In the Council Chambers of the Showers City Hall on Wednesday, September 19, 2012 at 7:30 pm with Council President Tim Mayer presiding over a Regular Session of the Common Council.

ROLL CALL: Mayer, Neher, Rollo, Ruff, Sandberg, Spechler, Sturbaum, Volan, Granger
Absent: None

AGENDA SUMMATION
Council President Mayer gave the Agenda Summation.

APPROVAL OF MINUTES
Minutes for September 5, 2012 were approved by a voice vote.

REPORTS:
COUNCILMEMBERS
Steve Volan wished everyone a Happy "International Talk Like a Pirate Day."

Darryl Neher cited a recent study on health that estimated that by the year 2030 the State of Indiana would reach a 56% obesity rate. He said that this would have a great impact on health care and the answer should start with this fact. He said city decisions creating a more walkable community actually are making decisions that impact public health.

Susan Sandberg reminded residents that the Lotus World Music Festival would be taking place and encouraged folks to attend.
She also noted that her health issues would preclude her from attending the next few council meetings.

Tim Mayer wished Sandberg well.

Dave Rollo reported that an appeals court had put a stay on the judgment on the decision against the National Defense Authorization Act that was approved last fall, which had provisions for unlimited detention of American citizens without charge by order of the President. He said that the lower court had found this to be unconstitutional, and the Obama administration was challenging that finding. Rollo said this was disturbing, encouraged citizens to learn about this and think about the risk we had of losing our democracy because of lack of civic education and attention of citizens to their liberties.

Dorothy Granger announced the City-County Residents' Breakfast at Rachael's Café on Friday, September 21, 2012 at 7:30 am. She said that the county budget process would be discussed.

MAYOR and CITY OFFICES
There were no reports from the Mayor or other city offices.

COUNCIL COMMITTEES
There were no reports from council committees.

PUBLIC INPUT
Mayer asked for public comment, but there were no public comments at this time.

BOARD AND COMMISSION APPOINTMENTS
It was moved and seconded that Rebecca Aleman be appointed to the Commission on Hispanic and Latino Affairs.
The appointment was approved by a voice vote.

President Mayer stated to the council and public that the ordinances under consideration were discussed in full during the budget hearings earlier in the year and the previous week. He noted the process actually began at a meeting with the council and administration for input on council spending in 2013. He noted that a limited or short discussion of the items at this meeting did not indicate a lack of preparation or lack of interest.

LEGISLATION FOR SECOND READING
Ordinance 12-17 An Ordinance Fixing the Salaries of Officers of the Police and Fire Departments for the City of Bloomington, Indiana, for the Year 2013

It was moved and seconded that Ordinance 12-17 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.
It was moved and seconded that Ordinance 12-17 be adopted.

Daniel Grundmann, Director of Human Resources, noted that the ordinance set salaries for police and fire department employees and was decided by a collective bargaining process. He said it reflected a 3% increase in salaries.

There were no comments from the public on this ordinance.

Spechler said it was the city's duty to honor collective bargaining agreements after they were made.

Ordinance 12-17 received a roll call vote of Ayes: 9, Nays: 0.

Ordinance 12-18 An Ordinance Fixing the Salaries of Appointed Officers, Non-Union and A.F.S.C.M.E. Employees for All the Departments of the City of Bloomington, Monroe County, Indiana, for the Year 2013

It was moved and seconded that Ordinance 12-18 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.
It was moved and seconded that Ordinance 12-18 be adopted.

Daniel Grundmann, Director of Human Resources, said the ordinance set the maximum salaries for the positions involved. He noted that changes seen in this ordinance were a result of changes that the city was able to make because of the Innovation Project that included the early retirement and separation incentive packages offered to qualifying employees during the past year. He said department heads, the Innovation Team and employees would be working hard to redesign priorities to save money in the five year plan.
He noted the A.F.S.C.M.E. segment was part of the collective bargaining agreement, but otherwise did not affect the budget per se. He said the ordinance reflected over $800,000 in savings in positions.

There were no comments from the public on this ordinance.

Spechler congratulated Grundmann for his success in leading the effort to reduce costs.

