

In the Council Chambers of the Showers City Hall on Wednesday, March 24, 2004 at 7:30 pm with Council President Diekhoff presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
March 24, 2004

Roll Call: Banach, Diekhoff, Ruff, Gaal, Rollo, Sturbaum, Volan, Sabbagh, Mayer

ROLL CALL

Council President Diekhoff gave the Agenda Summation.

AGENDA SUMMATION

The minutes of Special Session March 10, 2004 were approved by a voice vote.

APPROVAL OF MINUTES

Jason Banach offered Happy Birthday wishes to Chris Sturbaum.

MESSAGES FROM
COUNCILMEMBERS

Banach offered, for the council's acceptance, a Conflict of Interest Statement concerning Resolution 04-07. He stated he was an employee of the Indiana University Real Estate Department and therefore represents the Landlord with respect to the leasing part of University property (501 North Morton) to the City of Bloomington Utilities. He said he would sit out that vote.

- Banach – Conflict of Interest Statement

It was moved and seconded that this Conflict of Interest be accepted.

Chris Sturbaum said this year held an opportunity for the community to set out its plans for the future. He said that while there would be elections nationally and county wide this year, it was important for the city to get past last year's election and urged elected officials and community members to work together for the best of the community. He said it would be best to work with sincere and honest people in deliberations.

David Sabbagh, having just attended a Park and Ride briefing, said he was a strong supporter of the program but admitted it needed modifications. He added that Indiana University should be involved in the process of transporting students to campus and urged the mayor to facilitate this collaboration. He stated that the portion of 7th Street at the heart of campus should be opened to bus traffic to facilitate this transportation and urged the involvement of the entire council.

Timothy Mayer thanked the street crews for sweeping the streets recently, and noted that the "green machine" was also seen sweeping sidewalks downtown. He acknowledged Engineering Services Manager Justin Wykoff's late night work on behalf of the city, and noted the coming spring.

He thanked Matt Pierce, State Representative for District 61, for keeping local elected officials updated on the actions of the state legislature. He said it was welcome.

Mark Kruzan, Mayor, addressed the recently reported news that the city faced a half million dollar budget shortfall for this fiscal year. He announced that while this would necessitate cuts in spending, no jobs would be lost and the city would not lay off anyone. He added that dipping into reserves would be a very distant second choice to solve the problem.

MESSAGE FROM THE MAYOR

Kruzan said that public disclosure, council input along with department heads and employee input would help in finding the solution to this problem. He thanked the public works department for already suggesting specific cuts in spending. He said we shouldn't lose our vision, but need to find one that is within our means.

Kruzan asked Susan Clark, Interim Controller, to give a more detailed explanation of the revenue shortfall. She listed numerous actions of

House Enrolled Act 1001, including the portion that changed the assessed valuation of the city. She said this was part of the tax restructuring in going to a market value based system as required by the supreme court. Clark explained that when this resulted in a lower Net Assessed Value for each of the townships within the city, the information came too late to change the already advertised tax rate, and thus the decrease of the city's revenue.

Clark said that the effects of the reduction in inventory assessments hit the city by surprise and that there would be more reductions in Pay 2007.

Sturbaum asked who benefited from this legislation, to which Clark said that no one particular property owner benefited more than another.

Volan asked when this decrease was first known, to which Clark said this was apparent only after the fact. Volan asked why the delay, to which Clark said she got the first bit of information about this at the end of January, at which time it was too late to react to the news. She added that the budget order was received on March 5, 2004, and that was when the actual numbers could be viewed by the city so that the impact could be quantified.

Rollo asked how this could be prevented in the future. Clark said that the city tries to stay in tune with the legislature but with the tax restructuring in 2002, this one was not on the radar screen.

Ruff thanked Clark for her reduction in levy spread sheets, especially with regards to all the city funds. He asked what flexibility there was in moving money in the funds, to which Clark said that there was some flexibility, but that state law required payback by the end of the year.

Diekhoff thanked Clark for her presentation.

Mayer, the council representative to the Utilities Service Board, reported that upon being questioned by the board regarding claims for cleaning services to the Utility department, the staff stepped up to do the cleaning themselves. He lauded this effort.

There was no public comment.

There were no appointments to boards or commissions.

It was moved and seconded that Resolution 04-04 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. She also announced that the public comment portion of this item would serve as the legally advertised public hearing. It was moved and seconded that Resolution 04-04 be adopted.

Ron Walker, Economic Development Director, stated that this resolution would approve a five year tax abatement for real property improvements for Bloomington Paint and Wallpaper's new construction on the northwest corner of Walnut Street and West Grimes Lane. He described the two story brick and limestone building as having two businesses on the lower level (Bloomington Paint and Wallpaper and Bloomington Carpet Company) and six, 1000 square foot apartments on the second floor.

