

# **City of Bloomington Common Council**

## **Legislative Packet**

**Wednesday, 04 September 2019**

**Regular Session - 6:30 PM**

For legislation and background material regarding Ordinance 19-12, consult [31 July 2019 Legislative Packet](#) and content contained herein.

For legislation and background material regarding Ordinance 19-15, Ordinance 19-16, Ordinance 19-17, and Ordinance 19-18 are contained herein.

*For a schedule of upcoming meetings of the Council and the City's boards and commissions, please consult the City's [Calendar](#).*

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To: Council Members  
From: Council Office  
Re: Weekly Packet  
Date: 26 August 2019

## LEGISLATIVE PACKET CONTENTS

### REGULAR SESSION: WEDNESDAY, 4 SEPTEMBER 2019 [6:30 PM]

- Memo from Council Office
- Regular Session Agenda
- Notice of Land Use Committee (with a possible quorum of the full Council), at 6:00 pm on Tuesday, 10 September 2019, in the Smith Brehob & Associates Office – Topic: Development of Brownstone Terrace Property  
*Regular Session -  
Second and Subsequent Readings*
- Ordinance 19-12 - To Amend the City of Bloomington Zoning Maps by Rezoning 3.85 Acres of Property from Commercial Arterial (CA) to Planned Unit Development and to Approve a District Ordinance and Preliminary Plan - Re: 1800 N. Walnut Street (CDG Acquisitions, LLC, Petitioner)
  - Report from Land Use Committee
  - Revised Site Plan and Materials

*Contact: Cms. Volan, Chair ([volans@bloomington.in.gov](mailto:volans@bloomington.in.gov));  
Chopra ([chopraa@bloomington.in.gov](mailto:chopraa@bloomington.in.gov));  
Piedmont-Smith ([piedmoni@bloomington.in.gov](mailto:piedmoni@bloomington.in.gov)); and  
Sturbaum ([sturbauc@bloomington.in.gov](mailto:sturbauc@bloomington.in.gov))*

*First Readings*
- Ordinance 19-15 An Ordinance Authorizing the Refunding of Certain Outstanding Sewage Works Revenue Bonds of the City; Authorizing the Issuance of the City of Bloomington, Indiana Sewage Works Refunding Revenue Bonds of 2019 to Provide Funds for Such Refunding and the Payment of the Costs Thereof; and Addressing Other Matters Connected Therewith
  - Exhibit A – Form of Bond
  - Memo from Financial Advisor
    - Estimated Sources and Uses of Funds
    - Proposed Amortization Schedule of Refunding Bonds
    - Calculation of Debt Service Savings
  - Hilliard Lyons Materials (with more detail)

*Contact: Jeffrey Underwood, 812-349-3412 [underwoj@bloomington.in.gov](mailto:underwoj@bloomington.in.gov)  
Laura Pettit, 812-339-1444 or [pettitl@bloomington.in.gov](mailto:pettitl@bloomington.in.gov)*

- Insert – Changes to BMC 10.08 Wastewater Rates and Charges Proposed by Ordinance 19-16 and Ordinance 19-17
- Ordinance 19-16 To Amend Title 10 of the Bloomington Municipal Code Entitled “Wastewater” (Rate Adjustment)
  - Memo to Council, Christopher Wheeler, Assistant City Attorney
  - Rate and Financing Report, Crowe LLP
    - Capital Improvement Plan – Projects (p 24-25)

*Contact: Vic Kelson, 812-339-1444, kelsonv@bloomington.in.gov*  
*Laura Pettit, 912-339-1444, pettitl@bloomington.in.gov*
- Ordinance 19-17 - To Amend Title 10 of the Bloomington Municipal Code (BMC) Entitled “Wastewater” - Re: Amending BMC 10.08.040 (Connection Fees) to Allow Waiver of those Fees in Two Limited Circumstances – To Promote Conversion of Septic to Sewer and to Complement Certain City Affordable Housing Programs
  - Memo to Council, Chris Wheeler

*Contact: Vic Kelson, kelsonv@bloomington.in.gov, 812-339-1444*
- Ordinance 19-18 To Authorize the Issuance of Bonds by the Monroe County Redevelopment Commission Pursuant to IC 36-7-14-3.5
  - Insert with Link to Monroe County Redevelopment Commission – Resolution 2019-5 – Bond Resolution
  - Map of West Side TIF Districts – City and County
  - Memo from Jeff Cockerill, Attorney, Monroe County;
  - Letter from Financial Solutions Group, Financial Advisor for Bond Transaction;
  - Maps of Project (Road Connections);

*Contact:*  
*Jeff Cockerill at 349-2525 or jcockerill@co.monroe.in.us*

### **REGULAR SESSION ON WEDNESDAY, 4 SEPTEMBER 2019, AT-A-GLANCE, 6:30 PM**

#### *Resolutions and Second Readings*

- Ordinance 19-12 - To Amend the City of Bloomington Zoning Maps by Rezoning 3.85 Acres of Property from Commercial Arterial (CA) to Planned Unit Development and to Approve a District Ordinance and Preliminary Plan - Re: 1800 N. Walnut Street (CDG Acquisitions, LLC, Petitioner)

#### *First Readings*

- Ordinance 19-15 An Ordinance Authorizing the Refunding of Certain Outstanding Sewage Works Revenue Bonds of the City; Authorizing the Issuance of the City of Bloomington, Indiana Sewage Works Refunding Revenue Bonds of 2019 to Provide Funds for Such Refunding and the Payment of the Costs Thereof; and Addressing Other Matters Connected Therewith
- Ordinance 19-16 To Amend Title 10 of the Bloomington Municipal Code Entitled “Wastewater” (Rate Adjustment)

- Ordinance 19-17 - To Amend Title 10 of the Bloomington Municipal Code (BMC) Entitled "Wastewater" - Re: Amending BMC 10.08.040 (Connection Fees) to Allow Waiver of those Fees in Two Limited Circumstances – To Promote Conversion of Septic to Sewer and to Complement Certain City Affordable Housing Programs
- Ordinance 19-18 To Authorize the Issuance of Bonds by the Monroe County Redevelopment Commission Pursuant to IC 36-7-14-3.5

→ Please see the weekly Council Legislative Packet issued for this Regular Session for the Legislation, Materials, and Summaries.

### **PRELIMINARY MATTERS – REMINDERS FOR THE WEEK, ETC.**

Monday - Labor Day – *City Holiday*

### **FIRST READINGS – NEW MATERIALS – SUMMARY**

#### **Item 1:**

**Ordinance 19-12 - To Amend the City of Bloomington Zoning Maps by Rezoning 3.85 Acres of Property from Commercial Arterial (CA) to Planned Unit Development and to Approve a District Ordinance and Preliminary Plan - Re: 1800 N. Walnut Street (CDG Acquisitions, LLC, Petitioner)**

Please note that the Land Use Committee met on August 7<sup>th</sup> and again on August 28<sup>th</sup> from 5:30 pm – 7:15 pm, and is submitting a Report to the Council for this Regular Session. In advance of the second meeting of the land Use Committee, the Petitioner filed proposed changes to the PUD (which are included in this packet along with the Report). The vote at the last meeting was Do Pass: 0 – 1 (Piedmont-Smith) – 3. Please know that the 90-day timeframe for Council action expires on Monday, September 16<sup>th</sup>.

→ Please see this Council Legislative Packet for the Report and Supplemental Petitioner Materials.  
 → Please see the Council Legislative Packet issued for the [Regular Session and Committee of the Whole on 31 July 2019](#), for the initial legislation, materials, and summary.



## **SECOND READINGS AND RESOLUTIONS – NEW MATERIALS - SUMMARIES**

### **Item 1:**

#### **Ordinance 19-15 - Authorizing Issuance of New Sewage Works Revenue Bonds to Refund Prior Ones for \$386,541 in Savings Over the 8-Year Period of Bonds**

**Ordinance 19-15** approves the issuance of up to \$7.65 million in sewage works revenue bonds to refund previous outstanding bonds from 2004 and 2006 (Series B and C) in order to save about \$386,541 (Net Present Value) in debt service costs.

As stated in previous memos, the ordinance is a very technical document that takes the steps necessary for the relevant financial interests to prepare and market, in this instance, up to \$7.65 million dollars' worth of bonds for the City, which will be issued in parity<sup>1</sup> with the approximately ~\$27.2 million in other outstanding bonds.<sup>2</sup> Given the complexity of bond ordinances, the City relies upon outside entities and experts to prepare the documents and shepherd the process. These entities and experts include:

- Bond Counsel – Bruce Donaldson, Barnes & Thornburg, LLP
- Underwriter – Andy Nicodemus and Landon Boehm, Hilliard Lyons
- Financial Advisor – Otto W. “Buzz” Krohn, O.W. Krohn & Associates, CPA's and Consultants

#### **Estimated Savings (per Crowe Horwath Memo)**

According to a memo and materials from our Financial Advisor, this refunding will involve the issuance of about \$7.325 million in bonds and use of about \$589,000 of other funds on hand <sup>3</sup> to yield a gross savings of about \$450,000 and a Net Present Value<sup>4</sup> saving of about \$356,500 over the 8-year period of the debt service. The savings are found in the difference between the current coupon rates of 3.33% and 3.44% and the calculated interest on the refunding bonds.<sup>5</sup> Approximately \$149,100 will go toward the cost of issuance and underwriters' discount.<sup>6</sup> Refundings, in general, are proposed by the Controller in consultation with the Municipal Advisor.

#### **Contents of Ordinance**

Please note that certain documents are often attached to the ordinance and, in some instances, in substantially final form. Here, there is one: Form of Bond (Exhibit A).

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<sup>1</sup> The phrase “in parity with” refers to the rights of bond holders.

<sup>2</sup> This figure is derived from fifth Whereas clause of Ord 19-15. Note that these bonds have an outstanding debt service of about \$36.18 million according to Crowe Report, p. 5 (minus refunded bonds).

<sup>3</sup> Other funds on hand typically include money set aside for the next payment on the refunded bonds which federal tax law requires be applied for that purpose. (Per past Bond Counsel)

<sup>4</sup> Net Present Value estimates the current value of a stream of revenue after expenses over a period of time.

<sup>5</sup> See O.W. Krohn, Executive Summary and Hilliard Lyons, Summary of Refunding Results, p. 6

<sup>6</sup> This includes Bond Counsel, Municipal Advisor, Local Counsel, Rating Agency, Paying Agent, Underwriter Counsel and Underwriter Discount (per Hilliard-Lyons Source and Uses of Funds).

The ordinance, in highlight:

- Sets the parameters of the bond by putting a limit on the denomination (\$5,000), amount (no more than \$7.65 million), interest (no more than 5% - but, as mentioned above, expected to be much less)<sup>7</sup>, and maturity date (no later than January 1, 2027)<sup>8</sup>;
- Authorizes the City to use a registrar and paying agent to handle the bonds and, upon advice of its financial advisor, have them held in a central depository and to have them redeemed;
- Authorizes the issuance of additional bonds in parity with these bonds subject to a number of conditions;
- Authorizes the Mayor and Controller to execute and take other actions on behalf of the City regarding certain documents. These documents include the bonds, Official Statement, Escrow Agreement (for the refunded bonds), and Continuing Disclosure Undertaking Agreement;
- Pledges the Net Revenues of the Wastewater Utility towards payment of the bond obligations and requires the City to put the proceeds in certain accounts, use them for limited purposes, keep certain reserves, and invest the proceeds in a certain manner. *(Please note that this debt is not counted towards the debt limit imposed of municipalities by the State constitution);*
- Commits the City to take other actions in order to protect the bond holders including:
  - Setting rates sufficient to operate and maintain the system and meet bond obligations;
  - Keeping full and accurate financial records and using revenues for the proper and reasonable expenses for the operation, repair and maintenance of the sewage works, for meeting the requirements of the Sinking Fund,<sup>9</sup> and paying the costs of replacements, extensions, additions and improvements;
  - Maintaining the sewage works in good condition, operating it in an efficient manner and at a reasonable cost, and providing adequate insurance;
  - Not encumbering or disposing of parts of the wastewater system except replaceable parts;
  - Requiring the Utility to connect sewage disposers in the service district to the sewer lines;
  - Keeping the tax exempt status of the non-taxable bonds;
  - Obtaining the consent of 2/3's of the bondholders for certain amendments; and
  - Meeting certain tests before incurring additional debt which are in parity with outstanding bonds.

## **Item 2:**

### **Ordinance 19-16 – Adjustment in Wastewater (Sewer) Rates and Charges**

**Ordinance 19-16**, amends Title 10 of the Bloomington Municipal Code by increasing the rates and charges for wastewater (sewer) (but not the water or stormwater) services that appear on the customers' Utility bill. As noted in the Memo from Chris Wheeler, Assistant City Attorney, it "authorizes a 3% across-the-board increase of all rates and charges of the Wastewater Utility and establishes an additional 12% surcharge for service rendered to all lots, parcels of real estate or buildings located outside the limits of the city."

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<sup>7</sup> Per memo from Financial Advisor which estimates an "All in True Interest Cost" All in TIC of 2.006%.

<sup>8</sup> The 2004 Bonds currently mature on January 1, 2026 and the 2006 Bonds currently mature on January 1, 2027.

<sup>9</sup> The Sinking Fund is one of the special funds and accounts the bond requires the City to maintain.

This rate adjustment is recommended by the Rate and Financing Report for the City (August 22, 2019) prepared by Crowe. It is intended to address a \$634,000 projected deficit in wastewater needs per year<sup>10</sup> and sets forth the support for the 12% surcharge for out-of-city properties.<sup>11</sup> The increase will make \$3.98 million available 2020 and approximately \$2.88 million in 2021 for extensions and replacements.<sup>12</sup>

This adjustment is scheduled to go into effect on January 1, 2020, just three years following our last adjustment. By coming forward soon after the last one, it proposes a smaller increase than those in the recent past<sup>13</sup> Given the retirements of bonds that year, CBU anticipates initiating a rate review in 2023.<sup>14</sup>

### Monthly Usage Charge and Service Charge

Wastewater rates are based upon two factors. The first factor is the amount of water used by the customer. That amount is generally determined by the water meter for CBU water customers and by other measures for those who have no meters. However, for residents who water their lawns in the summer, the Utilities Services Board has discretion to ignore water that does not return to the utility, by setting usage at pre-summer levels and determining the months when these lower levels apply. The second factor relates to the wastewater coming from industrial customers, which is subject to additional rates (covered later in this memo) depending upon the treatment required to neutralize the pollutants.

Like water charges, sewer charges are based upon every 1,000 gallons of water used. Wastewater identifies four classes of users; each of these classes would experience a 3% increase. As noted above, an additional 12% surcharge will now be imposed for “services rendered to lots, parcels of real estate or buildings located outside the corporate limits of the city.” The increase in rates for customers based upon their type and residence are as follows:

<b><u>User Type</u></b>	<b><u>Inside City</u></b>	<b><u>Outside City</u></b>
Residential – with rates that will increase from \$7.76 to:	\$7.99	<b>~\$8.95</b>
Commercial – with rates that will increase from \$7.76 to:	\$7.99	
Indiana University – with rates that will increase from \$7.76 to:	\$7.99	
Industrial – with rates that will increase from \$7.76 to:	\$7.99	

Similar to water rates, users of the City’s wastewater services are also charged a monthly service

<sup>10</sup> Crowe Report, p. 29

<sup>11</sup> Crowe Report, p. 19-22

<sup>12</sup> Note that this assumes issuance of wastewater bonds in 2020. Crowe Report, p. 25

<sup>13</sup> The last three increases were on: January 1, 2017 (22% - Ordinance 16-10); March 1, 2012 (53% - Ordinance 11-13); and, January 1, 2006 (13.03% - Ordinance 05-34).

<sup>14</sup> Per Laura Pettit, Assistant Director-Finance,

charge. Under the proposed increase, that service charge will increase from \$7.95/month to \$8.19/month (Inside the City) and to \$9.17 (Outside the City).

**Non-Metered Users** - The annual minimum rate for users who are wastewater, but not water, customers (and, therefore, not on a water meter) will rise from \$ \$773.47/year to \$796.74/year within the City (or about 3%) and to ~\$892.41/year outside of the City (or an additional 12%). This charge is payable monthly.

**Special Service Rates** - The Bloomington Municipal Code imposes monthly fees and charges for special services performed by the utility for the testing and treatment of wastewater containing pollutants of a non-conventional nature or strength that come from industrial users. These fees and charges include:

- a per-meter service charge: which will increase from \$7.95 to \$8.19 within the City and to \$9.17 outside of the City.
- special laboratory charges for testing biochemical oxygen demand (BOD) and suspended solids (SS), grease and oil, and metals, which will rise as follows:
  - BOD and SS sampling charge -- from \$166.90/mo to \$171.91/mo.
  - Grease and oil sampling charge -- from \$156.45/mo to \$161.14/mo.
  - Metal sampling charge -- from \$34.77/mo. to \$35.81/mo.
- a per-1,000 gallon user charge for non-excessive levels of pollutants: which will increase from \$7.76 to \$7.99 (within the City) and to \$8.95 (outside of the City); and
- a per-pound charge for high levels of BODs and Suspended solids
  - BODs -- from \$0.380/lb./mo. to \$0.391/lb./mo. for all strength in excess of 300 ppm
  - Suspended Solids -- from \$0.310/lb./mo. to 0.319/lb./mo. for all strength in excess of 300 ppm

As stated in the memo from Assistant City Attorney Wheeler, this rate adjustment is intended to produce enough revenue to allow CBU to meet on-going expenses, make debt service payments, and permit CBU to make capital improvements to the wastewater system, and to cover the debt service payments and other costs associated with such improvements. The capital improvements intended to be covered by this rate increased are outlined in the Wheeler Memo and detailed in the Crowe Report.<sup>15</sup>

### **Item 3:**

#### **Ordinance 19-17 – Amending Title 10 (Wastewater) to Authorize Waiver of Connections Fees to Promote Conversion of Septic to Sewer and to Complement Certain Affordable Housing Programs**

As stated in the Synopsis:

Ordinance 19-17 amends Bloomington Municipal Code Section 10.08.140, entitled Wastewater Connection Fees,” to give the Director of the City of Bloomington Utilities Department the discretion to waive the connection fee for new sewer connections in two limited circumstances. The first is where the application for waiver is made by a department of the City of Bloomington for a single

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<sup>15</sup> Crowe Report, p. 24-25

family residential dwelling affordable housing project as defined by HAND Department, using low to moderate income guidelines as outlined by the US Department of Housing and Urban Development, on real estate located within the city limits of the City of Bloomington. The second is where the application for waiver is made by an owner of real property which is located within the city limits of the City of Bloomington for the purpose of abandoning an existing septic system or to otherwise protect the municipal separate stormwater sewer system (MS4). These two exceptions to the connection fee promote continued creation of new affordable housing and the reduction of septic system use in the City of Bloomington, projects that both promote improved quality of life.

Response from Vic Kelson on Fiscal Impact:

In the past two years, we have had 3 and 8 new sewer connections, respectively, in which the new customer was abandoning a septic tank. I am not aware whether the customers were all located within City limits. The staff member who collects that data set is on PTO today; we can get that information after Labor Day and let you know. We anticipate that the new sewer that was grant-funded would attract about 10 new customers in the first couple of years, and up to about 20-30 over 5-10 years.

While we have not yet formulated a formal procedure for septic-tank elimination waivers, we would consider utilizing funds from the Stormwater Utility to compensate the Sewer Works for the lost connection-fee revenue. This would be justified by the fact that septic-tank elimination primarily benefits the MS4 system. As the Stormwater Utility serves only customers residing within the City, this option could only be available for City residents. We might negotiate an MOU with Monroe County's Stormwater Utility to subsidize septic tank elimination waivers for new customers residing outside City limits.

As for the low-income waiver proposal:

In past years, CBU had a practice of waiving sewer connection fees for new homes built by Habitat for Humanity. We have ceased this practice after review of the Ordinance language related to the connection fee. During the years that the Habitat waivers were given, we typically had between 5 and 15 subsidized connections each year. If Ordinance language allowing for affordable-housing waivers is approved, we would anticipate perhaps 5-20 applications, costing \$14,000-\$56,000, per year. We could expect more if a large development project with numerous qualifying single-family homes were constructed.

**Item 4:**

**Ordinance 19-18 - Approving the Issuance of Up to \$8 Million in County Westside TIF District Bonds for the Extension of Profile Parkway and Connections to Vernal Pike and Gates Drive**

**Ord 18-19** approves the issuance of up to \$8 million in County Westside Economic Development Area (Westside TIF District) bonds for the extension of Profile Parkway to Gates Drive along with the connection from Vernal Pike to Gates Drive. State law gives the City Council and Mayor a role in the County's bonding decision because we have annexed three parcels within this TIF district (which also lie in the City's Westside TIF District) and need to protect our interest in the tax revenues that flow from those parcels. This ordinance, in essence, concludes that our interest in these tax revenues is not impaired by the issuance of these bonds and approves the transaction.

Jeff Cockerill, one of the County Attorneys, has sent a memo to the Council explaining this request and project. In brief, the project “consists of construction of a new two lane roadway that will extend Profile Parkway to Gates Drive and connect Vernal Pike to Gates Drive, extending Sunrise Greeting Court. The Vernal Pike Connection will include a bridge over the railroad track. The road will be built to Indiana design standards.” He goes on to say that the “project will better serve transportation needs in the area by providing access to Curry Pike and Vernal Pike [which] are minor Arterials in this industrial region of the community.” Among the benefits resulting from this investment, he cites improvement in “connectivity and safety in this industrial district.”

In addition, Cockerill also included a letter from the Financial Solutions Group, Financial Advisor for the bond financing, indicating that the bonding will “not impact the (p)arcels or change the TIF Revenue received by the City.” The letter also mentions that the “County has TIF Bonds outstanding through July 15, 2039.”

**NOTICE AND AGENDA  
BLOOMINGTON COMMON COUNCIL  
REGULAR SESSION  
6:30 P.M., WEDNESDAY, 04 SEPTEMBER 2019  
COUNCIL CHAMBERS  
SHOWERS BUILDING, 401 N. MORTON ST.**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. APPROVAL OF MINUTES** *None*

**IV. REPORTS** (A maximum of twenty minutes is set aside for each part of this section.)

- 1. Councilmembers**
- 2. The Mayor and City Offices**
- 3. Council Committees**
- 4. Public\***

**V. APPOINTMENTS TO BOARDS AND COMMISSIONS**

**VI. LEGISLATION FOR SECOND READING AND RESOLUTIONS**

1. Ordinance 19-12 To Amend the City of Bloomington Zoning Maps by Rezoning 3.85 Acres of Property from Commercial Arterial (CA) to Planned Unit Development and to Approve a District Ordinance and Preliminary Plan - Re: 1800 N. Walnut Street (CDG Acquisitions, LLC, Petitioner)

- Land Use Committee Report Filed (04 September 2019)
- Land Use Committee Recommendation (28 August 2019): Do Pass 0 – 1 – 3
- Regular Session Action (31 July 2019):  
Referred to Land Use Committee for  
Report on 04 September 2019 Adopt 7 – 0 – 0

**VII. LEGISLATION FOR FIRST READING**

1. Ordinance 19-15 An Ordinance Authorizing the Refunding of Certain Outstanding Sewage Works Revenue Bonds of the City; Authorizing the Issuance of the City of Bloomington, Indiana Sewage Works Refunding Revenue Bonds of 2019 to Provide Funds for such Refunding and the Payment of the Costs Thereof; and Addressing Other Matters Connected Therewith

2. Ordinance 19-16 To Amend Title 10 of the Bloomington Municipal Code Entitled “Wastewater” (Rate Adjustment)

3. Ordinance 19-17 To Amend Title 10 of the Bloomington Municipal Code (BMC) Entitled “Wastewater” - Re: Amending BMC 10.08.040 (Connection Fees) to Allow Waiver of those Fees in Two Limited Circumstances – To Promote Conversion of Septic to Sewer and to Complement Certain City Affordable Housing Programs

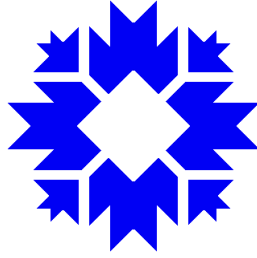
4. Ordinance 19-18 To Authorize the Issuance of Bonds by the Monroe County Redevelopment Commission Pursuant to IC 36-7-14-3.5

**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. Citizens 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. Please call (812) 349-3409 or e-mail [council@bloomington.in.gov](mailto:council@bloomington.in.gov).*



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

# **NOTICE**

## **Tuesday, 10 September 2019**

**The Council has decided to HOLD  
a meeting of the *Land Use Committee***

**Topic:** Discussion of Development of the  
Brownstone Terrace Property

**When:** 6:00 PM Tuesday, 10 September 2019

**Where:** Smith Brehob & Associates, Inc.  
(453 Clarizz Boulevard, Bloomington, IN)

The Council Land Use Committee is a four-member Standing Committee of the Council. Under Indiana Open Door law (I.C. § 5-14-1.5), these are meetings where the public may attend, observe and record what occurs. In the event an additional member of the Council were to attend this meeting, a quorum of the Council would be present. For that reason, this notice also announces that this meeting may be a meeting of the entire Council, as well.

Posted: Friday, 30 August 2019



City of Bloomington Common Council  
Report of the Land Use Committee

Re: **Ordinance 19-12 To Amend the City of Bloomington Zoning Maps by Rezoning 3.85 Acres of Property from Commercial Arterial (CA) to Planned Unit Development and to Approve a District Ordinance and Preliminary Plan - Re: 1800 N. Walnut Street (CDG Acquisitions, LLC, Petitioner)**  
Date: **August 30, 2019**

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**Actions**

The Land Use Committee (LUC) met in two sessions on Aug. 7 and 28. At both meetings the LUC heard presentations from P&T staff, other city staff, and petitioners, engaged in questions and answers, and heard input from the public. At the end of the second meeting, the Committee passed on to the Council a **neutral recommendation with a vote of 0-1-3<sup>1</sup>** (Piedmont-Smith).

**Discussions**

At second meeting, petitioner made significant changes to the proposal based on the discussion in the first meeting, the most important being the bringing forward of the front building to embrace Walnut Street eliminating eight parking spaces and a drive lane from the original design, and increasing setbacks of the rear building from surrounding buildings and properties. Significant topics of LUC member Q&A included the use of the \$2.46M payment in lieu of affordable housing onsite; facade materials; rent and number of bedrooms per unit; the student-centered nature of the project; and the proposed new transit line.

**Concerns of Members**

Outstanding LUC member concerns included: lack of green features such as solar panels, a green roof, or composting (Chopra); use of cementitious panels on exterior as insufficiently long-lived solution (Sturbaum); lack of specificity regarding final parking ratio (Volan) or commitment to an amount of the permanent annual budget for a proposed new bus line (Piedmont-Smith, Volan); actual linear footage of off-site sidewalk to be built or repaired (all).

**Next Steps**

Although the LUC did not author or formally recommend any reasonable conditions to the PUD, leaving it up to the preference of the full Council, more than one Committee member has expressed intent to file reasonable conditions. The Chair recommends that Council be prepared to consider a Third Reading if necessary to properly consider such changes.

**Respectfully submitted == Stephen Volan, Member, District VI; Chair, Land Use Committee**

**Timeline and Summary of Actions:**

<u>Date</u>	<u>Entity</u>	<u>Action</u>
6/10/19	Plan Commission	Forward with Positive Recommendation (7-0)
6/17/19	Plan Commission	Certification of Action to Council
7/31/19	Regular Session	Introduction at First Reading and Referral to Land Use Committee (7-0)
8/7/19	Land Use Committee	Consideration of Proposal; Continuation of deliberations to 8/28/19 (3-0)
8/28/19	Land Use Committee	Do Pass: 0-1 (Piedmont-Smith) - 3
9/4/19	Regular Session	Second Reading – Submittal of Report <sup>2</sup>

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<sup>1</sup> N.B.: A "positive" recommendation requires at least 3 of 4 votes in favor of the project. A "negative" recommendation requires at least 3 votes against. Any other split signifies that the committee is neither for nor against the project. This supermajority requirement to recommend is an intentional effect of a four-person committee size. (In a final vote of the whole Council, an abstention is effectively a vote to uphold the decision of the Plan Commission; in this case, since the Plan Commission approved the project unanimously, an abstention by a Councilmember is tantamount to support for the project.)

<sup>2</sup> Under IC 36-7-4-608, the Council has 90 days to take final action on this petition, which expires on Monday, September 16, 2019. Failure to take action within that period will result in the petition going into effect at that time.



Steven A. Brehob, BS.CnT.  
Todd M. Borgman, P.L.S.  
Don J. Kocarek, R.L.A.  
Katherine E. Stein, P.E.  
Stephen L. Smith, P.E., L.S.

### CDG Bloomington – Revisions

The following site and architectural revisions were made to the project to address comments received from Council and adjacent property owners:

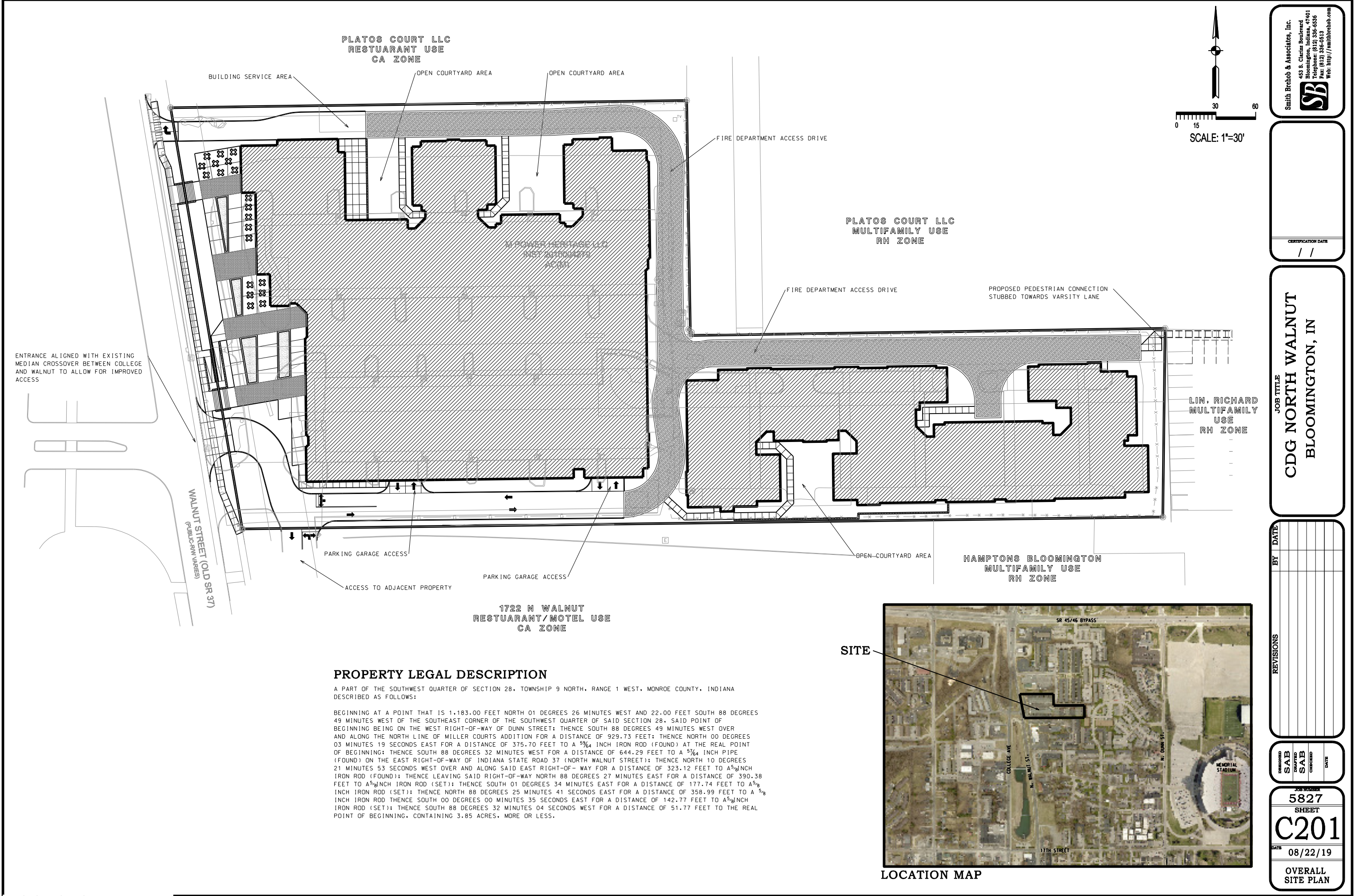
- The access drive and parking in front of the building was eliminated. All commercial parking will be within the parking garage.
- The building was slid forward towards the public sidewalk and the commercial portion of the building was expanded to pull it closer to the sidewalk. The purpose of this was to give the building more of a street presence and to increase visibility of the commercial portion of the building for vehicles on northbound Walnut without losing visibility from southbound College. Shifting all the commercial area to the south side of the building is not feasible. The grade along the south side of the building rises so quickly that only a small portion of the space would be visible from northbound Walnut Street and much of it would be hidden behind the adjacent building and what could be developed on the adjacent site in the future. Shifting the commercial area to the south side of the building would eliminate its visibility from southbound College. Having the ability to cut through the median from southbound College to the site enforces the importance of having southbound visibility as well.
- Additional modulation was created along the frontage by sliding the building forward, adding to the front façade, creating overhang and recesses.
- A large outdoor plaza was created in front of the building with a nod towards outdoor seating and gathering to increase interaction with the street and to make it pedestrian accessible and pedestrian friendly. To make outdoor seating viable it must be separated from northbound Walnut. Walnut is a high traffic volume roadway and sitting outdoors immediately adjacent to the existing sidewalk is not desirable. Pedestrians and outdoor dining participants need to feel that their seating is safe and separate from the roadway. The noise level also needs to be low enough that conversation is possible. Having the vertical and horizontal separation shown provides that.
- Two pedestrian access points were created leading from the public sidewalk to the plaza. These access points are located at the north and south end of the plaza to promote circulation through the plaza. These access locations



Steven A. Brehob, BS.CnT.  
Todd M. Borgman, P.L.S.  
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consist of 15' wide stairs and an accessible ramp. Both are necessary to overcome the 4' or so grade difference between the public sidewalk and plaza. The elevation difference is created by an existing water main that serves the north Walnut area that is located behind the R/W on this site and within a 20' wide easement. The access points are accented with pavers leading towards building entry points.

- The eastern most portion of the building was shifted further north from the common property line with "The Hamptons" to create a setback of 13'-15'.



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CERTIFICATION DATE  
/ /

JOB TITLE  
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BLOOMINGTON, IN

BY  
DATE

REVISIONS

DESIGNED  
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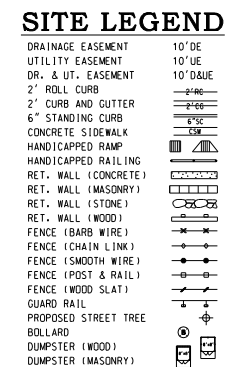
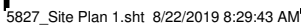
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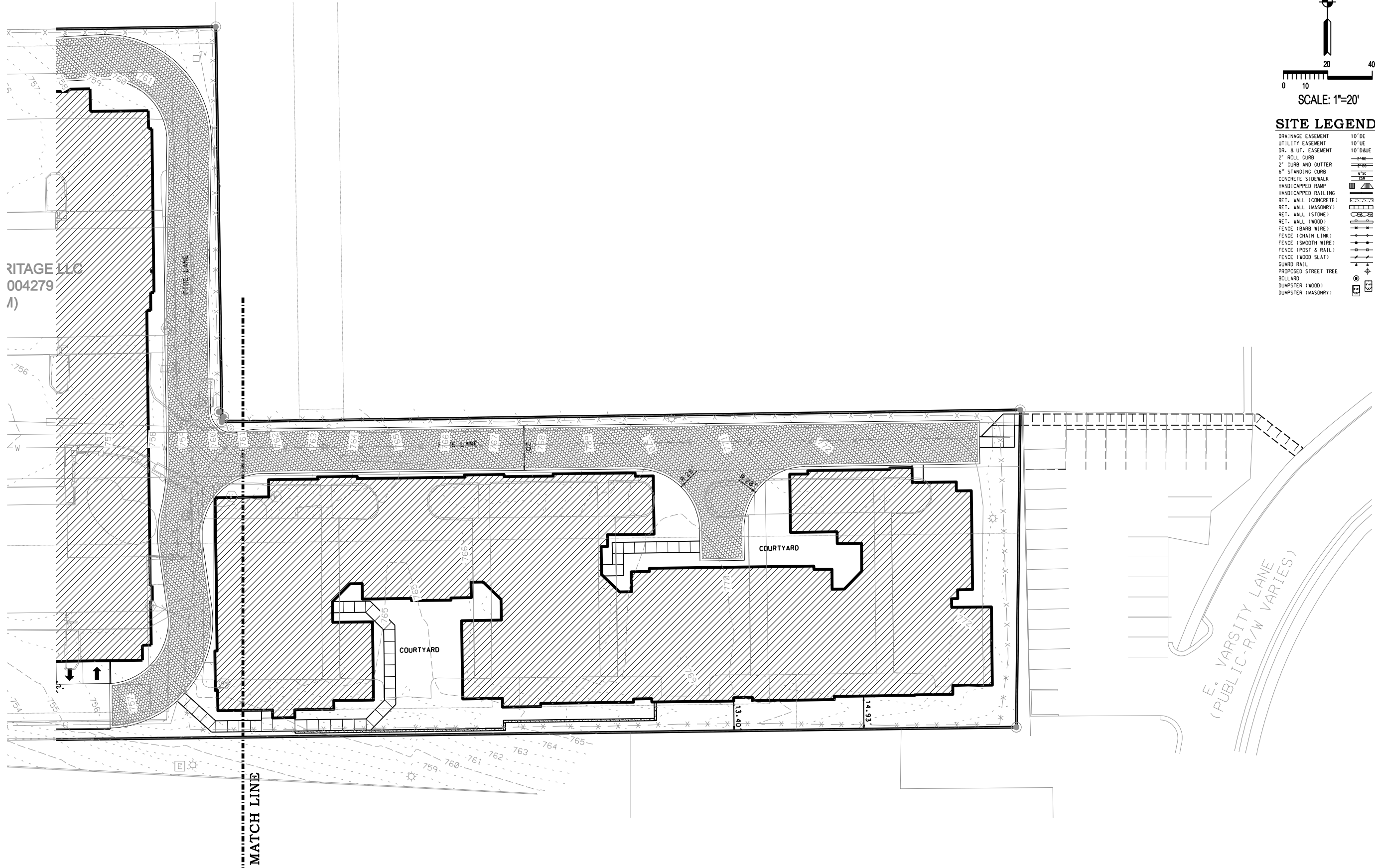
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SITE PLAN



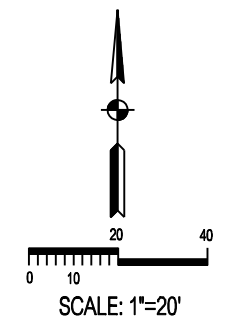


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CONCEPT  
SITE PLAN  
1

SITE AREA = 167,646.22 SF  
IMPERVIOUS SURFACE COVERAGE PERMITTED WITHIN PUD = 70%  
BUILDING AREA = 92,890 SF TOTAL  
PAVEMENT = 11,360 SF  
PLAZA AND SIDEWALKS = 6,142 SF  
TOTAL IMPERVIOUS SURFACE COVERAGE = 110,392 SF  
IMPERVIOUS SURFACE PERCENTAGE SHOWN = 65.8%



RITAGE LLC  
004279  
A)



**SITE LEGEND**

DRAINAGE EASEMENT	10' DE
UTILITY EASEMENT	10' UE
DR. & UT. EASEMENT	10' DAUE
2' ROLL CURB	2' RC
2' CURB AND GUTTER	2' CG
6" STANDING CURB	6" SC
CONCRETE SIDEWALK	CS
HANDICAPPED RAMP	HR
HANDICAPPED RAILING	HR
RET. WALL (CONCRETE)	RWC
RET. WALL (MASONRY)	RWM
RET. WALL (STONE)	RWS
RET. WALL (WOOD)	RW
FENCE (BARB WIRE)	FBW
FENCE (CHAIN LINK)	FL
FENCE (SMOOTH WIRE)	FSW
FENCE (POST & RAIL)	FR
FENCE (WOOD SLAT)	FR
GUARD RAIL	GR
PROPOSED STREET TREE	PTST
BOLLARD	B
DUMPSTER (WOOD)	DW
DUMPSTER (MASONRY)	DM

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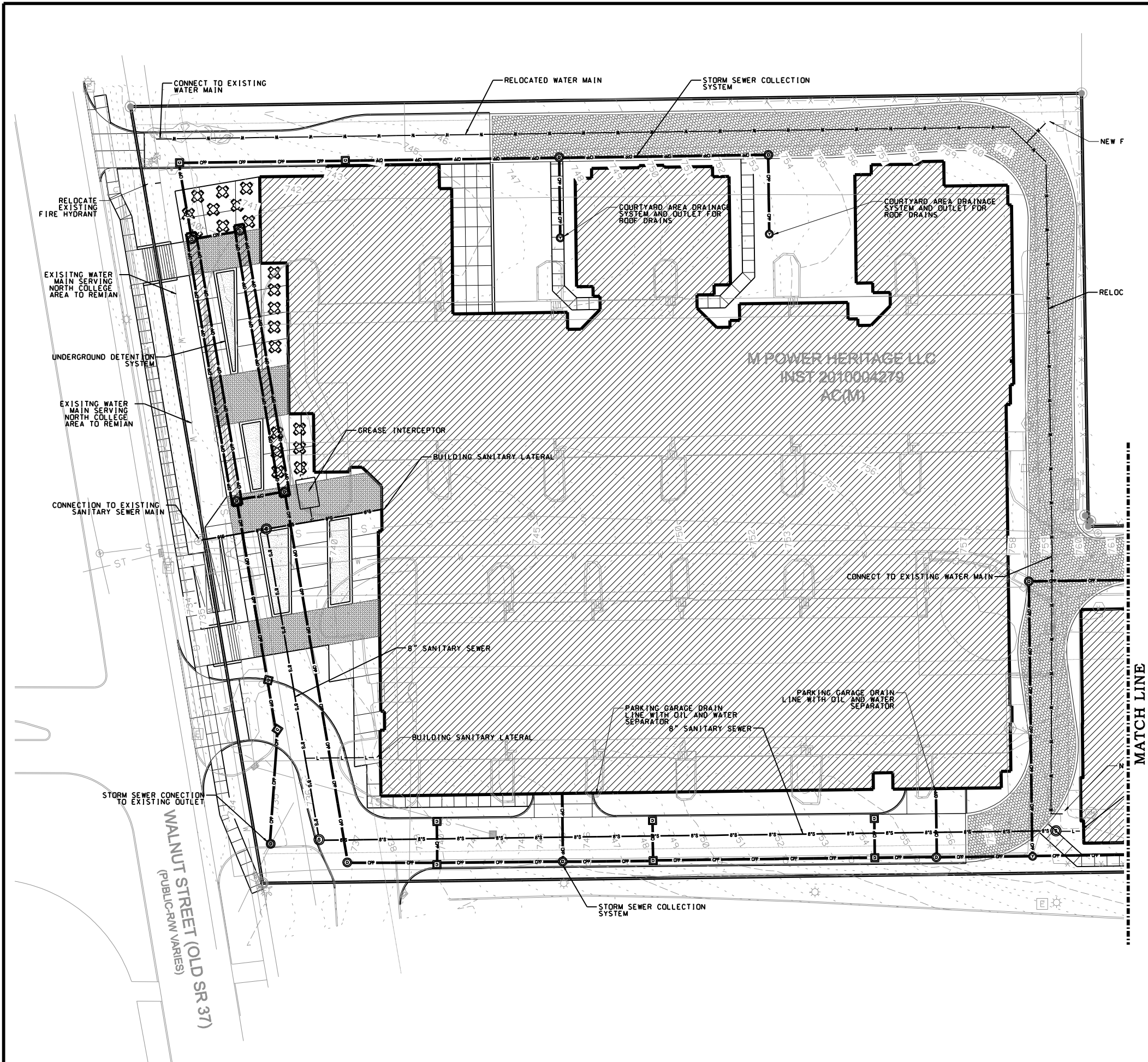
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**5827**  
SHEET  
**C203**  
DATE  
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ENLARGED  
CONCEPT  
SITE PLAN  
2



UTILITY NOTES

- 1) ALL PROJECTS WILL REQUIRE A PRE-CONSTRUCTION MEETING WITH THE CITY OF BLOOMINGTON UTILITIES PRIOR TO THE START OF CONSTRUCTION. THE CONTRACTOR AND/OR DEVELOPER MUST CONTACT THE UTILITIES TECHNICIAN AT (812) 349-3633 TO SCHEDULE THE MEETING.
- 2) CONTRACTOR SHALL NOTIFY THE CITY OF BLOOMINGTON UTILITIES ENGINEERING DEPARTMENT ONE (1) WORKING DAY PRIOR TO CONSTRUCTION OF ANY WATER, STORM OR SANITARY SEWER UTILITY WORK. A CBU INSPECTOR MUST HAVE NOTICE SO WORK CAN BE INSPECTED, DOCUMENTED, AND A PROPER AS-BUILT MADE. WHEN A CONTRACTOR WORKS ON WEEKENDS, A CBU DESIGNATED HOLIDAY, OR BEYOND NORMAL CBU WORK HOURS, THE CONTRACTOR WILL PAY FOR THE INSPECTOR'S OVERTIME. FOR CBU WORK HOURS AND HOLIDAY INFORMATION, PLEASE CONTACT THE CITY OF BLOOMINGTON UTILITIES ENGINEERING DEPARTMENT AT (812)349-3660.
- 3) SEE SPECIFICATIONS FOR SIZES OF WATER SERVICE LINES AND SEWER LATERALS NOT SPECIFICALLY NOTED ON THE PLANS.
- 4) 15'-1" IF SHOWN ON THE PLANS = MINIMUM SEWER ELEVATION. IT INDICATES THE LOWEST FLOOR ELEVATION THAT WILL ALLOW GRAVITY SEWER SERVICE WITHOUT A SPECIAL BACKWATER VALVE. ANY FLOOR ELEVATION THAT WILL BE SERVED BY GRAVITY SEWER MUST BE ABOVE THE RIM ELEVATION OF THE UPSTREAM SANITARY MANHOLE. IF NOT A BACKWATER VALVE MUST BE INSTALLED ACCORDING TO SEC. 409(A) OF THE UNIFORM PLUMBING CODE. SEE SPECIFICATIONS PACKET FOR MORE DETAIL.
- 5) ON ALL EXISTING SANITARY MAINS, WYES SHALL BE CUT AND SLEEVED IN PLACE BY CITY OF BLOOMINGTON UTILITIES PERSONNEL WITH CITY OF BLOOMINGTON UTILITIES FURNISHING ALL MATERIAL, EQUIPMENT, AND LABOR NECESSARY FOR INSTALLATION. DEVELOPER SHALL PROVIDE ALL NECESSARY EXCAVATION, SHORING, BACKFILL, AND SURFACE REPAIR. PLEASE CONTACT NANCY AXSON AT (812) 349-3689 FOR MORE INFORMATION.
- 6) WHEN CONNECTING A NEW PIPE TO AN EXISTING MANHOLE, THE MANHOLE SHALL BE CORE-DRILLED. PIPE SHALL BE CONNECTED TO THE MANHOLE BY EITHER A FLEXIBLE BOOT OR A 1" OR 2" FLEXIBLE CONNECTOR OR APPROVED EQUAL. TABLE AND TROUGH SHALL BE MODIFIED AS NECESSARY TO DIRECT THE FLOW FROM THE NEW PIPE. INVERT OF CONNECTION SHALL BE NO MORE THAN ONE FOOT HIGHER THAN THE INVERT OUT FOR THIS STRUCTURE.
- 7) IN ACCORDANCE WITH SECTION 4-5.2.1.5.1, OF THE CBU CONSTRUCTION SPECIFICATIONS ALL SEWER LATERALS SHALL HAVE A CLEAN-OUT AT LEAST EVERY 90 FEET. ALL CLEAN-OUTS, WEATHER IN GRASSY AREAS OR IN PAVEMENT, SHALL BE SUB-SURFACE AND PROTECTED BY A SUITABLE METAL CASTING SUCH AS EAST JORDAN CATALOGUE NO. 2975 OR NEENAH CATALOGUE NO. R-1974-A. IN GRASSY AREAS, THE CASTING SHALL BE PROVIDED WITH A CIRCULAR CONCRETE COLLAR FLUSH WITH THE TOP OF THE CASTING AND THE GROUND SURFACE. THE COLLAR SHALL BE MINIMUM 6" THICK AND SHALL EXTEND AT LEAST 8" BEYOND THE OUTSIDE OF THE CASTING ON ALL SIDES. IN PAVEMENT, THE TOP OF THE CASTING SHALL BE FLUSH WITH THE SURROUNDING PAVEMENT. TOP OF CLEAN-OUT SHALL BE NO MORE THAN 3" BELOW THE TOP OF THE CASTING. A #10 INSULATED SOLID COPPER LOCATOR WIRE SHALL BE WRAPPED AROUND ALL NON-METALLIC PIPES SO THAT ONE REVOLUTION IS MADE AT LEAST EVERY PIPE JOINT. SPLICES ARE TO BE MADE WITH AN APPROVED CONNECTOR, AND ARE TO BE SUITABLY PROTECTED AGAINST CORROSION. THE WIRE IS TO BE BROUGHT TO THE SURFACE WITH A CLEAN-OUT IN A CASTING. ALSO SEE THE CBU CONSTRUCTION SPECIFICATIONS FOR THE "STANDARD SANITARY LATERAL CLEAN-OUT DETAIL #19".
- 8) WHEREVER C900 PIPE IS USED FOR SEWER, ALL WYES SHALL BE HARCO, SIZED FOR C900 ON THE RUN AND SDR-35 ON THE BRANCH. TRANSITION FROM C900 TO SDR-35 PIPE SHALL BE MADE BY USE OF A HARCO C900 TO SDR-35 ADAPTER WYES.
- 9) ALL D.I.P. USED FOR SANITARY SEWER SHALL HAVE CERAMIC EPOXY LINING, MINIMUM THICKNESS 40 MILS, AND SHALL BE PROTECTO 401, AS MANUFACTURED BY INDURON PROTECTIVE COATINGS. WYES FOR D.I.P. SHALL BE HARCO D.I.P. TO SDR-35 ADAPTER WYES.
- 10) THE OWNERSHIP OF THE WATER AND SANITARY SEWER MAINS IN THIS DEVELOPMENT WILL BE OWNED AND MAINTAINED BY THE CITY OF BLOOMINGTON UTILITIES. OWNERSHIP WILL TAKE EFFECT AFTER FINAL WALK-THROUGH, WHEN EASEMENTS ARE RECORDED AND FINAL ACCEPTANCE IS GIVEN. ANY EXCEPTIONS SHALL BE INDICATED WITH SYMBOLS ON THE PLANS, ADDRESSED BY LETTER AND APPROVED IN WRITING BY THE UTILITIES ENGINEER.
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- 13) BACKFLOW PREVENTER CONDUIT REQUIREMENTS:
  - RADIO READ EQUIPMENT MUST BE PLACED ON THE OUTSIDE OF THE BUILDING.
  - CONTRACTOR IS RESPONSIBLE FOR OBTAINING THE RADIO HEAD DEVICE FROM CBU.
  - CONTRACTOR IS RESPONSIBLE FOR INSTALLING CONDUIT AND WIRING FROM THE METER LOCATION, THROUGH THE BUILDING WALL, AND ATTACHING THE DEVICE TO THE WALL AT A POINT HIGH ENOUGH TO KEEP IT OUT OF REACH FROM TAMPERING AND DAMAGE, YET ACCESSIBLE WITH A LADDER.
  - CBU WILL MAKE THE WIRING CONNECTIONS AT THE TWO END POINTS.

UTILITY LEGEND

- WATER IRRIGATION LINE
- DOMESTIC WATER SERVICE
- FIRE WATER SERVICE
- WATER MAIN
- WATER SERVICE LINE
- WATER VAULT
- WATER HANDHOLE
- WATER MANHOLE
- WATER VALVE
- FIRE HYDRANT
- FLUSH HYDRANT
- WATER MASTER METER
- WATER AIR RELEASE VALVE
- WATER END CAP
- WATER TANK
- SANITARY MAIN LINE
- SANITARY FORCE MAIN
- LOW PRESSURE SEWER
- SANITARY LATERAL
- SANITARY MANHOLE
- SANITARY CLEANOUT
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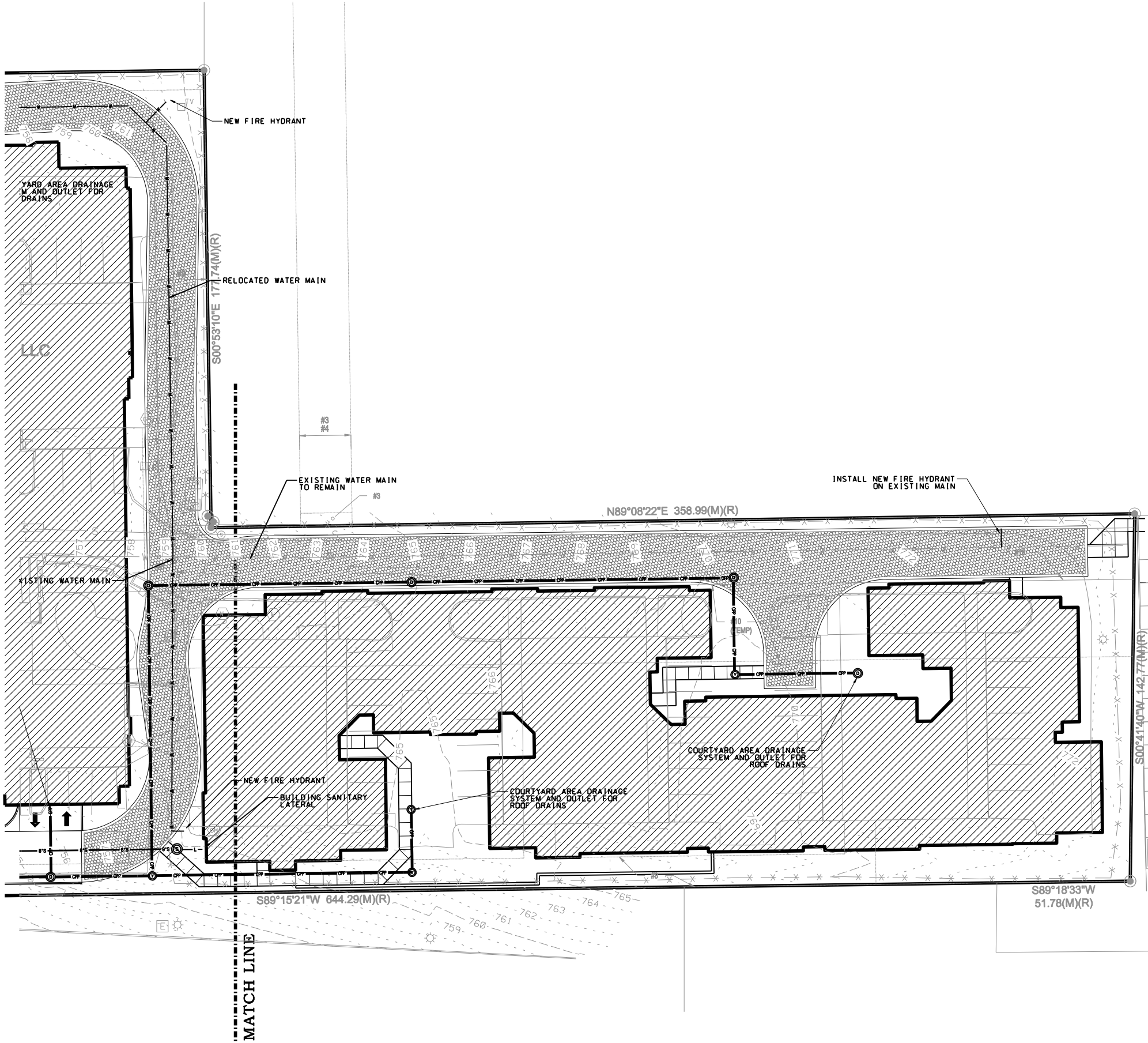
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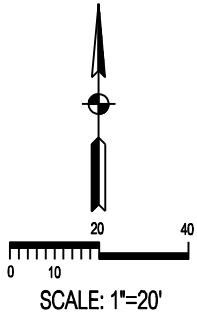
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- OVERHEAD ELECTRIC
- OVERHEAD TELEPHONE
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DEVELOPMENT  
GROUP

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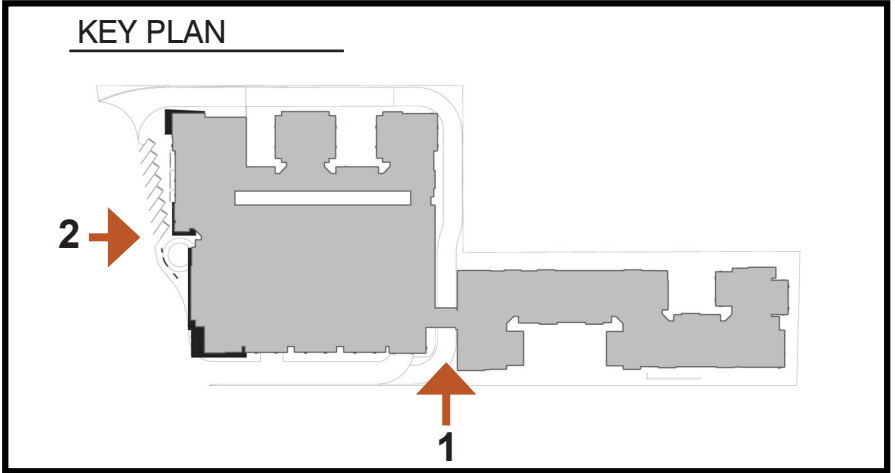
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ELEVATIONS

FINISH SCHEDULE					
1	BRICK VENEER 1 - LIGHT	4	CEMENTITIOUS LAP SIDING	7	VINYL WINDOWS
2	BRICK VENEER 2 - DARK	5	BOARD AND BATTEN	8	ALUMINUM STOREFRONT
3	CEMENTITIOUS PANEL	6	WOODTONE	9	BALCONY W/ MTL. PNL. RAILING
				10	MESH RAILING
				11	MTL. CANOPY
				12	TRIM BOARD
				13	PT-1
				14	PT-2
				15	PT-3
				16	PT-4
				17	PT-5
				18	PT-6



1 ELEVATION FACING SOUTH  
SCALE: 1"=50'



2 ELEVATION FACING EAST  
SCALE: 1"=50'

08/22/2019



COLLEGIATE  
DEVELOPMENT  
GROUP

ELEVATION PACKAGE  
BLOOMINGTON, IN



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ELEVATIONS

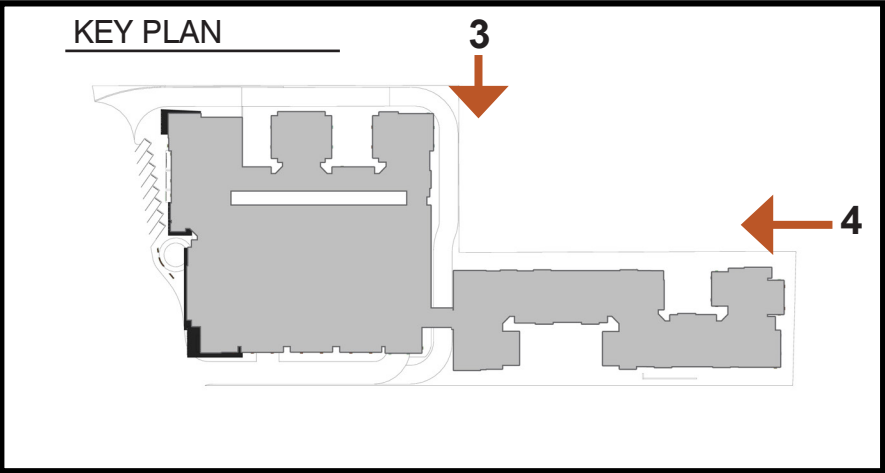
FINISH SCHEDULE					
1	BRICK VENEER 1 - LIGHT	4	CEMENTITIOUS LAP SIDING	7	VINYL WINDOWS
2	BRICK VENEER 2 - DARK	5	BOARD AND BATTEN	8	ALUMINUM STOREFRONT
3	CEMENTITIOUS PANEL	6	WOODTONE	9	BALCONY W/ MTL. PNL. RAILING
10	MESH RAILING	13	PT-1	16	PT-4
11	MTL. CANOPY	14	PT-2	17	PT-5
12	TRIM BOARD	15	PT-3	18	PT-6



3 ELEVATION FACING NORTH  
SCALE: 1"=50'



4 ELEVATION FACING WEST  
SCALE: 1"=50'



08/22/2019

## ORDINANCE 19-15

### **AN ORDINANCE AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING SEWAGE WORKS REVENUE BONDS OF THE CITY; AUTHORIZING THE ISSUANCE OF THE CITY OF BLOOMINGTON, INDIANA SEWAGE WORKS REFUNDING REVENUE BONDS OF 2019 TO PROVIDE FUNDS FOR SUCH REFUNDING AND THE PAYMENT OF THE COSTS THEREOF; AND ADDRESSING OTHER MATTERS CONNECTED THEREWITH**

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 hereinafter described outstanding bonds of the Sewage Works should be refunded to obtain a reduction in interest payments and effect a savings to the City; that the refunding of those outstanding bonds, together with redemption premium and accrued interest thereon and including all costs related to the refunding cannot be provided for out of funds of the Sewage Works now on hand and the refunding should be accomplished by the issuance of revenue bonds of the Sewage Works; and

WHEREAS, the City has issued its (a) Sewage Works Revenue Bonds of 2004, dated December 31, 2004, currently outstanding in the aggregate principal amount of \$2,487,000 (the “2004 Bonds”), pursuant Ordinance No. 00-35, as amended by Ordinance No. 03-33 (the “2004 Ordinance”), (b) Sewage Works Revenue Bonds of 2006, Series B, dated June 29, 2006, currently outstanding in the aggregate principal amount of \$1,703,704 (the “2006B Bonds”), pursuant to Ordinance No. 05-35, as amended by Ordinance No. 06-05 (the “2006 Ordinance” and, together with the 2004 Ordinance, the “Refunded Bond Ordinances”), and (c) Sewage Works Revenue Bonds of 2006, Series C, dated June 29, 2006, currently outstanding in the aggregate principal amount of \$3,495,663 (the “2006C Bonds” and, together with the 2004 Bonds and the 2006B Bonds, the “Refunded Bonds”), pursuant to the 2006 Ordinance, which Refunded Bonds constitute a first charge on the Net Revenues (as hereinafter defined) of the Sewage Works; and

WHEREAS, the Refunded Bonds may be redeemed, at the option of the City, in whole or in part at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, pursuant to separate prior bond ordinances adopted by the Common Council (collectively, the “Prior Ordinances”), the City has previously issued its (a) Amended Sewage Works Revenue of 2006, Series A-1, originally dated May 4, 2006 and amended on March 26, 2015, currently outstanding in the aggregate principal amount of \$3,694,400, (b) Sewage Works Refunding Revenue Bonds, Series 2012 A, dated April 10, 2012, currently outstanding in the aggregate principal amount of \$4,245,000, (c) Sewage Works Revenue Bonds, Series 2012 C, dated May 15, 2012, currently outstanding in the aggregate principal amount of \$3,830,000, (d) Sewage Works Refunding Revenue Bonds, Series 2013, dated May 17, 2013, currently outstanding in the aggregate principal amount of \$8,895,000, and (e) Sewage Works Revenue Bonds of 2017, dated August 8, 2017, currently outstanding in the aggregate principal amount of \$6,520,000 (clauses (a) through (e), 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 has found that it is beneficial to refund all of the outstanding Refunded Bonds pursuant to the provisions of IC 5-1-5 to enable the City to obtain a reduction in interest payments and effect a savings to the City and hereby authorizes the same by issuance of refunding revenue bonds (the “Refunding Bonds”); and

WHEREAS, the Common Council finds that the Parity Tests can be met with respect to the Refunding Bonds, and, accordingly, such Refunding Bonds will constitute a first charge against the Net Revenues (as hereinafter defined) of the Sewage Works on a parity with the Outstanding Parity Bonds and are to be issued subject to the provisions of the laws of the Act (as hereinafter defined), 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 the Refunding Bonds have been complied with in accordance with the provisions of IC 36-9-23 and IC 5-1-5, each as in effect on the date of delivery of the Refunding Bonds authorized herein (collectively, the “Act”).

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

**SECTION 1. Authorization of Refunding the Refunded Bonds.** 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 provide funds for refunding the Refunded Bonds thereby reducing its interest payments and effecting a savings, as will be reported after the sale of the Refunding Bonds issued hereunder by the City’s municipal advisor, O.W. Krohn & Associates, LLP (the “Municipal Advisor”). 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.

**SECTION 2. The Refunding Bonds.** In accordance with the Act, the City shall issue, in one or more series, its sewage works refunding revenue bonds designated “City of Bloomington, Indiana Sewage Works Refunding Revenue Bonds of 2019”, with any such further or different series designation as determined by the Controller (as defined herein) to be necessary or appropriate, in the aggregate principal amount not to exceed Seven Million Six Hundred Fifty Thousand Dollars (\$7,650,000) (the “Refunding Bonds”), for the purpose of providing funds to (i) effect a current refunding of the Refunded Bonds, (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 Refunding Bonds, including any premiums for any municipal bond insurance policies. The principal of, redemption premium, if any, and interest on the Refunding Bonds shall be payable solely out of the Net Revenues deposited into the Sinking Fund, as defined and described herein. The Refunding Bonds shall rank on parity with the Outstanding Parity Bonds.

The Refunding 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 Five Thousand Dollars (\$5,000) in excess thereof, or the aggregate principal amount of such Refunding Bonds maturing in any year if less than \$100,000; in either case not exceeding the aggregate principal amount of the Refunding Bonds maturing in any one year. The Refunding Bonds shall be numbered consecutively from R-1 upward, and shall bear interest at a rate not to exceed five percent (5.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations). Interest on the Refunding 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, 2020. The principal of the Refunding 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, 2020, and ending no later than January 1, 2027, until the principal is fully paid. Interest on the Refunding Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months. Subject to the terms and conditions herein,



the Refunding Bonds shall mature on such dates and amounts as determined by the Controller prior to the sale of the Refunding Bonds with the advice of the Municipal Advisor.

The Refunding Bonds shall bear an original issue date which shall be the date of delivery and each Refunding Bond shall also bear the date of its authentication. Any Refunding Bond authenticated on or before the fifteenth (15<sup>th</sup>) day of the month immediately preceding the first Interest Payment Date, shall pay interest from its original date. Any Refunding Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Refunding Bond to which interest thereon has been paid or duly provided for, unless such Refunding Bond is authenticated after the fifteenth (15<sup>th</sup>) 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 of the City (the "Controller") is authorized to serve as, or the Mayor of the City (the "Mayor") and Controller are authorized to appoint a qualified financial institution to serve as, the Registrar and Paying Agent for the Refunding 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 Refunding Bonds.

If wire transfer payment for the Refunding Bonds is not required, the principal of and any redemption premium on the Refunding Bonds shall be payable at the designated corporate trust operations office of the Paying Agent. Interest on the Refunding 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 first (1<sup>st</sup>) day of the month of the 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bond or Refunding 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 Refunding 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 Refunding Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Refunding Bond for redemption. The City, the Registrar and the Paying Agent may treat and consider the person in whose name any Refunding 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 Refunding Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Refunding Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Refunding Bond, which new Refunding Bond shall be marked in a manner to distinguish it from the Refunding Bond for which it was issued; provided, that in the case of any mutilated Refunding Bond, such mutilated Refunding Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Refunding 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 Refunding Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Refunding Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Refunding Bond or satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or

destroyed Refunding Bond. The City and the Registrar and Paying Agent may charge the owner of any such Refunding Bond with their reasonable fees and expenses in connection with the above. Every substitute Refunding Bond issued by reason of any Refunding Bond being lost, stolen or destroyed shall, with respect to such Refunding Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed Refunding 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 Refunding Bonds duly issued hereunder.

In the event that any Refunding 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 Refunding Bond or the redemption price thereof, as appropriate, and thereafter the owner of such Refunding 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 Refunding Bonds.** The Mayor and the Controller, upon consultation with the Municipal Advisor, may designate maturities of Refunding 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 Refunding Bonds.

If any Refunding Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Refunding Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds are presented for payment.

In addition to the foregoing notice, the City may also direct that further notice of redemption of the Refunding 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 Refunding 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 Refunding Bonds being redeemed; (ii) the date of issue of the Refunding Bonds as

originally issued; (iii) the rate of interest borne by each Refunding Bond being redeemed; (iv) the maturity date of each Refunding Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Refunding 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 Refunding 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 Refunding Bonds.

Upon the payment of the redemption price of the Refunding 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 Refunding Bonds being redeemed with the proceeds of such check or other transfer.

**SECTION 4. Authorization for Book-Entry System.** The Refunding 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 Refunding 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 Refunding Bonds as are necessary or appropriate to accomplish or recognize such book-entry form Refunding Bonds.

During any time that the Refunding Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Refunding 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 Refunding Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Refunding 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 Refunding Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Refunding Bonds, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Refunding 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 Refunding Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Refunding Bonds and to transfer the ownership of each of the Refunding Bonds to such person or persons, including any other Clearing Agency, as the holder of the Refunding Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Refunding Bonds, shall be paid by the City.

During any time that the Refunding 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 Refunding 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 Refunding Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Refunding 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 Refunding 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 Refunding 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 Refunding Bonds.** The Refunding 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 Refunding Bonds. The Refunding Bonds shall be authenticated by the manual signature of the Registrar, and no Refunding 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 Refunding Bond shall cease to be such official before the delivery of such Refunding 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 Refunding Bonds, the Refunding 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 Refunding 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 Refunding Bonds, to the extent necessary for that purpose. The City shall not be obligated to pay the Refunding Bonds or the interest thereon except from the Net Revenues of the Sewage Works, and the Refunding 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 Refunding 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 Refunding Bonds.** The form and tenor of the Refunding Bonds shall be substantially as set forth in Exhibit A, 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 Refunding Bonds.** The Controller is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor and the Controller are hereby authorized and directed to execute or to cause the execution of the Refunding Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the Refunding 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 99.0% of the par amount of the Refunding Bonds, plus accrued interest thereon to the

date of delivery. The Refunding 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 Refunding Bonds shall be and are hereby set aside for the application to the costs of refunding the Refunded Bonds and the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds as soon as the Refunding 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 Refunding 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 Refunding Bonds shall be required to name the rate or rates of interest which the Refunding 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 Refunding Bonds bearing each rate, and all Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds in the bond sale notice.

As an alternative to competitive bid, the Controller may negotiate the sale of said Refunding Bonds at an interest rate or rates not exceeding five percent (5.0%) per annum. The Mayor and the Controller are hereby authorized to (i) execute a purchase agreement with the purchaser, and (ii) sell such Refunding 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.



The Controller is hereby authorized to appoint a financial institution to serve as escrow trustee (the “Escrow Trustee”) for the Refunded Bonds in accordance with the terms of an Escrow Agreement between the City and the Escrow Trustee (the “Escrow Agreement”). The final form of the Escrow 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 the 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 this Ordinance and the purchase agreement.

The execution, by either the Mayor, Controller, or the purchaser, of a subscription for investments of proceeds of the Refunding Bonds to be held under the Escrow Agreement in a manner consistent with this Ordinance is hereby approved.

Prior to the delivery of the Refunding Bonds, the Controller (i) shall be authorized, but not required, to investigate and to obtain insurance, surety bonds and/or credit ratings on the Refunding Bonds and (ii) shall obtain a legal opinion as to the validity of the Refunding Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, and such opinion shall be furnished to the purchasers of the Refunding 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 Refunding Bonds, shall be considered as a part of the cost of issuance of the Refunding Bonds and shall be paid out of the proceeds of the sale of the Refunding Bonds.

**SECTION 9. Official Statement.** Any series of the Refunding Bonds may be offered and sold pursuant to an Official Statement (preliminary and final) or other offering document with respect to such Refunding 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 Refunding 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 Refunding Bonds, (b) on behalf of the City, to designate the Preliminary Official Statement a “final” Official Statement of the City with respect to the Refunding 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 Refunding 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. Use of Proceeds of Refunding Bonds.** Proceeds of the Refunding Bonds shall be applied as follows and in the following order of priority:

(a) *First*, concurrently with the delivery of the Refunding Bonds, the Controller may acquire (subject to the terms of the respective Refunded Bond Ordinances), with the proceeds of the Refunding Bonds and cash on hand, direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the “Government Obligations”), to be used, together with certain cash from the proceeds of the Refunding Bonds and cash on hand, if any, as set forth in the Escrow Agreement, to refund and legally defease the Refunded Bonds all as set forth in the Escrow Agreement. In order to refund the Refunded Bonds, the Controller shall deposit the Government Obligations and certain cash, if any, with the Escrow Trustee under the Escrow Agreement in an amount sufficient to provide moneys for the payment of the principal of and interest and redemption premium, if any, on the Refunded Bonds until the earliest date upon which the Refunded Bonds may be called for redemption. As an alternative to purchasing Government Obligations, the Controller, with the

advice of the Municipal Advisor, may deposit proceeds of the Refunding Bonds and cash on hand with the Escrow Trustee in an amount sufficient to currently refund and legally defease the Refunded Bonds. If required for the legal defeasance of the Refunded Bonds, the Controller shall obtain a verification of an accountant as to the sufficiency of the Government Obligations (if any) and funds deposited in the Trust Account under the Escrow Agreement to accomplish said refunding and legal defeasance of the Refunded Bonds.

In the event that the Indiana Finance Authority, as registered owner of the Refunded Bonds, agrees to accept immediate cash payment of an amount sufficient to refund the Refunded Bonds on the date of delivery of the Refunding Bonds, the Controller shall provide such payment to the Indiana Finance Authority from the proceeds of the Refunding Bonds and cash on hand in order to currently refund and defease such Refunded Bonds. In such event, the Controller shall obtain a verification report from an accountant as to the amount required to be delivered to the Indiana Finance Authority in order to accomplish such refunding of the Refunded Bonds as of the date of delivery of the Refunding Bonds.

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

(c) *Third*, the remaining proceeds of the Refunding Bonds shall be applied by the Controller to the cost of issuance of the Refunding Bonds not otherwise paid. When all the costs of issuance of the Refunding Bonds have been paid, the Controller shall then transfer any amount then remaining from the proceeds of the Refunding Bonds to the hereinafter described Sinking Fund.

**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 Utility Services Board of the City (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 Refunding 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. Any moneys heretofore accumulated to pay principal of and interest on the Refunded Bonds shall be either (i) credited to and become a part of the Trust Account under the Escrow Agreement and shall be applied on the earliest payments made from the Trust Account or (ii) if applicable, applied to the immediate payment of the Refunded Bonds on the date of issuance of the Refunding Bonds. 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 Refunding 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 Refunding Bonds, the City shall cause funds on hand of the Sewage Works, proceeds of the Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds, it is hereby specifically provided as follows:

(a) So long as any of the Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds, unless all of the Refunding 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 Refunding 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 Refunding Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Refunding 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 Refunding 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 Refunding Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Refunding Bonds.

(g) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds, as the case may be (“Code”) and as an inducement to purchasers of the Refunding 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 Refunding Bonds or property financed or refinanced by the proceeds of the Refunding 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 Refunding 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 Refunding 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 Refunding Bonds, as the case may be.

(b) No more than 10% of the principal of or interest on the Refunding Bonds is (under the terms of the Refunding 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 Refunding Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Refunding 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 Refunding Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the Refunding 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 Refunding Bonds.

(e) No more than 5% of the proceeds of the Refunding 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 Refunding Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Refunding 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 Refunding 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 Refunding 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 Refunding Bonds.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bond issued pursuant to this Ordinance; or

(b) A reduction in the principal amount of any Refunding 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 Refunding Bond or Refunding Bonds issued pursuant to this Ordinance over any other Refunding Bond or Refunding Bonds issued pursuant to the provisions of this Ordinance; or

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

(f) A reduction in the required balance to be held as a reserve for the Refunding 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 Refunding 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 Refunding 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 Refunding 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 Refunding Bonds authorized by this Ordinance, and the terms and provisions of the Refunding 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 Refunding 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 \_\_\_\_\_, 2019.

\_\_\_\_\_  
DAVE ROLLO, 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 \_\_\_\_\_, 2019.

\_\_\_\_\_  
NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
JOHN HAMILTON, Mayor  
City of Bloomington

## SYNOPSIS

This ordinance authorizes the City of Bloomington to issue its Sewage Works Refunding Revenue Bonds of 2019 in the aggregate principal amount not to exceed \$7,650,000. The 2019 bonds will be issued to refund the City's currently outstanding Sewage Works Revenue Bonds of 2004, Sewage Works Revenue Bonds of 2006, Series B, and Sewage Works Revenue Bonds of 2006, Series C, all of the purpose of obtaining lower interest costs and a reduction of debt service payments on such outstanding bonds, thereby achieving significant savings for the City.





**EXHIBIT A**

R-\_\_

[FORM OF REGISTERED BOND]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA  
SEWAGE WORKS REFUNDING REVENUE BOND OF 2019

<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 Refunding 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 Refunding 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 Refunding 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 Refunding 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 “Refunding Bonds”), issued for the purpose of providing funds to effect a current refunding of the Refunded Bonds (as defined in the Ordinance), [fund a debt service reserve fund] and pay the costs of issuance of the Refunding Bonds. This Refunding Bond is issued pursuant to an ordinance adopted by the Common Council of the City on the \_\_\_\_ day of \_\_\_\_\_, 2019, entitled “An Ordinance Authorizing the Refunding of Certain Outstanding Sewage Works Revenue Bonds of the City; Authorizing the Issuance of the City of Bloomington, Indiana Sewage Works Refunding Revenue Bonds of 2019 to Provide Funds for Such Refunding and the Payment of the Costs Thereof; and Addressing Other Matters Connected Therewith” (the “Ordinance”), and in accordance with the provisions of Indiana law, including, without limitation, Indiana Code 36-9-23 and IC 5-1-5, as amended (the “Act”).

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this Refunding 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 Refunding 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 Refunding 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:

Date

Amount

\*

\*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 Refunding 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 Refunding Bonds to be redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Refunding Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Refunding 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 Refunding 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 Refunding 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 Refunding Bond or Refunding 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 Refunding 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 Refunding Bond, dated as of the date of initial issuance of the Refunding 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 Refunding 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

\_\_\_\_\_  
JOHN HAMILTON, Mayor

(Seal)

ATTEST:

\_\_\_\_\_  
JEFF UNDERWOOD, Controller

#### CERTIFICATE OF AUTHENTICATION

This bond is one of the Refunding 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.

DMS 14516767v2



August 22, 2019

Mr. Jeffrey H. Underwood, CPA  
Controller - City of Bloomington  
City Hall  
Bloomington, Indiana

Re: Executive Summary – Proposed Sewage Works Refunding Bonds of 2019

Dear Jeff:

There are 3 separate SRF bond issues eligible for refunding that could generate the following benefits for CBU. The 2004, 2006 B and 2006 C bond series would be replaced by the 2019 Refunding Bonds.

1. The underwriter has proposed issuing “premium bonds” which would help to buy down the outstanding bond principal by \$600,000.
2. Currently, there is approximately \$589,000 of additional cash in the Debt Service Reserve Fund (over and above the current DSR fund level requirement) that would also buy down the current bond principal outstanding.
3. While current bond coupon rates range between 3.33% and 3.44%, the “All In True Interest Cost” (All In TIC) on the proposed bonds would amount to approximately 2.006%.
4. Annual debt service payments, after consolidating the 3 outstanding bonds into a single bond issue, will amount to approximately \$128,000 / year.
5. Gross savings, after deducting the Debt Service Reserve Funds to be applied, amount to approximately \$450,000, with a net present value of over \$386,541.
6. The proposed bonds will reach final maturity on 1/1/2027 (same as the current 3 outstanding bonds to be refunded).
7. Net Present Value Savings amount to 5.03% of the refunded bonds and 5.76% of the refunding bonds.

Please feel free to contact me if you have any questions.

Sincerely,  
O. W. Krohn & Associates, LLP

*Buzz*

Otto W. “Buzz” Krohn  
Executive Partner



BLOOMINGTON MUNICIPAL WASTEWATER UTILITY

ESTIMATED SOURCES AND USES OF FUNDS

	<u>AMOUNT</u>
SOURCES OF FUNDS:	
PROPOSED 2019 REFUNDING BONDS	\$ 6,710,000.00
PREMIUM ON BOND	614,953.95
DSR FUNDS APPLIED TO REFUNDING	<u>589,473.00</u>
 TOTAL SOURCES OF FUNDS	 <u><u>\$ 7,914,426.95</u></u>
 USES OF FUNDS:	
CASH DEPOSIT TO ESCROW	\$ 7,761,100.16
BOND COUNSEL, FINANCIAL ADVISOR, LEGAL COUNSEL AND OTHER COSTS OF ISSUANCE AND ROUNDING	109,711.79
UNDERWRITER'S DISCOUNT	<u>43,615.00</u>
 TOTAL USES OF FUNDS	 <u><u>\$ 7,914,426.95</u></u>

(PRELIMINARY - SUBJECT TO CHANGE)

BLOOMINGTON MUNICIPAL WASTEWATER UTILITY

PROPOSED AMORTIZATION SCHEDULE OF \$6,710,000 SEWAGE WORKS  
REFUNDING REVENUE BONDS OF 2019

ASSUMED CLOSING DATE: OCTOBER 15, 2019

PAYMENT DATE	PRINCIPAL BALANCE	INTEREST RATES	DEBT SERVICE			BOND YEAR TOTAL
			PRINCIPAL	INTEREST	TOTAL	
1/1/2020	\$ 6,710,000	4.000%	\$ 840,000	\$ 56,662.22	\$ 896,662.22	\$ 896,662.22
7/1/2020				117,400.00	117,400.00	
1/1/2021	5,870,000	4.000%	795,000	117,400.00	912,400.00	1,029,800.00
7/1/2021				101,500.00	101,500.00	
1/1/2022	5,075,000	4.000%	825,000	101,500.00	926,500.00	1,028,000.00
7/1/2022				85,000.00	85,000.00	
1/1/2023	4,250,000	4.000%	860,000	85,000.00	945,000.00	1,030,000.00
7/1/2023				67,800.00	67,800.00	
1/1/2024	3,390,000	4.000%	895,000	67,800.00	962,800.00	1,030,600.00
7/1/2024				49,900.00	49,900.00	
1/1/2025	2,495,000	4.000%	930,000	49,900.00	979,900.00	1,029,800.00
7/1/2025				31,300.00	31,300.00	
1/1/2026	1,565,000	4.000%	965,000	31,300.00	996,300.00	1,027,600.00
7/1/2026				12,000.00	12,000.00	
1/1/2027	600,000	4.000%	600,000	12,000.00	612,000.00	624,000.00
TOTALS			<u>\$ 6,710,000</u>	<u>\$ 986,462.22</u>	<u>\$ 7,696,462.22</u>	<u>\$ 7,696,462.22</u>

(PRELIMINARY - SUBJECT TO CHANGE)

BLOOMINGTON MUNICIPAL WASTEWATER UTILITY

CALCULATION OF DEBT SERVICE SAVINGS

PAYMENT DATE	OUTSTANDING DEBT SERVICE			TOTAL DEBT SERVICE TO BE REFUNDED	PROPOSED 2019 REFUNDING DEBT SERVICE	DEBT SERVICE ANNUAL SAVINGS
	2004 BONDS	2006B BONDS	2006C BONDS			
1/1/2020	\$ 362,776.40	\$ 217,726.67	\$ 446,732.78	\$ 1,027,235.85	\$ 896,662.22	\$ 130,573.63
7/1/2020	37,272.40	25,213.83	51,733.76	114,219.99	117,400.00	
1/1/2021	368,272.40	220,879.83	453,201.76	1,042,353.99	912,400.00	126,773.98
7/1/2021	31,579.20	21,955.99	45,049.32	98,584.51	101,500.00	
1/1/2022	374,579.20	224,137.99	459,886.32	1,058,603.51	926,500.00	129,188.02
7/1/2022	25,679.60	18,589.66	38,142.28	82,411.54	85,000.00	
1/1/2023	380,679.60	227,503.66	466,793.28	1,074,976.54	945,000.00	127,388.08
7/1/2023	19,573.60	15,111.24	31,005.24	65,690.08	67,800.00	
1/1/2024	386,573.60	230,982.24	473,930.24	1,091,486.08	962,800.00	126,576.16
7/1/2024	13,261.20	11,516.99	23,630.54	48,408.73	49,900.00	
1/1/2025	392,261.20	234,576.99	481,304.54	1,108,142.73	979,900.00	126,751.46
7/1/2025	6,742.40	7,803.04	16,010.27	30,555.71	31,300.00	
1/1/2026	398,742.40	238,291.04	488,925.27	1,125,958.71	996,300.00	128,914.42
7/1/2026		3,965.41	8,136.24	12,101.65	12,000.00	
1/1/2027		242,128.41	496,799.24	738,927.65	612,000.00	127,029.30
TOTALS	<u>\$ 2,797,993.20</u>	<u>\$ 1,940,382.99</u>	<u>\$ 3,981,281.08</u>	<u>\$ 8,719,657.27</u>	<u>\$ 7,696,462.22</u>	\$ 1,023,195.05
LESS DEBT SERVICE RESERVE FUNDS APPLIED TO REFUNDING						<u>(589,473.00)</u>
GROSS SAVINGS						<u>\$ 433,722.05</u>

(PRELIMINARY - SUBJECT TO CHANGE)

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## SOURCES AND USES OF FUNDS

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Dated Date	10/15/2019
Delivery Date	10/15/2019

## Sources:

Bond Proceeds:	
Par Amount	6,710,000.00
Premium	614,953.95
	<u>7,324,953.95</u>

Other Sources of Funds:	
Prior Reserve Fund Spend-Down	589,473.00
	<u>7,914,426.95</u>

## Uses:

Refunding Escrow Deposits:	
Cash Deposit	7,761,100.16

Cost of Issuance:	
Bond Counsel	40,000.00
Municipal Advisor	40,000.00
Local Counsel	5,000.00
Rating Agency	15,000.00
Paying Agent	500.00
UW Counsel	5,000.00
	<u>105,500.00</u>

Underwriter's Discount:	
Other Underwriter's Discount	43,615.00

Other Uses of Funds:	
Additional Proceeds	4,211.79
	<u>7,914,426.95</u>

## SUMMARY OF BONDS REFUNDED

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Sewage Works Bonds of 2004:					
BOND	01/01/2020	3.440%	320,000.00	10/15/2019	100.000
	01/01/2021	3.440%	331,000.00	10/15/2019	100.000
	01/01/2022	3.440%	343,000.00	10/15/2019	100.000
	01/01/2023	3.440%	355,000.00	10/15/2019	100.000
	01/01/2024	3.440%	367,000.00	10/15/2019	100.000
	01/01/2025	3.440%	379,000.00	10/15/2019	100.000
	01/01/2026	3.440%	392,000.00	10/15/2019	100.000
			2,487,000.00		
Sewage Works Revenue Bonds of 2006 Series B:					
BOND	01/01/2020	3.330%	189,360.00	10/15/2019	100.000
	01/01/2021	3.330%	195,666.00	10/15/2019	100.000
	01/01/2022	3.330%	202,182.00	10/15/2019	100.000
	01/01/2023	3.330%	208,914.00	10/15/2019	100.000
	01/01/2024	3.330%	215,871.00	10/15/2019	100.000
	01/01/2025	3.330%	223,060.00	10/15/2019	100.000
	01/01/2026	3.330%	230,488.00	10/15/2019	100.000
	01/01/2027	3.330%	238,163.00	10/15/2019	100.000
			1,703,704.00		
Sewage Works Revenue Bonds of 2006 Series C:					
BOND	01/01/2020	3.330%	388,530.00	10/15/2019	100.000
	01/01/2021	3.330%	401,468.00	10/15/2019	100.000
	01/01/2022	3.330%	414,837.00	10/15/2019	100.000
	01/01/2023	3.330%	428,651.00	10/15/2019	100.000
	01/01/2024	3.330%	442,925.00	10/15/2019	100.000
	01/01/2025	3.330%	457,674.00	10/15/2019	100.000
	01/01/2026	3.330%	472,915.00	10/15/2019	100.000
	01/01/2027	3.330%	488,663.00	10/15/2019	100.000
			3,495,663.00		
			7,686,367.00		



## PRIOR BOND DEBT SERVICE

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019Dated Date 10/15/2019  
Delivery Date 10/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Present Value to 10/15/2019 @ 1.4092492%	Bond Balance	Total Bond Value
10/15/2019							7,686,367	7,686,367
01/01/2020	897,890	** %	129,345.86	1,027,235.86	1,027,235.86	1,024,194.98	6,788,477	6,788,477
07/01/2020			114,219.99	114,219.99		113,085.04	6,788,477	6,788,477
01/01/2021	928,134	** %	114,219.99	1,042,353.99	1,156,573.98	1,024,775.83	5,860,343	5,860,343
07/01/2021			98,584.51	98,584.51		96,243.83	5,860,343	5,860,343
01/01/2022	960,019	** %	98,584.51	1,058,603.51	1,157,188.02	1,026,238.11	4,900,324	4,900,324
07/01/2022			82,411.54	82,411.54		79,332.92	4,900,324	4,900,324
01/01/2023	992,565	** %	82,411.54	1,074,976.54	1,157,388.08	1,027,578.40	3,907,759	3,907,759
07/01/2023			65,690.09	65,690.09		62,354.30	3,907,759	3,907,759
01/01/2024	1,025,796	** %	65,690.09	1,091,486.09	1,157,176.18	1,028,810.42	2,881,963	2,881,963
07/01/2024			48,408.73	48,408.73		45,309.72	2,881,963	2,881,963
01/01/2025	1,059,734	** %	48,408.73	1,108,142.73	1,156,551.46	1,029,944.97	1,822,229	1,822,229
07/01/2025			30,555.71	30,555.71		28,200.79	1,822,229	1,822,229
01/01/2026	1,095,403	** %	30,555.71	1,125,958.71	1,156,514.42	1,031,910.32	726,826	726,826
07/01/2026			12,101.65	12,101.65		11,013.23	726,826	726,826
01/01/2027	726,826	3.330%	12,101.65	738,927.65	751,029.30	667,763.35		
	7,686,367		1,033,290.30	8,719,657.30	8,719,657.30	8,296,756.23		

## BOND DEBT SERVICE

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019Dated Date 10/15/2019  
Delivery Date 10/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
10/15/2019						6,710,000	6,710,000
01/01/2020	840,000	4.000%	56,662.22	896,662.22	896,662.22	5,870,000	5,870,000
07/01/2020			117,400.00	117,400.00		5,870,000	5,870,000
01/01/2021	795,000	4.000%	117,400.00	912,400.00	1,029,800.00	5,075,000	5,075,000
07/01/2021			101,500.00	101,500.00		5,075,000	5,075,000
01/01/2022	825,000	4.000%	101,500.00	926,500.00	1,028,000.00	4,250,000	4,250,000
07/01/2022			85,000.00	85,000.00		4,250,000	4,250,000
01/01/2023	860,000	4.000%	85,000.00	945,000.00	1,030,000.00	3,390,000	3,390,000
07/01/2023			67,800.00	67,800.00		3,390,000	3,390,000
01/01/2024	895,000	4.000%	67,800.00	962,800.00	1,030,600.00	2,495,000	2,495,000
07/01/2024			49,900.00	49,900.00		2,495,000	2,495,000
01/01/2025	930,000	4.000%	49,900.00	979,900.00	1,029,800.00	1,565,000	1,565,000
07/01/2025			31,300.00	31,300.00		1,565,000	1,565,000
01/01/2026	965,000	4.000%	31,300.00	996,300.00	1,027,600.00	600,000	600,000
07/01/2026			12,000.00	12,000.00		600,000	600,000
01/01/2027	600,000	4.000%	12,000.00	612,000.00	624,000.00		
	6,710,000		986,462.22	7,696,462.22	7,696,462.22		

## SAVINGS

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 10/15/2019 @ 1.4092492%
01/01/2020	1,027,235.86	896,662.22	130,573.64	130,573.64	130,187.11
07/01/2020	114,219.99	117,400.00	-3,180.01		-3,148.41
01/01/2021	1,042,353.99	912,400.00	129,953.99	126,773.98	127,762.46
07/01/2021	98,584.51	101,500.00	-2,915.49		-2,846.27
01/01/2022	1,058,603.51	926,500.00	132,103.51	129,188.02	128,064.62
07/01/2022	82,411.54	85,000.00	-2,588.46		-2,491.76
01/01/2023	1,074,976.54	945,000.00	129,976.54	127,388.08	124,245.58
07/01/2023	65,690.09	67,800.00	-2,109.91		-2,002.77
01/01/2024	1,091,486.09	962,800.00	128,686.09	126,576.18	121,296.64
07/01/2024	48,408.73	49,900.00	-1,491.27		-1,395.80
01/01/2025	1,108,142.73	979,900.00	128,242.73	126,751.46	119,193.09
07/01/2025	30,555.71	31,300.00	-744.29		-686.93
01/01/2026	1,125,958.71	996,300.00	129,658.71	128,914.42	118,828.66
07/01/2026	12,101.65	12,000.00	101.65		92.51
01/01/2027	738,927.65	612,000.00	126,927.65	127,029.30	114,703.56
	8,719,657.30	7,696,462.22	1,023,195.08	1,023,195.08	971,802.28

Savings Summary

Dated Date	10/15/2019
Delivery Date	10/15/2019
PV of savings from cash flow	971,802.28
Less: Prior funds on hand	-589,473.00
Plus: Refunding funds on hand	4,211.79
Net PV Savings	386,541.07

## SUMMARY OF REFUNDING RESULTS

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Dated Date	10/15/2019
Delivery Date	10/15/2019
Arbitrage yield	1.409249%
Escrow yield	0.000000%
Value of Negative Arbitrage	
 Bond Par Amount	 6,710,000.00
True Interest Cost	1.581879%
Net Interest Cost	1.683281%
All-In TIC	2.006109%
Average Coupon	4.000000%
Average Life	3.675
Weighted Average Maturity	3.780
 Par amount of refunded bonds	 7,686,367.00
Average coupon of refunded bonds	3.362108%
Average life of refunded bonds	3.709
Remaining weighted average maturity of refunded bonds	3.709
 PV of prior debt to 10/15/2019 @ 1.409249%	 8,296,756.23
Net PV Savings	386,541.07
Percentage savings of refunded bonds	5.028918%
Percentage savings of refunding bonds	5.760672%

## BOND PRICING

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Bond Component:						
	01/01/2020	840,000	4.000%	1.170%	100.593	4,981.20
	01/01/2021	795,000	4.000%	1.220%	103.330	26,473.50
	01/01/2022	825,000	4.000%	1.270%	105.932	48,939.00
	01/01/2023	860,000	4.000%	1.310%	108.430	72,498.00
	01/01/2024	895,000	4.000%	1.350%	110.811	96,758.45
	01/01/2025	930,000	4.000%	1.400%	113.020	121,086.00
	01/01/2026	965,000	4.000%	1.450%	115.092	145,637.80
	01/01/2027	600,000	4.000%	1.580%	116.430	98,580.00
		6,710,000				614,953.95

Dated Date	10/15/2019	
Delivery Date	10/15/2019	
First Coupon	01/01/2020	
Par Amount	6,710,000.00	
Premium	614,953.95	
Production	7,324,953.95	109.164738%
Underwriter's Discount	-43,615.00	-0.650000%
Purchase Price	7,281,338.95	108.514738%
Accrued Interest		
Net Proceeds	7,281,338.95	

## SPREAD TO MUNICIPAL GRADE YIELD

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Component	Maturity Date	Rate	Yield	AAA Scale (8/21/2019)	Credit Spread
Bond Component:					
	01/01/2020	4.000%	1.170%	0.970%	0.200%
	01/01/2021	4.000%	1.220%	0.980%	0.240%
	01/01/2022	4.000%	1.270%	0.990%	0.280%
	01/01/2023	4.000%	1.310%	0.990%	0.320%
	01/01/2024	4.000%	1.350%	0.990%	0.360%
	01/01/2025	4.000%	1.400%	1.000%	0.400%
	01/01/2026	4.000%	1.450%	1.030%	0.420%
	01/01/2027	4.000%	1.580%	1.080%	0.500%

## BOND SUMMARY STATISTICS

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Dated Date	10/15/2019
Delivery Date	10/15/2019
First Coupon	01/01/2020
Last Maturity	01/01/2027
Arbitrage Yield	1.409249%
True Interest Cost (TIC)	1.581879%
Net Interest Cost (NIC)	1.683281%
All-In TIC	2.006109%
Average Coupon	4.000000%
Average Life (years)	3.675
Weighted Average Maturity (years)	3.780
Duration of Issue (years)	3.481
Par Amount	6,710,000.00
Bond Proceeds	7,324,953.95
Total Interest	986,462.22
Net Interest	415,123.27
Total Debt Service	7,696,462.22
Maximum Annual Debt Service	1,030,600.00
Average Annual Debt Service	1,067,306.01
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.500000
Total Underwriter's Discount	6.500000
Bid Price	108.514738

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	6,710,000.00	109.165	4.000%	3.675	2,552.10
	6,710,000.00			3.675	2,552.10

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,710,000.00	6,710,000.00	6,710,000.00
+ Accrued Interest			
+ Premium (Discount)	614,953.95	614,953.95	614,953.95
- Underwriter's Discount	-43,615.00	-43,615.00	
- Cost of Issuance Expense		-105,500.00	
- Other Amounts			
Target Value	7,281,338.95	7,175,838.95	7,324,953.95
Target Date	10/15/2019	10/15/2019	10/15/2019
Yield	1.581879%	2.006109%	1.409249%



## FORM 8038 STATISTICS

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019Dated Date 10/15/2019  
Delivery Date 10/15/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	01/01/2020	840,000.00	4.000%	100.593	844,981.20	840,000.00
	01/01/2021	795,000.00	4.000%	103.330	821,473.50	795,000.00
	01/01/2022	825,000.00	4.000%	105.932	873,939.00	825,000.00
	01/01/2023	860,000.00	4.000%	108.430	932,498.00	860,000.00
	01/01/2024	895,000.00	4.000%	110.811	991,758.45	895,000.00
	01/01/2025	930,000.00	4.000%	113.020	1,051,086.00	930,000.00
	01/01/2026	965,000.00	4.000%	115.092	1,110,637.80	965,000.00
	01/01/2027	600,000.00	4.000%	116.430	698,580.00	600,000.00
		6,710,000.00			7,324,953.95	6,710,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	01/01/2027	4.000%	698,580.00	600,000.00		
Entire Issue			7,324,953.95	6,710,000.00	3.7802	1.4092%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	149,115.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to refund prior tax-exempt bonds	7,761,100.16
Proceeds used to refund prior taxable bonds	0.00
Remaining WAM of prior tax-exempt bonds (years)	3.7092
Remaining WAM of prior taxable bonds (years)	0.0000
Last call date of refunded tax-exempt bonds	10/15/2019

## 2011 Form 8038 Statistics

Proceeds used to currently refund prior issues	7,761,100.16
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	3.7092
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

## FORM 8038 STATISTICS

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Sewage Works Bonds of 2004:					
BOND	01/01/2020	320,000.00	3.440%	100.000	320,000.00
BOND	01/01/2021	331,000.00	3.440%	100.000	331,000.00
BOND	01/01/2022	343,000.00	3.440%	100.000	343,000.00
BOND	01/01/2023	355,000.00	3.440%	100.000	355,000.00
BOND	01/01/2024	367,000.00	3.440%	100.000	367,000.00
BOND	01/01/2025	379,000.00	3.440%	100.000	379,000.00
BOND	01/01/2026	392,000.00	3.440%	100.000	392,000.00
		2,487,000.00			2,487,000.00
Sewage Works Revenue Bonds of 2006 Series B:					
BOND	01/01/2020	189,360.00	3.330%	100.000	189,360.00
BOND	01/01/2021	195,666.00	3.330%	100.000	195,666.00
BOND	01/01/2022	202,182.00	3.330%	100.000	202,182.00
BOND	01/01/2023	208,914.00	3.330%	100.000	208,914.00
BOND	01/01/2024	215,871.00	3.330%	100.000	215,871.00
BOND	01/01/2025	223,060.00	3.330%	100.000	223,060.00
BOND	01/01/2026	230,488.00	3.330%	100.000	230,488.00
BOND	01/01/2027	238,163.00	3.330%	100.000	238,163.00
		1,703,704.00			1,703,704.00
Sewage Works Revenue Bonds of 2006 Series C:					
BOND	01/01/2020	388,530.00	3.330%	100.000	388,530.00
BOND	01/01/2021	401,468.00	3.330%	100.000	401,468.00
BOND	01/01/2022	414,837.00	3.330%	100.000	414,837.00
BOND	01/01/2023	428,651.00	3.330%	100.000	428,651.00
BOND	01/01/2024	442,925.00	3.330%	100.000	442,925.00
BOND	01/01/2025	457,674.00	3.330%	100.000	457,674.00
BOND	01/01/2026	472,915.00	3.330%	100.000	472,915.00
BOND	01/01/2027	488,663.00	3.330%	100.000	488,663.00
		3,495,663.00			3,495,663.00
		7,686,367.00			7,686,367.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Sewage Works Bonds of 2004	10/15/2019	12/31/2004	3.3462
Sewage Works Revenue Bonds of 2006 Series B	10/15/2019	06/29/2006	3.8829
Sewage Works Revenue Bonds of 2006 Series C	10/15/2019	06/29/2006	3.8829
All Refunded Issues	10/15/2019		3.7092

## PROOF OF ARBITRAGE YIELD

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

Date	Debt Service	PV Factor	Present Value to 10/15/2019 @ 1.4092491809%
01/01/2020	896,662.22	0.997039741	894,007.87
07/01/2020	117,400.00	0.990063510	116,233.46
01/01/2021	912,400.00	0.983136092	897,013.37
07/01/2021	101,500.00	0.976257144	99,090.10
01/01/2022	926,500.00	0.969426327	898,173.49
07/01/2022	85,000.00	0.962643306	81,824.68
01/01/2023	945,000.00	0.955907745	903,332.82
07/01/2023	67,800.00	0.949219312	64,357.07
01/01/2024	962,800.00	0.942577678	907,513.79
07/01/2024	49,900.00	0.935982515	46,705.53
01/01/2025	979,900.00	0.929433498	910,751.88
07/01/2025	31,300.00	0.922930304	28,887.72
01/01/2026	996,300.00	0.916472613	913,081.66
07/01/2026	12,000.00	0.910060106	10,920.72
01/01/2027	612,000.00	0.903692466	553,059.79
	7,696,462.22		7,324,953.95

Proceeds Summary

Delivery date	10/15/2019
Par Value	6,710,000.00
Premium (Discount)	614,953.95
Target for yield calculation	7,324,953.95

UNDERWRITING DISCLOSURE REPORT

City of Bloomington, Indiana  
Sewage Works Revenue Refunding Bonds Series 2019

SEC REQUIRED DISCLOSURES as a potential Underwriter

Please be advised the J.J.B. Hilliard, W.L. Lyons, LLC ('Hilliard Lyons') is not currently engaged as municipal advisor to the Issuer and is not subject to the fiduciary duty set forth in Section 15B(c)(1) of the Securities Exchange Act of 1934 with respect to any issuance of municipal securities or municipal financial products.

The information contained herein is for discussion purposes only in anticipation of serving as underwriter to the Issuer. The primary role of Hilliard Lyons, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and Hilliard Lyons. Hilliard Lyons will act in its own interest and has financial and other interests that differ from those of the Issuer.

The accompanying information was obtained from sources which Hilliard Lyons believes to be reliable but does not guarantee its accuracy and completeness. Please note, historical data is not an indication of future results.

Additional information is available upon request.

CITY OF BLOOMINGTON, INDIANA  
MUNICIPAL SEWAGE WORKS  
DEBT SERVICE RESERVE FUND REQUIREMENT

Pay Year	* 2004 Bonds (SRF)	* 2006A-1 Bonds	* 2006B Bonds (SRF)	* 2006C Bonds (SRF)	2012A Bonds	2012C Bonds	2013 Bonds	2017 Bonds	Total Debt Existing Service	2019 Refunding Bonds	Total Proposed Debt Service
2019	\$405,553	\$570,070	\$246,093	\$504,936	\$519,450	\$336,836	\$2,318,331	\$454,500	\$5,355,769	\$896,662	\$5,095,850
2020	405,545	569,495	246,094	504,936	518,500	336,461	2,319,883	453,900	5,354,814	1,029,800	5,228,040
2021	406,158	567,887	246,094	504,936	517,250	340,961	1,175,723	458,200	4,217,209	1,028,000	4,088,021
2022	406,359	565,200	246,093	504,936	518,775	339,636	1,181,232	457,300	4,219,531	1,030,000	4,092,143
2023	406,147	566,473	246,093	504,935	514,775	343,174	1,191,296	461,300	4,234,194	1,030,600	4,107,618
2024	405,522	566,315	246,094	504,935	514,275	345,824	1,190,826	460,100	4,233,891	1,029,800	4,107,140
2025	405,485	564,971	246,094	504,936	520,300	343,174		463,800	3,048,759	1,027,600	2,919,845
2026		567,445	246,094	504,935	514,550	350,374		467,300	2,650,698	624,000	2,523,669
2027					517,530	351,574		467,250	1,336,354		1,336,354
2028					508,960	352,311		471,900	1,333,171		1,333,171
2029						357,281		471,100	828,381		828,381
2030						356,431		475,000	831,431		831,431
2031						359,831		473,450	833,281		833,281
2032						362,688		476,600	839,288		839,288
2033								479,300	479,300		479,300
2034								486,550	486,550		486,550
2035								488,200	488,200		488,200
2036								494,400	494,400		494,400
Totals	<u>\$2,840,770</u>	<u>\$4,537,856</u>	<u>\$1,968,750</u>	<u>\$4,039,484</u>	<u>\$5,164,365</u>	<u>\$4,876,556</u>	<u>\$9,377,291</u>	<u>\$8,460,150</u>	<u>\$41,265,222</u>	<u>\$7,696,462</u>	<u>\$40,112,680.77</u>

Sewage Works Reserve Fund Balance as of Fiscal Year Ending 2018:	\$5,817,513
Existing Combined Maximum Annual Debt Service:	5,355,769
Proposed Combined Maximum Annual Debt Service:	5,228,040
<b>Debt Service Reserve Fund Spend-Down:</b>	<b>\$589,473</b>

\*Series selected to be refunded by 2019 Refunding Bonds.

**BMC TITLE 10 (WASTEWATER) AS AMENDED  
BY ORDINANCE 19-16 (RATE ADJUSTMENT) AND  
ORDINANCE 19-17 (WAIVER OF CONNECTION FEES)**

**Title 10 – WASTEWATER**

**Chapters:**

- 10.04 General Rules**
- 10.08 Wastewater Rates and Charges**
- 10.12 General Sewer Use Requirements**
- 10.16 Industrial Wastewater Dischargers**
- 10.17 Food Service Establishment Wastewater Dischargers**
- 10.20 Illicit Stormwater Connection and Discharge**
- 10.21 Construction Site and Post Construction Stormwater Control**
- 10.30 Enforcement, Penalties and Appeals**

**CHANGES MADE BY:**

**ORDINANCE 19-16 (RATE ADJUSTMENT) ARE INDICATED IN RED FONT**

**ORDINANCE 19-17 (WAIVER OF CONNECTION FEES) ARE INDICATED IN BLUE FONT**

## **Chapter 10.08**

### **WASTEWATER RATES AND CHARGES**

#### **Sections:**

- 10.08.010 Rates—Generally.**
- 10.08.020 Rates—Biennial review.**
- 10.08.030 Rates—Based on quantity of water used.**
- 10.08.035 Rate—Establishment of stormwater utility.**
- 10.08.040 Rates—Metered water users.**
- 10.08.045 Rates—Stormwater utility users.**
- 10.08.050 Rates—Exemptions.**
- 10.08.060 Rates—Utility measurement of water.**
- 10.08.070 Rates—Nonmetered users.**
- 10.08.080 Billing.**
- 10.08.085 Lifeline service.**
- 10.08.090 Delinquencies—Late payment charge.**
- 10.08.100 Liens for nonpayment.**
- 10.08.110 Special service rates.**
- 10.08.120 Waste haulers—Charges.**
- 10.08.130 Inspection charge.**
- 10.08.140 Connection fee.**
- 10.08.150 Laboratory charges.**

#### **10.08.010 - Rates—Generally.**

Rates or charges shall be collected for the use of and the service rendered by the utility from the owners of each and every lot, parcel of real estate, or building that is connected with and uses the utility by or through any part of the wastewater treatment system, and the rates and charges shall be payable as provided in this chapter.

(Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)



**10.08.020 - Rates—Biennial review.**

Not less than every two years, the Board shall review the wastewater contribution of users and user classes, the total cost of operation and maintenance of the treatment works, and its user charge system. The board shall, subject to enactment by the common council, revise the charges for users and user classes to maintain the proportionate distribution of operation and maintenance costs among the user and user classes and to generate sufficient revenue to pay the total operation and maintenance costs necessary for proper operation and maintenance of the treatment system, bond payments, and routine improvements.

(Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.030 - Rates—Based on quantity of water used.**

- (a) The residential User rates and charges shall be based upon the quantity of water used on or in the property or premises subject to the rates and charges, as water is measured by the city water meter there in use, except as otherwise provided. Residential summer rates for the months of June, July, August, and September shall be based upon the average of April and May or actual usage, whichever is less. All other users shall be charged on the basis of one hundred percent of metered water consumption subject to user proof of lower wastewater use.
- (b) Industrial User rates and charges shall be based on the quantity of water used as well as any special service rates that may apply.

(Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.035 - Rate—Establishment of stormwater utility.**

There is hereby established within the city wastewater utility the powers, duties and responsibility for the construction, operation and maintenance for the stormwater utility in accordance with Indiana Code 36-9-23-1 et seq. The original jurisdictional boundaries of the stormwater utility are reflected in Exhibit A, incorporated herein; said boundaries may be amended or extended with the approval of the Utilities Service Board.

(Ord. 98-29 § 2, 1998).

(Ord. No. 12-28, § 1, 12-19-2012)

**Editor's note—** Exhibit A, attached to Ord. No. 12-28, adopted Dec. 19, 2012, is not set out herein but is on file with the city.

► **AMENDED BY ORDINANCE 19-16 – SECTION 1:**

**10.08.040 - Rates—Metered water users.**

General service rates shall be applicable to all metered water Users, except those with other than average strengths of BOD and suspended solids. The general service rates shall be determined as follows:

<b>Monthly service charge (per meter)</b>	<b><del>\$7.95</del></b>	<b><del>\$8.19</del></b>
<b>User charge</b>		
<b>Charge per 1,000 gallons per month for all billable usage:</b>		
<b>Residential <sup>(a)</sup></b>	<b><del>7.76</del></b>	<b><del>\$7.99</del></b>
<b>Commercial</b>	<b><del>7.76</del></b>	<b><del>\$7.99</del></b>
<b>Indiana University</b>	<b><del>7.76</del></b>	<b><del>\$7.99</del></b>
<b>Industrial <sup>(b)</sup></b>	<b><del>7.76</del></b>	<b><del>\$7.99</del></b>

**For service rendered to lots, parcels of real estate or buildings located outside the corporate limits of the city, there shall be a 12% surcharge imposed in addition to the general service rates established in this section.**

Notes:

(a) Residential summer rates for billings issued during the months of June, July, August, and September shall be based upon the average metered water consumption for billings issued during the months of April and May or actual usage, whichever is less. In order to more accurately reflect the actual wastewater usage of these customers, the utilities service board may, by the adoption of a resolution, change the months used to set the summer rates and the length of time the summer rates are in effect. All other users shall be charged on the basis of one hundred percent of metered water consumption subject to user proof of lower wastewater use.

(b) Industrial user rates and charges shall be based on the quantity of water used as well as any special service rates that may apply.

(Ord. 11-13 § 1, 2011; Ord. 05-34 § 1, 2005; Ord. 03-24 § 1, 2003; Ord. 00-34 § 1, 2000; Ord. 99-31 § 1, 1999; Ord. 98-29 § 3, 1998; Ord. 97-01 § 1, 1997; Ord. 94-41 § 1, 1994; Ord. 89-36 § 1, 1989; Ord. 81-16 §§ 1, 5, 1981; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012; Ord. No. 16-10, § 1, 6-15-2016)

**10.08.045 - Rates—Stormwater utility users.**

(a) The rates and charges of the stormwater utility shall be as follows:

The stormwater system user fee is applicable to all utility customers with accounts within the stormwater system service area. All customers classified by the utility as being single-family residential shall pay a monthly charge of two dollars and seventy cents. All other customers shall be charged based upon the amount of runoff generated by the customer. The amount of runoff subject to the stormwater utility rate shall be determined by a calculation based upon the following formula, minus any credits, as approved by the Utilities Service Board:

Runoff generated by nonsingle-family residential customer	Runoff generated by the average single-family residential customer multiplied times \$2.70
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(b) These rates and charges shall be billed monthly, and all provisions of the Indiana Code, the Bloomington Municipal Code and the city utilities department "Rules, Regulations and Standards of Service" which apply to the payment and collection of rates and charges for wastewater services shall apply equally to the rates and charges for stormwater utilities services.

(Ord. 03-24 § 2, 2003; Ord. 01-15 § 1, 2001; Ord. 99-04 § 3, 1999; Ord. 98-29 § 4, 1998).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.050 - Rates—Exemptions.**

Water which is used in process of manufacture or for any other purpose which does not discharge into the sanitary sewers shall be exempted; provided, however that the property owner shall install, under the supervision of the utility, the necessary meters to indicate the amount of water used which does not discharge into the sanitary sewers. All meter installation and maintenance costs shall be paid by the User, including a monthly service charge as provided in Section 10.08.040.

(Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.060 - Rates—Utility measurement of water.**

(a) In the event a lot, parcel of real estate, or building discharging wastewater, water, or other liquids into the wastewater treatment system, either directly or indirectly, is not

a User of water supplied by the utility and the water used is not measured by a utility water meter or by a meter acceptable to the utility, then the amount of water used shall be otherwise measured or determined by the utility in order to determine the rate or charge provided for in this chapter, or the User may at his expense install and maintain a meter acceptable to the utility for this purpose.

- (b) In the event a lot, parcel of real estate, or building discharges industrial wastewater either directly or indirectly into the wastewater treatment system and the utility finds it is not practical to attempt to measure such wastes by meter, it may be measured in such manner and by such methods as the utility may find practical in the light of the conditions and attendant circumstances in order to determine the rate or charge according to the corresponding rates per thousand gallons provided in this chapter. Higher than average wastewater strengths shall pay accordingly.

(Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

► **AMENDED BY ORDINANCE 19-16 - SECTION 2:**

**10.08.070 - Rates—Nonmetered users.**

The minimum rate or charge for any service where the user is not a metered water user shall be ~~seven hundred and seventy-three dollars and forty-seven cents~~ seven hundred and ninety-six dollars and seventy-four cents (\$796.74) per year, payable monthly. At the request of the utility or user, a meter which measures either the water use of the customer or the discharge into the sanitary sewer system shall be installed at the user's expense. Where a meter has been installed or the customer's water use records are available at no charge from the water supplier, the charge for service shall be computed on the basis of water usage plus monthly service charge, just as it is with a metered user, subject to the annual minimum charge.

For service rendered to lots, parcels of real estate or buildings located outside the corporate limits of the city, there shall be a 12% surcharge imposed in addition to the general service rates established in this section."

(Ord. 11-13 § 2, 2011; Ord. 05-34 § 2, 2005; Ord. 03-24 § 3, 2003; Ord. 00-34 § 2, 2000; Ord. 98-29 § 5, 1998; Ord. 94-41 § 2, 1994; Ord. 89-36 § 2, 1989; Ord. 81-16 § 2, 1981; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012; Ord. No. 16-10, § 2, 6-15-2016)



**10.08.080 - Billing.**

Rates and charges shall be billed monthly and shall be due according to the collection policy as adopted by the Utilities Service Board.

(Ord. 94-41 § 3, 1994; Ord. 89-36 § 3, 1989; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.085 - Lifeline service.**

Beginning February 23, 1981, and ending February 23, 1982, those Users who are heads of households aged sixty-two or over who are dependent on Social Security or Social Security/SSI and whose total annual household income is at or below one hundred twenty-five percent of poverty level shall receive a credit on that portion of their monthly wastewater bill that is equivalent to the amount of the capital-related costs as established in Section 10.08.040.

(Ord. 81-16 § 7, 1981). (Ord. No. 12-28, § 1, 12-19-2012)

**10.08.090 - Delinquencies—Late payment charge.**

In the event a net bill is not paid within seventeen days from the mailing of the bill, it shall become a delinquent bill and a late payment charge may be added in the amount permitted by applicable state laws and regulations.

(Ord. 03-24 § 4, 2003; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.100 - Liens for nonpayment.**

- (a) In addition to any other method of collection of rates and charges, including the late payment charge, the utility may foreclose liens on property when rates and charges become delinquent. The utility may recover the amount due, the penalty, and reasonable attorney's fees in the manner provided by Indiana Code 36-9-23-31.
- (b) The utility shall have the right to foreclose the lien against rental property regardless of whether the delinquency in payment was created by the tenant or owner of the property.

(Ord. 89-14 § 4, 1989; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

► **AMENDED BY ORDINANCE 19-16 – SECTION 3:**

**10.08.110 - Special service rates.**

(a) Special service rates shall be applicable to all industrial users who generate wastewater which contains any nonconventional pollutants or strengths of BOD or SS that exceed the system average strengths of three hundred parts per million BOD or three hundred parts per million SS, as determined by special laboratory analysis by the utility's central laboratory. Other special service rates shall be charged on a case-by-case basis for toxic pollutant discharges, with the charges being based on the difficulty of treating the toxic pollutant as well as sampling, testing, and disposal charges. Strength charges are to be computed on actual measured strengths and volumes.

(b) Special service rates shall be determined as follows:

Monthly service charge (per meter) <u>Inside City</u>	<del>\$ 7.95</del>	\$8.19
<u>Monthly service charge (per meter) Outside City</u>		\$9.17
Special laboratory analysis monthly charge		
Strength of BOD and SS sampling charge	<del>166.90</del>	\$171.91
Grease and oil sampling charge	<del>156.45</del>	\$161.14
Metal sampling charge (per metal per test)	<del>34.77</del>	\$35.81
User Charge		
Charge per 1,000 gallons per month for all billable usage <u>inside city:</u>		
Non-excessive strength rate	<del>7.76</del>	\$7.99
<u>Charge per 1,000 gallons per month for all billable usage outside city:</u>		
<u>Non-excessive strength rate</u>		\$8.95
Extra Strength Charge		
Charge per pound per month for all strength in excess of 300 ppm:		
BOD	<del>0.380</del>	\$0.391
Suspended Solids	<del>0.310</del>	\$0.319

(Ord. 11-13 §3, 2011; Ord. 05-34 § 3, 2005; Ord. 03-24 § 5, 2003; Ord. 00-34 § 3, 2000; Ord. 99-31 § 2, 1999; Ord. 98-29 § 6, 1998; Ord. 97-01 § 2, 1997; Ord. 94-41 § 4, 1994; Ord. 89-36 § 4, 1989; Ord. 81-16 §§ 3, 6, 1981; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012; Ord. No. 14-11, § 61, 7-2-2014; Ord. No. 16-10, § 3, 6-15-2016)

**10.08.120 - Waste haulers—Charges.**

- (a) Waste shall only be accepted for treatment by the utility if the treatment processes and final effluent are not adversely affected. All haulers shall provide the utility with the names and addresses of the Users whose waste is brought for treatment. The Director shall designate the site where the waste will be accepted.
- (b) The following types of waste may be accepted for treatment by the city utilities:
  - (1) Domestic Septage. Domestic septage refers to the waste contained in, or removed from, septic tanks or holding tanks which serve residential homes or other sources which generate only food-based waste. Each truckload delivered will be assumed to be a full load unless proven otherwise by the hauler.
  - (2) Grease Waste. Grease waste is the waste contained in, or removed from, grease traps and interceptors, or other similar devices which have been installed for the purpose of retaining the portion of the waste stream which floats on water. For the purpose of this title, grease waste refers to grease of plant or animal origin. Petroleum based oils and grease are specifically prohibited from being discharged into the wastewater system. Analysis of the grease wastes may be required before acceptance for treatment and disposal. The charge will be based on the calculated volume of the trap or interceptor. There will be no additional charge for the water used to wash the grease from the trap or interceptor.
  - (3) Wastewater Treatment Plant Waste. Wastewater treatment plant waste includes the excess solids generated at municipal or semi-public wastewater treatment plants and/or the collection systems associated with those treatment plants. The waste may be in the form of sludge, mixed liquor, lagoon dredgings, or waste from lift stations, and must be compatible with the POTW's processes and capacities. Wastes which jeopardize compliance with the Part 503 rules concerning land application of sludge are prohibited. The board shall establish parameters for the testing of these wastes. The waste hauler will be responsible for the cost of any testing required. Trucks delivering these wastes will be assumed to be full.
  - (4) Commercial/Industrial Waste. Commercial/industrial waste includes wastes generated by industrial or commercial operations, or an operation which combines domestic waste with waste generated from industrial operations. This waste may be the product of some one-time operation, or may be accumulated in some form of holding tank, such as a septic tank. The wastes may be delivered to the system facilities only after the written request for such disposal has been approved by the Director, or the Director's designee, on a case-by-case basis. The Board shall establish parameters for the testing of these wastes. The waste hauler will be responsible for the cost of any testing required. Trucks delivering these wastes will be assumed to be full.
  - (5) Out-of-County Waste. For each of the above listed categories of waste, there shall be a surcharge of fifty percent added to the respective fees for any waste which originates at any source outside the boundaries of Monroe County.
  - (6) The charge for each delivery of the types of waste described above shall be:

	Portion of Rate Applicable to		
	Operations, Maintenance, and Replacement Expenses	Capital Related Costs	Total
Domestic Septage—			
First 500 gallons	\$ 7.52	\$ 2.78	\$10.30
Each additional 100 gallons	0.43	0.16	0.59
Grease Waste—			
First 100 gallons	4.30	1.59	5.89
Each additional 100 gallons	4.30	1.59	5.89
Wastewater Treatment Plant Waste—			
First 500 gallons	16.12	5.96	22.08
Each additional 100 gallons	3.23	1.19	4.42
Commercial/Industrial Waste—			
First 500 gallons	16.12	5.96	22.08
Each additional 100 gallons	3.23	1.19	4.42

(c) The fees for the treatment and disposal of domestic septage shall be charged to the waste hauler with a valid Wastewater Management Business Permit issued by the Indiana Department of Environmental Management who transports the waste to the treatment facility for disposal. Any City of Bloomington Utilities Department approved waste hauler may purchase tickets which authorize that hauler to dispose of one load of domestic septage.

Generators of nondomestic waste must request authorization to dispose of wastes in the utility treatment works. The application will be reviewed by staff and, if approved, the tickets for disposal of the waste may be purchased by the waste generator. Generators may purchase tickets in the manner outlined above. The generator must provide the appropriate ticket(s) to the waste hauler and the hauler must present the ticket(s) to the staff at the treatment facility as evidence that the disposal of the waste has been authorized.

Additional procedures that further promote an orderly system for the delivery, tracking and payment of these wastes may be adopted by the Board.

(Ord. 06-11 § 6, 2006; Ord. 00-34 § 4, 2000; Ord. 98-29 § 7, 1998; Ord. 97-01 § 3, 1997; Ord. 94-41 § 5, 1994; Ord. 89-36 § 5, 1989; Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.130 - Inspection charge.**

All construction inspections during normal business hours shall be free of charge. All inspections during overtime hours shall be at the rate of twelve dollars and fifty cents per hour.

(Ord. 80-26 § 1 (part), 1980).

(Ord. No. 12-28, § 1, 12-19-2012)

**10.08.135 - Service call charge.**

- (a) A service charge shall be collected for all service calls in excess of one free call per year, including, but not limited to, calls for sewer back-up and inspection for leaks, but such charge shall not be collected if the call was necessitated by an error of the Utility.
- (b) The charge for all service calls during normal business hours shall be \$54.00 per call and \$180.00 per call during overtime hours.

(Ord. No. 17-41, § 1, 11-15-2017)

► Amended by [Ordinance 19-17 – Sections 1 and 2:](#)

**10.08.140 - Connection fee.**

The connection fee is applicable to all utility customers within the wastewater system service area. The following fees shall be charged for each new connection to the wastewater system based upon the customer's water meter size [unless otherwise stated below](#):

Domestic Water Meter Size In Inches	Connection Fee
5/8" or 3/4"	\$2,775.00
1"	\$7,104.00
1½"	\$15,984.00
2"	\$28,416.00
3"	\$63,936.00
4"	\$113,664.00
6"	\$255,744.00
8"	\$454,656.00
10"	\$710,400.00

[The connection fee may be waived at the discretion of the Director for the following limited purposes:](#)



(a) Upon application for waiver by a department of the City of Bloomington for a single family residential dwelling affordable housing project as defined by HAND Department using low to moderate income guidelines as outlined by the US Department of Housing and Urban Development on real estate located within the city limits of the City of Bloomington; or

(b) Upon application for waiver by an owner of real property which is located within the city limits of the City of Bloomington for the purpose of abandoning an existing septic system or to otherwise protect the municipal separate stormwater sewer system (MS4).

(Ord. 01-16 § 1, 2001: Ord. 97-01 § 4, 1997: Ord. 94-41 § 6, 1994).

(Ord. No. 12-28, § 1, 12-19-2012; Ord. No. 17-41, § 2, 11-15-2017)

**10.08.150 - Laboratory charges.**

The following charges shall apply for laboratory tests performed on samples delivered to the wastewater laboratory.

Alkalinity	\$ 9.00
Ammonia	13.00
BOD	16.00
Chlorine	8.00
COD	19.00
Cyanide	21.00
Floride	11.00
Hardness	9.00
Nitrates	16.00
Oil & grease	37.50
pH	3.00
Phosphates	17.00
Sulfates	16.00
Suspended solids	9.00
Dissolved solids	9.00
Total solids	12.00
Volatile solids	12.00
Total coliform	10.00

Fecal coliform	10.00
E. Coli	10.00
H. plate count	10.00
Cadmium	28.50
Chromium	28.50
Copper	28.50
Iron	28.50
Lead	28.50
Manganese	28.50
Nickel	28.50
Silver	28.50
Zinc	28.50

(Ord. 97-01 § 5, 1997). (Ord. No. 12-28, § 1, 12-19-2012)

**ORDINANCE 19-16**  
**TO AMEND TITLE 10**  
**OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED**  
**“WASTEWATER”**  
**(Rate Adjustment)**

- WHEREAS, the City of Bloomington, Indiana (the “City”) has established, acquired, and financed its sewage works pursuant to Indiana Code 36-9-23, as amended (the “Act”), for the purpose of providing for the collection, treatment and disposal of sewage from inhabitants in and around the City; and
- WHEREAS, the City, through its Utilities Service Board, recommends necessary construction of additions and improvements to the sewage works, including prevention and elimination of SSOs, replacing aging infrastructure, replacing or upgrading treatment facility components; and,
- WHEREAS, the City, through its Utilities Service Board, engaged the services of Crowe LLP, to conduct a thorough study of the revenue requirements for continued maintenance, improvement and expansion of the wastewater system; and
- WHEREAS, Crowe LLP prepared a rate and financing report concerning the current rates and charges of the sewage works (the “Report”); and
- WHEREAS, the City, through its Utilities Service Board, upon consideration of the study prepared by Crowe LLP, accepts said report and recommends that the Common Council approve a 3% increase in the rates and charges of the sewage works and to establish an additional 12% surcharge for service rendered to all lots, parcels of real estate or buildings located outside the limits of the city; and,
- WHEREAS, based upon the Report, and the recommendations of the Utility Service Board, the Common Council of the City (the “Council”) finds that the current rates and charges for the use of and service rendered by the sewage works do not produce sufficient revenues to pay all the legal and necessary expenses incidental to the operation of such sewage works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals and interest charges on bonds or other obligations of the sewage works, to provide a sinking fund for the liquidation of indebtedness, and to provide adequate funds to be used as working capital and funds for making extensions and replacements and to make payments in lieu of taxes; and
- WHEREAS, the Council finds that the current rates and charges do not produce an income sufficient to maintain the sewage works property in a sound physical and financial condition to render safe, adequate and efficient service; and
- WHEREAS, the Council finds that the current rates and charges for the use of and service rendered by the sewage works must be increased in order to provide sufficient revenue to meet such requirements; and
- WHEREAS, the Council finds that the rates and charges set forth herein are nondiscriminatory, reasonable and just and are based upon the cost of providing service to the customers of the sewage works and will enable the City to meet its legal revenue requirements for the sewage works; and
- WHEREAS, the Council caused notice of a public hearing on the rates and charges set forth herein to be duly advertised and mailed, and held a public hearing thereon, all pursuant to the Act.

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

SECTION 1. Section 10.08.040 of the Bloomington Municipal Code (the “Code”), entitled “Rates—Metered water users”, is hereby amended and restated to read as follows:

“General service rates shall be applicable to all metered water users, except those with other than average strengths of BOD and suspended solids. The general service rates shall be determined as follows:

Monthly service charge (per meter)	\$8.19
User Charge	
Charge per 1,000 gallons per month for all billable usage:	
Residential <sup>(a)</sup>	\$7.99
Commercial	\$7.99
Indiana University	\$7.99
Industrial <sup>(b)</sup>	\$7.99

For service rendered to lots, parcels of real estate or buildings located outside the corporate limits of the city, there shall be a 12% surcharge imposed in addition to the general service rates established in this section.

Notes:

- (a) Residential summer rates for billings issued during the months of June, July, August, and September shall be based upon the average metered water consumption for billings issued during the months of April and May or actual usage, whichever is less. In order to more accurately reflect the actual wastewater usage of these customers, the Utilities Service Board may, by the adoption of a resolution, change the months used to set the summer rates and the length of time the summer rates are in effect. All other users shall be charged on the basis of one hundred percent of metered water consumption subject to user proof of lower wastewater use.
- (b) Industrial user rates and charges shall be based on the quantity of water used as well as any special service rates that may apply.”

SECTION 2. Section 10.08.070 of the Code, entitled “Rates—Nonmetered users”, is hereby amended and restated to read as follows:

“The minimum rate or charge for any service where the user is not a metered water user shall be seven hundred and ninety-six dollars and seventy-four cents (\$796.74) per year, payable monthly. At the request of the utility or user, a meter which measures either the water use of the customer or the discharge into the sanitary sewer system shall be installed at the user’s expense. Where a meter has been installed or the customer’s water use records are available at no charge from the water supplier, the charge for service shall be computed on the basis of water usage plus monthly service charge, just as it is with a metered user, subject to the annual minimum charge.

For service rendered to lots, parcels of real estate or buildings located outside the corporate limits of the city, there shall be a 12% surcharge imposed in addition to the general service rates established in this section.”

SECTION 3. Subsection (b) of Section 10.08.110 of the Code, entitled “Special service rates”, is hereby amended and restated to read as follows:

“Special service rates shall be determined as follows:

Monthly service charge (per meter)	Inside City	\$ 8.19
Monthly service charge (per meter)	Outside City	\$ 9.17
Special laboratory analysis monthly charge		
Strength of BOD and SS sampling charge		\$171.91
Grease and oil sampling charge		\$161.14
Metal sampling charge (per metal per test)		\$ 35.81

User Charge

Charge per 1,000 gallons per month for all billable usage inside city:

Non-excessive strength rate \$7.99

Charge per 1,000 gallons per month for all billable usage outside city:

Non-excessive strength rate \$8.95

Extra Strength Charge

Charge per pound per month for all strength in excess of 300 ppm:

BOD \$0.391

Suspended Solids \$0.319

SECTION 4. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION 5. This ordinance shall be in full force and effect upon its passage by the Common Council of the City of Bloomington, Monroe County, Indiana, and approval of the Mayor; provided, however, that the rates and charges herein approved shall not take effect until January 1, 2020.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
DAVE ROLLO, 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 \_\_\_\_\_, 2019.

\_\_\_\_\_  
NICOLE BOLDEN, Clerk  
City of Bloomington

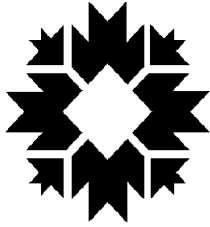
SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
JOHN HAMILTON, Mayor  
City of Bloomington

SYNOPSIS

This ordinance amends the rates and charges in Title 10 of the Bloomington Municipal Code, entitled "Wastewater", to reflect increased costs of supplying wastewater services to customers, and to make debt service payments on bond financing for required capital improvements. It also establishes a new surcharge for service provided to lots, parcels of real estate or buildings located outside the corporate limits of the city





**CITY OF BLOOMINGTON  
LEGAL DEPARTMENT  
MEMORANDUM**

**TO:** City of Bloomington Common Council Members  
**FROM:** Christopher J. Wheeler, Assistant City Attorney  
**RE:** Proposed Ordinance 19-16 authorizing Wastewater Utility rate increase  
**DATE:** August 27, 2019

Ordinance 19-16 (the "Rate Ordinance") is before the Common Council for approval. Ordinance 19-16 authorizes a 3% across-the-board increase of all rates and charges of the Wastewater Utility and establishes an additional 12% surcharge for service rendered to all lots, parcels of real estate or buildings located outside the limits of the city. These new rates only apply to the wastewater portion of customers' bills. City Administration and the Utilities Service Board both support this adjustment. If passed, this rate adjustment will go into effect on January 1, 2020, and produce revenue sufficient to meet on-going operation and maintenance expenses, make present debt service payments and other on-going obligations, while also permitting the City to make capital improvements to the Wastewater system and cover the debt service payments and other costs associated with making those improvements. Bond considerations will not be brought to Council until next year, 2020.

The planned Wastewater capital improvements include:

- Dillman Road Wastewater Treatment Plant Improvements:** Aeration basin air diffuser improvements; Clarifier algae control- weir; Continued existing SCADA improvements; Digester Tank and Aeration tank improvements; Installation of multi-stage blowers and stand alone disc filters; Phase 1 electrical improvements; Improvements to chemical disinfection.
- Blucher Pool Wastewater Treatment Plant Treatment Process and Water Quality Improvements:** Aeration Basin Improvements (Nos. 1 & 2); Phosphorous Removal System; Non-Potable Water System Replacement; UV System Replacement; Roof Replacements;
- Collection System:** Eliminate the Plymouth lift station; Infiltration and Inflow (I&I) Reduction Program Development; Sewer Lining, Manhole Rehab, FM lining; IU Health; Lift stations (Arlington, morningside, cans, etc);
- Other:** Installation of AMI smart metering throughout the City; Software and usiness process automation; Vehicle and Equipment replacement.

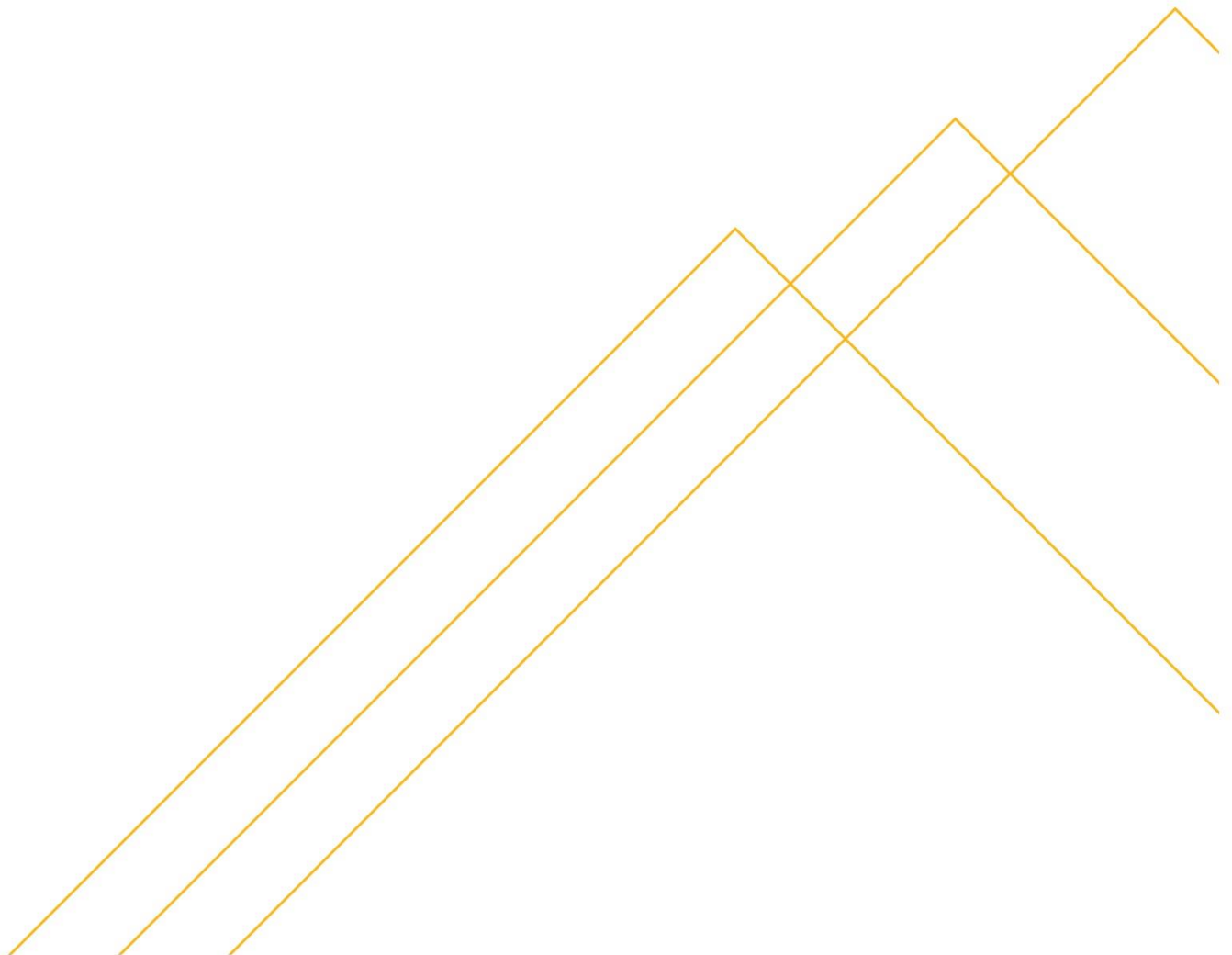
For a more comprehensive discussion of these Capital Improvements, please see the May 10, 2016, *Report on Wastewater Projects 5 Year Capital Improvement Plan* prepared by Mike Hicks, Capital Projects Manager for the City of Bloomington Utilities Department.

If you have any questions regarding either of these ordinances, please feel free to contact me by calling City Legal at 812.349.3549 or e-mailing me at [wheelech@bloomington.in.gov](mailto:wheelech@bloomington.in.gov).

# Rate and Financing Report

## City of Bloomington Sewage Works

August 22, 2019



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## Purpose of the Report

Crowe LLP (“Crowe” or “we”) has performed a study and analysis of the operating and financial reports, budgets, and other data pertaining to the City of Bloomington Sewage Works (“Utility”). The results of our analysis are contained in this Rate and Financing Report (“Report”).

The purpose of this Report is to estimate the Utility’s cash flow and financial capacity to meet its on-going revenue requirements for operation and maintenance expenses, current and proposed debt service payments, and to make capital improvements to the Utility’s system. This Report is based on data for the twelve months ended December 31, 2018 (“Test Year”). The historical information used in this Report was taken from the books and records of the Utility and was adjusted as necessary for fixed, known, and measurable items as disclosed in the exhibits and schedules of this Report.

This Utility has developed a 10-year capital improvement plan (“Capital Improvement Plan”) with significant capital improvements to the Utility’s system. This Report summarizes the first seven years of the Capital Improvement Plan and proposes funding sources through current cash balances, ongoing extensions and replacements, a proposed bond issuance in 2020 (“2020 Bonds”), and a proposed future bond issue (“Future Bonds”). The proposed rates in this Report do not incorporate estimated debt service on the Future Bonds when determining revenue requirements of the Utility. Based on the amortization of the Utility’s current outstanding bonds, and including the 2020 Bonds, the Utility will have additional capacity for some portion of debt service on the Future Bonds commensurate with the final maturities of existing outstanding debt between 2025 and 2029. An analysis of the Utility’s financial and rate position would be required prior to issuance of the Future Bonds to determine the Utility’s cash flow and financial capacity to meet debt service on the Future Bonds.

This Report calculates a surcharge (“Outside City Surcharge Factor”) to be applied against the Utility’s rates and charges for customers located outside the City of Bloomington’s (“City”) corporation boundaries (“Outside Customers”). We calculated the Outside City Surcharge Factor based on Test Year operating expenses, and debt and lease payment obligations of the Utility prior to the implementation of the Capital Improvement Plan. See the “Outside City Surcharge Factor” section of this Report for details on the calculation. Pro Forma revenues of the Utility were adjusted for the calculated increase in revenues as a result of the Outside City Surcharge Factor prior to consideration of the required across-the-board increase shown on the Revenue Requirements page of this Report. Therefore, were the Utility to implement the rates and charges proposed in this Report, Outside Customer bills would increase by both the Outside City Surcharge Factor and the across-the-board percentage increase. See the “Typical Monthly Bill Analysis” section for the effects on typical monthly customer bills.

In the course of preparing this Report, we have not conducted an audit of any financial or supplemental data used in the accompanying exhibits and schedules. We have made certain projections that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

If you have any questions regarding this Report, please call Jennifer Wilson at (317) 269-6699 or Craig Lotz at (317) 689-5512.

## Financial Statements

### Balance Sheets as of December 31, 2018, 2017, and 2016

ASSETS AND OTHER DEBITS	2018	2017	2016
<u>Utility Plant - Sewage Works</u>			
Utility Plant in Service	\$ 163,598,061	\$ 162,593,224	\$ 161,928,095
Less: Accumulated Depreciation	(91,703,638)	(88,515,843)	(85,094,585)
Net Utility Plant in Service	71,894,423	74,077,381	76,833,510
Add: Construction Work in Progress	9,707,790	3,700,639	682,358
Net Utility Plant - Sewage Works	81,602,213	77,778,020	77,515,868
<u>Utility Plant - Stormwater Utility</u>			
Utility Plant in Service	18,138,346	17,999,632	17,818,959
Less: Accumulated Depreciation	(3,005,983)	(2,716,425)	(2,429,768)
Net Utility Plant in Service	15,132,363	15,283,207	15,389,191
Add: Construction Work in Progress	855,686	440,537	285,959
Net Utility Plant - Stormwater Utility	15,988,049	15,723,744	15,675,150
<u>Restricted Assets</u>			
Sinking Fund	105	1,491	2,419
Debt Service Reserve Fund	5,817,513	5,726,301	6,690,957
Bond and Interest Fund	4,777,941	5,704,636	5,556,575
Construction Fund - Sewage Works	647,358	5,283,434	58,405
Total Restricted Assets	11,242,917	16,715,862	12,308,356
<u>Current and Accrued Assets</u>			
<u>Operation and Maintenance</u>			
Fund - Sewage Works	13,427,791	8,584,643	6,237,648
<u>Operation and Maintenance</u>			
Fund - Stormwater Utility	772,110	654,868	704,064
Accounts Receivable - Net	167,897	812,613	430,921
Total Current and Accrued Assets	14,367,798	10,052,124	7,372,633
<u>Deferred Debits</u>			
Unamortized Bond Issuance Costs	217,661	248,526	279,392
Unamortized Bond Discount	184,503	193,075	83,609
Deferral Loss on Advance Refunding	512,425	597,829	683,233
Total Deferred Debits	914,589	1,039,430	1,046,234
Total Assets and Other Debits	\$ 124,115,566	\$ 121,309,180	\$ 113,918,241



## Balance Sheets as of December 31, 2018, 2017, and 2016 (Continued)

LIABILITIES AND OTHER CREDITS	2018	2017	2016
<u>Equity Capital</u>			
Unappropriated Retained Earnings	\$ 33,119,462	\$ 27,378,221	\$ 24,503,119
Current Year Earnings	7,558,011	5,741,241	2,875,102
Total Equity Capital	<u>40,677,473</u>	<u>33,119,462</u>	<u>27,378,221</u>
<u>Long Term Debt</u>			
Revenue Bonds Payable	27,184,400	30,519,000	27,970,400
SRF Loans Payable	7,686,367	8,555,634	9,395,877
Capital Lease Obligations	-	260,178	648,197
Compensated Absences			
Payable - Long Term	214,546	231,540	226,530
Total Long Term Debt	<u>35,085,313</u>	<u>39,566,352</u>	<u>38,241,004</u>
<u>Current and Accrued Liabilities</u>			
Accounts Payable	782,557	271,854	190,868
Revenue Bonds - Current	3,334,600	4,246,400	4,138,883
SRF Loans - Current	869,267	840,243	812,801
Capital Lease Obligations - Current	260,178	322,978	314,396
Accounts Payable to Associated Company	12,264	10,056	7,961
Unearned Revenue	822,182	669,680	665,442
Accrued Payroll	230,303	192,365	192,932
Compensated Absences			
Payable - Short Term	73,535	66,572	68,438
Total Current and Accrued Liabilities	<u>6,384,886</u>	<u>6,620,148</u>	<u>6,391,721</u>
<u>Deferred Credits</u>			
Unamortized Bond Premium	332,664	367,988	281,176
Other Deferred Liabilities	19,000	19,000	19,000
Total Deferred Credits	<u>351,664</u>	<u>386,988</u>	<u>300,176</u>
Contributions in Aid of Construction	<u>41,607,119</u>	<u>41,607,119</u>	<u>41,607,119</u>
Prior Period Adjustments	<u>9,111</u>	<u>9,111</u>	<u>-</u>
Total Liabilities and Other Credits	<u>\$ 124,115,566</u>	<u>\$ 121,309,180</u>	<u>\$ 113,918,241</u>

## Calculation of Required Fund Balances

<b><u>Operating Fund</u></b>	
<u>Calculation of Required Operating Fund Balance</u>	
Adjusted Operation and Maintenance Expenses	\$ 12,370,964
Adjusted Taxes Other Than Income Taxes (FICA Only) (1)	404,424
Sub-Total	12,775,388
Divide by: Twelve Months	12
Monthly Operation and Maintenance Expenses	1,064,616
Times: Two Months	2
Required Operating Fund Balance	2,129,232
Less: Available Sewage Works Operating Fund Balance	(13,427,791)
Excess of Fund Balance	11,298,559
Less: Estimated Cash Contribution to Capital Improvement Plan (2)	(10,393,144)
Net Excess of Fund Balance	\$ 905,415
 <b><u>Bond and Interest Funds</u></b>	
<u>Calculation of Required Bond and Interest Fund Balance</u>	
<u>Calculation of Required Sinking Fund Balance</u>	
Principal Payment Due January 1, 2019	\$ 4,203,867
Interest Payment due January 1, 2019	574,073
Total Required Bond and Interest Fund Balance	4,777,940
Less: Current Bond and Interest Fund Balance	(4,777,941)
Excess of Fund Balance	\$ 1
 <b><u>Debt Service Reserve Fund</u></b>	
Maximum Annual Debt Service	\$ 5,355,770
Less: Current Balance of Debt Service Reserve	(5,817,513)
Excess of Fund Balance (3)	\$ 461,743

(1) Per the Bond Ordinances, the required two (2) month Operating Fund Balance excludes the Payment in Lieu of Taxes (PILOT).

(2) The Utility intends to use cash on hand to help fund portions of its Capital Improvement Plan.  
See the "Capital Improvement Plan" schedule in this Report for the estimated cash contribution.

(3) The Utility intends to use the excess funds within a proposed refunding.

## Combined Outstanding Debt

Year	2004 SRF Loan	Amended 2006 A-1 Bonds	2006 B SRF Loan	2006 C SRF Loan	2012 A Refunding Bonds	2012 C Bonds	2013 Refunding Bonds	2017 Bonds	Total
2018	\$ 358,108	\$ 471,976	\$ 214,676	\$ 440,472	\$ 436,662	\$ 267,968	\$ 2,223,078	\$ 365,000	\$ 4,777,940
2019	405,552	570,070	246,094	504,936	519,450	336,836	2,318,332	454,500	5,355,770
2020	405,544	569,496	246,094	504,936	518,500	336,462	2,319,884	453,900	5,354,816
2021	406,160	567,888	246,094	504,935	517,250	340,962	1,175,724	458,200	4,217,213
2022	406,360	565,200	246,094	504,935	518,774	339,636	1,181,232	457,300	4,219,531
2023	406,148	566,472	246,093	504,935	514,774	343,174	1,191,296	461,300	4,234,192
2024	405,522	566,316	246,094	504,936	514,274	345,824	1,190,826	460,100	4,233,892
2025	405,484	564,970	246,094	504,935	520,300	343,174		463,800	3,048,757
2026		567,444	246,093	504,935	514,550	350,374		467,300	2,650,696
2027					517,530	351,574		467,250	1,336,354
2028					508,958	352,312		471,900	1,333,170
2029						357,282		471,100	828,382
2030						356,432		475,000	831,432
2031						359,832		473,450	833,282
2032						362,688		476,600	839,288
2033								479,300	479,300
2034								486,550	486,550
2035								488,200	488,200
2036								494,400	494,400
Totals	<u>\$ 3,198,878</u>	<u>\$ 5,009,832</u>	<u>\$ 2,183,426</u>	<u>\$ 4,479,955</u>	<u>\$ 5,601,022</u>	<u>\$ 5,144,530</u>	<u>\$ 11,600,372</u>	<u>\$ 8,825,150</u>	<u>\$ 46,043,165</u>

Combined Maximum Annual Debt Service.

\$ 5,355,770

Average Annual Debt Service (2019-2023)

\$ 4,676,304

Note: The debt service for 2018 only includes the portion of principal and interest payments due on January 1, 2019.

## Sewage Works Revenue Bonds of 2004 State Revolving Fund (SRF) Loan Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 310,000	3.44 %	\$ 48,108	\$ 358,108	\$ 358,108
7/1/19			42,776	42,776	
1/1/20	320,000	3.44	42,776	362,776	405,552
7/1/20			37,272	37,272	
1/1/21	331,000	3.44	37,272	368,272	405,544
7/1/21			31,580	31,580	
1/1/22	343,000	3.44	31,580	374,580	406,160
7/1/22			25,680	25,680	
1/1/23	355,000	3.44	25,680	380,680	406,360
7/1/23			19,574	19,574	
1/1/24	367,000	3.44	19,574	386,574	406,148
7/1/24			13,261	13,261	
1/1/25	379,000	3.44	13,261	392,261	405,522
7/1/25			6,742	6,742	
1/1/26	392,000	3.44	6,742	398,742	405,484
Totals	<u>\$ 2,797,000</u>		<u>\$ 401,878</u>	<u>\$ 3,198,878</u>	

## Amended Sewage Works Revenue Bonds of 2006, Series A-1 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 374,600	4.64 %	\$ 97,376	\$ 471,976	\$ 471,976
7/1/19			88,685	88,685	
1/1/20	392,700	4.73	88,685	481,385	570,070
7/1/20			79,398	79,398	
1/1/21	410,700	4.75	79,398	490,098	569,496
7/1/21			69,644	69,644	
1/1/22	428,600	4.78	69,644	498,244	567,888
7/1/22			59,400	59,400	
1/1/23	446,400	4.80	59,400	505,800	565,200
7/1/23			48,686	48,686	
1/1/24	469,100	4.83	48,686	517,786	566,472
7/1/24			37,358	37,358	
1/1/25	491,600	4.83	37,358	528,958	566,316
7/1/25			25,485	25,485	
1/1/26	514,000	4.83	25,485	539,485	564,970
7/1/26			13,072	13,072	
1/1/27	<u>541,300</u>	4.83	<u>13,072</u>	<u>554,372</u>	<u>567,444</u>
Totals	<u>\$ 4,069,000</u>		<u>\$ 940,832</u>	<u>\$ 5,009,832</u>	

Note: The 2006 A-1 Bonds were issued through the Indiana Bond Bank. The amortization schedule was amended March 26, 2015, and resulted in a reduction in the overall payments of approximately \$720,000.



## Sewage Works Revenue Bonds of 2006, Series B State Revolving Fund (SRF) Loan Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 183,258	3.33 %	\$ 31,418	\$ 214,676	\$ 214,676
7/1/19			28,367	28,367	
1/1/20	189,360	3.33	28,367	217,727	246,094
7/1/20			25,214	25,214	
1/1/21	195,666	3.33	25,214	220,880	246,094
7/1/21			21,956	21,956	
1/1/22	202,182	3.33	21,956	224,138	246,094
7/1/22			18,590	18,590	
1/1/23	208,914	3.33	18,590	227,504	246,094
7/1/23			15,111	15,111	
1/1/24	215,871	3.33	15,111	230,982	246,093
7/1/24			11,517	11,517	
1/1/25	223,060	3.33	11,517	234,577	246,094
7/1/25			7,803	7,803	
1/1/26	230,488	3.33	7,803	238,291	246,094
7/1/26			3,965	3,965	
1/1/27	238,163	3.33	3,965	242,128	246,093
Totals	<u>\$ 1,886,962</u>		<u>\$ 296,464</u>	<u>\$ 2,183,426</u>	

## Sewage Works Revenue Bonds of 2006, Series C State Revolving Fund (SRF) Loan Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 376,009	3.33 %	\$ 64,463	\$ 440,472	\$ 440,472
7/1/19			58,203	58,203	
1/1/20	388,530	3.33	58,203	446,733	504,936
7/1/20			51,734	51,734	
1/1/21	401,468	3.33	51,734	453,202	504,936
7/1/21			45,049	45,049	
1/1/22	414,837	3.33	45,049	459,886	504,935
7/1/22			38,142	38,142	
1/1/23	428,651	3.33	38,142	466,793	504,935
7/1/23			31,005	31,005	
1/1/24	442,925	3.33	31,005	473,930	504,935
7/1/24			23,631	23,631	
1/1/25	457,674	3.33	23,631	481,305	504,936
7/1/25			16,010	16,010	
1/1/26	472,915	3.33	16,010	488,925	504,935
7/1/26			8,136	8,136	
1/1/27	488,663	3.33	8,136	496,799	504,935
Totals	<u>\$ 3,871,672</u>		<u>\$ 608,283</u>	<u>\$ 4,479,955</u>	

## Sewage Works Refunding Revenue Bonds, Series 2012 A Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 355,000	2.50 %	\$ 81,662	\$ 436,662	\$ 436,662
7/1/19			77,225	77,225	
1/1/20	365,000	3.00	77,225	442,225	519,450
7/1/20			71,750	71,750	
1/1/21	375,000	3.00	71,750	446,750	518,500
7/1/21			66,125	66,125	
1/1/22	385,000	3.50	66,125	451,125	517,250
7/1/22			59,387	59,387	
1/1/23	400,000	3.50	59,387	459,387	518,774
7/1/23			52,387	52,387	
1/1/24	410,000	5.00	52,387	462,387	514,774
7/1/24			42,137	42,137	
1/1/25	430,000	3.25	42,137	472,137	514,274
7/1/25			35,150	35,150	
1/1/26	450,000	3.50	35,150	485,150	520,300
7/1/26			27,275	27,275	
1/1/27	460,000	3.70	27,275	487,275	514,550
7/1/27			18,765	18,765	
1/1/28	480,000	(1)	18,765	498,765	517,530
7/1/28			9,479	9,479	
1/1/29	490,000	(2)	9,479	499,479	508,958
Totals	<u>\$ 4,600,000</u>		<u>\$ 1,001,022</u>	<u>\$ 5,601,022</u>	

Reference	Principal	Coupon	Principal	Coupon
(1)	\$ 165,000	4.00 %	\$ 315,000	3.80 %
(2)	170,000	4.00	320,000	3.80

## Sewage Works Revenue Bonds, Series 2012 C Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 205,000	2.000 %	\$ 62,968	\$ 267,968	\$ 267,968
7/1/19			60,918	60,918	
1/1/20	215,000	2.500	60,918	275,918	336,836
7/1/20			58,231	58,231	
1/1/21	220,000	2.500	58,231	278,231	336,462
7/1/21			55,481	55,481	
1/1/22	230,000	2.750	55,481	285,481	340,962
7/1/22			52,318	52,318	
1/1/23	235,000	2.750	52,318	287,318	339,636
7/1/23			49,087	49,087	
1/1/24	245,000	3.000	49,087	294,087	343,174
7/1/24			45,412	45,412	
1/1/25	255,000	3.000	45,412	300,412	345,824
7/1/25			41,587	41,587	
1/1/26	260,000	3.000	41,587	301,587	343,174
7/1/26			37,687	37,687	
1/1/27	275,000	3.200	37,687	312,687	350,374
7/1/27			33,287	33,287	
1/1/28	285,000	3.250	33,287	318,287	351,574
7/1/28			28,656	28,656	
1/1/29	295,000	3.400	28,656	323,656	352,312
7/1/29			23,641	23,641	
1/1/30	310,000	3.500	23,641	333,641	357,282
7/1/30			18,216	18,216	
1/1/31	320,000	3.625	18,216	338,216	356,432
7/1/31			12,416	12,416	
1/1/32	335,000	3.625	12,416	347,416	359,832
7/1/32			6,344	6,344	
1/1/33	350,000	3.625	6,344	356,344	362,688
Totals	<u>\$ 4,035,000</u>		<u>\$ 1,109,530</u>	<u>\$ 5,144,530</u>	

## Sewage Works Refunding Revenue Bonds, Series 2013 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 2,125,000	1.78 %	\$ 98,078	\$ 2,223,078	\$ 2,223,078
7/1/19			79,166	79,166	
1/1/20	2,160,000	1.78	79,166	2,239,166	2,318,332
7/1/20			59,942	59,942	
1/1/21	2,200,000	1.78	59,942	2,259,942	2,319,884
7/1/21			40,362	40,362	
1/1/22	1,095,000	1.78	40,362	1,135,362	1,175,724
7/1/22			30,616	30,616	
1/1/23	1,120,000	1.78	30,616	1,150,616	1,181,232
7/1/23			20,648	20,648	
1/1/24	1,150,000	1.78	20,648	1,170,648	1,191,296
7/1/24			10,413	10,413	
1/1/25	1,170,000	1.78	10,413	1,180,413	1,190,826
Totals	<u>\$ 11,020,000</u>		<u>\$ 580,372</u>	<u>\$ 11,600,372</u>	

## Sewage Works Revenue Bonds of 2017 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/19	\$ 275,000	2.00 %	\$ 90,000	\$ 365,000	\$ 365,000
7/1/19			87,250	87,250	
1/1/20	280,000	2.00	87,250	367,250	454,500
7/1/20			84,450	84,450	
1/1/21	285,000	2.00	84,450	369,450	453,900
7/1/21			81,600	81,600	
1/1/22	295,000	2.00	81,600	376,600	458,200
7/1/22			78,650	78,650	
1/1/23	300,000	2.00	78,650	378,650	457,300
7/1/23			75,650	75,650	
1/1/24	310,000	2.00	75,650	385,650	461,300
7/1/24			72,550	72,550	
1/1/25	315,000	2.00	72,550	387,550	460,100
7/1/25			69,400	69,400	
1/1/26	325,000	2.00	69,400	394,400	463,800
7/1/26			66,150	66,150	
1/1/27	335,000	3.00	66,150	401,150	467,300
7/1/27			61,125	61,125	
1/1/28	345,000	3.00	61,125	406,125	467,250
7/1/28			55,950	55,950	
1/1/29	360,000	3.00	55,950	415,950	471,900
7/1/29			50,550	50,550	
1/1/30	370,000	3.00	50,550	420,550	471,100
7/1/30			45,000	45,000	
1/1/31	385,000	3.00	45,000	430,000	475,000
7/1/31			39,225	39,225	
1/1/32	395,000	3.00	39,225	434,225	473,450
7/1/32			33,300	33,300	
1/1/33	410,000	3.00	33,300	443,300	476,600
7/1/33			27,150	27,150	
1/1/34	425,000	3.00	27,150	452,150	479,300
7/1/34			20,775	20,775	
1/1/35	445,000	3.00	20,775	465,775	486,550
7/1/35			14,100	14,100	
1/1/36	460,000	3.00	14,100	474,100	488,200
7/1/36			7,200	7,200	
1/1/37	480,000	3.00	7,200	487,200	494,400
Totals	<u>\$ 6,795,000</u>		<u>\$ 2,030,150</u>	<u>\$ 8,825,150</u>	



## Vehicle and Equipment Lease – 2014 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Sewer Portion (1)
1/1/19	\$ 164,895	2.28 %	\$ 5,704	\$ 170,599	\$ 170,599	\$ 117,054
7/1/19	166,775	2.28	3,824	170,599		
1/1/20	<u>168,676</u>	2.28	<u>1,923</u>	<u>170,599</u>	341,198	234,092
Totals	<u>\$ 500,346</u>		<u>\$ 11,451</u>	<u>\$ 511,797</u>		

- (1) The Vehicle and Equipment Lease payments are allocated between the Sewage Works, the Bloomington Municipal Water Utility, and the Bloomington Municipal Stormwater Utility. The Sewage Works' allocated share is approximately sixty-nine percent (69%). The Vehicle and Equipment lease payments are not on parity with the outstanding bonds of the Utility.

## ESG Solar Lease

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Sewer Portion (1)
6/30/19	\$ 255,624	2.97 %	\$ 191,990	\$ 447,614		
12/30/19	259,421	2.97	188,194	447,615	\$ 895,229	\$ 284,468
6/30/20	263,273	2.97	184,342	447,615		
12/30/20	267,183	2.97	180,432	447,615	895,230	284,468
6/30/21	271,150	2.97	176,465	447,615		
12/30/21	275,177	2.97	172,438	447,615	895,230	284,468
6/30/22	279,263	2.97	168,352	447,615		
12/30/22	283,410	2.97	164,205	447,615	895,230	284,468
6/30/23	287,619	2.97	159,996	447,615		
12/30/23	291,890	2.97	155,725	447,615	895,230	284,468
6/30/24	296,225	2.97	151,390	447,615		
12/30/24	300,623	2.97	146,991	447,614	895,229	284,468
6/30/25	305,088	2.97	142,527	447,615		
12/30/25	309,618	2.97	137,997	447,615	895,230	284,468
6/30/26	314,216	2.97	133,399	447,615		
12/30/26	318,882	2.97	128,733	447,615	895,230	284,468
6/30/27	323,618	2.97	123,997	447,615		
12/30/27	328,423	2.97	119,192	447,615	895,230	284,468
6/30/28	333,300	2.97	114,315	447,615		
12/30/28	338,250	2.97	109,365	447,615	895,230	284,468
6/30/29	343,273	2.97	104,342	447,615		
12/30/29	348,371	2.97	99,244	447,615	895,230	284,468
6/30/30	353,544	2.97	94,071	447,615		
12/30/30	358,794	2.97	88,821	447,615	895,230	284,468
6/30/31	364,122	2.97	83,493	447,615		
12/30/31	369,529	2.97	78,086	447,615	895,230	284,468
6/30/32	375,017	2.97	72,598	447,615		
12/30/32	380,586	2.97	67,029	447,615	895,230	284,468
6/30/33	386,237	2.97	61,377	447,614		
12/30/33	391,973	2.97	55,642	447,615	895,229	284,468
6/30/34	397,794	2.97	49,821	447,615		
12/30/34	403,701	2.97	43,914	447,615	895,230	284,468
6/30/35	409,696	2.97	37,919	447,615		
12/30/35	415,780	2.97	31,835	447,615	895,230	284,468
6/30/36	421,954	2.97	25,661	447,615		
12/30/36	428,220	2.97	19,395	447,615	895,230	284,468
6/30/37	434,580	2.97	13,035	447,615		
10/30/37	443,227	2.97	4,388	447,615	895,230	284,468
Totals	<u>\$ 12,928,651</u>		<u>\$ 4,080,716</u>	<u>\$ 17,009,367</u>		

Annual Lease Payment

\$ 284,468

- (1) The ESG Solar Lease payments are allocated between the Sewage Works, the Bloomington Municipal Water Utility, the City of Bloomington Redevelopment Commission, and the City of Bloomington Parks & Recreation Department. The Sewage Works' allocated share is thirty-one and seventy-eight hundredths percent (31.78%). The ESG Solar lease payments are not on parity with the outstanding bonds of the Utility.

## Equipment Lease Purchase for Advance Metering Infrastructure Project Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Sewer Portion (1)
2/15/20	\$ 210,000	3.40 %	\$ 352,750	\$ 562,750	\$ 562,750	\$ 337,650
8/15/20	420,000	3.40	149,430	569,430		
2/15/21	430,000	3.40	142,290	572,290	1,141,720	685,032
8/15/21	435,000	3.40	134,980	569,980		
2/15/22	445,000	3.40	127,585	572,585	1,142,565	685,539
8/15/22	450,000	3.40	120,020	570,020		
2/15/23	460,000	3.40	112,370	572,370	1,142,390	685,434
8/15/23	470,000	3.40	104,550	574,550		
2/15/24	470,000	3.40	96,560	566,560	1,141,110	684,666
8/15/24	485,000	3.40	88,570	573,570		
2/15/25	490,000	3.40	80,325	570,325	1,143,895	686,337
8/15/25	500,000	3.40	71,995	571,995		
2/15/26	505,000	3.40	63,495	568,495	1,140,490	684,294
8/15/26	520,000	3.40	54,910	574,910		
2/15/27	520,000	3.40	46,070	566,070	1,140,980	684,588
8/15/27	535,000	3.40	37,230	572,230		
2/15/28	540,000	3.40	28,135	568,135	1,140,365	684,219
8/15/28	555,000	3.40	18,955	573,955		
2/15/29	560,000	3.40	9,520	569,520	1,143,475	686,085
Totals	<u>\$ 9,000,000</u>		<u>\$ 1,839,740</u>	<u>\$ 10,839,740</u>		

Average Annual Lease Payment (Excluding Half Year Payment on 2/25/2020)

\$ 685,133

- (1) The Advance Metering Infrastructure Project payments are allocated between the Sewage Works and the Bloomington Municipal Water Utility. The Sewage Works' allocated share is sixty percent (60%). The Advance Metering Infrastructure Project lease payments are not on parity with the outstanding bonds of the Utility.

## Statements of Income for the Twelve Months Ended December 31, 2018, 2017, and 2016

	2018	2017	2016
<u>Operating Revenues</u>			
Metered Sales - Single Family	\$ 6,573,372	\$ 6,511,699	\$ 5,593,469
Metered Sales - Commercial	3,979,180	3,776,800	2,932,959
Metered Sales - Industrial	389,124	345,131	342,290
Metered Sales - Public Authority	4,196,297	3,787,888	2,867,037
Metered Sales - Multiple Family	6,598,653	6,538,028	5,549,370
Forfeited Discounts	154,435	184,864	128,798
Miscellaneous Operating Revenues	94,715	101,729	106,584
Total Operating Revenues	<u>21,985,776</u>	<u>21,246,139</u>	<u>17,520,507</u>
<u>Operation and Maintenance Expenses</u>			
Director	767,484	648,512	678,721
Utility Service Board	487,982	1,025,760	962,876
Accounting	418,506	387,953	369,781
Billing and Collections	427,175	380,791	337,186
Customer Relations	181,875	172,761	167,512
Purchasing	233,607	228,919	224,506
Environmental Services	7,150	2,468	2,373
Communications	153,763	140,936	133,951
Blucher Poole Treatment Plant	1,769,556	1,645,743	1,400,255
Dillman Road Treatment Plant	3,029,958	2,918,167	2,885,716
Laboratory	192,231	179,177	171,500
Transmission and Distribution	1,944,807	1,958,586	1,870,093
Booster and Lift Stations	154,039	153,319	151,389
Meters	598,272	563,752	568,593
Engineering	820,246	757,382	751,584
Total Operation and Maintenance Expenses	<u>11,186,651</u>	<u>11,164,226</u>	<u>10,676,036</u>
Sewage Works Depreciation Expense	<u>3,470,312</u>	<u>3,421,258</u>	<u>3,428,930</u>
<u>Taxes Other Than Income Taxes</u>			
FICA	347,746	337,255	329,985
Payment in Lieu of Property Taxes	-	356,709	495,226
Total Taxes Other Than Income Taxes	<u>347,746</u>	<u>693,964</u>	<u>825,211</u>
Total Operating Expenses	<u>15,004,709</u>	<u>15,279,448</u>	<u>14,930,177</u>
Net Operating Income	<u>6,981,067</u>	<u>5,966,691</u>	<u>2,590,330</u>

## Statements of Income for the Twelve Months Ended December 31, 2018, 2017, and 2016 (continued)

	2018	2017	2016
<u>Other Income</u>			
Interest Income	\$ 199,230	\$ 32,078	\$ (4,270)
Stormwater Revenues	1,465,817	1,428,749	1,412,918
Connection Charges	1,040,234	483,818	364,592
Miscellaneous Other Income	179,930	125,355	120,555
Extraordinary Income	-	-	756,772
Total Other Income	<u>2,885,211</u>	<u>2,070,000</u>	<u>2,650,567</u>
<u>Other Expenses</u>			
Stormwater Expenses	725,123	642,158	724,422
Stormwater Depreciation Expense	289,558	286,657	250,523
Interest Expense	1,260,370	1,237,308	1,357,884
Miscellaneous Expense	33,216	129,327	32,966
Total Other Expenses	<u>2,308,267</u>	<u>2,295,450</u>	<u>2,365,795</u>
Net Income	<u>\$ 7,558,011</u>	<u>\$ 5,741,241</u>	<u>\$ 2,875,102</u>

## Outside City Surcharge Factor

### Allocation of Operating Expenses to Outside City Customers

<u>Allocation of Pipe by Volume</u>		
	<u>Volume of Pipe (cf)</u>	<u>Percentage</u>
Volume Common to all Customers (Inside and Outside) (cf)	1,479,067	88.23%
Volume for Outside Customers Only (cf)	197,310	11.77%
Total Volume of Pipe	<u>1,676,377</u>	
<u>Detail of Depreciation Expense</u>		
Depreciation Expense - Collection System	\$ 1,392,483	
Depreciation Expense - Treatment	1,442,584	
Depreciation Expense - General Capital	635,245	
Sewage Works Depreciation Expense	<u>\$ 3,470,312</u>	
<u>Allocation of Operation and Maintenance Expense to Outside Customers Only</u>		
Transmission and Distribution	\$ 1,944,807	
Booster and Lift Stations	154,039	
Depreciation Expense - Collection System	<u>1,392,483</u>	
Total Collection System Expenses	3,491,329	
Times: Percent of Pipe Volume for Outside Customers Only	<u>11.77%</u>	
Collection System Expenses Allocable to Outside Customers	<u>\$ 410,929</u>	



## Calculation of Outside City Surcharge Factor

### Calculation of Current Cost for All Customer Classes

Total Operating Expenses (1)	\$ 15,004,709
Less: Collection System Expenses Allocable to Outside Customers	(410,929)
Average Annual Debt Service (2019-2023)	4,676,304
Vehicle and Equipment Lease - 2014	234,092
ESG Solar Lease - Annual Lease Payment	284,468
Advance Metering Infrastructure - Average Annual Lease Payment	685,133
Current Costs of the Utility	<u>\$ 20,473,777</u>
Divided by: Total Annual Consumption (in 1,000 gallons)	<u>2,569,626</u>

Calculated Cost Per 1,000 Gallons for All Customers Classes	<u>\$ 7.97</u>
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### Calculation of Allocated Cost for Outside Customers

Collection System Expenses Allocable to Outside Customers	\$ 410,929
Divided by: Annual Consumption of Outside Users (in 1,000 gallons)	<u>432,184</u>

Allocated Cost Per 1,000 Gallons for Outside Customers	<u>\$ 0.95</u>
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Total Cost Per 1,000 Gallons for Outside Customers	<u><u>\$ 8.92</u></u>
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Ratio of Total Cost for Outside Customers to Cost for All Customer Classes (Outside City Surcharge Factor)	<u><u>12%</u></u>
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(1) Amount is inclusive of Depreciation Expense for the Sewage Works.

## Adjustments to the Financials

### Adjusted Statement of Income

	2018	Adjustment Amount	Adj.	Adjusted
<b>Operating Revenues</b>				
Metered Sales	\$ 21,736,626	\$ 260,380	(1)	\$ 18,119,069
		(3,877,937)	(2)	
Metered Sales - Outside Customers	-	3,877,937	(2)	4,343,289
		465,352	(3)	
Forfeited Discounts	154,435			154,435
Miscellaneous Operating Revenues	94,715			94,715
Total Operating Revenues	<u>21,985,776</u>	<u>725,732</u>		<u>22,711,508</u>
<b>Operating Expenses</b>				
Operation and Maintenance Expenses	11,186,651	460,003	(4)	12,370,964
		39,726	(5)	
		(142,234)	(6)	
		855,000	(7)	
		(28,182)	(8)	
Sewage Works Depreciation Expense	3,470,312			3,470,312
Taxes Other Than Income Taxes	347,746	56,678	(9)	683,566
		279,142	(10)	
Total Operating Expenses	<u>15,004,709</u>	<u>1,520,133</u>		<u>16,524,842</u>
Net Operating Income	<u>\$ 6,981,067</u>	<u>\$ (794,401)</u>		<u>\$ 6,186,666</u>

## Detail of Adjustments

(1)

To adjust "Metered Sales" for customer account transfers recorded to revenue.

Adjustment - Increase	<u>\$ 260,380</u>
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(2)

To adjust "Metered Sales" to reclassify revenue from customers located outside the City of Bloomington as "Metered Sales - Outside Customers."

Adjustment	<u>\$ 3,877,937</u>
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(3)

To adjust "Metered Sales - Outside Customers" for the outside city customer surcharge.

Metered Sales - Outside Customers	\$ 3,877,937
Times: Outside City Surcharge Factor	<u>12%</u>
Adjustment - Increase	<u>\$ 465,352</u>

(4)

To adjust "Operation and Maintenance Expenses" for the increase in budgeted salaries and wages and anticipated additions of new employee positions.

Pro Forma Salaries and Wages	\$ 5,286,592
Less: Test Year	<u>(4,826,589)</u>
Adjustment - Increase	<u>\$ 460,003</u>

(5)

To adjust "Operation and Maintenance Expenses" for the estimated change in Employee Pension and Benefits.

Pro Forma Employee Pension and Benefits	\$ 2,218,489
Less: Test Year	<u>(2,178,763)</u>
Adjustment - Increase	<u>\$ 39,726</u>

(6)

To adjust "Operation and Maintenance Expenses" to remove the ESG Solar Lease Payment from Operating Expenses.

Adjustment - Decrease	<u>\$ (142,234)</u>
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## Detail of Adjustments (Continued)

(7)	
To adjust "Operation and Maintenance Expenses" for inclusion of the Shared Services Contract between City of Bloomington Utilities and the City of Bloomington.	
Estimated Shared Service Expense (excluding solar lease payment)	\$ 855,000
Less: Test Year	-
Adjustment - Increase	<u>\$ 855,000</u>
(8)	
To adjust "Operation and Maintenance Expenses" for the removal of non-recurring expenses recorded during the test year.	
Rates and Charges Analysis	\$ 15,162
Computer Purchase for Blucher Poole	<u>13,020</u>
Adjustment - Decrease	<u>\$ (28,182)</u>
(9)	
To adjust "Taxes Other Than Income Taxes" for the estimated change in FICA tax due to the change in salaries and wages.	
Pro Forma Salaries and Wages	\$ 5,286,592
Times: FICA Tax Rate	<u>7.65%</u>
Pro Forma FICA Tax	<u>404,424</u>
Less: Test Year FICA Tax	<u>(347,746)</u>
Adjustment - Increase	<u>\$ 56,678</u>
(10)	
To adjust "Taxes Other Than Income Taxes" for the estimated Pro Forma Payment in Lieu of Taxes (PILOT).	
Net Utility Plant in Service (Sewage Works) as of December 31, 2018	\$ 71,894,423
Add: Construction Work in Progress (CWIP)	9,707,790
Less: Net Utility Plant in Service and CWIP Outside City Limits	<u>(50,454,924)</u>
Estimated Inside City Limits Net Utility Plant in Service	31,147,289
Times: Gross Corporate Tax Rate (per \$100 Assessed Valuation)	<u>0.8962</u>
Pro Forma PILOT Payments	<u>279,142</u>
Less: Test Year	-
Adjustment - Increase	<u>\$ 279,142</u>

## Capital Improvement Plan

Project	2019	2020	2021	2022	2023	2024	2025	Total
<b>Dillman Road Waste Water Treatment Plant</b>								
Aeration Basin Air Diffuser Improvements	\$ 356,000							\$ 356,000
Clarifier Algae Control - Weir	300,000	\$ 300,000	\$ 300,000					900,000
Digester Tanks - Membrane with PD	200,000	2,700,000 *	1,000,000 *					3,900,000
Aeration Tanks - with RAS/WAS/Scum Pumps	201,400	3,705,600 *	500,000 *					4,407,000
Multi-stage Blowers	121,471	1,035,885 *	200,000 *					1,357,356
Standalone Disc Filter Addition	224,031	2,096,125 *	800,000 *					3,120,156
Improvements to Chemical Disinfection	52,884	211,536	-					264,420
Phase 1 Electrical Improvements	294,543	277,173	400,000					971,716
Existing SCADA Improvements	141,024	564,096						705,120
WAS Thickening - Gravity Belt	-	-	500,000	\$ 2,320,000 ^				2,820,000
Vortex Grit Removal				1,050,629 ^	\$ 4,202,515 ^			5,253,144
Phase 1 Electrical Improvements				229,164	916,656			1,145,820
WAS Thickening - Gravity Belt				500,000 ^	2,320,000 ^			2,820,000
Plant Wide SCADA Improvements				1,000,000	2,000,000			3,000,000
UV Disinfection						\$ 1,000,000	\$ 2,370,000	3,370,000
Miscellaneous Improvements								-
Mechanical Screen No. 1 Replacement				350,000				350,000
Sludge Press Re-Build				325,000				325,000
Roof Replacement	100,000	219,000	90,000					409,000
								-
<b>Blucher Poole Waste Water Treatment Plant</b>								
Aeration Basin Improvements (Nos. 1 & 2)	330,000							330,000
Phosphorous Removal System	150,000							150,000
Plant expansion (EQ Basin/PC plus other capacity)						1,900,000	12,000,000 #	13,900,000
Non-Potable Water System Replacement	200,000							200,000
UV System Shelter Protection		48,000						48,000
UV System Replacement	80,000	695,000						775,000
Roof Replacements	306,000							306,000
Miscellaneous Improvements			500,000	500,000	500,000			1,500,000

## Capital Improvement Plan (Continued)

Project	2019	2020	2021	2022	2023	2024	2025	Total
<b>Collection System</b>								
Plymouth Lift Station Elimination	\$ 145,000							145,000
Infiltration and Inflow (I&I) Reduction Program Development	15,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	615,000
Sewer Lining, Manhole Rehab, FM lining	430,000	430,000	430,000	430,000	430,000	430,000	430,000	3,010,000
IU Health	670,000							670,000
IU Health North Interceptor	500,000	571,500						1,071,500
Lift stations (Arlington, morningside, cans, etc)		100,000	100,000	100,000	100,000	100,000	100,000	600,000
SE-Interceptor College Mall								
SE Interceptor MH 8830 past goat farm								
SC Interceptor south of Gordan Pike								
<b>Other</b>								
AMI		690,000 >	690,000 >	690,000 >	690,000 >	690,000 >	690,000 >	4,140,000
New Service Center					1,760,000	7,060,000 #		8,820,000
Software and business process automation	80,000	100,000	100,000	100,000	100,000	100,000	100,000	680,000
Vehicle and Equipment Replacement	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>365,000</u>	<u>2,555,000</u>
<b>Total Capital Improvement Plan</b>	<b>\$ 5,262,353</b>	<b>\$ 14,208,915</b>	<b>\$ 6,075,000</b>	<b>\$ 8,059,793</b>	<b>\$ 13,484,171</b>	<b>\$ 11,745,000</b>	<b>\$ 16,155,000</b>	<b>\$ 74,990,232</b>
Less: Projects to be Funded by Proposed 2020 Bonds (*)		(9,537,610)	(2,500,000)					(12,037,610)
Less: Projects to be Funded by Future Bond Issue (#)						(7,060,000)	(12,000,000)	(19,060,000)
Less: Projects to be Funded by Cash Contribution (^)				(3,870,629)	(6,522,515)			(10,393,144)
Less: AMI Project Funded through AMI Lease (>)(1)		(690,000)	(690,000)	(690,000)	(690,000)	(690,000)	(690,000)	(4,140,000)
<b>Extensions and Replacements (to be funded through Revenue)</b>	<b>\$ 5,262,353</b>	<b>\$ 3,981,305</b>	<b>\$ 2,885,000</b>	<b>\$ 3,499,164</b>	<b>\$ 6,271,656</b>	<b>\$ 3,995,000</b>	<b>\$ 3,465,000</b>	<b>\$ 29,359,478</b>
<b>Average Annual Extensions and Replacements (2020-2023)</b>					<b>\$ 4,159,281</b>			

(1) Funded through the Equipment Lease Purchase for Advance Metering Infrastructure Project.



## Proposed Sewage Works Revenue Bonds, Series 2020

### Estimated Sources and Uses of Funds

	Amount
<u>Sources of Funds:</u>	
Par Amount	\$ 13,230,000
Total Sources of Funds	<u>\$ 13,230,000</u>
<u>Uses of Funds:</u>	
Digester Tanks - Membrane with PD	\$ 3,700,000
Aeration Tanks - with RAS/WAS/Scum Pumps	4,205,600
Multi-stage Blowers	1,235,885
Standalone Disc Filter Addition	2,896,125
Debt Service Reserve (1)	938,178
Underwriter's Discount (1% of Par)	132,300
Cost of Issuance	117,500
Additional Proceeds	<u>4,412</u>
Total Uses of Funds	<u>\$ 13,230,000</u>

- (1) Funded at Maximum Annual Debt Service. This Report assumes the current excess funds in the Sewage Works' combined debt service reserve will be contributed to a proposed refunding currently contemplated by the Utility as of the date of this Report.

## Estimated Amortization Schedule

Date	Principal	Coupon (1)	Interest	Period Total	Fiscal Total
7/1/20			\$ 197,799	\$ 197,799	
1/1/21			197,799	197,799	\$ 395,598
7/1/21			197,799	197,799	
1/1/22	\$ 540,000	2.30 %	197,799	737,799	935,598
7/1/22			191,589	191,589	
1/1/23	555,000	2.35	191,589	746,589	938,178
7/1/23			185,068	185,068	
1/1/24	565,000	2.40	185,068	750,068	935,136
7/1/24			178,288	178,288	
1/1/25	580,000	2.50	178,288	758,288	936,576
7/1/25			171,038	171,038	
1/1/26	595,000	2.60	171,038	766,038	937,076
7/1/26			163,303	163,303	
1/1/27	610,000	2.70	163,303	773,303	936,606
7/1/27			155,068	155,068	
1/1/28	625,000	2.80	155,068	780,068	935,136
7/1/28			146,318	146,318	
1/1/29	645,000	2.85	146,318	791,318	937,636
7/1/29			137,126	137,126	
1/1/30	660,000	2.90	137,126	797,126	934,252
7/1/30			127,556	127,556	
1/1/31	680,000	3.00	127,556	807,556	935,112
7/1/31			117,356	117,356	
1/1/32	700,000	3.05	117,356	817,356	934,712
7/1/32			106,681	106,681	
1/1/33	720,000	3.10	106,681	826,681	933,362
7/1/33			95,521	95,521	
1/1/34	745,000	3.20	95,521	840,521	936,042
7/1/34			83,601	83,601	
1/1/35	770,000	3.25	83,601	853,601	937,202
7/1/35			71,089	71,089	
1/1/36	795,000	3.25	71,089	866,089	937,178
7/1/36			58,170	58,170	
1/1/37	820,000	3.30	58,170	878,170	936,340
7/1/37			44,640	44,640	
1/1/38	845,000	3.35	44,640	889,640	934,280
7/1/38			30,486	30,486	
1/1/39	875,000	3.40	30,486	905,486	935,972
7/1/39			15,611	15,611	
1/1/40	905,000	3.45	15,611	920,611	936,222
Totals	<u>\$ 13,230,000</u>		<u>\$ 4,948,214</u>	<u>\$ 18,178,214</u>	

(1) Assumes A rates as of July 26, 2019, plus 100 basis points. Interest rates are estimated and subject to change.

## Estimated Combined Debt after Issuance of the Proposed 2020 Bonds

Year	2004 SRF Loan	Amended 2006 A-1 Bonds	2006 B SRF Loan	2006 C SRF Loan	2012 A Refunding Bonds	2012 C Bonds	2013 Refunding Bonds	2017 Bonds	Proposed 2020 Bonds	Total
2018	\$ 358,108	\$ 471,976	\$ 214,676	\$ 440,472	\$ 436,662	\$ 267,968	\$ 2,223,078	\$ 365,000		\$ 4,777,940
2019	405,552	570,070	246,094	504,936	519,450	336,836	2,318,332	454,500		5,355,770
2020	405,544	569,496	246,094	504,936	518,500	336,462	2,319,884	453,900	\$ 395,598	5,750,414 (1)
2021	406,160	567,888	246,094	504,935	517,250	340,962	1,175,724	458,200	935,598	5,152,811
2022	406,360	565,200	246,094	504,935	518,774	339,636	1,181,232	457,300	938,178	5,157,709
2023	406,148	566,472	246,093	504,935	514,774	343,174	1,191,296	461,300	935,136	5,169,328
2024	405,522	566,316	246,094	504,936	514,274	345,824	1,190,826	460,100	936,576	5,170,468
2025	405,484	564,970	246,094	504,935	520,300	343,174		463,800	937,076	3,985,833
2026		567,444	246,093	504,935	514,550	350,374		467,300	936,606	3,587,302
2027					517,530	351,574		467,250	935,136	2,271,490
2028					508,958	352,312		471,900	937,636	2,270,806
2029						357,282		471,100	934,252	1,762,634
2030						356,432		475,000	935,112	1,766,544
2031						359,832		473,450	934,712	1,767,994
2032						362,688		476,600	933,362	1,772,650
2033								479,300	936,042	1,415,342
2034								486,550	937,202	1,423,752
2035								488,200	937,178	1,425,378
2036								494,400	936,340	1,430,740
2037									934,280	934,280
2038									935,972	935,972
2039									936,222	936,222
Totals	<u>\$ 3,198,878</u>	<u>\$ 5,009,832</u>	<u>\$ 2,183,426</u>	<u>\$ 4,479,955</u>	<u>\$ 5,601,022</u>	<u>\$ 5,144,530</u>	<u>\$ 11,600,372</u>	<u>\$ 8,825,150</u>	<u>\$ 18,178,214</u>	<u>\$ 64,221,379</u>

(1) Estimated Combined Maximum Annual Debt Service.

\$ 5,750,414

Estimated Average Annual Debt Service (2021-2024)

\$ 5,162,579

## Statement of Revenue Requirements

Adjusted Operation and Maintenance Expense	\$ 12,370,964
Adjusted Taxes Other Than Income Taxes	683,566
Estimated Average Annual Debt Service (2021-2024)	5,162,579
Average Annual Lease Payment: Equipment for Advance Meter Infrastructure	685,133
Annual Lease Payment: Solar Lease	284,468
Average Annual Extensions and Replacements (2020-2023)	4,159,281
Total Revenue Requirements	23,345,991
Less: Adjusted Operating Revenues	22,711,508
Deficit	634,483
Divide by: Adjustable Operating Revenues	22,462,358
Percent Rate Increase Required	3%

Note: The Revenue Requirements exclude the annual portion of the Vehicle and Equipment Lease – 2014, as the Utility will make the final lease payment in January 2020.

## Schedule of Present and Proposed Rates and Charges

	Present Rates	Proposed Rates
<b>SEWAGE WORKS RATES (1)</b>		
<u>Monthly Usage Charge (Per 1,000 Gallons)</u>		
Inside City Customers	\$ 7.76	\$ 7.99
Outside City Customers	7.76	8.95 (2)
<u>Monthly Service Charge (per meter)</u>		
Inside City Customers	\$ 7.95	8.19
Outside City Customers	7.95	9.17 (2)
<u>Excess Strength Surcharge</u>		
<u>Rate per Pound in Excess of 300 ppm</u>		
Biochemical Oxygen Demand (BOD)	\$ 0.380	\$ 0.391
Suspended Solids (SS)	0.310	0.319
<u>Special Laboratory Analysis Monthly Charge</u>		
Strength of BOD and SS Sampling Charge	\$ 166.90	\$ 171.91
Grease and Oil Sampling	156.45	161.14
Metal Sampling (per metal per test)	34.77	35.81
<u>Unmetered Users</u>		
Minimum Annual Charge - Inside City Customers	\$ 773.47	\$ 796.74
Minimum Annual Charge - Outside City Customers	773.47	892.41 (2)
<b>STORMWATER UTILITY RATES (3)</b>		
<u>Stormwater Utility Monthly Charges</u>		
Single Family Residential Customers	\$ 4.32	\$ 4.32
All other customers shall be charged based upon the amount of runoff generated by the customer.		

- (1) Sewage Works Present Rates and Charges went into effect on January 1, 2017.
- (2) Includes the Outside City Surcharge Factor applied against the Proposed Rates for Inside City Customers.
- (3) Stormwater Present Rates and Charges went into effect on July 1, 2019. Ordinance 2-20-2019 provides for an additional rate increase to \$5.95 effective January 1, 2020.

## Typical Monthly Bill Analysis

### Inside City Customers

Gallons	Sewage Works Present Charge	Proposed Charge	Difference
0	\$ 7.95	\$ 8.19	\$ 0.24
1,000	15.71	16.18	0.47
2,000	23.47	24.17	0.70
3,000	31.23	32.16	0.93
4,000	38.99	40.15	1.16
5,000	46.75	48.14	1.39
6,000	54.51	56.13	1.62
7,000	62.27	64.12	1.85
8,000	70.03	72.11	2.08
9,000	77.79	80.10	2.31
10,000	85.55	88.09	2.54
11,000	93.31	96.08	2.77
12,000	101.07	104.07	3.00
13,000	108.83	112.06	3.23
14,000	116.59	120.05	3.46
15,000	124.35	128.04	3.69
16,000	132.11	136.03	3.92
17,000	139.87	144.02	4.15
18,000	147.63	152.01	4.38
19,000	155.39	160.00	4.61
20,000	163.15	167.99	4.84

## Outside City Customers

Gallons	Sewage Works Present Charge	Proposed Charge	Difference
0	\$ 7.95	\$ 9.17	\$ 1.22
1,000	15.71	18.12	2.41
2,000	23.47	27.07	3.60
3,000	31.23	36.02	4.79
4,000	38.99	44.97	5.98
5,000	46.75	53.92	7.17
6,000	54.51	62.87	8.36
7,000	62.27	71.82	9.55
8,000	70.03	80.77	10.74
9,000	77.79	89.72	11.93
10,000	85.55	98.67	13.12
11,000	93.31	107.62	14.31
12,000	101.07	116.57	15.50
13,000	108.83	125.52	16.69
14,000	116.59	134.47	17.88
15,000	124.35	143.42	19.07
16,000	132.11	152.37	20.26
17,000	139.87	161.32	21.45
18,000	147.63	170.27	22.64
19,000	155.39	179.22	23.83
20,000	163.15	188.17	25.02



## **ORDINANCE 19-17**

### **TO AMEND TITLE 10 OF THE BLOOMINGTON MUNICIPAL CODE (BMC) ENTITLED “WASTEWATER” - Re: Amending BMC 10.08.040 (Connection Fees) to Allow Waiver of those Fees in Two Limited Circumstances – To Promote Conversion of Septic to Sewer and to Complement Certain City Affordable Housing Programs**

- WHEREAS, Bloomington Municipal Code Title 10 sets forth uniform requirements for users of the publicly owned treatment works for the City of Bloomington’s Wastewater and Stormwater utilities and enables the City to comply with all applicable state and federal laws, including the Clean Water Act and the General Pretreatment Regulations established by the United States Environmental Protection Agency under 40 CFR 403; and
- WHEREAS, the City of Bloomington, Indiana (the City) has constructed and has in operation a wastewater collection system for the purpose of collecting and treating wastewater and operates its pretreatment program in accordance with and under the provisions of 40 CFR 403.8 under a National Pollutant Discharge Elimination System permit; and
- WHEREAS, Bloomington Municipal Code Title 10 at Section 10.08.140 establishes connection fees that shall be charged for each new connection to the wastewater system; and
- WHEREAS, Bloomington Municipal Code Title 10 at Section 10.04.050 obligates all wastewater sources located on property which is adjacent to an easement or public roadway in which a public sewer is located to connect to said public sewer; and
- WHEREAS, The City and surrounding Monroe County areas serviced by the CBU’s wastewater system are still populated by a large number of private properties that utilize private septic systems; and
- WHEREAS, Poorly maintained and failing private septic systems are a threat to the City of Bloomington’s ecosystem as these systems discharge untreated wastewater that contaminates surrounding surface and groundwaters. Such contamination is a contributing factor in the spread of hepatitis, dysentery and other diseases resulting from pathogens in drinking water, while also compromising the purity of lakes and streams. Additionally, flies and mosquitoes that are attracted to and breed in wet areas where sewage reaches the surface can also spread disease; and
- WHEREAS, The City wishes to establish an economic incentive to those who own septic systems to abandon their systems in favor of connection to the CBU wastewater system where available by providing a waiver of sewer connection fees; and
- WHEREAS, The City also promotes the creation of new affordable housing through several programs designed to reduce the cost of building affordable housing through tax abatements, grants and other funding; and
- WHEREAS, The City wishes to establish a waiver of sewer connection fees for certain affordable housing projects established by the City of Bloomington for certain single family residential dwellings under specific guidelines established through the City of Bloomington Housing and Neighborhood Development Department and the United States Department of Housing and Urban Development; and

WHEREAS, CBU staff recommends an amendment to Title 10 section 10.08.140 that establishes two limited circumstances under which the sewer connection fees may be waived at the discretion of the Director; and

WHEREAS, the proposed amendment to Title 10 section 10.08.140 has been duly considered by the Board and found satisfactory and is set forth below;

WHEREAS, the City of Bloomington Utilities Service Board has reviewed the proposed ordinance and recommends to the Council that it be adopted.

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

SECTION 1. Section 10.08.140, entitled "Connection Fees," shall be amended by adding the phrase "unless otherwise stated below" at the end of the first sentence of the section so that the sentence shall read as follows:

The connection fee is applicable to all utility customers within the wastewater system service area. The following fees shall be charged for each new connection to the wastewater system based upon the customer's water meter size unless otherwise stated below:

SECTION 2. Section 10.08.140, entitled "Connection Fees," shall be amended by adding the following additional language to the end the section to read as follows:

"The connection fee may be waived at the discretion of the Director for the following limited purposes:

- (a) Upon application for waiver by a department of the City of Bloomington for a single family residential dwelling affordable housing project as defined by HAND Department using low to moderate income guidelines as outlined by the US Department of Housing and Urban Development on real estate located within the city limits of the City of Bloomington; or
- (b) Upon application for waiver by an owner of real property which is located within the city limits of the City of Bloomington for the purpose of abandoning an existing septic system or to otherwise protect the municipal separate stormwater sewer system (MS4)."

SECTION 3. If any section, sentence or provision of this ordinance, 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 4. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington, approval of the Mayor and all other requirements of the Indiana Code.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
DAVE ROLLO, 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 \_\_\_\_\_, 2019.

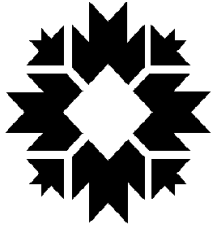
\_\_\_\_\_  
NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_,  
2019.

\_\_\_\_\_  
JOHN HAMILTON, Mayor  
City of Bloomington

SYNOPSIS

Ordinance 19-17 amends Bloomington Municipal Code Section 10.08.140, entitled Wastewater Connection Fees,” to give the Director of the City of Bloomington Utilities Department the discretion to waive the connection fee for new sewer connections in two limited circumstances. The first is where the application for waiver is made by a department of the City of Bloomington for a single family residential dwelling affordable housing project as defined by HAND Department, using low to moderate income guidelines as outlined by the US Department of Housing and Urban Development, on real estate located within the city limits of the City of Bloomington. The second is where the application for waiver is made by an owner of real property which is located within the city limits of the City of Bloomington for the purpose of abandoning an existing septic system or to otherwise protect the municipal separate stormwater sewer system (MS4). These two exceptions to the connection fee promote continued creation of new affordable housing and the reduction of septic system use in the City of Bloomington, projects that both promote improved quality of life.



**CITY OF BLOOMINGTON  
LEGAL DEPARTMENT  
MEMORANDUM**

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**TO:** City of Bloomington Common Council Members  
**FROM:** Christopher J. Wheeler, Assistant City Attorney  
**RE:** Proposed Ordinance 19-17 establishing wastewater connection fee waivers  
**DATE:** August 27, 2019

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Ordinance 19-17 is before the Common Council for approval of a waiver program that will provide limited exceptions to the mandatory fee for connection of all new wastewater users to the publicly owned wastewater treatment system. Ordinance 19-17 authorizes the Director of the City of Bloomington Utilities Department to grant a waiver under two limited circumstances: First, where application for waiver is made by a department of the City of Bloomington for a single family residential dwelling affordable housing project as defined by HAND Department using low to moderate income guidelines as outlined by the US Department of Housing and Urban Development on real estate located within the city limits of the City of Bloomington; Second, where application for waiver is made by an owner of real property which is located within the city limits of the City of Bloomington for the purpose of abandoning an existing septic system or to otherwise protect the municipal separate stormwater sewer system (MS4). These two exceptions to the connection fee promote continued creation of new affordable housing and the reduction of septic system use in the City of Bloomington, projects that both promote improved quality of life.

If you have any questions regarding either of these ordinances, please feel free to contact me by calling City Legal at 812.349.3549 or e-mailing me at [wheelech@bloomington.in.gov](mailto:wheelech@bloomington.in.gov).

**ORDINANCE 19-18**

**TO AUTHORIZE THE ISSUANCE OF BONDS BY THE  
MONROE COUNTY REDEVELOPMENT COMMISSION  
PURSUANT TO IC 36-7-14-3.5**

- WHEREAS, the Monroe County Redevelopment Commission (“Commission”) did on February 25, 1993, adopt a Declaratory Resolution establishing the Westside Economic Development Area (“Area”); and
- WHEREAS, the City of Bloomington, Indiana (“City”) has annexed part of the real estate within the Area (“Annexation”); and
- WHEREAS, the Commission has adopted a resolution authorizing bonds in an aggregate principal amount not to exceed Eight Million Dollars (\$8,000,000) (“Bond Resolution”) payable from Tax Increment and, to the extent Tax Increment is not sufficient, from a Special Benefits Tax for the purpose of paying the costs of the Project (each as defined in the Bond Resolution) (“Bonds”); and
- WHEREAS, the Commission will use the proceeds of the Bonds to finance the acquisition of right-of-way and the design and construction of an extension to Profile Parkway, and a connector road for Vernal Pike and Gates Drive, in Monroe County, Indiana; and
- WHEREAS, IC 36-7-14-3.5 requires the approval of the issuance of the Bonds payable from Tax Increment and the back-up pledge of the Special Benefits Tax by the Common Council of the City;

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

SECTION 1. The Common Council hereby approves the issuance of the Bonds by the Commission, payable from Tax Increment, and to the extent Tax Increment is not sufficient, from a Special Benefits Tax.

SECTION 2. This ordinance shall be in full force and effect from and after its passage and execution by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Indiana this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
DAVE ROLLO, President  
Bloomington Common Council

ATTEST:

\_\_\_\_\_  
NICOLE BOLDEN, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
NICOLE BOLDEN, Clerk

SIGNED and APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
JOHN HAMILTON, Mayor  
City of Bloomington

## SYNOPSIS

This Ordinance by the City of Bloomington approves the Monroe County Redevelopment Commission's issuance of bonds payable with Tax Increment Finance (TIF) from Monroe County's Westside TIF District, a part of which has been annexed by the City. The City's approval for issuing new bonds is required whenever the City has annexed property within a County TIF district and the tax from that property will be used to repay TIF bonds. (See IC 36-7-14-3.5).

**ORDINANCE 19-18**

**TO AUTHORIZE THE ISSUANCE OF BONDS BY THE  
MONROE COUNTY REDEVELOPMENT COMMISSION  
PURSUANT TO IC 36-7-14-3.5**

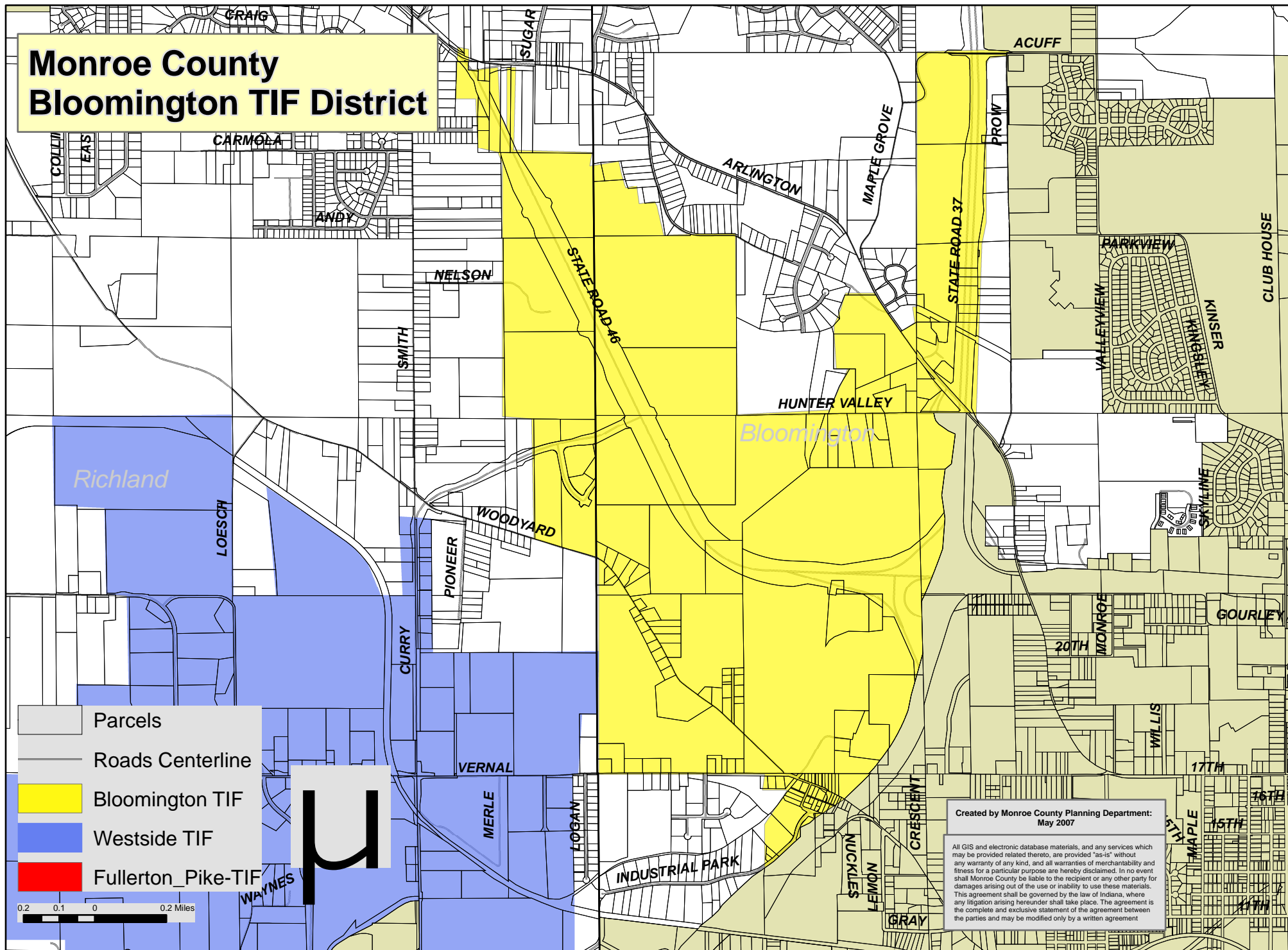
Supplemental Materials

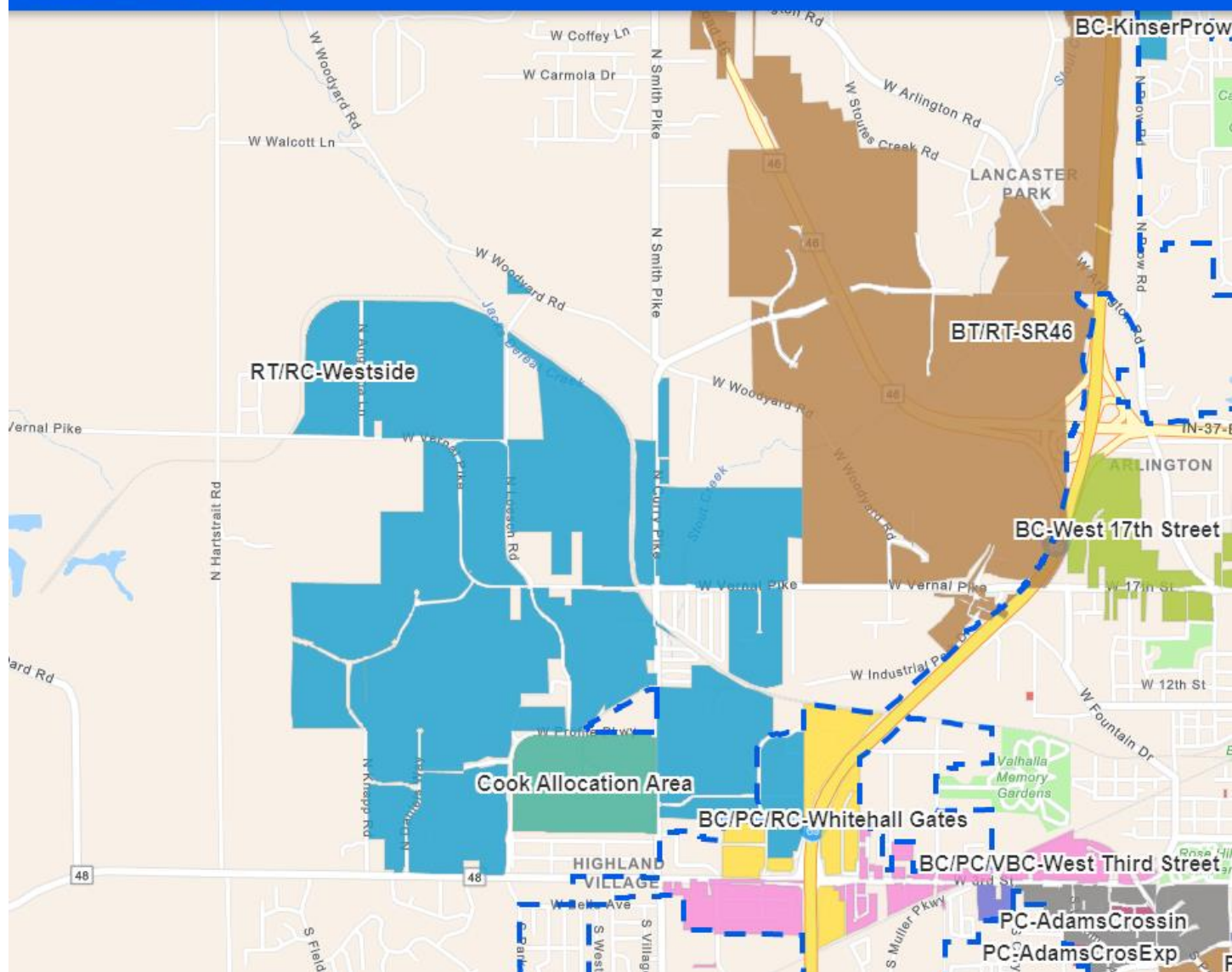
Monroe County Redevelopment Commission  
Resolution No. 2019-5  
Bond Resolution

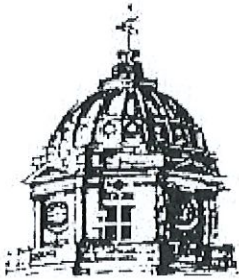
<https://www.co.monroe.in.us/egov/apps/document/center.egov?view=item;id=9031>



# Monroe County Bloomington TIF District







OFFICE OF  
**MONROE COUNTY ATTORNEY**  
100 W. Kirkwood Ave., Room 220  
Bloomington, Indiana 47404  
Telephone: (812) 349-2525  
Facsimile: (812) 349-2982  
e-mail: legal@co.monroe.in.us

**DAVID B. SCHILLING**

**KEVIN DOGAN**

**E. JEFF COCKERILL**

**TO:** Bloomington City Council  
**FROM:** Jeff Cockerill  
**SUBJECT:** Ordinance to Authorize the Issuance of Bonds  
**DATE:** 8-26-19

**MEMORANDUM**

The Monroe County Redevelopment Commission respectfully requests the City Council approval to issue Bonds in an amount not to exceed eight million (\$8,000,000) dollars. The bonds will be issued in the County's Westside Economic Development Area ("WEDA"). The Bond project consists of construction of a new two lane roadway that will extend Profile Parkway to Gates Drive and Connect Vernal Pike to Gates Drive, extending Sunrise Greeting Court. The Vernal Pike Connection will include a bridge over the railroad track. The road will be built to Indiana design standards.

This project will better serve transportation needs in the area by providing access to Curry Pike and Vernal Pike are minor Arterials in this industrial region of the community. These connectors will encourage growth and will improve connectivity and safety in this industrial district.

The WEDA was formed in 1993 and includes portions of Sections 26 35, and 36 of Richland Township. The Monroe County Redevelopment authority issued bonds in 1995 to pay for road improvements within the WEDA. Subsequent to the issuance of the bonds, the City annexed a portion of the Whitehall Crossing development which is located within the WEDA. Indiana Code 36-7-14-3.5 requires city council approval in order for the bonds to be issued.

Enclosed please find a copy of a letter from the County's financial advisor, which states: "The proposed bond will not impact the Parcels or change the TIF revenue received by the City of Bloomington." The Parcels referred to in the quote are those parcels in the WEDA that have been annexed by the City of Bloomington.

If you have any questions regarding this matter, please give me a call. I look forward to working with you and the City Council to help make the proposed project a reality.

Sincerely,

Jeff Cockerill

Enclosure





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August 23, 2019

*Monroe County*

**Attn: Mr. Jeff Cockerill**

100 W. Kirkwood Avenue  
Courthouse, Room 220  
Bloomington, IN 47404

VIA EMAIL: [jcockerill@co.monroe.in.us](mailto:jcockerill@co.monroe.in.us)

**RE: PROPOSED REDEVELOPMENT COMMISSION TIF BONDS**

Mr. Cockerill:

Pursuant to your request, we have reviewed the possible impact to the parcels in the County's Westside Tax Increment Financing (TIF) Area that have been annexed by the City of Bloomington (the "Parcels"). As you know, the County Redevelopment Commission shares TIF revenue from the Parcels with the City of Bloomington (the "City"). The City receives TIF revenue based on the City's tax rate and the County receives the remaining TIF revenue.

The proposed bonds will not impact the Parcels or change the TIF revenue received by the City. The County currently has TIF Bonds outstanding through July 15, 2039. The final maturity of the proposed bonds is July 15, 2039.

If you have any questions, please do not hesitate to call.

Sincerely,

***Financial Solutions Group, Inc.***

Gregory T. Guerrettaz

