

# City of Bloomington Common Council

## **LEGISLATIVE PACKET**

**Tuesday, 07 April 2020**

***Special Session***  
***Starting at 6:30 PM***

Legislation and background material on Appropriation Ordinance 20-01 and Ordinance 20-09 are contained herein

*\*Please see the note on the [Agenda](#) addressing public meetings during the public health emergency\**

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

City of  
Bloomington  
Indiana



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To: Council Members  
From: Council Office  
Re: Weekly Packet  
Date: 03 April 2019

## LEGISLATIVE PACKET CONTENTS

### SPECIAL SESSION: 7 APRIL 2020 – 6:30 PM – via Zoom

- Memo from Council Office
- Special Session Agenda – Tuesday, 7 April, 2020
- Notice of Special Session – to be held via Zoom: <https://zoom.us/j/940091946>

#### ***Special Session – Tuesday, 7 April 2020***

##### ***- Second Readings***

- **Appropriation Ordinance 20-01** – To Specially Appropriate from the Food and Beverage Tax Fund Expenditures Related to the Convention Center Expansion and Support of Local Tourism During the COVID-19 Emergency  
(Some materials included in this packet were distributed in previous packets, but were sent out in piecemeal fashion. They have been included here again to provide relevant materials in one location.)
  - Exhibit A – Signed recommendation from Food and Beverage Advisory Commission members (*additional signatures forthcoming*)
  - Am 01 – Prepared by Council Staff – in need of council sponsor
  - Memo to the Council from Philippa Guthrie, Corporation Counsel
  - Memo to local officials from Indiana State Board of Accounts
  - City of Bloomington Economic Stability and Recovery Working Group Recommendations Draft Version 2 (*an updated version of these recommendations will be released when it becomes available*)

*Contact:* Jeffrey Underwood, [underwoj@bloomington.in.gov](mailto:underwoj@bloomington.in.gov), 812-349-3412;  
Philippa Guthrie, [guthrie@bloomington.in.gov](mailto:guthrie@bloomington.in.gov), 812-349-3436

##### ***- First Readings***

- **Ordinance 20-09** – To Amend Title 2 of the Bloomington Municipal Code Entitled “Administration and Personnel” and to Grant Authority to Act in Accordance with Declared Disaster Emergencies - Re: Amending 2.22.030 Entitled “Employee Policies” and Complying with the State of Indiana’s Declaration of Disaster Emergency under I.C. § 10-14-3-12
  - Memo to the Council from Philippa Guthrie, Corporation Counsel
  - Guidance from Paul D. Joyce, State Examiner, State Board of Accounts
    - 12 March 2020 Memo – Re: Policy for Corona Virus (Disruption of travel, work environment, and employee benefits/compensation)

- 16 March 2020 Memo – Re: Items to Consider when Governing Bodies are Developing Actions/Policies Regarding Coronavirus
- 19 March 2020 Memo – Re Timely Deposits and the Claims Process
  - BMC 2.22 (Human Resources Department) - annotated with change proposed by [Ordinance 20-09](#). See Section 2.22.030 (Employee Policies) where a new Section (8) (Stay Home Pay During a Declared Emergency) would be added to this chapter.

*Contact: [Philippa Guthrie, 812-349-3426, guthriep@bloomington.in.gov](mailto:guthriep@bloomington.in.gov)*

## **SPECIAL SESSION – SECOND READINGS – UPDATES – NEW MATERIALS – SUMMARY**

### **Item 1:**

#### **Appropriation Ordinance 20-01 – To Specially Appropriate from the Food and Beverage Tax Fund Expenditures Related to the Convention Center Expansion and Support of Local Tourism During the COVID-19 Emergency**

[Appropriation Ordinance 20-01](#) authorizes expenditure of monies collected through the Monroe County Food and Beverage Tax. It is the first such ordinance this year. Three previous appropriation ordinances passed in 2019 ([App Ord 19-01](#), [App Ord 19-03](#), and [App Ord 19-09](#)) included expenditures for the expansion of the Convention Center. The use of revenue from this funding source is limited by statute. Indiana Code § 6-9-41-15 provides that “money deposited in the city food and beverage tax receipts fund may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.” The city’s portion of food and beverage tax revenues had previously been committed to support the expansion of the Convention Center, before the declaration of the ongoing COVID-19 public health emergency. The appropriation ordinance notes that the appropriations for the expansion of the Convention Center and this appropriation will likely exceed deposits in the Food and Beverage Tax City Fund. Because the city cannot spend funds it does not have, the appropriation ordinance further acknowledges that the appropriation for the COVID-19-related impacts shall be treated as a priority for the duration of the public health emergency.

On March 16, 2020, as a response to the public health emergency, Governor Holcomb issued Executive Order 20-04. This executive order ordered food and beverage establishments to close to in-person patrons, among other directives. This action was followed by Executive Order 20-08, on March 23, 2020, which ordered all non-essential businesses to close as well. These two executive orders have caused financial hardships on local food and beverage and tourism-related enterprises and their employees.

The Council responded, on March 25, 2020, by passing [Resolution 20-05](#), which, pursuant to Indiana Code § 6-9-41-16(b), requested that the Food and Beverage Tax Advisory Commission consider and adopt recommendations regarding expenditures from the City's portion of food and beverage tax revenues in an amount not to exceed \$2,000,000.00. The resolution stated that the City would use such funds to support food and beverage establishments, other businesses that promote tourism, and employees of such establishments and businesses within the City of Bloomington. Such support could include, but is not limited to, grants and/or an interest free

loan program. The Advisory Commission voted on March 27, 2020 to approve the City's request for use of funds for that purpose, and the signed approvals received by the Council Office are included in this packet.

On March 31, 2020, the Indiana State Board of Accounts (SBOA) issued a memorandum addressing policies on local assistance during the COVID-19 public health emergency. That memorandum is included herein. In response to the guidance provided by the SBOA, Council staff has prepared an amendment (Am 01, included herein) to the appropriation ordinance, and hopes that a councilmember will choose to sponsor and introduce the amendment on April 7. Please note that the April 7 Special Session will constitute the required public hearing on this appropriation ordinance. Notice for this public hearing was published in the Herald Times on March 28.

Finally, and perhaps most importantly, the details of how such funds will be administered and deployed in the community are still being discussed. Written recommendations prepared by an Economic Stability & Recovery Working Group convened by Mayor Hamilton are included. These recommendations are in draft form and may change between the release of this packet on April 3 and the Council's Special Session scheduled for April 7. A revised version of the recommendations will be distributed to councilmembers and the public as soon as it becomes available for release.

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

#### **Item 1:**

#### **Ordinance 20-09 To Amend Title 2 of the Bloomington Municipal Code Entitled “Administration and Personnel” and to Grant Authority to Act in Accordance with Declared Disaster Emergencies –** **Re: Amending 2.22.030 Entitled “Employee Policies” and Complying with the State of Indiana’s Declaration of Disaster Emergency under I.C. § 10-14-3-12**

Ordinance 20-09 addresses the operation of City government during the public health disaster emergency resulting from COVID-19. Governor Holcomb declared the emergency on March 6<sup>th</sup> by Executive Order 20-02, and has since announced further executive orders,<sup>1</sup> which have been taken under authority of IC 10-14-3 (Emergency Management and Disaster Law),<sup>2</sup> and, in particular, IC 10-14-3-12 (Disaster emergency; emergency gubernatorial powers).

This ordinance, in brief:

- Amends the Employee Policies in BMC 2.22.030 to allow the Mayor to pay “stay home” employees during a Governor-declared emergency when certain conditions are met; and During this emergency:
- Uses a provision of the Emergency Management and Disaster Law, to allow the City (in this

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<sup>1</sup> The Executive Orders (Eos) can be found at <https://www.in.gov/gov/2384.htm>. Eos that have a direct effect on City operations include: EO 20-02, EO 20-04, EO 20-08 & EO 20-09.

<sup>2</sup> Here's a link to Indiana Statutes on the Indiana General Assembly webpage: <http://iga.in.gov/legislative/laws/2019/ic/titles/035>. To see this chapter, just enter 10 – 3 – 14 in the upper right corner.

case through the Mayor), to waive “procedures and formalities” otherwise required for the performance of various governmental functions during the emergency; and

- Authorizes the Controller to approve expenditures ordinarily approved by various boards and commissions, which will then review and approve those actions, once the emergency ends.

### City Response

The City, like all entities, has had to scramble and, like all its peers, has had to focus both inwardly and outwardly in order to address the impacts of this emergency on our community. The internal focus is being conducted through the Continuity of City Government (COCG) Group (with a few subgroups<sup>3</sup>) which develops plans and makes recommendations to the Mayor aimed at the safety of our workforce, continuance of critical operations, and the safety of citizens in the conduct of those operations. The external focus is being conducted by two city/citizen groups, which include the Economic Stabilization & Recovery Working Group (ESRWG)<sup>4</sup> and the Social Service Stability and Recovery Working Group (SSSRWG).<sup>5</sup>

Evidence of the work of the COCG can be seen with:

- the closure of City Hall while continuing most functions of the City;
- developing protocols for limiting exposure to the virus by employees and citizens;
- conducting electronic meetings in accordance with the Governor’s executive orders and Public Access Counselor’s guidance; and
- regular communication with employees and the public.

This ordinance is coming forward from Philippa Guthrie, Corporation Counsel, who is a member of the COCG group. It, in essence, seeks authorization, allowed by statute and the State Board of Accounts (SBOA), for the Administration to address the extraordinary challenges posed by this emergency. The probable schedule for consideration of the ordinance is as follows:

- Tuesday, 7 April 2020 – Introduction at a Special Session;
- Wednesday, 15 April 2020 – Discussion at a Committee of the Whole immediately after the Council’s first Regular Session following the start of the public health emergency; and
- Wednesday, 22 April 2020 – Second Reading at a Special Session.

### State Guidance – Governor – State Board of Accounts

The City, along with other political subdivisions around the State, have sought advice about what it can and cannot do during this public health emergency. The series of Governor’s executive orders have helped clarify some matters. The State Board of Accounts, as the entity which audits political subdivisions, has also provided memos to guide us, some of which are included in this packet.

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<sup>3</sup> These subgroups are addressing supply-chain and critical services issues, cleaning protocols and supplies, and future plans and forecasts over the next 3, 6, and 9 months.

<sup>4</sup> As you all know, the ERSWG recently reported to the Sustainable Development Committee as well as the City Council.

<sup>5</sup> As you may remember from a comment from Cm. Flaherty, the Climate Action & Resilience Committee is following the work of the SSSRWG.

In general, these memos:

- Urge “governing bodies (i.e. City Councils) to work with their attorneys to develop [policies] specific to this emerging situation” that, if possible, “incorporate those items that could be of concern in the coming months;”
- Stress that the “urgency to both monitor and address situations as they arise” and for governing bodies to be “flexible in their approach;”
- “Advise that the [policies] have broad language that may reference more specific materials so that the policies do not need to be constantly updated and approved to address quickly changing real-time issues;”<sup>6</sup>
- Advise that “policies/actions” should “maintain operations of government as normal or as near normal as possible while maintaining the wellbeing of governmental employees and the public;” and
- Advise that the policies “should be adopted through normal processes as provided by statute, including public meetings.”

#### Amending BMC 2.22.030 – Human Resources Department – Employee Policies – Stay Home Pay During a Declared Emergency

The ordinance amends the BMC Chapter 2.22 (Human Resources Department). This chapter:

- establishes the department;
- delegates the administration of the department to the Director, who, with the approval of the Mayor, institutes administrative regulations for governing the City’s human resources;
- provides for the department to maintain human resources policies and practices and describes the purposes of those policies;<sup>7</sup> and,
- along with a list of definitions, sets forth Employee Policies (which pertain to employee travel and leave policies).<sup>8</sup>

The amendment adds a section at the end of the Employee Policies, regarding Stay Home Pay during a Declared Emergency. In paraphrase, this section:

- allows the Mayor to require some or all employees to refrain from coming to their work stations if an emergency is declared under IC 10-14-3-12; and
- in the event the Mayor takes this action, allows the Mayor to provide for those employees to be paid for their regularly scheduled, non-overtime work hours, under the following conditions:
  - employees whose job functions may, in part, be performed remotely, are expected to perform those duties during their regularly scheduled non-overtime work hours;
  - during those regularly scheduled non-overtime work hours, employees:
    - are considered “on duty” and at work;

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<sup>6</sup> In approving those policies, the memos suggest that the governing bodies distinguish between formal policies (e.g. changes in local code) and “actions that should be done in conjunction with formal policy, as long as there is written evidence that the governing body is appropriately approving those actions in an appropriate forum.”

<sup>7</sup> 2.22.020 - Human resources policies. The human resources department shall maintain policies and practices that allow the strategic management of the city's human resources, allow the city to recruit and develop the highest quality individuals from a diversity of backgrounds, motivate employees to achieve their fullest potential in performing the public's business, and help employees to lead healthy, complete lives.

<sup>8</sup> If asked why those policies are in the code and the others are not, I surmise that they directly deal with compensation, which require Council approval and, on an annual basis, appear in salary ordinances.

- must be available to:
  - ❖ communicate with other city officials by phone or email; and
  - ❖ return to their work station within 2 hours' notice from their supervisor, the Mayor, or the Mayor's designee; and
- must not work or earn compensation from any other source.

### Invoking IC 10-14-3-17

The ordinance invokes IC 10-14-3-17(j)(5), which allows political subdivisions "to waive procedures and formalities regarding" various actions, and authorizes the Mayor to do so, consistent with that statute, the Governor's executive orders, and any other applicable law, declaration, order, or decree.

This statutory provision is included in a Whereas clause in the ordinance and is set forth below:

IC 10-14-3-17 (j) Each political subdivision may: ...

- (5) in the event of a national security emergency or disaster emergency as provided in section 12 of this chapter, waive procedures and formalities otherwise required by law pertaining to:
  - (A) the performance of public work;
  - (B) the entering into of contracts;
  - (C) the incurring of obligations;
  - (D) the employment of permanent and temporary workers;
  - (E) the use of volunteer workers;
  - (F) the rental of equipment;
  - (G) the purchase and distribution of supplies, materials, and facilities; and
  - (H) the appropriation and expenditure of public funds.

An example of such waivers might be allowing use of City property to serve as an emergency homeless shelter or designating City facilities to serve as an additional hospital.

### Authorizing the Controller to Approve All Necessary City Expenditures During this Emergency

In accordance with the statute invoked above and the guidance from the State Board of Accounts, the ordinance authorizes the Controller to approve the payment of all necessary expenditures for the City during this emergency; and, defers the actions of the boards and commissions, normally reviewing and approving these expenditures until after the emergency, at which time, their role would be the review and approval of the Controller's actions. Please note that the SBOA memo dated 19 March 2020, entitled "Timely Deposit and Claims Process" both authorizes and further clarifies this procedure.

**NOTICE AND AGENDA  
THE BLOOMINGTON COMMON COUNCIL**

**SPECIAL SESSION  
TUESDAY, 07 APRIL 2020 AT 6:30 PM**

*Per the Governor’s Executive Orders 20-04, 20-08, and 20-09, this meeting will be conducted electronically.  
The public may access the meeting at the following link: <https://zoom.us/j/340395331>*

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. REPORTS**

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

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

1. Appropriation Ordinance 20-01 – To Specially Appropriate from the Food And Beverage Tax Fund Expenditures Related to the Convention Center Expansion and Support of Local Tourism During the COVID-19 Emergency

Committee of the Whole Recommendation: (01 April 2020)

Do Pass: 9 – 0 – 0

**V. LEGISLATION FOR FIRST READING AND RESOLUTIONS**

1. Ordinance 20-09 - To Amend Title 2 of the Bloomington Municipal Code Entitled “Administration and Personnel” and to Grant Authority to Act in Accordance with Declared Disaster Emergencies - Re: Amending 2.22.030 Entitled “Employee Policies” and Complying with the State of Indiana’s Declaration of Disaster Emergency under I.C. § 10-14-3-12

**VI. COUNCIL SCHEDULE**

**VII. ADJOURNMENT**

*Statement on public meetings during public health emergency:*

*As a result of the Governor’s Executive Orders 20-04, 20-08, and 20-09, the Council and its committees may adjust normal meeting procedures to adhere to guidance provided by state officials. These adjustments may include:*

- allowing members of the Council or its committees to participate in meetings electronically;*
- posting notices and agendas for meetings solely by electronic means;*
- using electronic meeting platforms to allow for remote public attendance and participation (when possible);*
- encouraging the public to watch meetings via Community Access Television Services broadcast or livestream, and encouraging remote submissions of public comment (via email, to [council@bloomington.in.gov](mailto:council@bloomington.in.gov)).*

*Please check <https://bloomington.in.gov/council> for the most up-to-date information about how the public can access Council meetings during the public health emergency.*





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

# **NOTICE**

**Tuesday, 07 April 2020 at 6:30 PM**

**The Common Council will not hold a *Committee* meeting  
and will instead hold a *Special Session*.**

***Per the Governor's Executive Orders 20-04, 20-08, and 20-09, this meeting will be conducted electronically. The public may access the meeting at the following link:***

**<https://zoom.us/j/340395331>**

**Statement on public meetings during public health emergency**

As a result of the Governor's Executive Order 20-04, 20-08, and 20-09, the Council and its committees may adjust normal meeting procedures to adhere to guidance provided by state officials. These adjustments may include:

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- encouraging the public to watch meetings via Community Access Television Services broadcast or livestream and encouraging remote submissions of public comment.

Please check <https://bloomington.in.gov/council> for the most up-to-date information about how the public can access Council meetings during the public health emergency.

As a quorum of the Council or its committees may be present, this gathering constitutes a meeting under the Indiana Open Door Law (I.C. § 5-14-1.5). For that reason, this statement provides notice that this meeting will occur and is open for the public to attend, observe, and record what transpires.

**Posted: Friday, 03 April 2020**

## **APPROPRIATION ORDINANCE 20-01**

### **TO SPECIALLY APPROPRIATE FROM THE FOOD AND BEVERAGE TAX FUND EXPENDITURES RELATED TO THE CONVENTION CENTER EXPANSION AND SUPPORT OF LOCAL TOURISM DURING THE COVID-19 EMERGENCY**

- WHEREAS, both national and state governments have declared that a public health emergency exists due to the outbreak of COVID-19; and
- WHEREAS, on March 16, 2020, Governor Holcomb issued Executive Order 20-04, which, among other actions, ordered food service establishments to close to in-person patrons; and
- WHEREAS, on March 23, 2020, Governor Holcomb issued Executive Order 20-08, which, among other actions, ordered all non-essential businesses to close as well; and
- WHEREAS, such closures have created and will continue to create financial hardships on such establishments and businesses within the City of Bloomington (“City”); and
- WHEREAS, the food and beverage industry, along with other tourism-related businesses, are critical to the attraction of conventions and tourism to the City; and
- WHEREAS, the City and Monroe County (“County”) are collaborating on a project to expand the Monroe County Convention Center (the “Project”), and have agreed that the Project will be primarily funded through the use of certain county excise tax revenues provided for under Indiana Code § 6-9-41-0.3, et seq. (“Food and Beverage Tax”); and
- WHEREAS, the Food & Beverage Tax was passed by the County in 2017 and has been continually collected since February 1, 2018, with the proceeds for the City transferred by the County Auditor being deposited into the Food and Beverage Tax City Fund, Number 152 (the “Fund”), in accordance with Indiana Code § 6-9-41-12; and
- WHEREAS, according to Indiana Code § 6-9-41-15, “money deposited in the city food and beverage tax receipts fund may be used only to finance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects;” and
- WHEREAS, City Food and Beverage Tax revenues are derived from establishments impacted by the outbreak of COVID-19 and the resulting state-ordered closures; and
- WHEREAS, the Common Council concludes that the support of these enterprises and their employees through loans and/or grants is necessary for the viability of this sector of the local economy, crucial to the ability of the City and County to finance the Project, essential for the future success of the expanded convention center, and consistent with the statutory purposes set forth above; and
- WHEREAS, according to Indiana Code § 6-9-41-16(b), the Common Council, as legislative body of the City, “must request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds collected under this chapter... [and]... may not adopt any ordinance or resolution requiring the expenditure of food and beverage tax collected under this chapter without the approval, in writing, of a majority of the members of the advisory commission;” and
- WHEREAS, on March 25, 2020, the Common Council requested that the Food and Beverage Tax Advisory Commission (“Commission”), established under Indiana Code § 6-9-41-16, recommend the expenditure of funds in an amount up to \$2,000,000 for loans and/or grants to support local food and beverage and tourism-related enterprises and their employees that have suffered financial hardship due to the public health emergency; and
- WHEREAS, on March 27, 2020, the Commission met in public session and recommended the use of monies in the Fund to support loans and/or grants to sustain the continued survival of local food and beverage and other businesses that support tourism in the City, including appropriate assistance to their employees, and that are crucial to the viability of the Project; and

WHEREAS, pursuant to Indiana Code § 6-9-41-16(b), the majority of the members of the Commission have issued their written approvals (Exhibit A) of the expenditures authorized herein; and

WHEREAS, given that the appropriation for the expansion of the Convention Center and this appropriation will likely exceed deposits in the Food and Beverage Tax City Fund, this ordinance further acknowledges that the appropriation for the COVID-19-related impacts shall be treated as a priority for the duration of the public health emergency;

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

SECTION I. For the expenses of said Municipal Corporation the following additional sums of money are hereby appropriated and ordered set apart from the fund herein named and for the purposes herein specified, subject to the laws governing the same:

AMOUNT REQUESTED	
<b>Food and Beverage Tax Fund</b>	
Classification 3 – Services and Charges:	
	\$ <u>2,000,000.00</u>
<b>Grand Total</b>	\$ <u><b>2,000,000.00</b></u>

SECTION 2. The Common Council and the Administration have been developing a process for use of the funds which will include the following steps, among others:

- Enlisting community partners to help in assessing need and distributing funds
- Setting applicant eligibility criteria
- Specifying conditions on loans or grants, including but not limited to, purposes for which funds may be used, and any repayment terms
- Accepting and approving applications for funding
- Identifying other available aid resources that are more appropriate for addressing applicant needs and/or that applicants should avail themselves of first

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

ATTEST:

STEPHEN VOLAN, President  
Bloomington Common Council

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

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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

SYNOPSIS

This ordinance appropriates funds from the Food and Beverage Tax Fund for expenditures to businesses and their employees that, together, are crucial to the success of the Convention Center and have been severely affected by the COVID-19 pandemic.

# FOOD AND BEVERAGE ADVISORY COMMISSION

## APPROVAL OF BLOOMINGTON CITY COUNCIL'S REQUEST

WHEREAS, the Monroe County Food and Beverage Advisory Commission has been presented with the Bloomington Common Council's request as shown in Exhibit A; and,

WHEREAS, the Advisory Commission Approved the Use of Food and Beverage Fund proceeds to offset losses that have occurred due to the COVID-19 Health Emergency.

NOW, THEREFORE, BE IT APPROVED AS Follows:

The Food and Beverage Advisory Commission approves the City Council's request to use up to two million dollars (\$2,000,000) of any funds in the City's Food and Beverage Tax Fund to help assist food and beverage establishments, businesses related to tourism, and employees of such establishments and businesses within the City of Bloomington during the public health emergency caused by the COVID-19 pandemic. Such assistance may include, but would not be limited to, grants and/or interest-free loans.

So approved this as dated below.

By:

SIGNATURE: 

Printed Name: Tony Sullivan

Date: 4/2/20

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

# FOOD AND BEVERAGE ADVISORY COMMISSION

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So approved this as dated below.

By:

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNATURE: Sue Sgambelluri

Printed Name: Sue Sgambelluri - Bloomington Common Council  
(Proxy For Stephen Volan)

Date: April 2, 2020

# FOOD AND BEVERAGE ADVISORY COMMISSION

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So approved this as dated below.

By:

SIGNATURE:  \_\_\_\_\_

Printed Name: Juvel C. Thomas

Date: 1 April 2020

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

# FOOD AND BEVERAGE ADVISORY COMMISSION

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So approved this as dated below.

By:

SIGNATURE: Cheryl Munson

Printed Name: Cheryl Munson

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_



**\*\*\* Amendment Form \*\*\***

**App Ord #:** 20-01  
**Amendment #:** 01  
**Submitted By:** Prepared by Council staff, in need of sponsor  
**Date:** 03 April 2020  
**Proposed Amendment:**

1. Appropriation Ordinance 20-01, shall be amended by inserting the following provision as the second-to-last Whereas clause, to read as follows:

Whereas, the memo from the City's Corporation Counsel, which accompanies this legislation, advises that this expenditure is both appropriate and necessary, and the Council explicitly determines that expenditure from this dedicated fund source bears a closer connection to the purposes set forth in this ordinance than the City's General Fund.

**Synopsis**

This amendment adds a Whereas clause to explicitly address recommendations issued by the State Board of Accounts regarding expenditures by local units that relate to addressing the economic burden incurred by citizens and businesses as a result of the public health emergency.

**04/07/20 Special Session Action:**



**CITY OF BLOOMINGTON  
LEGAL DEPARTMENT  
MEMORANDUM**

**TO: Members of the Common Council of the City of Bloomington**

**FROM: Philippa Guthrie, Corporation Counsel**

**CC: Dan Sherman, Council Administrator/Attorney**

**RE: Appropriation Ordinance 20-01**

**DATE: March 30, 2020**

As Council Members know, we are in the midst of a global pandemic caused by a novel coronavirus. This virus, specifically COVID-19, is extremely infectious, and it has spread within a matter of months to nearly every country in the world. In an attempt to mitigate how far and how fast COVID-19 races across the U.S., the President, many Governors, and many local government officials have declared emergencies and issued orders designed to reduce COVID-19 infections within their jurisdictions.

On March 16, 2020, Governor Holcomb issued Executive Order 20-04, which, among other things, ordered food service establishments to close to in-person patrons, and on March 23, 2020, the Governor issued Executive Order 20-08, which similarly ordered all non-essential businesses to close as well. Moreover, individual citizens were ordered to stay at home except for certain limited reasons deemed to be essential for human health. As of today, the stay-at-home order is in place effectively until April 7<sup>th</sup>.

The closures mandated by the Governor have created and will continue to create severe financial hardships for affected businesses and their employees in the City of Bloomington. Consequently, on March 25, 2020, the Common Council requested that the Food and Beverage Tax Advisory Commission ("Commission") established under Indiana Code § 6-9-41-16 recommend the expenditure of food and beverage tax funds in an amount up to \$2,000,000 for loans and/or grants to support local food and beverage and tourism-related enterprises and their employees that have suffered financial hardship due to the public health emergency. On March 27, 2020, the Commission met in public session and voted to make this recommendation. Their signed recommendation is attached as Exhibit A to this memo.

The use of food and beverage tax proceeds to sustain tourism-related businesses and their employees during this crisis is appropriate and necessary. As you know, the City and Monroe County are actively working on a joint project to finance a significant expansion to the existing Monroe County Convention Center as well as improvements to the existing center, and the plan of financing calls for the use of the City's food and beverage tax proceeds (through bonding) to pay

for these improvements. These shuttered local enterprises are integrally connected with and crucial to the success of the Convention Center project. Many of the businesses that have been forced to close generate the very food and beverage taxes that will be needed to finance the Convention Center project, and if they fail, the resulting loss of food and beverage tax revenues could and likely would severely impair the ability of the City and the County to finance the project.

In addition, the targeted businesses provide goods and services that are critical to serving the visitors to the community who would be attending conventions, and indeed they are a large part of what draws convention planners and attendees to Bloomington in the first place. If these businesses do not survive, the community will lack capacity to serve the visitors that the expanded convention center is designed to attract, which in turn will result in a loss of convention business opportunities and put the entire project in jeopardy.

Providing short term financial assistance to these businesses is strategy that the City may and should pursue to increase the likelihood that these businesses will survive. Under Indiana Code § 6-9-41-15, “money deposited in the city food and beverage tax receipts fund may be used only to finance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects.” Thus, one of the permitted purposes of the City’s share of the food and beverage tax revenues is to “finance...a convention center....,” and other purposes include operating and maintaining the Convention Center. Given the extraordinary circumstances surrounding the COVID-19 crisis, providing financial assistance to local businesses is a critical and necessary component of the City’s ability to finance its share of the Convention Center project and to ensure its success after the expansion.

We therefore request that the Council adopt Appropriations Ordinance 20-01 in support of our local food and beverage and tourism industries.



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**MEMORANDUM**

March 31, 2020

Re: Policies on Assistance  
During COVID-19

Dear Officials,


The State Board of Accounts (SBOA) has received numerous inquiries regarding our audit position on whether certain uses of public funds, authorized by the legislature in the Indiana Code, are acceptable uses of local government money. In light of the Governor's public health emergency declaration (PHE) as set forth in Executive Order 20-02 (EO 20-02), the SBOA acknowledges that during this time of the PHE a broader reading of statutory uses of public funds is permissible. SBOA provides the following audit position with respect to expenditures by units that relate to addressing the economic burden incurred by citizens and businesses as a result of the PHE.

SBOA will not take audit exception to these policies and expenditures so long as the following conditions are met:

- EO 20-02 and any amendments or clarifications of this EO are in effect
- The governing body has adopted a policy in a public meeting that approves the expenditures as an authorized use of public funds
- The governing body has received advice of counsel in writing that the expenditure has a legitimate government purpose and is acceptable under Indiana Code during the current emergency declaration
  - If the expenditures are from a dedicated fund source, there also must be a determination that the particular fund has a closer connection to the government purpose to be fulfilled than general fund money
- The adopted policy explains the expenditure is needed to address the economic effects of the public health emergency

Units should work with their legal counsel to draft policies that are sufficiently detailed to carry out the goal of the policy within the bounds of the law and the spirit of this memorandum. This will allow the SBOA to determine during an audit whether the unit complied with the policy and related statutes, ordinances, and resolutions in accordance with the will of the governing body.

This memorandum will be in effect only for expenditures made during the period of the Governor's PHE under EO 20-02.

Sincerely,  
  
Paul D. Joyce, CPA  
State Examiner

# City of Bloomington Economic Stability & Recovery Working Group Recommendations

Prepared for Mayor John Hamilton

March 26, 2020

By the Economic Stabilization & Recovery Working Group

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Brian Payne, Executive Director, CDFI Friendly Bloomington

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Erin Predmore, President & CEO, Greater Bloomington Chamber of Commerce

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## **Overview & Summary Recommendation**

### **This memo provides initial guidelines for economic stabilization and recovery.**

The brief provides Mayor John Hamilton and City of Bloomington leadership with policy recommendations for economic stabilization and revitalization following the COVID-19 crisis. It was prepared by the Economic Stabilization & Recovery (ES&R) Working Group convened by Mayor Hamilton, and will be updated as the public health and economic situation evolves. While the initial draft focuses on actions the City can take in its economic response, it is written with an eye to the regional economy, given Bloomington's interconnectedness with surrounding communities. The ES&R team is working to engage partners across Monroe County and the region to develop ongoing relief efforts.

### **Unemployment has risen as we see an economic domino effect.**

National unemployment has skyrocketed. Initial Monroe County unemployment filings leapt to approximately 1,000 claims in the week ending March 21. The leisure and hospitality industries were hardest hit early in the crisis, affecting restaurants, hotels, and their suppliers. Anecdotal evidence points to an impact on other services facing closings and cancellations, everything from retail to small manufacturing and HVAC services. A domino effect is expected as businesses become unable to pay suppliers, landlords, and mortgages.

### **Wraparound support is also recommended for employers and individuals.**

The City of Bloomington can join with partners across sectors to provide wraparound funding and non-funding support for employers and individuals, aligned with developing state and federal initiatives.

### **The City can support and develop non-funding aid for employers by:**

- Promoting access to [centralized information resources](#) and technical assistance through entities like the Indiana Small Business Development Center, so businesses know how to engage with these resources.
- Hosting procurement summits with partners to enable businesses throughout the region to learn how to sell products and services to government entities and major industries.
- Identifying mechanisms for short-term regulatory relief, such as extending license renewals.

### **Businesses face immediate working capital needs.**

Bloomington's business community reports its most critical need is immediate working capital in amounts under \$50,000 within 1-2 months. This aligns with gaps in existing and expected capital from SBA Disaster Loans, government aid, traditional, and alternative financing sources.

### **City of Bloomington funding support should fill gaps.**

We recommend creating small-dollar, rapidly-deployed capital with short-term deferral, no interest, and simple eligibility criteria. This may be combined with funding to leverage existing capital resources at lower interest rates to expand capacity in the medium-term.

**The City can leverage the following public funds:**

Their use should be overseen by an administrative body with public and private representation:

- Food & Beverage Tax funds: Leverage up to \$2 million in F&B Tax funds, if approved, or a similar amount from an alternate source, such as Community Revitalization Enhancement District (CRED) Funds.
- BUEA Funds: Leverage \$500,000 from the Bloomington Urban Enterprise Association (BUEA) with a majority split between arts grant funding and micro loans for businesses excluded from F&B Tax fund coverage.

**Engage partners across the county and region to roll out and adapt this support.**

Ongoing collaboration across our region is key to reaching employers while adapting resources amidst global changes. The duration and reach of this crisis is unknown, so these efforts must be sustainable.

**Timeline and initial next steps:**

The ES&R Working Group recommends the following steps to align with the Common Council:

Friday, March 27	Mayor Hamilton and ES&R discuss initial feedback.
Weekend	ES&R begin to share the draft with their executive boards and other partners for feedback, to leverage their expertise from across the community.
Monday, March 30	ES&R revises the policy memo.
Tuesday, March 31	ES&R presents to the Sustainable Development Committee.
Wednesday, April 1	Memo presented to Bloomington Common Council.

**Purpose / Scope of Document**

## Purpose

### Initial Draft

This document aims to provide the ES&R Working Group's recommendations to Mayor Hamilton and senior City leadership and to help the administration formulate local economic stabilization and revitalization policy, especially as it pertains to City-originated taxpayer funded support and other local non-funding support mechanisms. Given Bloomington's interconnectedness within the regional economy, the ES&R team is also working to engage partners across Monroe County and the region to develop ongoing relief efforts.

## Additional Drafts

Following feedback from the Mayor, a revised draft will be distributed to key constituents, including BEDC, Chamber, DMI executive board members, and other agreed upon individuals in order to solicit external input by noon Saturday, 3/28/2020.

Once external expert feedback has been integrated, a third draft will be prepared for City Council to be distributed at noon on 3/31/2020, as per Council request, and to other governmental constituencies including County government. The Council's Sustainable Development Committee will review the document on 3/31/2020. Full Council to review 4/1/2020.

## Additional Uses

The purpose of the document may expand to educate additional leaders and community stakeholders, including County and regional officials, employer leadership, union leadership, and other partners listed in later sections of this document.

This paper is built to align with guidance from FEMA's Economic Recovery Support Function field guide, which states the following: "The Economic RSF, as well as every other RSF, has three key operational activities. These are to produce a needs assessment, develop options to address recovery needs, and develop and help to implement a strategy to support recovery."<sup>1</sup>

## Scope

### Geography

A strong regional economy is critical to the success of our community as a whole. However, local governmental funding sources are often limited to footprints from which the funding is generated. The distribution of Food & Beverage Tax fund and BUEA funds must align with their legislated footprint in the city of Bloomington.

### Target Recipients

The ES&R Working Group has been charged with evaluating local funding options to bolster the significant federal stimulus program, the Coronavirus Aid, Relief, and Economic Security (CARES) Act approved on March 27, any potential State of Indiana stimulus which may follow, traditional banking and CDFI funding options that have been already made available to potential recipients, SBA emergency loan funds, and other grant/loan funds available from myriad sources.

---

<sup>1</sup> Economic Recovery Support Function Field Manual, March 2019, page 38

The Working Group recognizes that the most appropriate use of local economic stabilization funds may be limited bridge loans to smaller employers (as defined by the SBA, which are variable by industry sector and available [online](#)), at-risk individuals, including independent contractors and artists, and arts organizations.

## Equity Lens

The ES&R Working Group recognizes the importance of maintaining a strong focus on equity in the execution of recommendations. It will therefore require the programs' administrative function to develop and implement specific equity measures in its programs, thereby elevating the prioritization of underserved constituencies including minority- and women-owned businesses and businesses/individuals with disability limitations.

## Excluded Recipients

In light of the limits of local stimulus funding, the ES&R Working Group recommends that the following organizations/uses of local economic stabilization funding be excluded from initial consideration, pending evaluation of phase one activities:

- Large employers (as excluded by SBA)
- Individuals with gross annual incomes or joint filing incomes that align with federal stimulus parameters
- Gambling concerns (as defined by SBA)

## Focus on Gap Funding

Given the passage of the \$2 trillion federal stimulus package, which provides wide-ranging national support to communities and individuals (see appendix), the ES&R Working Group targets local economic stimulus funding on gaps in any federal and forthcoming state funding. This may include:

- Individuals and/or organizations not covered by federal funding
- Bridge funding pending the availability of federal/state programs
- Grant funding for a subset of targeted organizations

## Wraparound Support

Support for employers extends beyond pure funding solutions and may be needed at different points in time depending on the duration of this crisis. Therefore, this memo outlines funding and non-funding support that is both already available and can be created to help employers and individuals weather this crisis.

## Dissemination of Recommendations

Recommendations made within the policy document may apply to Bloomington's partner geographies in the regional economy. Thus, the ES&R Working Group advises that its recommendations be shared, once vetted by City administration, with officials of Monroe

County, Ellettsville, Stinesville, Owen County, Lawrence County, Greene County, Morgan County, and Columbus. Given that aspects of the recommendations will affect individuals who commute to and from further reaches of the state, the Working Group recommends that the recommendations be made available to counties and municipalities statewide.

### **Overview of the Bloomington Economy**

As an economic hub in South Central Indiana, Bloomington has significant connectivity to surrounding communities. The Bloomington Metropolitan Statistical Area (MSA) includes Monroe and Owen Counties. Total populations are:

Location	Population (2019)
Bloomington MSA	<a href="#">169,230</a>
Monroe County	<a href="#">148,431</a>
Bloomington	84,058 <sup>2</sup>

### **Total payroll employment**

Total payroll employment for Monroe County stood at 63,888 in quarter 3 of 2019. This is the number of jobs that are tied to employers physically located in this community. Prior to the COVID-19 crisis, a summary of total payroll employment for Monroe County was:

Location	Jobs	Establishments	Qtr wages	Avg weekly wage
Monroe County total	63,888	2,858	\$720,097,818	\$867

*(Based on latest available data from 2019 quarter 3). Source IBRC*

### **Commuting patterns for employment**

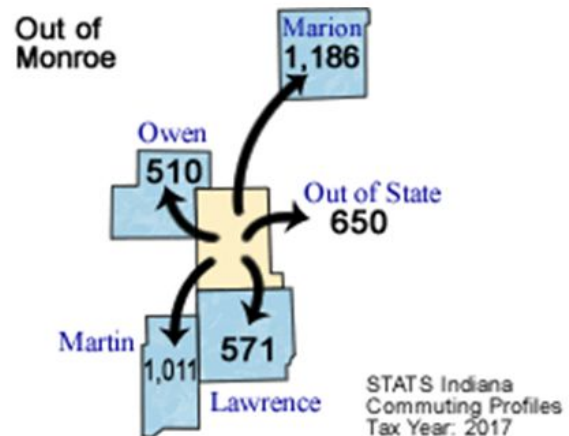
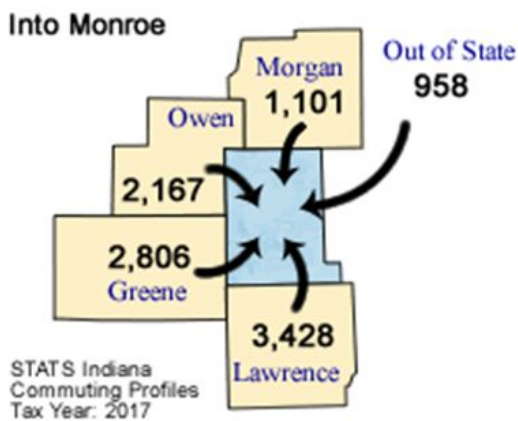
Total payroll employment is distinct from the total number of residents that are employed, because many individuals commute in the region for work. Commuting patterns are as follows:

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<sup>2</sup> StatsAmerica: the latest 5-year estimates from the American Community Survey.

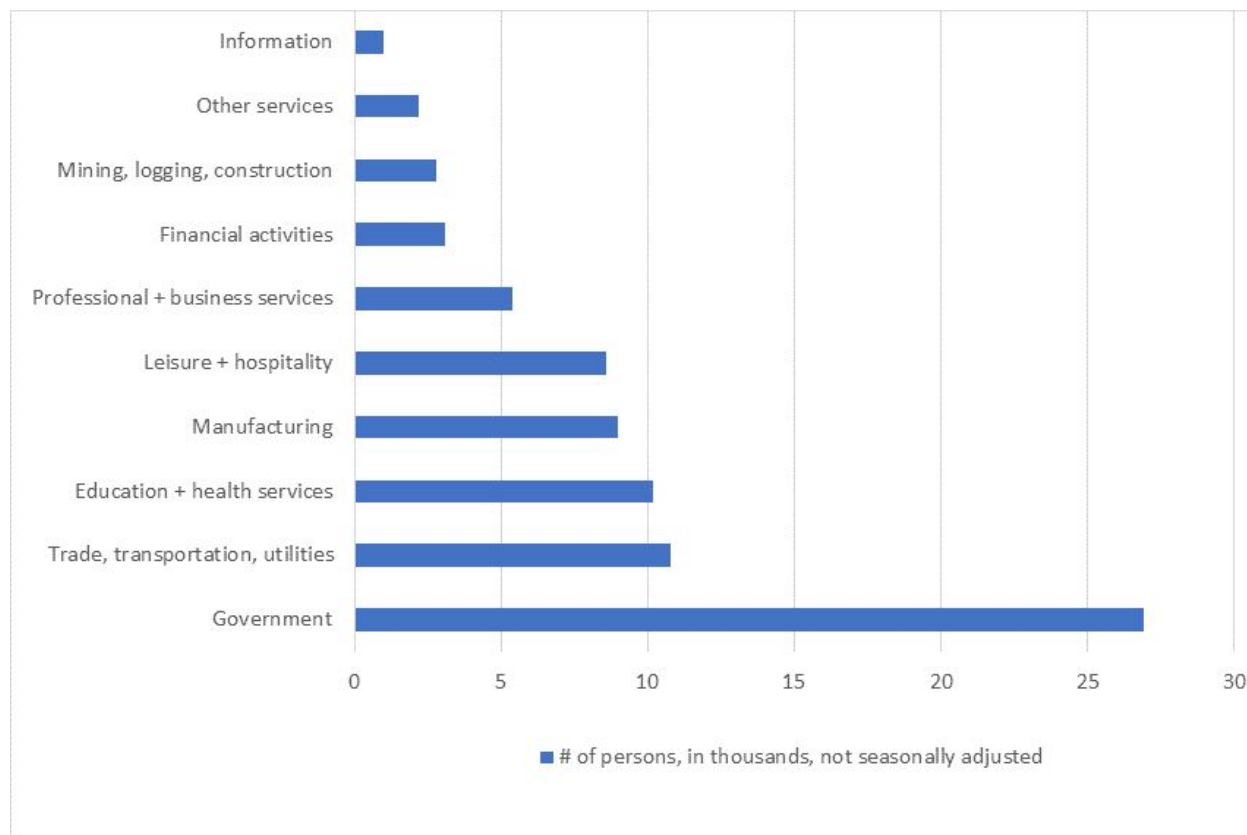
# of people who live and work in Monroe County (estimate)	75,151*
# commuting into Monroe County for work	16,280
# commuting out of Monroe County for work	6,172
Based on Indiana IT-40 returns for tax year 2017      *May include retirees, homemakers, unemployed	

Top five counties sending workers into - and - receiving workers from Monroe County:



## Employment by Industry

Bloomington MSA employment breakdown (December 2019 data)<sup>3</sup>

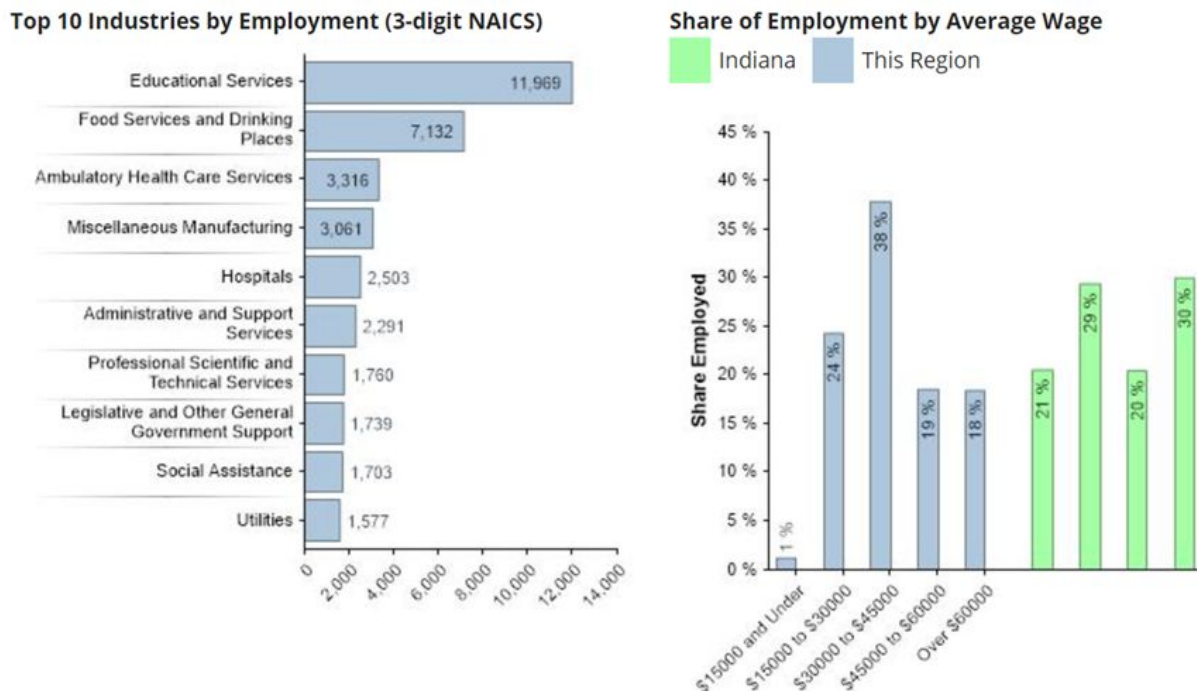


<sup>3</sup> Source: [https://www.bls.gov/eag/eag.in\\_bloomington\\_msa.htm](https://www.bls.gov/eag/eag.in_bloomington_msa.htm)

Definitions:

- Government: federal, state, local government
- Trade, transportation, utilities = wholesale trade, retail trade, transportation and warehousing, utilities
- Education and health services = educational services, health care, social assistance. Education includes K-12, junior colleges, colleges, universities, professional schools, technical and trade schools, etc.
- Information = publishing industries (except internet), motion picture and sound recording, broadcasting (not internet), telecom, data processing and hosting, other info services

Across Monroe County proper, the top ten industries by employment are as follows.



### **Economic impact of the crisis**

Nationally, Moody's has identified [five especially vulnerable sectors](#) in this crisis: mining/oil and gas, transportation, employment services, travel arrangements, and leisure and hospitality. Based on a [Brookings Institution analysis](#), the Bloomington metro has just over 10,000 jobs in industries that are at high risk, for a 15% share of all jobs in the metro (see [appendix table here](#)). Editor's note: it appears this data may apply to the larger metropolitan statistical area, which extends beyond Monroe County.

Jobs interfacing with the public were impacted earliest, with some workers facing layoffs, some moving to remote work (such as in education), and others remaining on board as essential employees. According to the IBRC approximately 29,000 individuals in Monroe County are employed in jobs involving daily direct interaction with the public—including local health services, hospitality, and education. This is a large segment of the workforce first impacted by COVID-19 changes, out of a total estimated Monroe County payroll employment of 65,000.

A record [3.28 million Americans filed unemployment claims](#) in the week ending with March 21, compared to the prior week ending with March 14. These levels are higher than those of the Great Recession. National and state figures compare as follows:



Unemployment claims (initial)	Week ending March 21	Week ending March 14
National	3.28 million	282,000
Indiana	61,635	2,596

[Source: NPR](#)

In this community, Monroe County unemployment filings rapidly increased in mid-March:

Year	Month	Week	Initial Claims	Pct. Change from Same Week Last Year
2020	March	Week ending the 7th	21	0%
2020	March	Week ending the 14th	18	29%
2020	March	Week ending the 21st	934	5738%

Source: [Hoosiers by the Numbers](#). Indiana Department of Workforce Development (DWD), Unemployment Insurance Statistics. This table was produced by DWD and the Indiana Business Research Center. <sup>4</sup>

## Impact on restaurants

Based on comments shared by restaurants to City Council members, in addition to having to close their doors to dine-in business, restaurants have lost about 35% of their assets due to perishable food that had to be thrown out or given away, which will have to be repurchased upon reopening. Many employers have laid off staff temporarily, with no guarantee of rehiring for the same number of jobs and little indication of date of rehire. Any relief being considered for displaced employees should be aligned with the Department of Workforce Development and any federal relief.

## Impact of the crisis on the hospitality industry

According to Visit Bloomington, hotel business in Bloomington for the week of March 15, 2020 was down 65 percent and was expected to be down over 80% for the week of March 22. As of March 26, five Bloomington hotels are completely closed.

April and May are two of the busiest months of the year in the local tourism industry due to the many events at the end of IU's academic year. An 80% drop in April and May 2019 room rentals (99,000) represents a loss over \$12 million. Those dollar figures don't include day trippers, which account for several more million dollars each month of local economic impact.

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<sup>4</sup> Note: Initial and continued claims counts displayed here may not agree with official counts posted elsewhere due to exclusion of denied initial claims and use of the compensable week rather than the filing week for inclusion in the counts (i.e. eliminates multiple week claims filed at the same time).

For comparison prior to the crisis: according to the 2018 Monroe County Tourism Economic Impact Report, delivered to Visit Bloomington on March 26, 2020, tourism has had the following impact in this community:

Tourism spending was \$419 million in 2018, as follows:

Food and beverage	\$145 million
Retail	\$89 million
Lodging	\$82 million
Transportation	\$82 million
Entertainment and recreation	<u>\$21 million</u>
	\$419 million

Tourism supported 6,814 jobs in Monroe County in 2018. Visitors to Bloomington spend approximately \$160 per person per day.

## Impact on small businesses

The Small Business Development Center at Ivy Tech Community College, Bloomington has reported an increase of approximately 20 new clients daily, most of which are related to SBA loan needs. Clients include but are not limited to many in the food/beverage industry, as well as retail, and small manufacturing. The SBDC also reports an increase in contractors the week of March 23 (HVAC) due to cancelled jobs.

The biggest challenges of SBDC clients during COVID-19 include: laying off employees (how to do so and how to file with WorkOne), understanding their financial situation, positioning for the future given COVID-19, and gathering paperwork to file for the SBA loan program. Many clients still incorrectly think the Federal funds coming in will be in grant form. As of March 26, the SBA has not been clear on how it will deploy these funds.

In calls to 911 Chamber members and two electronic surveys from March 13–March 26, small businesses report 1) a complete absence of customers, 2) an inability to make payroll, and 3) an inability to fulfill prior commitments to vendors. Immediate needs range from understanding the HR ramifications of layoffs and questioning staff about their health to cash-flow planning and financial forecasting. SBA loan information was the most sought after information, followed closely by information about anticipated Federal legislation.

## Forecasting

Little information is available at this time, given the need for more inputs, such as unemployment claims and unemployment insurance numbers. There is a lag in this data. More information will come from IBRC and other sources once it is available.

## **Sources of relief for businesses**

### **Government Funding**

#### **Local funding**

##### **Food & Beverage Tax**

City Council resolution 20-05, which passed by a vote of 9-0 on March 25, 2020 requested that the Food & Beverage Tax Advisory Commission (FABTAC) authorize up to \$2 million dollars to be leveraged from the City's portion of the Food & Beverage Tax fund. The resolution specifically states, regarding use of the fund:

"The City would use such funds to support food and beverage establishments, other businesses that promote tourism, and employees of such establishments and businesses with the City of Bloomington. Such support may include, but is not limited to, grants and/or an interest free loan Program."

Passage of the resolution by Council requires six?? additional steps before funding can become available for distribution to recipients:

1. FABTAC must authorize use of the funds according to the Council's recommendation. (Vote scheduled via special session for 3/27/2020)
2. The City must advertise for 10 days following approval of the FABTAC its intention to allocate funding for a revised purpose (3/29/2020–4/8/2020)
3. The State Board of Accounts must agree to the redeployment of F&B Tax funds for purposes envisioned in the Council resolution.
4. City Council must authorize expenditures via an Appropriation Ordinance (Votes scheduled for 4/1/2020 and currently 4/7/2020, although the latter appears premature relative to the public notice period).
5. City administration must revise its allocation of currently earmarked F&B tax proceeds and other tax resources to ensure continuity of current F&B tax commitments, notably the Convention Center design fee commitments. [timing/process tbd]
6. Final approval by IN Department of Local Government Finance.

The ES&R Working Group recommends that F&B tax funds, if approved, or alternate funding if necessary, be made available for public distribution in two tranches. This is to ensure that initial investment processes are proven to be effective and controlled:

First Tranche (week 4/13/2020)	\$1,000,000
Second Tranche (week 5/4/2020)	<u>\$1,000,000</u>
	\$2,000,000

The availability of the F&B Tax funds remains uncertain at the time of this writing, as per the City's Controller. Pending a response from the State Board of Accounts, the ES&R Working Group has not invested significant time in determining alternative funding sources, but would recommend a quick pivot to that activity in the event the State Board of Accounts deems use of F&B Tax funds unacceptable. The Controller expects a ruling from the State Board of Accounts after the 3/27/2020 FABTAC meeting and before the 4/1/2020 City Council meeting.

### BUEA Funding

The ES&R Working Group recommends a request to the BUEA for \$500,000 (assuming that the F&B Tax request or similar is approved). BUEA funds, which are significantly more limited in size but more flexible in use than the F&B Tax fund, may be available with approval by the BUEA board. BUEA funds are limited to constituents living within or programming that benefits Bloomington's Enterprise Zone.

The Working Group recommends that BUEA funding be applied for the following purposes:

Operational Support for ES&R Administration	\$25,000
Emergency Art Grant	\$200,000
Micro-Loan Program for Entities not covered by F&B	\$250,000
Emergency Economic Independence Scholarships	<u>\$25,000</u>
	\$500,000

BUEA board approval will be required to facilitate the above recommendation. The BUEA is currently scheduled to meet on 4/8/2020, but may be called for a special session as required to accelerate approval processes.

It should be noted that BUEA funds, if approved, would become available immediately for use in support of the Operational Support and Art Grant programs. Economic Independence Scholarships are reimbursements to individuals living within the Enterprise Zone, but policies may be requested by staff and approved by the BUEA to temporarily adjust reimbursement procedures to further unburden recipients.

### Bloomington Art Commission Grants For the Arts

The \$40,000 Grants for the Arts Program, if approved by the BAC, will suspend all program/project support funding for 2020 and shift the entire grant program to provide operational grants to arts and cultural non-profits/organizations affected by the COVID-19.

### Additional Funding Sources

The ES&R Working Group has reviewed additional funding sources. It does not, at this time, advise use of those for purposes of local stimulus, especially in light of the CARES Act by the US Senate on 3/25/2020. However, the ES&R Working Group reserves the right to recommend

potential future allocations for some or all of the following sources, pending ongoing needs and as eligible for use:

- Food & Beverage Tax
- BUEA
- Bloomington Arts Commission Grants for the Arts Program
- CRED Fund
- Housing Development Fund
- City Operating Funds
- City Rainy Day Fund
- TIF Bond Funds

Restriction details for some of the above funds may be found in Appendix 1.

## State funding

The State of Indiana has not yet announced direct funding relief for businesses, as of 3/26 at 5:00 pm). Although there appears to be Department of Labor Dislocated Worker Grant (DWG) funding available to states, see [here](#).

3/26 Update: Indiana DWD suspension of one week waiting period before paying unemployment benefits as required by Indiana Code 22-4-14-4. Suspension shall be retroactive to March 8, 2020.

## Federal funding

The federal government has passed two phases of relief funding related to COVID-19, with a third phase nearing completion on the night of Wednesday, March 25.

### SBA Economic Industry Disaster Loans

The US Small Business Administration has officially declared an economic disaster throughout the state and Hoosier small businesses are now eligible for \$50B in Economic Injury Disaster Loans (EIDL).

Under EIDL, small businesses, small agricultural cooperatives, and nonprofits across the state are eligible to apply for low-interest loans up to \$2 million to help overcome the temporary loss of revenue due to the COVID-19 outbreak. These loans may be used to pay fixed debts, payroll, accounts payable and other bills incurred during this public health emergency. The loan interest rates for small businesses and nonprofits are 3.75% and 2.75%, respectively, with terms up to 30 years.

To qualify for disaster loans, applicants must demonstrate credit history, the ability to repay the loan, and proof of physical presence in Indiana and working capital losses. ISBDC anticipates that the loan application process will take 8–12 weeks from start to end.

There have been other recent announcements from the White House and Congress to provide additional loan relief for small businesses. We do not know how these will be deployed by SBA, but it is likely some of them would be done through the normal SBA loan guarantee programs through banks and other lenders as it is a faster path for small business owners.

## Non-governmental funding options

### Small Business Relief Fund

[Small Business Relief Initiative](#) supports local businesses facing financial loss from the COVID-19 pandemic. As part of the initiative, the [Small Business Relief Fund](#) will issue \$500 matching grants to qualifying businesses that raise at least \$500 on GoFundMe.

### Velocities

Velocities, the partnership among Bloomington, Columbus, and Elevate Ventures, has \$200,000 available in an ideation fund for startups to prove out their idea. Up to \$20,000, meetings every other month.

### Flywheel Fund

Flywheel Fund is a member-managed capital fund based in Bloomington, Indiana, that invests in early-stage and high-potential startups. Launch is likely in May. Up to \$25,000, meetings quarterly.

### Artist Centered Relief

- Bloomington Film and Theatre Academy - <https://www.thebaft.org/covid>
- Art Alliance of Greater Bloomington is starting a fund - more details soon
- Indiana Music Industry Relief Fund (Women/Non-Binary):  
<https://www.midwaymusicspeaks.org/imirf>

## CDFI loan options

The following CDFI loan products are currently available to otherwise eligible borrowers in Monroe County. They are divided into two categories: new products developed specifically in response to COVID-19 and relevant pre-existing CDFI loan products.

## CDFI COVID-19 New or Modified Loan Products

### Bankable (SBA Community Advantage lender CDFI covering entire state)

- Product: QuickBridge loan program—offers a micro-sized loan for the purpose of providing relief to small businesses in Indiana.
  - Amount: \$500–50,000
  - Term: ≤3 years
  - Interest Rate: 8%.
  - Fees: None
  - Deferral Period: 30 days from closing
  - Turnaround: Approval estimated in 2–5 days, from date of submission
  - Prepay penalty: No
  - Underwriting: Not full underwrite, “lenient” review

Bankable states these loans are “geared towards businesses remaining in operation during the pandemic” as a complement to the SBA EIDL program.

### Accion Chicago (Small business CDFI, covering entire state of Indiana)

- Product: Emergency Line of Credit
  - Amount: up to \$25,000
  - Term: 3 years—12 months interest-only payments, 2-year term begins in 13th month
  - Interest Rate: 9%
  - Fees: 4% origination fee, deducted from initial disbursement
  - Deferral Period: 12 months interest-only
  - Turnaround: approval and funding in 1 week
  - Prepayment penalty: No
  - Underwriting: Expedited—with clean 2019 credit report, approval is based on Jan/Feb 2020 revenue
- Product: Small Business loan
  - Amount: up to \$100,000
  - Term: ≤3 years
  - Interest Rate: 9% or 15%, depending on credit score
  - Fees: 4% origination fee, deducted from initial disbursement
  - Deferral Period: 90% deferral for first 3 months
  - Turnaround: approval estimated in 2 weeks from complete submission
  - Prepayment penalty: No
  - Underwriting: Full

## Relevant, Existing CDFI Loan Products

Community Reinvestment Fund (CRF—small/medium business CDFI based in MN, covering entire state of Indiana)

- Product: SBA 7(a) loan  
Amount: minimum \$150,000–\$5,000,000  
Term: 10,15, or 25 year amortization period depending on collateral  
Interest Rate: Prime +2.75% (7% today)  
Fees: \$3000 packaging fee, or 1% of principal, whichever greater; good-faith deposit due at closing  
Deferral Period: 30 days  
Turnaround: approval estimated in 1 month from complete submission  
Prepayment penalty: Phases out incrementally over 3 years  
Underwriting: Full

Community Investment Fund of Indiana (CIFI—CDFI created by state IHCD covering entire state of Indiana)

- Product: small business loan  
Amount: Flexible, approximately \$10,000–\$350,000  
Term: Flexible, maximum 10 years  
Interest Rate: Flexible, typically Prime + 3%  
Fees: 1% origination fee  
Deferral Period: 30 days  
Turnaround: approval estimated in 4–6 weeks from complete submission  
Prepayment penalty: Flexible  
Underwriting: Full

## Local Banking Loan Options

In a survey of seven local lending institutions, none has new products specifically created in response to COVID-19. Each is working with current customers to modify loan rates, defer payments, or coach them in applying for the SBA loan. Each reported that they anticipate federal legislation that will create products they will administer for local small businesses. Specifically, they expect that the SBA loans will be expanded and will shift to allow banks to approve them.

The Keeping American Workers Employed and Paid Act would provide \$350 billion to help prevent workers from losing their jobs and small businesses from closing due to economic losses caused by the COVID-19 pandemic. The Paycheck Protection Program would provide 8 weeks of cash-flow assistance through 100% federally guaranteed loans to small employers



who maintain their payroll during this emergency. If the employer maintains its payroll, the portion of the loans used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven, which would help workers to remain employed and affected small businesses and our economy to recover quickly from this crisis. This proposal would be retroactive to February 15, 2020, to help bring workers who may have already been laid off back onto payrolls.

## Paycheck Protection Program (CARES Act)

Small employers with 500 employees or fewer, as well as those that meet the current Small Business Administration (SBA) size standards, would be eligible to apply for the loans. Self-employed individuals and “gig economy” individuals would also be eligible. Covered payroll costs include salary, wages, and payment of cash tips (up to an annual rate of pay of \$100,000); employee group health care benefits, including insurance premiums; retirement contributions; and covered leave.

- The size of the loans would equal 250 percent an employer’s average monthly payroll. The maximum loan amount would be \$10 million.
- The cost of participation in the program would be reduced for both borrowers and lenders by providing fee waivers, an automatic deferment of payments for one year, and no prepayment penalties.
- Loans would be available immediately through existing SBA-certified lenders, including banks, credit unions, and other financial institutions, and SBA would be required to streamline the process to bring additional lenders into the program.
- The Secretary of Treasury would be authorized to expedite the addition of new lenders and make further enhancements to expedite delivery of capital to small employers.
- The bill would provide \$350 billion to support these loans.
- The maximum loan amount for SBA Express loans would be increased from \$350,000 to \$1 million.
- Express loans provide borrowers with revolving lines of credit for working capital purposes.

## Non-financial relief

With the increasing availability of stimulus funding, the role of supportive services to help navigate the myriad options becoming available will become increasingly helpful to community organizations and individuals.

Additionally, governmental agencies can assist businesses and nonprofits by providing temporary relief from licensing and other regulations.

Following are a preliminary list of supportive services:

- Maintain and update a centralized resource page: [monroecountycovid-19.org](https://monroecountycovid-19.org)—a community home for resources from all sectors, including financial resources, HR and legal, NPOs, local, state, federal, and health care.
- Frequent Zoom meetings to share necessary information with the business community.
- Create a “Navigation Center”
  - A hotline—phone, text, chat, email—where founders, entrepreneurs, and business owners (FEBO) can call for help in navigating the information overload.
- Promote one-on-ones with the Executive Director of the Mill and the Entrepreneur-in-Residence for Velocities
  - Weekly business owner “tap-in” via Zoom for personal and business check-in
- Promote daily virtual programming at The Mill via Zoom and Slack
- Technical assistance (ISBDC, gener8tor)
  - After seeing how hard our small businesses have been hit (already) from the COVID-19 outbreak, gener8tor in partnership with the IEDC created a free, week-long program for Indiana small businesses and entrepreneurs to identify and leverage critical resources in order to weather this ongoing public health crisis.
    - Program Dates: March 30–April 3
    - Sign-up Deadline: March 25 at 11:59 PM ET
    - In addition to webinars, gener8tor will host dedicated, daily office hours for small businesses to digitally meet with business advisors. Their team will work one-on-one with companies to address the various issues small businesses are facing during the COVID-19 outbreak.
    - [https://www.gener8tor.com/emergency-response-program/indiana?mc\\_cid=f698086aa6&mc\\_eid=f92907f46e](https://www.gener8tor.com/emergency-response-program/indiana?mc_cid=f698086aa6&mc_eid=f92907f46e)
- Implement “virtual farmers market” for local, small agricultural producers to connect online with individual and organizational buyers—software selected, development in progress, to be launched in early April via partnership between City’s Parks & Recreation Department and Department of Economic & Sustainable Development.
- Procurement:
  - From the Field Manual for the Economic Recovery Support Function (ERSF) from EDA, as quoted by Tom Guevara: “...organize procurement summits that allowed businesses throughout the region to learn how to sell products and services to government entities and major industries.” This is particularly useful if state governments are going to get a piece of the CoV-2 bailout.
  - Encourage governments to procure anything and everything from local businesses. For example, maybe City of Bloomington Social Services Funding can be used to purchase prepared meals from local restaurants that can be used to feed the food insecure. This has the benefit of keeping people employed (economic multiplier) and enabling those that need immediate help with food to get it. The City and County can ramp up spending with local businesses for complementary stimulus.

- Regulatory:
  - Suspend business license fees
  - Extend renewals of licenses for the next few months.
- Therapy subsidy for Mill members
  - Business owners will need as much help with personal resilience as they do with their business. If you're a member of The Mill, we'll pay 100% of the first therapy visit and 50% of each additional.

## **Policy / Program options**

This section describes Bloomington's specific community needs in the context of existing resources, assesses what policies/programs are feasible in the short-, medium, and long term, and recommends preliminary proposals for the City and its partners to consider.

The Working Group aims to provide immediate relief to Bloomington businesses negatively impacted by COVID-19 in the form of grants and/or affordable loans. The reallocation of Food and Beverage Tax revenue should be used to bridge the gap, while small businesses and non-profit corporations wait for SBA disaster assistance, traditional loans, or lines of credit, which can take anywhere from 2 weeks to 6 months to arrive.

The goals of these policies are:

- Helping small businesses and nonprofits survive the COVID-19 crisis
- Retaining employment and prioritizing assistance for maintaining wages or rehiring workers
- Helping businesses avoid predatory lenders
- Maintaining the provision of goods and services for Bloomington's residents
- Sustaining the tourism and place-based economy to ensure economic and cultural rebound after the pandemic

## **Bloomington-Specific Needs**

More detailed information about Bloomington's economy and the effects of COVID-19 on the city and Bloomington MSA is available above. The following information is based on an informal survey conducted by the Greater Bloomington Chamber of Commerce in the past 10 days, designed to elicit information about the specific, immediate needs of Monroe County businesses in light of the pandemic.

### **Key findings**

- No businesses suggested that their immediate need for critical support exceeded \$50,000

- Normal range of expected loan/grant amounts based on small business feedback: \$15,000 to \$35,000
  - Based on a \$2 million allocation with an average award of \$25,000—this program could help 80 businesses
- The critical period is the immediate term: Impacts are already being felt, bills are overdue, and federal resources are likely several months away.

## Gaps in Existing Resources

Based on examination of current capital availability, expected governmental aid, and market demand, we have identified the following gaps in resource availability.

- Immediate capital deployable in under two months at rates below 8% interest
  - CDFI capacity can provide immediate cash flow for businesses who qualify and can afford subprime interest rates
- Short- and Long-term working capital for micro businesses
  - Businesses with fewer than 10 employees are less likely to receive SBA assistance and less likely to pass underwriting standards
- Short-term support for non-collateralized businesses
  - Most available short-term sources of capital require some collateral

Bloomington's business community reports their most critical needs are immediate (within 1–2 months) working capital in amounts under \$50,000. This is unsurprisingly consistent with gaps in existing and expected capital availability from government aid and both traditional and alternative financing sources.

Based on the cross-analysis of the specific needs of the greater Bloomington community and gaps in currently available sources of funding, we recommend creating small-dollar, rapidly deployed capital with short-term deferral, no interest, and simple eligibility criteria. This may be combined with funding to leverage existing capital resources at lower interest rates to expand capacity in the medium-term.

Critically, to ensure rapid deployment and leeway to survive a yet-undetermined crisis period, these solutions must prioritize simple, easily administrable if not categorical eligibility criteria. Similarly, these financing options must be implemented by those with the expertise and capacity to make quick financial underwriting and risk assessment decisions, and the infrastructure to swiftly receive and review applications and disburse capital. CDFI industry and local lending experts heavily emphasized this factor.

To pursue that objective, we propose to create some or all of the following financing options:

## COVID-19 Small Business Bridge Loan

This product is designed to provide working capital to support small businesses' most critical needs during the next two months, likely to be the most devastating period of the pandemic. It is not designed to generate an ROI, but aims to recoup its investment if possible.

Based on the applicant pool, the Working Group may choose to add further priorities or change eligibility criteria in the subsequent weeks.

- Signatory Lender: City of Bloomington (or COVID-19 public entity)
- Amount: \$1,500–\$50,000
- Interest Rate: 0%
- Amortization Period: 2 years
- Deferral period: 3 months before first payment due
- Fees: None
- Turnaround: ≤1 month
- Prepayment Penalty: None
- Eligibility requirements:
  1. Must be a small business or 501(c)(3) nonprofit corporation with under 250 FTE.
  2. Borrowers must comply with Bloomington's Living Wage Ordinance.
  3. Borrowers must be physically located within the City of Bloomington.
  4. Borrowers must demonstrate a significant decrease in revenue due to COVID-19. (25% decrease in revenue automatically qualifies, but is not required.)
  5. Borrowers must be able to demonstrate an ability to pay back the loan within 24 months of the award
  6. Borrowers must guarantee that funds will go to support wages, payroll costs, rent or utilities, and/or other immediate, essential expenses. Funds may not be distributed to equity investors or owners.
- Underwriting: Loan Committee of at least 5 volunteer members, including at least 3 members (rotating membership permitted) of local lending institutions. Other members may be Business leaders, public officials, industry experts, or qualified technical assistance providers.
- Administrative function: possibilities include COVID-19 entity; authorized local lending partner; City Controller's office.

## COVID-19 Micro Business loan

This product is designed to provide working capital to support micro-businesses (2-10 employees), who are less likely to meet underwriting requirements for other available capital. This program is designed to be a grant to most vulnerable businesses in our community, while recouping the investment if the microbusiness survives long-term.

- Signatory Lender: City of Bloomington or COVID-19 public entity
- Amount: \$1,000–\$5,000

- Interest Rate: 0%, forgivable
- Amortization Period: 1 year
- Deferral period: 12 months before balloon payment due
- Fees: None
- Turnaround: ≤2 weeks
- Prepayment Penalty: None
- Eligibility requirements:
  1. Must be a small business with under 11 FTE
  2. Borrowers must comply with Bloomington's Living Wage Ordinance.
  3. Borrowers must be physically located within the City of Bloomington.
  4. Borrowers must demonstrate a significant decrease in revenue due to COVID-19. (25% decrease in revenue automatically qualifies, but is not required.)
  5. Borrowers must be able to demonstrate an ability to pay back the loan within 24 months of the award
  6. Borrowers must guarantee that funds will go to support wages, payroll costs, rent or utilities, and/or other immediate, essential expenses. Funds may not be distributed to equity investors or owners.
- Underwriting: Same Loan Committee of at least 5 volunteer members, including at least 3 members (rotating membership permitted) of local lending institutions. Other members may be Business leaders, public officials, industry experts, or qualified technical assistance providers. This should be the same committee that reviews COVID-19 small business loans. Businesses cannot receive both products.
- Administrative function: possibilities include COVID-19 entity; authorized local lending partner; City Controller's office.

## COVID-19 Blended CDFI Loan

This product is designed to provide working capital to support small businesses and nonprofit entities in the medium term, in the event of a prolonged pandemic, delayed bounceback, or lull due to Bloomington's educational market cycle. It is designed to generate a small ROI to enable support from participating entities, but merely to recoup the public contribution.

The public contribution would be in the form of loan loss reserves, which would help offset risk to encourage CDFIs or participating lenders to take on below-market interest loans for businesses at risk. Participating lenders would agree to pay back whatever remained of the loss reserves after a designated period. CDFIs have indicated they could lend at least \$2 for every \$1 contributed in loss reserves.

- Signatory Lender: CDFI and/or local lending partner
- Amount: \$1,000–\$100,000
- Interest Rate: 6.5% (8% charged by CDFI partner, 5% charged by CDFI Friendly Bloomington or other local lending partner)
- Amortization Period: 2.5 years

- Deferral period: 6 months interest-only payments, 2-year term begins immediately thereafter
- Fees: None
- Turnaround:  $\leq 1$  month
- Prepayment Penalty: None
- Eligibility requirements:
  1. Otherwise eligible under participating lenders' loan policies (likely significant)
  2. Must be a small business or 501(c)(3) nonprofit corporation with under 250 FTE.
  3. Borrowers must comply with Bloomington's Living Wage Ordinance.
  7. Borrowers must be physically located within the City of Bloomington.
  8. Borrowers must demonstrate a significant decrease in revenue due to COVID-19. (25% decrease in revenue automatically qualifies, but is not required.)
  9. Borrowers must be able to demonstrate an ability to pay back the loan within 30 months of the award.
  10. Borrowers must guarantee that funds will go to support capital expenses: including but not limited to wages, payroll costs, rent or utilities, debt service, property maintenance, and/or other immediate, essential expenses. Funds may not be distributed to equity investors or owners.
- Underwriting: Completed by participating lenders.
- Administrative function: Other than drafting/closing initial agreement for loan-loss reserve commitment, this program would be administered by participating lenders.

## **Administrative Structure for Relief Distribution**

### Intake Process

Pending development by Response Team.

### Evaluation Process

Pending development by Response Team.

### Distribution Method(s)

Pending development by Response Team.

### Repayment/Reconciliation Process

Pending development by Response Team.

## **Measurement of Results/Reporting**

### **Measurement of Results**

Specific measurement of results of any local funding relief program will depend upon the specifics of the products/programs implemented. Given the relatively short implementation window, measurements may focus initially on implementation steps, including but not limited to:

- Application volume
- Service levels in application review
- Approval/rejection percentages
- Size/type of recipient organization and/or number of individuals
- Timeframe of relief delivery from point of approval

Longer term measurements would include loan default rates, return to cash flow stability measurements, jobs protected or created, etc.

### **Reporting**

The ES&R Working Group anticipates a robust reporting requirement, including to the Mayor, City Council, regional stakeholders, and directly to the public. The pace and structure of these reports is to be determined by the Mayor.

In the meantime, and as noted below, the ES&R Working Group recommends the development of an economic indicators dashboard accessible to the public.

### **Partners and how to engage them**

The ES&R Working Group recommends, in light of the increasingly possible approval of F&B Tax funding and likely continuing stabilization efforts for at least 6 months, that it begin or continue coordination with partner agencies, organizations, and individuals to better align efforts and improve outcomes. These may include the following (\* indicates this entity has already been engaged by this team during this initial crisis):

<b>Category</b>	<b>Entity</b>	<b>Notes / what to engage on</b>
Federal resources	US Economic Development Administration	Chicago field office
Federal resources	Office of Senator Todd Young* Office of Senator Mike Braun Office of Rep. Trey Hollingsworth*	Info on how federal appropriations will reach this community
Federal resources	USDA	



State resources	Indiana Economic Development Corporation*	Info on statewide resources; IEDC has also requested feedback on needs
State / regional resources	Department of Workforce Development / WorkOne Region 8 workforce board*	Employment resources
State / regional resources	Indiana Small Business Development Center / Gayle and Bill Cook Center for Entrepreneurship*	SBA Disaster Loans Business coaching
Regional	Regional Opportunities Initiative*	Regional industry data and forecasts for the Uplands Region
Regional	Economic development organizations / chambers in neighboring communities* <ul style="list-style-type: none"> <li>● Indy Partnership</li> <li>● Radius Indiana</li> <li>● EDOs for Morgan, Owen, Lawrence, Greene, Brown Counties, Columbus</li> </ul>	Connecting efforts within the regional economy
Government	Governmental agencies across Monroe County <ul style="list-style-type: none"> <li>● Monroe County Commissioners, Council*</li> <li>● Town of Ellettsville Manager, Council*</li> <li>● Stinesville as applicable</li> <li>● Townships as applicable</li> </ul>	Collaboration in developing policies and response mechanisms, as applicable
Government	City of Bloomington boards and commissions BAC, BUEA, BCOS, EDC, RDC HAND (HUD)	
Sector: higher education	Indiana University <ul style="list-style-type: none"> <li>● Office of the Provost*</li> <li>● Government Relations Economic Engagement</li> <li>● Centers: IBRC,* IU Public Policy Institute,* Rural Engagement</li> <li>● School-based expertise (O'Neill School, Kelley School, Informatics)</li> </ul> Ivy Tech Community College	

	Bloomington <ul style="list-style-type: none"><li>• Office of the Chancellor</li><li>• Workforce Alignment</li></ul>	
Sector: tourism / hospitality	<ul style="list-style-type: none"><li>• Visit Bloomington*</li><li>• Downtown Bloomington Inc/Main Street*</li><li>• Monroe Convention Center*</li></ul>	
Sector: non-profit / philanthropy	<ul style="list-style-type: none"><li>• CFB, United Way, CFBMC, unions, etc</li></ul>	
Sector: telecommunication	<ul style="list-style-type: none"><li>• Smithville</li><li>• AT&amp;T</li><li>• Comcast</li></ul>	
Sector: financial	<ul style="list-style-type: none"><li>• Old National</li><li>• First Financial</li><li>• IUCU</li><li>• German American</li><li>• Owen County State Bank</li><li>• Peoples State Bank</li><li>• Fifth/Third Bank</li></ul>	
Sector: utilities	<ul style="list-style-type: none"><li>• Duke*</li><li>• Hoosier Energy / SCI REMC</li></ul>	

*\* indicates this entity has already been engaged by this team during the initial crisis*

### **Next steps/ further work to be done**

The ES&R Working Group recognizes that the policy recommendations outlined above are focused on the initial, short-term economic stabilization programs that are most urgently needed. Implementation of these recommendations will require focused attention over the next 15 days in order to most effectively distribute initial funding support recommended above.

Concurrent with initial efforts, the ES&R Working Group must develop and implement measurement and evaluation programs to assess the effectiveness of first tranche distribution in order to optimize additional funding phases.

However, presuming that Bloomington's economy begins to stabilize within 6–12 months, the Working Group will accelerate work on mid- and long-term revitalization recommendations to increase the chances of a full economic recovery. This additional work can be organized as follows, which is based on the availability of current federal stimulus funding, the mid-term effects of the recovery project, and long term economic development needs.

## Formation of Planning Subgroups

The ES&R Working Group recommends that three sub-groups be formed to address each period of economic recovery, including:

Team	Scope	Task Description
Response Team	0–4 months (to coincide with the current horizon for federal stimulus)	Development of local stimulus products and implementation; development of a resource team to guide recipients through options.
Recovery Team	4–12 months	Develop recommendations and programs to provide revenue generating opportunities for community organizations and individuals
Thrive Team	12–36 months	Evaluate training, reskilling, infrastructure needs for long term economic vitality

## Response Team Activities

Activity	Collaborating Partners	Due Date
Develop ES&R Administrative Structure	Local Commercial Banking CDFI Networks	4/3/2020
Develop Measurement & Reporting Mechanisms	Office of the Mayor, City Council, FABTAC	4/10/2020
Determine & Implement Federal & State Reimbursement Protocols	SBDC, SBA Lenders	4/10/2020

## Recovery Team

Activity	Collaborating Partners	Due Date
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Evaluate Civil City in-year 2020 cost reductions/budget reallocations	All City Departments	4/30/2020
Develop economic indicators dashboard	Mill COB Innovation DWD IBRC	tbd
Develop 4–12 month economic model	tbd	tbd
Develop short-term revenue generation plans (e.g., events to replace IU Graduation, Mothers Day, etc.)	tbd	tbd

## Thrive Team

Reforecast 36-month Civil City tax receipts	Controller (Underwood) Monroe County (McKim)	6/1/2020
Develop City infrastructure project reprioritization	tbd	tbd
Develop workforce training and reskilling plan	tbd	tbd
Develop Community Economic Recovery/Development Plan	tbd	12/31/2020

## CEO Roundtable

In addition to the recommendation to the Mayor to form the above teams as quickly as possible, the ES&R Working Group recommends that the Mayor convene a roundtable of important economic development stakeholders in the community to begin crafting long-term “Thrive Team” activities. The proposed roundtable may include, but is not limited to representatives from 100+ FTE employers as well as representative organizations of smaller employers and certain key individuals in the community with economic development expertise:

Organization	Representative
Solution Tree	Jeff Jones
Centerstone	Mat Orrego
Envisage	Ari Vidali
Cook Group	Pete Yonkman
Catalent	tbd
TASUS	Melanie Walker
Indiana University	Fred Cate
IU Health	Brian Shockney
BEDC	Jennifer Pearl
Bloomington Chamber	Erin Predmore
DMI	Pat East
IU Public Policy Institute	Tom Guevara
Individual Resource	John Fernandez

Note: The above information may be adjusted with integration from ROI's regional employment profile data.

## **Conclusion**

The COVID-19 pandemic has created immediate economic hardships for Bloomington's business sector, non-profit organizations, and individuals. The urgency of the moment requires an initial focus on the creation of short-term relief programs, which is the primary focus of this policy recommendation document.

However, the pandemic also offers the community an opportunity to position itself for vibrancy and an acceleration of the growth that was already underway before the current emergency. Resources may be available to the community to aid in that long-term opportunity, including:

- Economic Development Administration funding to build a spec building in the Trades District for growth company expansion from the Mill. Could be a PPP with Cook and/or IU and could be managed by the Mill as formal expansion space

- Development of a formalized plan to leverage Informatics/AI activities into off-campus IP investments
- Collaboration with IU to develop wet lab facilities in the community to accelerate expansion of the life science sector

In sum, the community has already come together to support struggling organizations with an unprecedented sense of unity. An urgent need remains to find and fill gaps in short-term, external stimulus funding. The community must also begin to focus on midrange recovery efforts in anticipation of an end to federal and state stimulus support while organizations and individuals are not fully stabilized. And finally, Bloomington's future vibrancy will depend on assembling a "dream team" of long-term economic planners to consider how best to prioritize economic development projects in the pipeline, adjust to the post-COVID new reality and, where possible, leverage new and unforeseen opportunities that may stem from it.

The ES&R Working Group is pleased to participate in any way in all of the above.

### **Acknowledgements**

Thank you to the following individuals who contributed to the development of this memo:

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Clark Grenier (BEDC)  
Melissa Acton (Senator Young's office)  
Adina Abramowitz

**[END]**

## **APPENDIX 1: Local Funding Guidelines**

Following are guidelines for some potential local funding sources:

### **BUEA**

The BUEA has relatively broad funding authority to benefit the zone and Indiana Code § 5-28-15-14 mandates, in relevant part, that the BUEA “[s]erve as a catalyst for zone development. Under Indiana law, the BUEA may “[i]nitiate and coordinate any community development activities that aid in the employment of zone residents, improve the physical environment, or encourage the turnover or retention of capital in the zone.” Ind. Code § 5-28-15-14(b)(1). There is no specific definition of “community development activities,” and that term should be interpreted to give it the broadest possible meaning. Elsewhere in Article 28, community development is similarly defined in various ways to include improvements to the physical environment, loans to businesses, and any activity that encourages the turnover or retention of capital.

The only other restriction in the funding for these activities is that the BUEA may not fund anything that has the purpose of or that results in a pecuniary benefit to its officers or directors.

### **Community Revitalization Enhancement District (CRED) Funds**

The City's two CRED Districts are governed by Indiana Code 36-7-13. A CRED may be created when there are "significant obstacles to redevelopment of the [CRED]" due to any of the following problems:

1. Obsolete or inefficient buildings
2. Aging infrastructure or ineffective utility services
3. Utility relocation requirements
4. Transportation or access problems
5. Topographical obstacles to redevelopment
6. Environmental contamination
7. Lack of development or cessation of growth
8. Deterioration of improvements or character of occupancy, age, obsolescence, or substandard buildings
9. