereinafter defined) of the Sewage Works on a parity with the pledge thereof to the Outstanding Parity Bonds and are to be issued subject to the provisions of the laws of the State of Indiana, including Indiana Code 36-9-23, as in effect on the date of delivery of the Bonds authorized herein (collectively, the “Act”) and the terms and restrictions of this Ordinance; and

WHEREAS, based on information presented to the Board at this meeting, the Board finds that the Parity Tests can be met with respect to the Bonds, and, accordingly, such Bonds, upon the issuance thereof, will constitute a first charge against the Net Revenues of the Sewage Works ranking on a parity with the Outstanding Parity Bonds and are to be issued subject to the provisions of the Act and the terms and restrictions of an ordinance to be adopted by the Bloomington Common Council authorizing the same; and

WHEREAS, this Board finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds have been complied with in accordance with the provisions of the Act; and

WHEREAS, this Board now desires to recommend to the Bloomington Common Council (the “Common Council”) that it adopt an ordinance authorizing the issuance of the Bonds upon the terms set forth below; and

WHEREAS, the Common Council has previously adopted Ordinance No. 22-33 and Ordinance No. 22-34 (collectively, the “Rate Ordinance”), imposing fees and charges for the several classes of users or property to be served by the Sewage Works utility, which Rate Ordinance, as the same may be amended from time to time, is incorporated herein by reference as if fully included and set forth in this Resolution; and

WHEREAS, the City expects to pay for certain costs of the Projects (collectively, the “Expenditures”) prior to the issuance of the Bonds from the Sewage Works operating account, and to reimburse the Expenditures with proceeds received by the City upon the issuance of the Bonds or the BANs, and the Board, on behalf of the City, desires to declare its intent to reimburse the Expenditures pursuant to Treas. Reg. §1.150-2 and Indiana Code §5-1-14-6(c); and

WHEREAS, this Board now desires to recommend to the Bloomington Common Council that it adopt an ordinance authorizing the issuance of the proposed Bonds in substantially the form attached as Exhibit B hereto and incorporated herein (the “Ordinance”).

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITY SERVICE BOARD OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

1. The Board hereby recommends and requests that the Common Council adopt an ordinance authorizing the issuance of the Bonds, in one or more series, in a maximum aggregate principal amount not to exceed \$55,000,000 with a maximum interest rate of 7.00% and with a final maturity date no later than January 1, 2049, for the purpose of providing funds to (i) pay all or a portion of the costs of the Projects, (ii) fund a debt service reserve fund or pay the premium for a debt service reserve surety policy, and (iii) pay the costs incurred on account of the issuance and sale of the Bonds, including any premiums for any municipal bond insurance policies.
2. The Board hereby estimates that the fees for the several classes of users or property to be served by the Sewage Works utility are equal to the fees and charges set forth in the Rate Ordinance.
3. The Board hereby declares its official intent, to the extent permitted by law, to issue the Bonds in one or more series, in an aggregate principal amount not to exceed \$55,000,000, and to reimburse costs of the Projects consisting of the Expenditures from proceeds of the sale of such Bonds or the BANs.

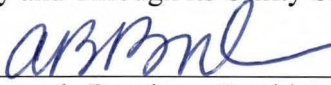
4. The Secretary of the Board is hereby authorized and directed to present a copy of this Resolution to the Bloomington City Clerk for presentation to the Bloomington Common Council as soon as may be done.
5. This Resolution shall be in full force and effect after its adoption by the Board.

Resolution 2023-21

PASSED AND ADOPTED THIS 6th DAY OF NOVEMBER, 2023.

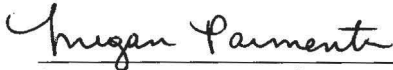
CITY OF BLOOMINGTON, INDIANA

By and Through its Utility Service Board

 11-6-23

Amanda Burnham, President

Jeff Ehman, Member

 11-6-23

Megan Parmenter, Vice President

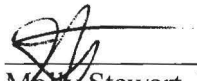
Seth Debro, Member



Jim Sherman, Member



Kirk White, Member



Molly Stewart, Member

ATTEST:



Secretary

EXHIBIT A

DESCRIPTION OF PROJECTS

Dillman Road Wastewater Treatment Plant Project:

The Dillman Road Wastewater Treatment Plant project is the first phase of the treatment plant expansion and modernization plan. The focus of this phase of the project is the replacement of select electrical and mechanical systems due to age and condition. The equipment replacement will include process modernization of the mixed liquor and aerobic digestion aeration systems. The project also includes the addition of a new disc filter and building to expand filtration capacity from 15 million gallon per day (mgd) to 20 mgd. Other improvements will include, but not be limited to, replacement and upgrade of the administrative building heating and cooling system, replacement of the main entry gate with an electronic operated gate, replacement of polymer blending units for the belt press, and design, site safety and miscellaneous improvements at all or any portion of the Dillman Road Wastewater Treatment Plant.

Blucher Pool Wastewater Treatment Plant Project:

The Blucher Pool Wastewater Treatment Plant Project includes replacement, upgrade and improvement projects at the existing wastewater treatment facility, including, but not limited to, repair of the damaged belt press, replacement of three (3) RAS pumps, completion of a hydraulic capacity study for the north sewer basin and the Blucher Poole Wastewater Treatment Plant, design of a plant hydraulic system to include an equalization basin and primary clarifier, replacement of plumbing in the solids handling building, switching current PCL (HMI) over to an ignition system with replacement units, replacement of intake pumps and flow meters, rehabilitation of influent flume, replacement of yard valves, replacement of the primary splitter gate to aeration basin No. 3, and miscellaneous design and equipment replacement projects related thereto.

Collection System Project:

The Collection System Project includes collection system replacement, upgrade and improvement projects, including, but not limited to, a sump pump disconnect program, rehabilitation of sewer pipes and manholes, replacement and upgrade of existing lift stations, coordination with INDOT and the City engineering on road improvement and relocation projects, design of capacity upgrades and all equipment related thereto.

Other Projects:

Other projects include construction and equipping projects at a proposed new Service Center, including, but not limited to, demolition of the existing buildings at the Winston Thomas

property, design of a proposed new Service Center and maintenance facility and any other costs or equipment related thereto.

EXHIBIT B
FORM OF ORDINANCE

(Attached)



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Council Administrator/Attorney

Date: November 9, 2023

Re: Ordinance 23-30 - An Ordinance Concerning the Construction of Additions 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

Synopsis

This ordinance authorizes the City of Bloomington to issue its Waterworks Revenue Bonds of 2024 in the aggregate principal amount not to exceed \$95,000 through a forgivable loan program with the Indiana Finance Authority. The 2024 bonds will be issued to finance water pipe related inventory, and pay costs of issuance of the bonds.

Relevant Materials

- Ordinance 23-30
- Staff memo from Assistant City Attorney Chris Wheeler
- Utilities Service Board Resolution 2023-23
- Indiana Finance Authority – State Revolving Fund Loan Program Fact Sheet

Summary

Ordinance 23-30 authorizes the issuance of waterworks bonds in the amount of \$95,000 through a forgivable loan program of the Indiana Finance Authority (IFA). This money would be used to purchase equipment to assist with the City's service line inventory efforts (more details available at <https://bloomington.in.gov/utilities/inventory>). The equipment to be purchased would include a lead pipe detection tool and accompanying items (e.g., iPads, GIS user licenses) to allow staff to conduct the service line inventory and record the data.

The City expects to receive funding for this project through the IFA's State Revolving Fund Loan Program. The City would need to meet certain requirements of the program to ensure the IFA loan is forgiven. The bond ordinance sets forth the procedures and assurances necessary for the relevant financial interests and parties to engage in this transaction.

Wastewater and drinking water revolving loan programs are governed by provisions in state code that spell out state-wide administration of the funds as well as requirements placed on loan participants. For more information on the State Revolving Fund (SRF) Loan Programs and for additional guidance and documents, please consult the following web pages:



City of Bloomington Indiana

City Hall | 401 N. Morton St. | Post Office Box 100 | Bloomington, Indiana 47402

Office of the Common Council | (812) 349-3409 | Fax: (812) 349-3570 | email: council@bloomington.in.gov

About SRF: <https://www.in.gov/ifa/srf/>

Applications Guidance & Documents: <https://www.in.gov/ifa/srf/applications-guidance-and-documents>

Contact

Vic Kelson, Utilities Director, kelsonv@bloomington.in.gov, 812-349-3650

Phil Peden, Assistant Director-Engineering, pedenp@bloomington.in.gov, 812-349-3634

Matt Havey, Assistant Director-Finance, matt.havey@bloomington.in.gov, 812-349-3635

Chris Wheeler, Assistant City Attorney, wheelech@bloomington.in.gov, 812-349-3426

ORDINANCE 23-30

AN ORDINANCE CONCERNING THE CONSTRUCTION OF ADDITIONS 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

WHEREAS, the City of Bloomington, Indiana (the “City”), has heretofore established, constructed, and financed its waterworks, and now owns and operates said waterworks pursuant to Indiana Code 8-1.5, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the “Act”) (all references hereinafter to the Indiana Code are designated as “IC” followed by the applicable code section or sections); and

WHEREAS, the Common Council of the City (the “Common Council”) finds that certain improvements and extensions to said works are necessary; that plans, specifications and estimates have been prepared and filed by the City’s engineers for the construction of said improvements and extensions (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the “Project”), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and will be approved by the aforesaid governmental authorities and are incorporated herein by reference and will be open for inspection at the office of the City as required by law; and

WHEREAS, the City will advertise for and receive bids for the Project, which bids will be subject to the City’s determination to construct the Project and obtaining funds to pay for the Project; and

WHEREAS, based upon the estimates of the City’s engineers and other information provided to the City by the engineers for the Project, the estimated costs of the Project, including engineering, municipal advisory, and legal fees, is in the estimated amount not to exceed \$95,000; and

WHEREAS, the Common Council finds that the City has no funds on hand available to apply on the costs of the Project and that it is necessary to finance the entire costs thereof by the issuance of waterworks revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$95,000 and, if necessary, bond anticipation notes (the “BANs”); and

WHEREAS, the Common Council finds that to the extent there are any outstanding bonds of the waterworks (“Outstanding Parity Bonds”) that constitute a first charge on the Net Revenues (as defined herein), prior to issuing the bonds to be issued pursuant to this Ordinance, at the request of the Authority (as defined herein), the Common Council, if necessary, shall adopt an ordinance amending and restating this Ordinance, to satisfy the conditions for the issuance of additional parity bonds, as described in the ordinance that authorized the Outstanding Parity Bonds. To the extent the City is required to issue bonds pursuant to this Ordinance to meet its obligations to redeem and retire any bond anticipation notes issued pursuant to this Ordinance and the Financial Assistance Agreement (as defined herein) that are not able to not satisfy the conditions for the issuance of additional parity bonds (as described in the ordinance that authorized the Outstanding Parity Bonds), even after taking all possible steps to meet such conditions, such bonds shall, at the request of the Authority, be issued pursuant this Ordinance as a second charge on the Net Revenues, junior and subordinate to any Outstanding Parity Bonds; and

WHEREAS, the bonds to be issued pursuant to this Ordinance will constitute a first charge against the Net Revenues of the waterworks, on a parity with the payment of any Outstanding Parity Bonds, and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this Ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, if necessary, payable solely from the proceeds of waterworks revenue bonds issued hereunder, and, with respect to interest only, proceeds of the BANs allocable to capitalized interest and/or Net Revenues of

the waterworks, junior and subordinate to the bonds herein authorized and any additional bonds issued pursuant to Section 21 hereof, and to authorize the refunding of said BANs, if issued; and

WHEREAS, the Common Council has been advised by the City's municipal advisor that it may be economically efficient to acquire a municipal bond insurance policy and/or debt service reserve surety for the bonds hereby authorized; and

WHEREAS, if the bonds or BANs herein authorized are sold to the Indiana Finance Authority (the "Authority") as part of its drinking water revolving loan program, supplemental drinking water and wastewater assistance program, water infrastructure assistance program and/or water infrastructure grant program, established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 (collectively, the "IFA Program"), the City will enter into a Financial Assistance Agreement, Funding Agreement, Grant Agreement and/or Financial Aid Agreement (in substantially the form attached as Exhibit B hereto and made a part hereof) together with any subsequent amendments thereto (collectively, the "Financial Assistance Agreement") with the Authority pertaining to the Project and the financing thereof; and

WHEREAS, the City may accept other forms of financial assistance, as and if available from the IFA Program; and

WHEREAS, the Common Council understands that for the Project to be permitted to be financed under the IFA Program, the City must (a) agree to own, operate, and maintain the waterworks and the Project for their useful life and (b) represent and warrant to the Authority that the City has no intent to sell, transfer or lease the waterworks or the Project for their useful life; and

WHEREAS, to the extent the City's waterworks is under the jurisdiction of the Indiana Utility Regulatory Commission (the "IURC") with respect to the approval of rates and charges and financings, the City shall, if required, receive approval of the IURC prior to the issuance of the bonds herein authorized; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the City intends by this Ordinance to qualify amounts advanced by the City to the Project for reimbursement from proceeds of the BANs or the bonds in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue bonds and BANs have been complied with in accordance with the provisions of the Act; now, therefore,

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

Section 1. Authorization of Project. The City shall proceed with the construction of the Project pursuant to the plans and specifications therefore as prepared by the City's engineers for the Project, two copies of which plans and specifications are on file in the office of the duly qualified and acting officers of the City (the "Officers") and open for public inspection pursuant to IC 36-1-5-4. The estimated cost for the construction of said Project, based upon the information provided to the City by its consulting engineers for the Project, will not exceed \$95,000, plus investment earnings on the BAN and bond proceeds, without further authorization of the Common Council. The terms "waterworks," "waterworks system," "works," "system," and words of like import where used in this Ordinance shall be construed to mean and include the existing waterworks system of the City (and its Drinking Water System as defined in the Financial Assistance Agreement, if applicable), and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. If the bonds herein authorized will be sold to the IFA Program, such terms shall also be construed to mean the Drinking Water System, as defined in the Financial Assistance Agreement to be entered into, in such case, between the City and the Authority through the IFA Program. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project and plans and specifications are hereby approved. The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

In the event the bonds herein authorized or the BANs are purchased by the Authority as part of the IFA Program, on behalf of the City, the Common Council hereby (i) agrees to own, operate, and maintain the waterworks and the Project for their useful life and (ii) represents and warrants to the Authority that the City has no intent to sell, transfer or lease the waterworks or the Project for their useful life.

Section 2. Issuance BANs. The City shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the costs of the Project and to pay costs of issuance. The City may issue its BANs, in one or more series, in an aggregate principal amount not to exceed \$95,000 to be designated “Waterworks Bond Anticipation Notes of 202_,” to be completed with the year in which any BANs are issued and appropriate series designation, if issued in more than one series. The BANs shall be sold at not less than 99.0% of their par value, numbered consecutively from 1 upward and shall be in denominations of Five Thousand Dollars (\$5,000) and integral multiples thereof. The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed 7.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. Interest on the BANs may, as determined by the Officers of the City, with the advice of the City’s municipal advisor, also be payable semiannually on January 1 and July 1 of each year, commencing on the first January 1 or the first July 1 following delivery of the BANs.

The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 7.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The BANs shall be issued pursuant to IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5 if sold to the Authority or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The City shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act.

Interest on the BANs may, as determined by the Officers, with the advice of the City’s municipal advisor, also be payable from capitalized interest and/or Net Revenues of the waterworks. Any pledge of Net Revenues of the waterworks to the payment of interest on the BANs shall be junior and subordinate to the payment of any Outstanding Parity Bonds, any bonds issued pursuant to this Ordinance and any additional parity bonds issued in the future pursuant to Section 21 of this Ordinance (the “Future Parity Bonds”). The BANs shall rank on a parity with respect to the pledge of Net Revenues of the waterworks in the event more than one (1) series of BANs is outstanding and secured, with respect to the payment of interest thereon, by the Net Revenues of the waterworks.

Notwithstanding anything in this Ordinance to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term “Taxable” as the first word in the designated name.

Section 3. Issuance of Bonds. The City shall issue its waterworks revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$95,000 to be designated “Waterworks Revenue Bonds, Series 202_,” to be completed with the year in which issued and appropriate series designation if issued in more than one series (collectively, the “Bonds”), for the purpose of procuring funds to apply on the costs of the Project, refunding the BANs, if issued, funding a reserve, if necessary, and costs of issuance of the Bonds, including the purchase, if necessary, of a municipal bond insurance policy and/or debt service reserve surety.

The Bonds shall be issued and sold at a price not less than 99.0% of the par value thereof. The Bonds shall be issued in fully registered form in denominations of: (i) Five Thousand Dollars (\$5,000) or integral multiples thereof; (ii) One Dollar (\$1) or integral multiples thereof if the Bonds are sold to the Authority through the IFA Program; or (iii) if sold through a private placement, in denominations of One Hundred Thousand Dollars (\$100,000), plus any integral multiple of One Thousand Dollars (\$1,000) in excess thereof, or the aggregate principal amount of such Bonds maturing in any year if less than \$1,000,000. The Bonds shall be numbered consecutively from 1 up and shall be originally dated as of their date of delivery. The Bonds shall bear interest at a rate or rates not exceeding 7.0% per annum (the exact rate or rates to be determined by bidding or through negotiation, as applicable). The interest on the Bonds shall be payable semiannually on January 1 and July 1 in each year, commencing on either the first January

1 or the first July 1 following the date of delivery of the Bonds, as selected by the Officers, with the advice of the City's municipal advisor. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent (as hereinafter defined). The Bonds shall mature semiannually on January 1 and July 1 of each year, or be subject to mandatory sinking fund redemption on January 1 and July 1 of each year, over a period ending no later than thirty-five (35) years from the date of issuance of the Bonds. The Bonds shall mature in such amounts that will either (i) produce as level annual debt service as practicable taking into account the denominations of the Bonds and the annual debt service on any Outstanding Parity Bonds or (ii) if the Bonds will be sold to the IFA Program, enable the City to meet the requirements of the IFA Program (in such case, the debt service schedule shall be finalized and set forth in the Financial Assistance Agreement).

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on the dates as determined by the purchaser, but in no event later than the last serial maturity date of the Bonds as determined in the preceding paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereafter determined in accordance with the preceding paragraph.

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the waterworks, inclusive of System Development Charges (as hereafter defined), remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the City, including the works authorized herein and all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof subsequently constructed or acquired, on a parity with the payment of any Outstanding Parity Bonds. For purposes of this Ordinance, "System Development Charges" shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this Ordinance. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the IFA Program (including without limitation any forgivable loans, grants, or other assistance) whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto. If required by the IFA Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be provided in the Financial Assistance Agreement and the Bonds of each series of Bonds issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bonds otherwise contained herein).

Section 4. Registrar and Paying Agent. The Officers are hereby authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds and the BANs, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the "Registrar" or "Paying Agent"). The Officers are hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Officers are further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sinking Fund (as hereinafter defined) established to pay the principal of and interest on the Bonds as fiscal agency charges. As to the BANs and as to the Bonds, if sold to a purchaser that does not object to such designation, the Officers may serve as Registrar and Paying Agent and is, in such case, hereby charged with the duties of a Registrar and Paying Agent.

If the Bonds or BANs are sold to the Authority through the IFA program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority through the IFA Program is the owner of said Bonds or BANs, such Bonds and BANs shall be presented for payment as directed by the Authority.

If the Bonds are not sold to the Authority through the IFA Program or if wire transfer payment is not required, the principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each payment (the "Record Date"), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the BANs and Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City. The City and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Interest on Bonds sold to the Authority through the IFA Program shall be paid from the date or dates which are set forth in the Financial Assistance Agreement. Interest on all other Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

Section 5. Redemption of BANs. The BANs are prepayable by the City, in whole or in part, on any date, upon twenty (20) days' notice to the owner of the BANs, without any premium.

Section 6. Redemption of Bonds. The Bonds are redeemable at the option of the City. If the Bonds are sold to the Authority through the IFA Program, the Bonds are redeemable at the option of the City no sooner than ten (10) years after their date of delivery, or any date thereafter, on sixty (60) days' notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the date fixed for redemption; provided, however, if the Bonds are sold to the IFA Program and registered in the name of the Authority, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Authority. If the Bonds are sold to a purchaser other than the Authority through the IFA Program, the Bonds are redeemable no sooner than such date as shall be determined by the Officers, prior to the sale of the Bonds, with the advice of the City's municipal advisor, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the City, and by lot within a maturity, at face value with no premium, plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Officer, with the advice of the City's municipal advisor, prior to the sale of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the

mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each authorized denomination amount shall be considered a separate Bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of redemption shall be given not less than sixty (60) days, if the Bonds are sold to the Authority through the IFA Program, and thirty (30) days if the Bonds are sold to another purchaser, prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is sixty-five (65) days if the Bonds are sold to the Authority through the IFA Program, and forty-five (45) days if the Bonds are sold to another purchaser, prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

Section 7. Book-Entry Provisions. The City may, upon the advice of its municipal advisor, have the Bonds held by a central depository system pursuant to an agreement between the City and The Depository Trust Company, New York, New York (the “DTC”) and have transfers of the Bonds effected by book-entry on the books of the central depository system. In such case, the Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC and the terms and conditions of this Section 7 shall apply.

If the Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (“Beneficial Owners”) will not receive physical delivery of the Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership of the Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

- (i) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving thirty (30) days’ notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law), or
- (ii) the City determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The City and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purposes, including notices and voting. The City and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the City and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this Ordinance as necessary.

The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

The City may, upon the advice of its municipal advisor, have the BANs held in the custody of DTC. In such case, the aforementioned terms and conditions of this Section 7 shall apply to the BANs.

Section 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the City by the manual or facsimile signature of the Officer and attested by the manual or facsimile signature of a separate Officer. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds and BANs. In case any Officer whose signature or facsimile signature appears on the Bonds or BANs shall cease to be such Officer before the delivery of the Bonds or BANs, the signature of such Officer shall nevertheless be valid and sufficient for all purposes the same as if such Officer had remained in office until such delivery. The Bonds shall also be authenticated by the manual signature of an authorized representative of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the waterworks of the City, on a parity with the payment of any Outstanding Parity Bonds. The City shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. Said Bonds and BANs shall have all of the qualities of negotiable instruments under the laws of the State of Indiana subject to the provisions for registration herein.

Section 9. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

Form of Bond

[Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Registrar or its agent for registration or transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

No. _____

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

Error! Reference source not found.
WATERWORKS REVENUE BOND, SERIES 202__[_]

[Maturity Date] [Interest Rate] [Original Date] [Authentication Date] [CUSIP]

Registered Owner:

Principal Sum:

The City of Bloomington, Indiana (the "City"), in Monroe County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, or its assigns,] on [the Maturity Date set forth above] or [January 1 and July 1 in the years and in the amounts as set forth on Exhibit A attached hereto] (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from [the dates of payment made on this Bond] or [the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, 202_, in which case it shall bear interest from the Original Date], which interest is payable semiannually on the first day of January and July of each year, beginning on _____ 1, 202_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of this Bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana.] All payments of [principal of and] interest on this Bond shall be paid by [check mailed one business day prior to the interest payment date] or [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority on the due date or, if such due date is a day when financial institutions are not open

for business, on the business day immediately after such due date] to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by [_____] (the "Registrar" or "Paying Agent") in the _____ of _____, Indiana] or [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the City, within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this Bond or the interest hereon except from the sinking fund provided from the Net Revenues.

This Bond is [the only] one of an authorized issue of Bonds of the City, [of like tenor and effect, except as to numbering, interest rate, and dates of maturity,] in the total amount of _____ Dollars (\$_____) [for this series] (the "Bonds"), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of the construction of additions and improvements to the City's waterworks, [to refund interim notes issued in anticipation of the Bonds] and to pay costs of issuance of the Bonds, as authorized by an Ordinance adopted by the Common Council of the City, on the ___ day of _____, 202_ entitled "An ordinance concerning the construction of additions and improvements to the waterworks of the City, 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 "Ordinance"), and in strict compliance with the provisions of Indiana Code 8-1.5, as in effect on the issue date of the Bonds (the "Act").

[Reference is hereby made to the Financial Assistance Agreement between the City and the Indiana Finance Authority as to certain terms and covenants pertaining to the waterworks project and this Bond (the "Financial Assistance Agreement").]

[The Bonds shall be initially issued in a book entry system by The Depository Trust Company ("DTC"). The provisions of this Bond and of the Ordinance are subject in all respect to the provisions of the Letter of Representations between the City and DTC, or any substitute agreement affecting such book entry system under DTC.]

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues, inclusive of System Development Charges (as defined in the Ordinance), remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks of the City, including the works authorized under the Ordinance to be acquired and constructed and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The payment of this Bond ranks on a parity with the payment of any Outstanding Parity Bonds (as defined in the Ordinance). The City reserves the right to issue additional bonds on a parity with this Bond and the issue of which it is a part, as provided in the Ordinance.

The City irrevocably pledges the entire Net Revenues of said waterworks to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including any Outstanding Parity Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of [Operation and Maintenance (as defined in the Financial Assistance Agreement)][operation, repair and maintenance] of said works and for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper Officers of the City shall fail or refuse to so fix, maintain, and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for under Indiana law, including the provisions of the Act.

The City further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount to [create and] maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the payment of any Outstanding Parity Bonds.

The Bonds of this issue maturing on _____ 1, 20_, and thereafter, are redeemable at the option of the City on _____ 1, 20_, or any date thereafter, on [sixty (60)] [thirty (30)] days' notice, in whole or in part, in [inverse order of maturity] [in the order of maturity as determined by the City] and by lot within a maturity, at face value [together with the following premiums:

_____% if redeemed on _____ 1, 20_ or thereafter
on or before _____, 20_;

_____% if redeemed on _____ 1, 20_ or thereafter
on or before _____, 20_;

0% if redeemed on _____ 1, 20_, or thereafter
prior to maturity;]

plus, in each case accrued interest to the date fixed for redemption.

[Notwithstanding the foregoing, the Bonds shall not be redeemable at the option of the City unless and until consented to by the Indiana Finance Authority.]

[The Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Date Amount

*Final Maturity]

Each [Five Thousand Dollar (\$5,000)][One Dollar (\$1)] principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. [If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the City, as of the date which is [sixty-five (65)][forty-five (45)] days prior to such redemption date, not less than [sixty (60)][thirty (30)] days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

If this Bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with its depository bank, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the City shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The City, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of [Five Thousand Dollars (\$5,000)][One Dollar (\$1)] or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

It is hereby certified and recited that all acts, conditions, and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Bloomington, Indiana, in Monroe County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of its _____, countersigned by the manual or facsimile signature of its _____, and its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its _____.

CITY OF BLOOMINGTON, INDIANA

By: _____

Attest:

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

as Registrar

By: _____
Authorized Representative

[MUNICIPAL BOND INSURANCE LEGEND]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within Bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

[EXHIBIT A]

End of Bond Form

Section 10. Preparation and Sale of BANs and Bonds; Official Statement; Investment Letter; Rating; Municipal Bond Insurance. The Officers are hereby authorized and directed to have said BANs and Bonds prepared, and the Officers are hereby authorized and directed to execute said BANs and Bonds in the form and manner herein provided. The Officers are hereby authorized and directed to deliver said BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this Ordinance, provided that at the time of said delivery the Officers shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 99.0% of the par value of said BANs and not less than 99.0% of the par value of said Bonds, as the case may be. The City may receive payment for the Bonds and BANs in installments. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the City’s waterworks to be set aside into the Sinking Fund as herein provided. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper Officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

The preparation and distribution of an official statement (preliminary and final) on behalf of the City for the Bonds and BANs sold to a purchaser other than the IFA Program is hereby authorized. The Officers are hereby authorized and directed to execute any such preliminary official statement on behalf of the City in a form consistent with this Ordinance and are further authorized to designate any such preliminary official statement as “nearly final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

Alternatively, in lieu of preparing and distributing an official statement, the City may obtain a sophisticated investment letter from the purchaser of the Bonds or BANs at the time of delivery of the Bonds or BANs which satisfies applicable state and federal securities laws.

The Officers, with the advice of the City’s municipal advisor, is hereby authorized to obtain one or more ratings for the Bonds if such rating or ratings will facilitate the sale of the Bonds.

In the event the municipal advisor to the City certifies to the City that it would be economically advantageous for the City to obtain bond insurance for the Bonds, the City hereby authorizes the purchase of such bond insurance; provided, however, if the Bonds are sold to Authority as part of the IFA Program the prior written consent of the Authority shall be obtained by the City prior to purchasing such bond insurance. In such case, the Officers are hereby authorized to execute and deliver all agreements with the provider of the bond insurance to the extent necessary to comply with the terms of such bond insurance

and the commitment to issue such bond insurance. The acquisition of bond insurance is hereby deemed economically advantageous if the difference between the present value of (i) the total debt service on the Bonds if issued without the bond insurance and (ii) the total debt service on the Bonds if issued with the bond insurance, is greater than the cost of the premium for the bond insurance. The cost of obtaining bond insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

Section 11. Bond Sale; Bond Sale Notice. As determined by the Officers, with the advice of the City's municipal advisor, the Bonds may be sold by either a competitive sale or a negotiated sale.

If the Bonds will be sold at a competitive sale, in such case the Officers shall cause to be published either (i) a notice of such sale in a newspaper published in the county in which the City is located in with general circulation in the City, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in a newspaper described in (i) above and a newspaper published in Indianapolis, Indiana, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in a newspaper published in Indianapolis, Indiana, and a notice or summary notice may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Officers and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a wire transfer payable within one day after the sale of the Bonds in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for said Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-hundredth (1/100) of one percent (1%). No conditional bid or bid for less than ninety-nine percent (99.0%) of the par value of the Bonds will be considered. The opinion of a bond counsel, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the City.

The Bonds shall be awarded by the Officers to the best bidder who has submitted its bid in accordance with the terms of this Ordinance, IC 5-1-11 and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

As an alternative to a competitive sale, the Officers may negotiate the sale of said Bonds to the Authority through the IFA Program or any other purchaser. The Officers are hereby authorized to (i) submit an application to the Authority through the IFA Program, (ii) execute a Financial Assistance Agreement (including any amendment thereof) with the Authority or a Bond Purchase Agreement with any other purchaser, with terms conforming to this Ordinance, and (iii) sell such Bonds upon such terms as are acceptable to the Officers consistent with the terms of this Ordinance.

In the event the Bonds are sold to the Authority through the IFA Program, the Financial Assistance Agreement for the Bonds and the Project shall be executed by the City. The substantially final form of Financial Assistance Agreement attached hereto as Exhibit B and incorporated herein by reference is hereby approved. The Officers are hereby authorized to approve, execute, and deliver said Financial Assistance Agreement, and to approve such changes in form or substance thereto which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by its execution. In the event the Bonds are sold in series to the Authority, the Financial Assistance Agreement may be amended and restated for any subsequent series of Bonds sold to the Authority through the IFA Program, with such changes in form or substance to the original Financial Assistance Agreement as the Officers may approve, execute, and deliver, consistent with the terms of this Ordinance, as conclusively evidenced by its execution.

Section 12. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sinking Fund. The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs or fund a reserve, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as the “Waterworks Construction Account” (the “Construction Account”). All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured, or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing, or investing of public funds, including particularly IC 5-13, IC 5-1.2-1 through 5-1.2-4, IC 5-1.2-10, IC 5-1.2-11, IC 5-1.2-14 and/or IC 5-1.2-14.5, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of a bond counsel shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes thereof or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

If the Bonds are sold to the Authority as part of the IFA Program, to the extent that (a) the total principal amount of such Bonds is not paid by the purchaser or drawn down by the City or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Authority), the City shall reduce the principal amount of the Bond maturities to effect such reduction in a manner that will still achieve as level annual debt service as practicable as described in Section 3 subject to and upon the terms set forth in the Financial Assistance Agreement for the Bonds.

The City hereby declares its “official intent”, as such term is used in the Reimbursement Regulations, to reimburse the City’s advances to the Project, such advances from the City’s General Fund or Depreciation Fund (as hereinafter defined), from proceeds of the BANs or the Bonds herein authorized by this Ordinance. The City reasonably expects to make such advances for the costs of the Project.

Section 13. Revenue Fund. There is hereby created the “Revenue Fund” (the “Revenue Fund”). All income and revenues derived from the operation of the waterworks and from the collection of water rates and charges (and any System Development Charges), shall be deposited in the Revenue Fund. The Revenue Fund shall be maintained separate and apart from all other funds and accounts of the City. Out of these revenues, the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the requirements of the Waterworks Sinking Fund shall be met, and the costs of replacements, extensions, additions, and improvements shall be paid. So long as any Bonds are held by the Authority, no moneys derived from the revenues of the waterworks shall be transferred to the General Fund of the City, except for any payments in lieu of property taxes, or be used for any purpose not connected with the waterworks.

Section 14. Operation and Maintenance Fund. The “Operation and Maintenance Fund” (the “Operation and Maintenance Fund”) is hereby created. By the last day of each calendar month, revenues of the waterworks shall be transferred from the Revenue Fund to the Operation and Maintenance Fund so that the balance maintained in this fund shall be sufficient to pay the expenses of operation, repair, and maintenance of the waterworks for the then next succeeding two (2) calendar months. The moneys credited to this fund shall be used for the payment of the reasonable and proper operation, repair, and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacements, improvements, extensions, or additions. Any moneys in said fund may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

Section 15. Waterworks Sinking Fund. There is hereby created a special fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the waterworks, and the payment of any fiscal agency charges in connection with the payment of bonds, which fund is designated as the “Waterworks Sinking Fund” (the “Sinking Fund”). There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the waterworks (including any System Development Charges) to meet the requirements of

the Bond and Interest Account and the Reserve Account (each as defined herein) hereby created or to be created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to their final maturity.

If the Bonds are sold to the Authority as part of its IFA Program, the Sinking Fund, containing the Bond and Interest Account and the Reserve Account, and/or the Construction Account, may be held by a financial institution acceptable to the Authority as part of its IFA Program, pursuant to terms acceptable to the Authority. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Reserve Account in accordance with this Section 15, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the City's outstanding bonds. The Officers are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sinking Fund and/or the Construction Account. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for any outstanding bonds of the City.

(a) Bond and Interest Account. There is hereby created, within the Sinking Fund, the Bond and Interest Account (the "Bond and Interest Account"). After making the credit to the Operation and Maintenance Account, there shall be credited by the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to (i) at least the sum of one-sixth (1/6) of the principal and one-sixth (1/6) of the interest on all then outstanding bonds payable from the Net Revenues on the then next succeeding principal and interest payment dates, until the amount so credited shall equal the interest payable in the next six (6) months and the principal payable in the next six (6) months. There shall similarly be credited to the Bond and Interest Account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Reserve Account. There is hereby created, within the Sinking Fund, the Reserve Account (the "Reserve Account"). On the date of delivery of the Bonds, the City may deposit funds on hand, Bond proceeds, unless the Bonds are sold to the Authority as part of its IFA Program, or a combination thereof into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) the maximum annual debt service on the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds, (ii) 125% of average annual debt service on the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds or (iii) 10% of the proceeds of the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds (the "Reserve Requirement"); provided, however, that if the Bonds are sold to the Authority as part of its IFA Program or are insured by an insurance or surety provider that so requires it, the Reserve Requirement shall be as described in (i) above. At the time of sale of the Bonds, the actual Reserve Requirement shall be set forth in a closing certificate executed by the Officers. If the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Reserve Account by the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Account shall constitute the margin for safety and a protection against default in the payment of principal of and interest on the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds, any Outstanding Parity Bonds, and any Future Parity Bonds, to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. If monies in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds, any Outstanding Parity Bonds, or any Future Parity Bonds, then this depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Waterworks Depreciation Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest.

A debt service reserve surety bond may be purchased by the City to satisfy, in whole or in part, the Reserve Requirement. The Officers are hereby authorized to execute and deliver the necessary agreements with the provider of the debt service reserve surety bond providing for, among other matters, the reimbursement to such provider of amounts drawn under the debt service reserve surety bond. Each of these officials are hereby authorized and directed to complete, execute and attest any agreement pertaining to such a debt service reserve surety bond on behalf of the City so long as its provisions are consistent with this Ordinance. The provider of the debt service reserve surety bond must be rated, at the time the debt service reserve surety bond is acquired, in one of the three highest rating categories by either Standard & Poor's Rating Services or Moody's Investors Service. The cost of obtaining a debt service reserve surety bond shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks. So long as any Bonds are held by the Authority, the prior written consent of the Authority shall be obtained by the City prior to satisfying any portion of the Reserve Requirement with a debt service reserve surety bond.

Section 16. Waterworks Depreciation Fund. After meeting the requirements of the Operation and Maintenance Fund and the Sinking Fund, any excess revenues may be transferred or credited to the Waterworks Depreciation Fund (the "Depreciation Fund"), hereby created, and said fund shall be used for improvements, replacements, additions, and extensions of the waterworks. Moneys in the Depreciation Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal or interest on any outstanding bonds payable from the Sinking Fund or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund. Moneys in the Depreciation Fund may also be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair, and maintenance of the waterworks. If the Bonds are sold to the Authority as part of its IFA Program and so long as any Bonds are outstanding, no monies derived from the revenues of the waterworks shall otherwise be transferred to the General Fund of the City or otherwise be used for any purpose not connected with the waterworks. Notwithstanding anything herein to the contrary, revenues of the waterworks may only be used for purposes related to the waterworks and as authorized under IC 8-1.5, as amended.

Section 17. Maintenance of Accounts; Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The Operation and Maintenance Fund and the Depreciation Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the Waterworks System) and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, IC 5-1.2-1 through IC 5-1.2-4, IC 5-1.2-10, IC 5-1.2-14 and/or IC 5-1.2-14.5 (as applicable), and, and the acts amendatory thereof and supplemental thereto, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance. Nothing in this Section or elsewhere in this Ordinance shall be construed to require that separate bank accounts be established and maintained for the funds and accounts created by this Ordinance except that (a) the Sinking Fund and Construction Account shall be maintained as a separate bank account from the other funds and accounts of the waterworks and (b) if the Bonds are sold to the Authority, and so long as such Bonds are outstanding and owned by the Authority, the other funds and accounts of the waterworks shall be maintained as a separate bank account from other funds and accounts of the City, including, without limitation, any other funds and accounts for any other utility of the City beyond the waterworks.

Section 18. Maintenance of Books and Records. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the waterworks prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Officers. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports, and data of the City relating to the waterworks. Such inspections may be made by representatives duly authorized by written instrument.

If the Bonds or BANs are sold to the Authority through the IFA Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the waterworks in accordance with (i) generally accepted

governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 19. Rate Covenant. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the waterworks by or through any part of the waterworks system of the City, or that in any way uses or is served by the waterworks, at a level adequate to produce and maintain sufficient revenue provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient so long as the Bonds are outstanding and, if applicable, owned by the Authority as part of its IFA Program, to provide for the proper (i) Operation and Maintenance (as defined in the Financial Assistance Agreement) of the waterworks, if the Bonds are sold to the IFA Program, and (ii) operation, repair and maintenance of the waterworks, if the Bonds are sold to a purchaser other than the IFA Program, to comply with and satisfy all covenants contained in this Ordinance and, if applicable, the Financial Assistance Agreement, and to pay all obligations of the waterworks and of the City with respect to the waterworks. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the waterworks, or Operation and Maintenance of the waterworks, as the case may be, and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of such works by and service rendered to the City, and all departments thereof, and shall be paid by the City, or the various departments thereof, as the charges accrue.

If the Bonds or BANs are sold to the Authority through the IFA Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the waterworks in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 20. Defeasance of Bonds. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's waterworks.

Section 21. Additional Bond Provisions. The City reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The City reserves the right to authorize and issue Future Parity Bonds, payable out of the Net Revenues of its waterworks, ranking on a parity with the Bonds and any Outstanding Parity Bonds, for the purpose of financing the cost of future additions, extensions, and improvements to the waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the waterworks shall have been paid to date in accordance with their terms. The Reserve Requirement shall be satisfied for the Future Parity Bonds either at the time of delivery of the Future Parity Bonds or over a five (5) year or shorter period, in a manner which is commensurate with the requirements established in Section 15(b) of this Ordinance.

(b) The Net Revenues of the waterworks in the fiscal year immediately preceding the issuance of any such Future Parity Bonds (provided, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued; or, prior to the issuance of said Future Parity Bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations (provided, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final

as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced Net Revenues for said period equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued. For purposes of this subsection, the records of the waterworks shall be analyzed and all showings prepared by a certified public accountant employed by the City for that purpose. In addition, for purposes of this subsection with respect to any Future Parity Bonds hereafter issued, if the outstanding Bonds are owned by the Authority as part of its IFA Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Future Parity Bonds without satisfying this subsection (b).

(c) The interest on the Future Parity Bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemption dates for, the Future Parity Bonds shall be payable semiannually on January 1 and July 1.

(d) If the Bonds are sold to the Authority through the IFA Program, (i) the City obtains the consent of the Authority, (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance, and (iii) the City is in compliance with its waterworks permits, except for non-compliance for which purpose the Future Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 22. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the City. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the BANs or Bonds herein authorized are outstanding, the City shall acquire and maintain insurance coverage, including fidelity bonds, to protect the waterworks and its operations. If the Bonds or BANs are sold to the Authority through its IFA Program, such insurance shall be acceptable to the Authority. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used to replace or repair the waterworks unless the Authority consents to a different use of such proceeds or awards if the Bonds or BANs are held by the Authority through its IFA Program.

(e) So long as any of the BANs or Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works or any part thereof, nor shall it sell, lease, or otherwise dispose of any portion thereof except machinery, equipment or property which may become worn out, obsolete or no longer suitable for use in the waterworks. If the Bonds or BANs are sold to the Authority through the IFA Program, the City shall obtain the consent of the Authority prior to the disposal of any portion of the waterworks as described herein.

(f) If the BANs or Bonds are sold to the Authority through the IFA Program, the City shall not without the prior written consent of the Authority (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the waterworks, other than for normal operating expenditures, or (ii) borrow any money (including without limitation any loan from other utilities operated by the City) in connection with the waterworks.

(g) Except as hereinbefore provided in Section 21 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 20 hereof coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds or BANs nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 25(a)-(g), this Ordinance may be amended, however, without the consent of BAN or Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided, however, that if the Bonds or BANs are sold to the Authority through the IFA Program, the City shall obtain the prior written consent of the Authority.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of said governing Act. The provisions of this Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this Ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act hereinbefore referred to, including the right to have a receiver appointed to administer said waterworks, in the event the City shall fail or refuse to fix and collect sufficient rates and charges, or shall fail or refuse to operate and maintain said system and to apply the revenues derived from the operation thereof, or if there be a default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the governing Act.

(j) For purpose this Section 22, the term “lease” shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the waterworks, whether the City desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

Section 23. Investment of Funds. The Officers are hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. The Officers shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created, continued, or referenced herein. In order to comply with the provisions of the ordinance, the Officers are hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion. The Officers may pay any such fees as operating expenses of the waterworks.

Section 24. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be (the “Code”) and as an inducement to purchasers of the Bonds and BANs, the City represents, covenants, and agrees that:

(a) The waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from use by the general public, unless such

uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the City enters into a management contract for the waterworks, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this Ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds or BANs, as the case may be.

(h) The City represents that, if necessary, it will rebate any arbitrage profits to the United States of America in accordance with the Code.

(i) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

Section 25. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 22(h), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that if the Bonds or BANs are sold to the Authority through the IFA Program, the City shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or

- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement; or
- (g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Officers, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its Officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 26. Issuance of BANs. The City, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution, the Authority, or to any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (the “Bond Anticipation Note Agreement”) to be entered into between the City and the purchaser of the BAN or BANs. If the BANs are sold to the Authority through the IFA Program, the Financial Assistance Agreement shall serve as the Bond Anticipation Note Agreement. The Common Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.

The Officers are hereby authorized and directed to execute a Bond Anticipation Note Agreement or Financial Assistance Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Officers may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 27. Continuing Disclosure. If necessary in order for the purchaser of the Bonds or BANs to comply with the Rule, the Officers are hereby authorized to execute and deliver, in the name and on behalf of the City, an agreement by the City to comply with the requirements of a continuing disclosure undertaking by the City pursuant to subsection (b)(5) of the Rule, and any amendments thereto from time to time (the “Continuing Disclosure Agreement”). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Section 28. Tax-Exemption. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the “Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with if the City receives an opinion of bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. At the time of delivery of the BANs and Bonds, the Officers will execute post-issuance compliance procedures with respect to the BANs and Bonds relating to continued compliance of the City with respect to the Tax Sections to preserve the Tax Exemption.

Section 29. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, are hereby repealed.

Section 30. Special Covenant. To the extent there are any Outstanding Parity Bonds that constitute a first charge on the Net Revenues, prior to issuing the bonds to be issued pursuant to this Ordinance, at the request of the Authority, the Common Council, if necessary, shall adopt an ordinance amending and restating this Ordinance, to satisfy the conditions for the issuance of additional parity bonds, as described in the ordinance that authorized the Outstanding Parity Bonds. To the extent the City is required to issue bonds pursuant to this Ordinance to meet its obligations to redeem and retire any bond anticipation notes issued pursuant to this Ordinance and the Financial Assistance Agreement that are not able to not satisfy the conditions for the issuance of additional parity bonds (as described in the ordinance that authorized the Outstanding Parity Bonds), even after taking all possible steps to meet such conditions, such bonds shall, at the request of the Authority, be issued pursuant this Ordinance as a second charge on the Net Revenues, junior and subordinate to any Outstanding Parity Bonds.

Section 31. Effective Date. This Ordinance shall be in full force and effect from and after its adoption.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Indiana, this ____ day of _____, 2023.

SUE SGAMBELLURI, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Indiana, this ____ day of _____, 2023.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED this ____ day of _____, 2023.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the City of Bloomington to issue its Waterworks Revenue Bonds of 2024 in the aggregate principal amount not to exceed \$95,000 through a forgivable loan program with the Indiana Finance Authority. The 2024 bonds will be issued to finance water pipe related inventory, and pay costs of issuance of the bonds.

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of (i) purchasing a Swordfish (product of Electro Scan Inc.) as a method of quickly and effectively identifying service line composition using measures of conductivity and electrical resistance and (ii) acquiring the tools necessary to rapidly input and update our service line inventory from the field by multiple users, including iPads and corresponding GIS user licenses that will allow our crews in the field to identify and input data directly into the service line database.

EXHIBIT B

Form of Financial Assistance Agreement

[See attached]

FUNDING AGREEMENT

FUNDING AGREEMENT made as of [CLOSING DATE] by and between the Indiana Finance Authority (the "**Finance Authority**"), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the "**State**") and the City of Bloomington, Indiana, a "Participant" as defined in I.C. 5-1.2-2-54, duly organized and validly existing under State law (the "**Participant**").

RECITALS

1. The attached Appendix A sets forth terms applicable to this Agreement including the SRF Program from which the hereafter referenced Financial Assistance is to be made available to the Participant by the Finance Authority.

2. Such SRF Program is subject to a certain Amended and Restated Indenture of Trust (the "**SRF Indenture**") entered into by the Finance Authority pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (together with other applicable State law, the "**Authorizing Law**"), and the parties desire capitalized terms herein contained and not otherwise defined herein to have the same meanings ascribed to them under the applicable SRF Indenture.

3. The Finance Authority has established under such SRF Indenture a Wastewater Program Fund into which Wastewater Program Fees, or a Drinking Water Program Fund into which Drinking Water Program Fees, are deposited, held and applied as allowed by such applicable SRF Indenture and Authorizing Law (such fund, herein, the "**Fees Fund**")

4. The applicable SRF Indenture and Authorizing Law authorize the Finance Authority to make loans (the "**Financial Assistance**") from the Fees Fund to participants for wastewater or drinking water related projects and purposes as more fully provided in the applicable SRF Indenture and Authorizing Law.

5. The Participant's project (the "**Project**") and Financial Assistance are more fully described on Appendix A to this Agreement.

6. The Finance Authority has reviewed the Project and the Financial Assistance therefor, and approved the Project and Financial Assistance therefor.

7. The Finance Authority desires to provide the Financial Assistance to the Participant for the Project (and for no other purpose), and the Participant desires to receive the Financial Assistance from the Finance Authority for the Project (and for no other purpose).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Agreement, the Finance Authority and the Participant agree that:

ARTICLE I

A. The Finance Authority covenants and agrees with the Participant, subject to this Agreement and State law, including the Authorizing Law, to provide the Financial Assistance, which is comprised of a loan (the "**Loan**"), as more fully described on Appendix A to this Agreement, to the Participant for the Project, in accordance with the Authorizing Law and this Agreement. The Loan must be repaid in accordance with its terms.

B. The terms of any Loan shall be those set forth in the form of the bonds or other obligations of the Participant issued or delivered to the Finance Authority in accordance with applicable laws of the State pursuant to this Agreement (the "**Obligating Instrument**"). The form and substance of the Obligating Instrument, the ordinance or resolution, as applicable, authorizing the issuance of the Obligating Instrument (the "**Authorizing Instrument**"), and the other related certifications and opinions, shall be acceptable to the Finance Authority, in its sole discretion.

C. The Financial Assistance will be disbursed as set forth in this paragraph. Loan disbursements made to or for the benefit of the Participant shall be deemed to be a purchase of the Obligating Instrument in such amounts and with such maturities as achieves annual debt service as level as practical, and with no maturity longer than the original maturity schedule. Unless the Finance Authority consents in writing, no Loan disbursements shall be made more than one year after substantial completion of construction of the Project.

D. Notwithstanding any provision herein to the contrary, the Finance Authority may require the Participant to borrow all available funds from loans or other financial assistance, if any, made available to the Participant for the Project from the Finance Authority's amounts held in the wastewater revolving loan fund established or the drinking water revolving loan fund established pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10, before all or some portion of the Financial Assistance hereunder from the Fees Fund is loaned or paid to the Participant.

ARTICLE II

The Participant covenants and agrees with the Finance Authority that:

A. The Participant will use the Financial Assistance to acquire, construct and equip the Project and for no other purpose without the prior written consent of the Finance Authority. The Participant agrees to undertake and complete the Project in a timely manner and to receive and expend the Loan proceeds in accordance with this Agreement.

B. The sum of the Financial Assistance and other moneys on hand or available lawfully to the Participant are sufficient to complete the Project, and the Participant understands that the Finance Authority is not in any manner obligated to provide additional Financial Assistance for the Project.

C. The Project is expected to be completed not later than eighteen (18) month after the date to this Agreement. In the event (1) physical construction of the Project has not commenced pursuant to a duly bid and awarded construction contract within six (6) months after the date to

this Agreement or (2) the Finance Authority, in its discretion, shall determine that construction of the Project has been abandoned by the Participant, upon notice given to the Participant by the Finance Authority, any further disbursement of Financial Assistance may be terminated.

D. The Participant will use the Financial Assistance, and acquire, construct and equip the Project, in accordance with all applicable laws. The Participant will maintain and operate the Project in accordance with the applicable laws.

E. The Participant will report to the Finance Authority on the Participant's expenditure of the Financial Assistance and the status of the Project on the first day of January following the date of this Agreement, and on the first day of every January thereafter until the Participant expends all the Financial Assistance and completes the Project, whichever is later. At the time the Participant completes the Project, the Participant will provide promptly to the Finance Authority a final report (the "**Final Report**"). All reports to the Finance Authority will be in form and substance satisfactory to the Finance Authority.

F. The Finance Authority and its agents, officers and employees will have ready access at the Participant's offices to the Participant's agents, officers and employees, and its books and records, at all reasonable times from the date of this Agreement to and including the third anniversary of the day the Participant submits to the Finance Authority its Final Report. Upon the Finance Authority's written request therefor, the Participant will promptly provide to the Finance Authority, at no cost to the Finance Authority, certified copies of the Participant's books and records or any portion thereof.

G. The Participant will own and operate and maintain (in good condition) the Project for its useful life (or cause it to be so operated and maintained).

H. The Participant will establish, adjust and maintain rates and charges at levels adequate to maintain sufficient revenues to operate and maintain (in good condition) the Project and to repay all the Participant's indebtedness, including the Loan as evidenced by the Obligor Instrument and the Authorizing Instrument.

I. Except as permitted by the Authorizing Instrument, the Participant will not incur additional indebtedness on parity with the Obligor Instrument in connection with or related to the Project, including any utility or other works to which the Project is a part, without the prior written consent of the Finance Authority.

J. To the extent permitted by law, the Participant agrees to indemnify, defend and hold harmless the Finance Authority and its agents, officers and employees from any and all claims and actions of any nature arising out of this Agreement (or any action taken hereunder), the Financial Assistance or the Project (or the planning, design, acquisition, construction or equipping or operating of the Project), from all judgments or recoveries resulting therefrom and for all costs in defending or appealing such claims or actions or judgments or recoveries, including court costs and attorneys' fees.

K. The Participant shall provide to the Finance Authority audited financial statements of the Participant inclusive of the activities of the Participant's utility system to be improved by the Financial Assistance, commencing with financial statements for a calendar year period that ends not more than two (2) years after the date of this Agreement (and for each calendar year period that ends every two (2) years thereafter until the Financial Assistance has been repaid), which audit (i) shall have been performed by the Indiana State Board of Accounts or by an independent public accountant and (ii) shall be submitted to the Finance Authority no later than nine (9) months following the end of the calendar year period to which such audit pertains.

ARTICLE III

A. The Finance Authority's obligation to make a disbursement of the Financial Assistance to the Participant under this Agreement may be terminated at the option of the Finance Authority, without giving any prior notice to the Participant, in the event: (1) the Participant fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith; or (2) any representation or warranty made by the Participant as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default. If an event of default occurs, the Finance Authority without giving any prior notice, may declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

B. Failure on the part of the Finance Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Finance Authority by this Agreement or by law shall not make the Finance Authority liable in damages to the Participant or relieve the Participant from paying any Obligating Instrument or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Participant may have and pursue any and all other remedies provided by law for compelling performance by the Finance Authority of such obligation assumed by or imposed upon the Finance Authority. Neither the Finance Authority nor any agent, attorney, member or employee of the Finance Authority shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

C. This Agreement does not create a debt or a liability of the Finance Authority under the constitution of the Finance Authority or a pledge of the faith or credit of the Finance Authority and does not directly, indirectly or contingently obligate the Finance Authority to levy any form of taxation, or to make any appropriation, for the payment or fulfillment of any terms of this Agreement. The Financial Assistance shall be funded solely from uncommitted, appropriated and available funds held in the Fees Fund or from other sources the Finance Authority, in its sole discretion, may designate. It shall be a condition precedent to the disbursement of the Financial Assistance or any portion thereof, that there shall be available to the Finance Authority uncommitted funds in an amount sufficient to satisfy the Finance Authority's obligations hereunder in the Fees Fund.

D. When the Finance Authority makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Agreement, this Agreement shall be canceled. Any determination by the Finance Authority that funds are not appropriated or otherwise available shall be final and conclusive.

E. Pursuant to Indiana Code 22-9-1-10, the Participant and its contractors, subgrantees or contractors and subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, color, religion, sex, handicap, national origin or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement.

F. The Participant hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this Agreement, a drug-free workplace and that it will give written notice to the Finance Authority and the Indiana Department of Administration within ten (10) days after receiving actual notice that an employee of the Participant has been convicted of a criminal drug violation occurring in the Participant's workplace. Failure of the Participant to, in good faith comply with this Paragraph, shall constitute a material breach of this Agreement and shall entitle the Finance Authority to impose sanctions against the Participant including suspension of payments and termination of this Agreement.

ARTICLE IV

A. All appendices to this Agreement are incorporated into this Agreement and made a part of this Agreement. Capitalized terms herein contained and not otherwise defined herein to have the same meanings ascribed to them under the applicable SRF Indenture.

B. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Finance Authority and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

C. The Participant will give any notice or other writing to the Finance Authority in writing by certified United States mail, postage prepaid or hand delivery to the Indiana Finance Authority, SRF Programs, 100 North Senate, Room 1275, Indianapolis, Indiana 46204, Attention: Director of Environmental Programs, or such other persons or address as shall be given properly to the Finance Authority. The Finance Authority may give any notice or other writing to the Participant by first-class United States mail, postage prepaid or hand delivery to the person and address set forth in Appendix A or such other person or address as shall be given properly to the Participant.

D. This Agreement will be construed in accordance with State law. Any claim or action must be brought in the courts of the State.

E. No amendment of this Agreement will be valid unless duly authorized, executed and delivered by the Participant and the Finance Authority.

F. Neither this Agreement, nor the Financial Assistance may be assigned by the Participant without the prior written consent of the Finance Authority and any attempt at such an assignment without such consent shall be void.

G. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto.

H. Neither the failure nor the delay of the Finance Authority to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof or shall any single or partial exercise of any right, power or privilege preclude any further exercise of any other right, power or privilege.

I. The Participant agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Obligating Instrument (including attorneys' fees incurred by the Finance Authority which are typically \$2,000 to \$4,000, which may be paid from the Loan) and (b) any and all costs and expenses, including attorneys' fees, incurred by the Finance Authority in connection with the enforcement of this Agreement, the Authorizing Instrument and the Obligating Instrument in the event of the breach by the Participant of or a default under this Agreement, the Authorizing Instrument or the Obligating Instrument.

J. The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Participant, that he/she has not, nor has any other officer or representative of the Participant, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Participant related to customary services rendered in connection with the Financial Assistance.

[Remainder of Page Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

CITY OF BLOOMINGTON, INDIANA
“Participant”

By: _____

Attest: _____

INDIANA FINANCE AUTHORITY

By: _____
James P. McGoff
Director of Environmental Programs

APPENDIX A: Project, Financial Assistance

APPENDIX A - Project, Financial Assistance

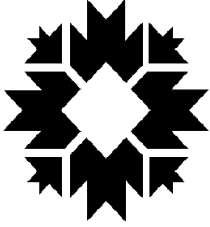
1. **The Project.** The proceeds of the Financial Assistance described below will be applied to (i) purchase a Swordfish (product of Electro Scan Inc.) as a method of quickly and effectively identifying service line composition using measures of conductivity and electrical resistance and (ii) acquire the tools necessary to rapidly input and update the service line inventory from the field by multiple users, including iPads and corresponding GIS user licenses that will allow the crews in the field to identify and input data directly into the service line database.

2. **Financial Assistance**
 - A. **Loan:** \$[_____], to be evidenced by the Participant’s Taxable Waterworks Bond Anticipation Note of 2023 (the “BAN”), which will bear interest at the per annum rate of zero percent (0%). The BAN will be in the aggregate principal amount of the Loan. Subject to Paragraph 3.A. herein, the BAN will mature on December 31, 2023.

3. **Additional Terms:**
 - A. The principal maturity of the BAN is subject to forgiveness and discharge and shall be deemed forgiven and discharged on December 31, 2023, provided however that there is not then existing any default under this Agreement and the Participant has otherwise complied with the terms and conditions of this Agreement. The Participant acknowledges that a portion of the Financial Assistance is subject to forgiveness and discharge which Financial Assistance was made available to the Participant in reliance upon information submitted to the Finance Authority by the Participant that demonstrated individual ratepayers (in the residential user rate class of the Participant that does not meet the SRF Program’s affordability criteria) would have otherwise experienced a significant hardship from the increase in rates necessary to finance the Project. The Participant hereby represents the additional subsidization afforded by such forgiveness and discharge has been (and it agrees to cause such to continue to be) directed to the benefit of such individual ratepayers through the Participant’s user rate system or other appropriate methods.

 - B. The Participant and the Finance Authority agree that any event of default occurring under any prior financial assistance agreement, financial aid agreement, funding agreement and/or grant agreement (the “Prior Agreements”) entered into between the Participant and the Finance Authority (if any) shall constitute an event of default under this Agreement. Similarly, the Participant and the Finance Authority agree that any event of default under this Agreement, or under any subsequent financial assistance agreement entered into between the Participant and the Finance Authority, shall constitute an event of default under the Prior Agreements and the subsequent financial assistance agreement, if any, as the case may be.

[End of Appendix A]



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council Members
FROM: Christopher J. Wheeler, Assistant City Attorney
RE: Ordinance 23-30 authorizing issuance of an IFA Bond
DATE: November 9, 2023

Ordinance 23-30 (“Ordinance”) is before the Common Council for approval as a necessary step in the City’s eligibility for Lead Service Line Inventory Type III grant funding (the “Grant”) from the Indiana Finance Authority (the “IFA”).

The Indiana State Revolving Fund authorizing law permits the IFA to make loans for drinking water related projects under a “forgivable” bond anticipation note. The Ordinance before the Common Council, therefore, is a forgivable bond anticipation note with a maximum total bond authorization not to exceed \$95,000.00. The funding made available through this loan from the IFA will fund the purchase of Swordfish (product of Electro Scan, Inc.) which is a device that identifies the composition of material in service lines using measures of conductivity and electrical resistance along with the tools necessary to rapidly input and update our service line inventory from the field. Some of the necessary tools include iPads and corresponding GIS user licenses that will allow CBU crews in the field to identify and input data directly into a CBU service line database.

**UTILITY SERVICE BOARD
OF THE CITY OF BLOOMINGTON, INDIANA
RESOLUTION NO. 2023-23**

**A RESOLUTION AUTHORIZING CERTAIN CAPITAL PROJECT FOR THE CITY OF
BLOOMINGTON’S WATERWORKS UTILITY, AND APPROVING THE ISSUANCE
OF REVENUE BONDS THEREFOR**

WHEREAS, the City of Bloomington, Indiana (the “City”), has previously established and constructed and now owns and operates, through its Utility Service Board (the “Board”), a waterworks system pursuant to Indiana Code 8-1.5 (the “Waterworks”), through the City of Bloomington Utilities Department; and

WHEREAS, the Board hereby finds that certain improvements and extensions to said works are necessary; that plans, specifications and estimates have been prepared and filed by the City’s engineers for the construction of said improvements and extensions (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the “Project”), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and will be approved by the aforesaid governmental authorities and are incorporated herein by reference and will be open for inspection at the office of the City as required by law; and

WHEREAS, the Board further finds that the City has obtained estimates prepared and delivered by the engineers employed by the City for the construction of said Project and will advertise for and receive construction bids therefor; that on the basis of said estimates, the maximum estimated cost of the Project, as defined in Indiana Code 8-1.5, as amended, including all authorized expenses relating thereto, including the costs of issuance of bonds on account of the financing of all or a portion thereof, is in the amount of Ninety-Five Thousand (\$95,000); and

WHEREAS, the Board further finds that there are not sufficient funds on hand from the Waterworks to pay the costs of the Project, and that the financing of the costs of the Project should be accomplished by the issuance of revenue bonds of the Waterworks, in an aggregate principal amount not to exceed Ninety-Five Thousand (\$95,000), and, if necessary, bond anticipation notes, all on the terms and conditions set forth herein; and

WHEREAS, this Board finds that it would be beneficial to finance the costs of the Project and hereby authorizes the same by issuance of one or more series of the City of Bloomington, Indiana Waterworks Revenue Bonds (collectively, the “Bonds”) and, pending the issuance of such Bonds, one or more series of bond anticipation notes (collectively, the “BANs”) for such purpose; and

WHEREAS, the Board finds that to the extent there are any outstanding bonds of the waterworks (“Outstanding Parity Bonds”) that constitute a first charge on the Net

Revenues (as defined herein), prior to issuing the bonds to be issued pursuant to the Bloomington Common Council (the “Common Council”) Ordinance (as hereinafter defined), at the request of the Indiana Finance Authority (the “Authority”), the Common Council, if necessary, shall adopt an ordinance satisfying the conditions for the issuance of additional parity bonds, as described in the ordinance that authorized the Outstanding Parity Bonds. To the extent the City is required to issue bonds pursuant to the Common Council Ordinance to meet its obligations to redeem and retire any bond anticipation notes issued pursuant to the Common Council Ordinance and the Financial Assistance Agreement with the Authority that are not able to not satisfy the conditions for the issuance of additional parity bonds (as described in the ordinance that authorized the Outstanding Parity Bonds), even after taking all possible steps to meet such conditions, such bonds shall, at the request of the Authority, be issued pursuant this Ordinance as a second charge on the Net Revenues, junior and subordinate to any Outstanding Parity Bonds; and

WHEREAS, this Board finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds have been complied with in accordance with the provisions of the Act; and

WHEREAS, this Board now desires to recommend to the Common Council that it adopt an ordinance authorizing the issuance of the Bonds upon the terms set forth below; and

WHEREAS, the Common Council has previously adopted its ordinances (the “Rate Ordinances”), imposing fees and charges for the several classes of users or property to be served by the Waterworks utility, which Rate Ordinances, as the same may be amended from time to time, are incorporated herein by reference as if fully included and set forth in this Resolution; and

WHEREAS, the City expects to pay for certain costs of the Project (collectively, the “Expenditures”) prior to the issuance of the Bonds from the Waterworks operating account, and to reimburse the Expenditures with proceeds received by the City upon the issuance of the Bonds or the BANs, and the Board, on behalf of the City, desires to declare its intent to reimburse the Expenditures pursuant to Treas. Reg. §1.150-2 and Indiana Code §5-1-14-6(c); and

WHEREAS, this Board now desires to recommend to the Common Council that it adopt an ordinance authorizing the issuance of the proposed Bonds in substantially the form attached as Exhibit B hereto and incorporated herein (the “Ordinance”).

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITY SERVICE BOARD OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

1. The Board hereby recommends and requests that the Common Council adopt an ordinance authorizing the issuance of the Bonds, in one or more series, in a maximum aggregate principal amount not to exceed \$95,000 with a maximum interest rate of 7.00%

and with a final maturity date no later than January 1, 2029, for the purpose of providing funds to (i) pay all or a portion of the costs of the Project, (ii) fund a debt service reserve fund or pay the premium for a debt service reserve surety policy, and (iii) pay the costs incurred on account of the issuance and sale of the Bonds, including any premiums for any municipal bond insurance policies.

2. The Board hereby estimates that the fees for the several classes of users or property to be served by the Waterworks utility are equal to the fees and charges set forth in the Rate Ordinances.
3. The Board hereby declares its official intent, to the extent permitted by law, to issue the Bonds in one or more series, in an aggregate principal amount not to exceed \$95,000, and to reimburse costs of the Project consisting of the Expenditures from proceeds of the sale of such Bonds or the BANs.
4. The Secretary of the Board is hereby authorized and directed to present a copy of this Resolution to the Bloomington City Clerk for presentation to the Common Council as soon as may be done.
5. This Resolution shall be in full force and effect after its adoption by the Board.

Resolution 2023-23

PASSED AND ADOPTED THIS 6th DAY OF NOVEMBER, 2023.

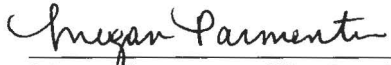
CITY OF BLOOMINGTON, INDIANA

By and Through its Utility Service Board

 11-8-23

Amanda Burnham, President

Jeff Ehman, Member

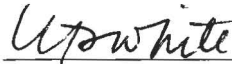


Megan Parmenter, Vice President

Seth Debro, Member



Jim Sherman, Member



Kirk White, Member



Molly Stewart, Member

ATTEST:



Secretary

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of (i) purchasing a Swordfish (product of Electro Scan Inc.) as a method of quickly and effectively identifying service line composition using measures of conductivity and electrical resistance and (ii) acquiring the tools necessary to rapidly input and update our service line inventory from the field by multiple users, including iPads and corresponding GIS user licenses that will allow our crews in the field to identify and input data directly into the service line database.

EXHIBIT B
FORM OF ORDINANCE

(Attached)



State Revolving Fund Loan Programs

Drinking Water, Clean Water, Nonpoint Source

FACT SHEET

October 2023

GENERAL PROGRAM INFORMATION

What is the State Revolving Fund (SRF) Loan Program?

The State Revolving Fund (SRF) Loan Program provides low interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure and for nonpoint source projects. The Indiana Finance Authority administers this program to protect public health and the environment.

Who is eligible?

- Cities, towns, counties, regional sewer/water districts, conservancy districts are eligible for wastewater, drinking water and nonpoint source SRF loans.
- In addition, private, not-for-profit and water authorities are eligible for drinking water SRF loans.

Where does SRF's funding originate?

The State applies to the U.S. Environmental Protection Agency (U.S. EPA) annually for capitalization grants to fund its SRF Programs. To increase available funds, the State leverages its U.S. EPA capitalization grants in the municipal bond market. These funds are combined with the U.S. EPA required state match and are then made available to Indiana communities in the form of low interest loans.

What types of projects are eligible for funding?

Wastewater projects may include:

- Treatment plant improvements,
- Sewer line extensions to existing or platted unsewered properties,
- Combined sewer overflow corrections,
- Infiltration/inflow projects,
- Sewer/Pump Station Rehabilitation or Replacement, and/or
- Projects defined in the Water Resources Reform and Development Act.

Drinking water projects may include:

- Drinking water wells and surface water intakes,
- Treatment plant improvements,
- Water line replacements and extensions to existing or platted un-served properties, and/or
- Water storage facilities.

Nonpoint source projects may include:

- Wetland protection and restoration measures,
- Providing sewer service to properties served by on-site sewage disposal systems,
- Best Management Practices for agriculture and stormwater runoff,
- Brownfield Remediation,
- Riparian Buffers and Conservation Easements, and/or
- Wellhead and Source Water Protection measures.

What types of projects are not eligible for funding?

Ineligible projects include those projects solely intended for economic development and projects primarily for fire suppression.

How does a community apply for an SRF loan?

- An eligible entity can submit an application at any time to the SRF Loan Program at: 100 N. Senate Ave., Rm. 1275, Indianapolis, IN 46204.
- Application forms are available on SRF's website at <http://www.srf.in.gov>.

What are the loan terms?

- The SRF loan is a fixed rate, 20-year loan. However, up to 35-year loan terms are available for qualifying projects.
- Interest rates reset quarterly and are at or below 90% of the average 20-year AAA-rated, general obligation bond Municipal Market Data. Rates are further discounted based on the applicant's median household income (gathered from census data) and local user rates.
- Interest rates can be further reduced by up to 0.5% if the project has Green Project Reserve components or nonpoint source features. In addition, interest rates may be reduced to 0.0% for qualifying projects that include lead line replacement.

Where can I get more information about SRF loans?

For information regarding wastewater projects or drinking water projects, please contact SRF's Clean Water and Drinking Water Program Manager, Brett Roberts, at broberts@ifa.in.gov or (317) 232-8623.