Mayer thanked the police and fire fighters for their work. He thanked Grundmann for his leadership in the Innovation Project.

Ordinance 12-18 received a roll call vote of Ayes: 9, Nays: 0.

Ordinance 12-19 To Fix the Salaries of All Elected City Officials for the City of Bloomington for the Year 2013

It was moved and seconded that Ordinance 12-19 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.
It was moved and seconded that Ordinance 12-19 be adopted.

Daniel Grundmann, Director of Human Resources, said this ordinance was being presented with no changes in salaries for the year 2013.

There were no comments from the public on this ordinance.

Spechler specifically pointed out to citizens that council made the decision to not raise salaries of the elected officials while the police, fire and other salaries were being increased.

Mayer pointed out to Mr. Spechler that there had actually been no discussion about the elected official's sala by the council. He said that it was a fluke that there was no discussion on this and he might have been in fav of a small increase.
Ordinance 12-19 received a roll call vote of Ayes: 9, Nays: 0.

Ordinance 12-21 Petition to Appeal For An Increase To The Maximum Levy (A Request for Permission from the Department of Local Government Finance to Impose an Excess Levy as a Result of a Revenue Shortfall)

It was moved and seconded that Ordinance 12-21 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.

It was moved and seconded that Ordinance 12-21 be adopted.

Controller Mike Trexler said the ordinance allowed the city to petition the Department of Local Government Finance to correct an error in the assessed value for the year. He said the county auditor made an error in the abstract, in the total net assessed value, which led the city to have a lower tax rate than was passed in the 2012 budget. He said the result was that the tax rates in 2012 were slightly lower, but the ordinance and petition would allow the city to capture that money in 2013. He said the total amount was $377,930.

Neher asked if this was the only opportunity to capture the lost revenue. Trexler said it was. Neher asked if the revenue was reflected in the budget numbers. Trexler said the money was taken out of the budget summary and projections for 2012 because the money would not be received in that year. He said it was also not included in those figures for 2013 because the council had not yet approved this action.
Neher asked if the mistake would impact future revenues. Trexler said it would not.

Volan asked if this was a one time ordinance. Trexler said it was. Volan asked Dan Sherman, Council Attorney/Administrator if there was a statutory reason all the budget ordinances, including Ordinance 12-21, were not presented in an omnibus budget ordinance.
Sherman said he didn't have an answer other than it was practice to proceed as in the past, and that the ordinance needed to be approved by a majority of the council.

Volan asked the same about appropriation ordinances. Sherman said that appropriation ordinances were different because of a stipulation that they be advertised, but he had no answer at this time.

There were no comments from the public on this ordinance.

Sandberg thanked Trexler for his advice and guidance through the process and noted that he had announced that he would be moving on in the future.

Ordinance 12-21 received a roll call vote of Ayes: 9, Nays: 0.

Appropriation Ordinance 12-02 An Ordinance for Appropriations and Tax Rates (Establishing 2013 Civil City Budget for the City of Bloomington)

It was moved and seconded that Appropriation Ordinance 12-02 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.

It was moved and seconded that Appropriation Ordinance 12-02 be adopted.

Controller Mike Trexler noted that the budget and all documents that were presented at the meeting were on the city's website and invited folks to follow along. He noted the long process and hearings involved in the formation of this budget. He showed the summary of projections of the General Fund for 2010 to 2016 with reserve levels projected for each year. He noted the General Fund Reserve balance at the end of 2012 was expected to be about $3.3M with a Rainy Day fund of $4.6M. He said that projections for 2013 were $30M in Revenue, $34.7M in expenses and a net deficit of $788,000. He added that would still leave $2.5M in the General Fund and $4.6M in the Rainy Day fund. He said that the $7.1M represented about 20% of expenses.

Trexler added that if operations continued as at present with assumptions of Health Care, Revenue, and Category 1 expenses expanding, it would cut into the Rainy Day Fund. He said there were forthcoming measures to help with this scenario, and also that the Innovation implementation had already generated $1.4M in savings in this budget. He added that the excess levy had not been included in the summary slide he showed.

Trexler showed the general increase in the General Fund across all departments as $1.8M or 5.58% and that was all in Health Care cost increases. He said that just Category 1 (Salaries) would present an increase of $2.2M or 8.56%; and the three other categories would show an actual reduction of 4.7% or $300,000.

Trexler showed a summary slide of all appropriated funds across the city that indicated a budget expense reduction of 1.92% or $1.3M. He said that inter-fund transfers were included. He also showed the same information presented by categories.

Trexler showed the projected revenues, with a projected increase in revenue of .1%. He said the biggest change was in taxes due to an increase in the city's Cumulative Capital Development Fund. He said this was approved by the council earlier in the year. He added that the County Option Income Tax was also responsible for the

change. He noted that the COIT was tax collected by the state and remitted to the county and then remitted to the city. He said the state had shorted the city in the last two years and a check was sent to make up the difference, but the excess payment actually affected the trend going forward. He said the actual increase in property taxes was 2.8% as capped by the state.

He noted two changes in the budget since July: a $7,500 increase in the Jack Hopkins Social Service Fund, and a correction to an error in the Police Pension fund of $3,600 for the secretary of the fund.

Neher asked if our revenues trailed any changes in the economy because of the way the numbers were figured. Trexler said that COIT was connected to the economy, and that the projections were based on the last 18 mor . He noted that the largest source of revenue was property taxes and that that number was very stable.

Neher asked if the error calculating COIT revenues would affect the numbers in the 2013 budget. Trexler said he had included that correction in this budget and in projections.

Volan asked how inter-fund transfers affected the numbers that were shown to the council. Trexler noted that as money was moved from one fund to another, it was shown as 'spent' from one fund, and then 'spent' from the fund it was transferred to and used from. He noted that the ordinance was approving the moving of all monies from these funds, including the transfers. Volan clarified that while the council was approving $68.3M to be taken from funds, $5.8M of that consisted of transfers between funds and departments and therefore the actual expense for the city is $62.5M.

Spechler asked for the increase in revenue and expenses across all funds between 2012 and 2013. Referring to the chart he was showing, Trexler said the increase in revenue was $60,000. Spechler asked for these numbers in percentages. Trexler said he didn't have that number because the transfers masked that. Trexler added that $60,000 was about a 1% increase in revenues, and the increase in appropriations was 1.46%. Trexler noted that the trend in revenue increase was about 2% per year.

Spechler asked about the effect of the COIT distribution on the budget, Trexler said that the 2012 revenue numbers actually included 2010 and 2011 revenue money that the city had not yet received, along with some other mid year corrections.

Spechler stated that appropriations were going up by 1% more than revenues from 2012 to 2013, which would be $600,000. He said we needed to find that amount in the reserve funds to compensate.

Spechler asked Trexler what the projections would be for appropriations (including health care and personnel) considering that he earlier said that revenues would rise by about 2%. Trexler said that the assumptions were based on increases in salaries of 2.5%, increases in health care of about 12.5% and flat budgets in categories 2, 3, and 4.

Spechler said that was an increase of 5% per year, and if we didn't do something we would have a deficit that would critically eat into reserve funds by the end of 4 years. Trexler said this was a structural deficit in that the revenues were rising slower than expenses.

Spechler said the public should know that the city has work to do. Trexler added that he thought it was important to note that the discretionary portion of the budget had been declining for years and that the increases were non-discretionary such as health care.

Daniel Grundmann, Director of Human Resources, and member of the budget team and Innovation Team said that Trexler characterized a future that didn't have significant change in categories 2, 3, and 4, and made assumptions about a static category 1. He said that the reduction in positions that was discussed in an earlier ordinance had a cumulative impact; that the same money would be saved next year. He said the city was tryi to work against the trend in rising health care costs and was actually $2.5M ahead of where it would have bee f such measures had not been taken. He also noted that Trexler's numbers did not include all the changes that could and would be made in future budgets.

Sturbaum said that the problem seemed to be in health care costs. He said this caused lots problems in many industries. He asked Trexler if this was a problem in the economy in general. Trexler said it was, and especially in government and public sector areas where budgets were mostly comprised of salaries.

Sturbaum asked how 'doomed' the city was. Trexler said that the city had made great strides in bringing the budget into balance, and that in a couple of years the budget would actually generate a surplus.

Volan asked about reversions in the past. Trexler said that total reversions from 2011 were $1.6M.

Public comment:

Jennifer Mickel said that if people were desperate prices would go up, and other wise the prices would fall. She noted student loans caused the tuition at IU to go up. She said everyone was almost desperate for good health care and so the prices of insurance had gone up. She called for people to save money for their health issues and reserve some for people in need.
Council Comments:

Spechler said that increase in premiums would not rise as fast as it had in the past due to the Affordable Health Care Act. He talked about several of the provisions of this act, and said it would help save waste in the system. He added that increases for small businesses in health care would be somewhat less than in the past. He said having a healthy population was more important than having a population that smokes, becomes obese or watches pornography.

Neher said an important bit of information from this meeting was that Trexler felt confident that the budget under consideration would prove to be a surplus budget. He said the budget took into consideration the impact on services and did not just slash positions to save money. He noted his support for this budget, and also noted that some difficult decisions are yet to come.

Volan said there was a substantially greater deficit in the last year's budget than the one up for approval. He said his question about trend lines indicated the importance of a multi-year view. He said deficits were unsustainable, and that the administration was taking strides to reduce that deficit, knowing that the last $700,000 would be the hardest to cut. He thanked the administration for this budget and thanked Trexler for his years of service.

Rollo thanked Trexler. He said that in his experience on the council, the administration had always been careful in constructing the budget and was straightforward with the council and citizens. He said he appreciated the ways the city staff had found to reduce spending. He said the city was making investments with public money that would pay dividends in the future and that the city was not cutting important services and parts of evolutionary changes – alternative transportation, sustainability, public safety and water system infrastructure -- that would continue to pay back. He said he didn't agree with every thing in the budget, but agreed with the spirit of the budget and 99.5% of it.

Sturbaum thanked Trexler.

Ruff wished Trexler good luck and thanked him for staying through the entire budget process. He thanked the administration for adding to the Jack Hopkins Social Services Fund. He said the fund had continued to grow every year.

Mayer noted that this was Mayor Kruzan's ninth budget. He noted that Kruzan foresaw many of these issues in his first city budget, and that the first budget may have ruffled feathers but set the city on the right path.
He thanked Kruzan and Deputy Mayor Heslin. He appreciated the sentiment that this budget would prove to be a good one. He thanked Trexler for his work.

Appropriation Ordinance 12-02 received a roll call vote of Ayes: 9, Nays: 0.

Appropriation Ordinance 12-03 An Ordinance Adopting a Budget for the Operation, Maintenance, Debt Service and Capital Improvements for the Water and Wastewater Utility Departments of the City of Bloomington, Indiana for the Year 2013

It was moved and seconded that Appropriation Ordinance 12-03 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.

It was moved and seconded that Appropriation Ordinance 12-03 be adopted.

John Langley, Deputy Director of Bloomington Utilities, noted his thanks for the community's cooperation with the water bans during the drought of the summer of 2012. He said that Utilities learned a lot of lessons, and noted that the voluntary conservation program would continue through September and October. He noted that several large projects that began with the 2012 budget were on budget and on time, and would be a great

investment for the future. He thanked the council for their consideration of the budget up to this point and asked for their approval at this time.

Mayer asked Langley to give a brief update of the water transmission line and plant expansion. Langley said that four crossings were progressing in the Moffett Lane area and thanked the neighbors for their cooperation. Langley said the new settling basin and filter foundation at the Monroe Plant were being finished, and the intake tower improvements would start the next month.

Volan asked if the utilities work on the South Walnut street was on budget and on time. Langley said it was and thanked folks in Public Works for their help on that. Volan asked if there was a substantial part left to do. Langley said that there was a part upstream, north of the Washington Street connection near the Snow Lion that still needed to be done.

Mayer asked for public comment but there was none.

In council comments:

Rollo said that he had toured the plant and was impressed with the progress made. He noted that Utilities should consider an alternative energy approach for the water treatment plant and wastewater plant. He said there was a fair amount of energy going over the dam for about six months of the year and it could be captured and used. He said a subcommittee could explore the cost and details of such a measure. He noted that the Redefining Prosperity Report did not conduct a real analysis of this need.

Spechler said he agreed with Rollo with the need for examining alternatives for getting the water from Lake Monroe to householders in Bloomington. He said a more attractive option would be solar panels. He said that even though we were progressive, the city had not gone as far as other cities in using the more modern types of panels. He said these would help with the city's electric bill.

Mayer noted that Jeff Ehman, a member of the Utilities Service Board, was heading a committee of members to investigate environmental issues as well as sustainability issues. Mayer thanked Langley and the employees at Utilities who work each day and all day for the good of this Utility.

Appropriation Ordinance 12-03 received a roll call vote of Ayes: 9, Nays: 0.

Ordinance 12-20 Appropriations and Tax Rates for Bloomington Transportation Corporation for 2013

It was moved and seconded that Ordinance 12-20 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0.
It was moved and seconded that Ordinance 12-20 be adopted.

Lew May, General Manager of the Bloomington Public Transportation Corporation, noted this was the third meeting with the council and that there had been no changes since the committee meeting on the ordinance. The council had no questions for May. There were no public comments on the ordinance.

Volan thanked May for the many questions asked in the last meeting on this ordinance regarding the announcement that the IU Bus service and Bloomington Transit were getting closer to an agreement to join services. He said this would be a challenge to merge systems, and the challenge would be at the state level. He hoped council members would be willing to lobby the state for a greater portion of the state's mass transit fund. He said a 20% increase in the bus budget across the city would help with providing later service, more frequent service and Sunday service.

Spechler said that he would like the things that Volan mentioned. He noted that the success of the city bus system was due to May's leadership. Spechler said he would reserve judgment on the merger of the two systems. He said he was much more skeptical about an increase in funding from the state and thought there were more pressing issues to lobby for.

Rollo said that Bloomington Transit's story was a successful one year after year. He noted that he supported a merger because lower income residents were particularly vulnerable to higher fuel costs. He said the system needed to be expanded in preparation for structurally higher fuel prices. He said that other municipalities had cut services, but we needed to guard against this and put public transportation in high priority.

Neher said he supported an expansion in Sunday service and pursuing a route to Ivy Tech. He said his constituents had raised this issue with him.

Volan said it was important to remind everyone that 100% of IU campus bus riders were students, and that 70% of Bloomington Transit ridership were students. He said that the average Bloomingtonian rode the bus 85 times a year. He asked that folks try to imagine Bloomington without public transit and how that would increase traffic and parking problems. He noted that if the system didn't exist, most of the 7,000,000 riders' trips would be taken by car. He noted that while other cities might not get as much state funding as a merged system in Bloomington, they would not suffer as much from that lack of funding as Bloomington would.

Rollo lauded the new terminal plans, additional fuel storage plans, locking in fuel prices, and expansion of hybrid electric buses. He thanked May for being on the cutting edge.

Ordinance 12-20 received a roll call vote of Ayes: 9, Nays: 0.

LEGISLATION FOR FIRST READING

Ordinance 12-22 To Amend Title 15 of the Bloomington Municipal Code Entitled "Vehicles and Traffic"- Re: Stop and Yield intersections, Angle Parking, No Parking, Limited Parking, Residential Neighborhood Permit Parking, Accessible Parking, and the Traffic Violation Schedule

Ordinance 12-23 To Amend Title 6 (Health and Sanitation), Title 15 (Vehicles and Traffic), and Title 17 (Construction Regulations) of the Bloomington Municipal Code - Re: Adjusting Fees and Fines Found in Chapter 6.06 (Refuse and Weeds), Chapter 15.48 (Removal and Impoundment of Vehicles), Section 15.60.080 (Services and Fees), and Section 17.08.050 (Fees) and Making Other Related Changes to those Provisions

COUNCIL SCHEDULE
There was no update for the council schedule at this time.

PUBLIC INPUT
Lisa Marie Napoli thanked the council for their hospitality in allowing her class to observe the council meeting and deliberations.

ADJOURNMENT
The meeting was adjourned at 9:15 pm.

APPROVE: /s/ Timothy Mayer, PRESIDENT, Bloomington Common Council
ATTEST: /s/ Regina Moore, CLERK, City of Bloomington