Walker said the total project is estimated at \$1,010,000 and would create two to four jobs based on the projected growth of this business. He noted that the petitioner worked very cooperatively with the Economic Development Commission and the mayor office to bring forth a quality project.

MESSAGE FROM THE MAYOR
(cont'd)

COMMITTEE REPORTS

PUBLIC INPUT

BOARD AND COMMISSION APPOINTMENTS

LEGISLATION FOR SECOND READING

Resolution 04-04 To Confirm Resolution 04-03 Which Designated an Economic Revitalization Area, Approved a Statement of Benefits, and Authorized a Period of Tax Abatement - Re: 1116 South Walnut (Bloomington Paint and Wallpaper Inc., Petitioner)

Mr. Knight, the petitioner, had no comments, and there were no public comments.

Resolution 04-04 (cont'd)

Mayer thanked the petitioner for bringing the project forward and said it looked like a good project. He wished them well in their new location.

Sturbaum said it was a good project and congratulated the petitioner for bringing such a good building forward and said he was glad the city could help.

Gaal, while noting the brevity of the discussion, noted that previous committee hearings on this resolution had served to flesh out the proposal

Rollo encouraged citizens to support local businesses such as this one.

Resolution 04-04 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Resolution 04-06 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Resolution 04-06 be adopted.

Resolution 04-06 To Authorize Agents to Accept Pension Liability on behalf of the City of Bloomington

(Mary) Susan Clark, Interim Controller, explained that this housekeeping type of resolution would allow the city to comply with changes in PERF since 1999. She said the Transit Controller was also included in the agents designated to serve as PERF agents.

Resolution 04-06 received a roll call vote of Ayes: 9, Nays: 0.

It was moved and seconded that Resolution 04-07 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, stating that there was no committee recommendation. It was moved and seconded that Resolution 04-07 be adopted.

Resolution 04-07 To Determine the Need to Lease a Portion of 501 North Morton Street in Bloomington, Indiana

Vicki Renfrow, Legal Department Attorney, said that under state law, there were a number of steps that needed to be taken in order for a political subdivision to enter into a lease of real property. She said this transaction needed to have a petition signed by at least 50 taxpayers of the political subdivision of concern (available in the council office), and this was now completed. She said that the temporary leasing arrangement now needed the council's approval noting that this arrangement was necessary because of a fire at the South Henderson utilities building. She noted that the landlord, Indiana University, had been very helpful in the lease arrangements and noted also that a public hearing would take place at the Utilities Service Board meeting on April 5, 2004.

Volan asked if the department intended to return to the old location, to which Renfrow answered that the decision had not yet been made. She said if a long term arrangement would occur, this process would be repeated for a long term lease.

Volan said he wondered why the utilities department had been so far away from city hall in the past. James McNamara, Deputy Mayor, said there were some water lines ends and storage tanks that had been located at South Henderson thirty years and it made sense at the time to locate administration of the facility there. He also said that a committee was exploring the pros and cons of the location of utilities offices at this time and that Council member Mayer sat on that committee.

Volan asked about creating an opening between the IU and City Hall sections of the Showers building to which McNamara said it was feasible.

In answering more questions from Volan, McNamara said the short term lease would be for 11,000 square feet of space which was approximately one sixth of the office floor space.

Resolution 04-07 (cont'd)

Volan asked if there would be security issues having non-city offices nearby, to which McNamara said that in the long term there could be flexibility with the space configuration. He added that utilities had not expressed concerns about security risks, but that it should be considered with long term arrangements.

Volan questioned the desirability of having utilities and city hall close in proximity, to which McNamara said there was a diversity of opinions at this time. Volan asked how much of the office space at 501 N. Morton was currently rented. Banach, (who was in the back of the audience portion of the council chambers but who was not participating in the discussion because of his relationship with IU, the landlord in the arrangement) offered the information that 90% of the space had been spoken for in the next couple of months.

Mayer thanked Volan for his probing questions and said that there was a committee looking into the space needs for the Utilities department and that the north portion of the Showers building was an option for them. He said there were time, money and insurance settlement issues to be considered first.

Volan thanked IU for its support.

Resolution 04-07 received a roll call vote of Ayes: 8, Nays: 0 (Banach did not participate in the discussion or vote.)

There was no legislation for first reading.

LEGISLATION FOR FIRST READING

David R. Grubb made a statement about the relationship of Monroe County residents to City of Bloomington residents. He complained that Third Street had not been extended to the west side.

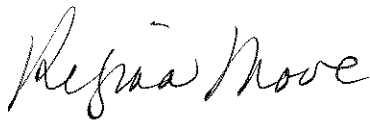
PUBLIC INPUT

The meeting was adjourned at 8:30 pm.

ADJOURNMENT

APPROVE:

ATTEST:



Michael Diekhoff, President
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington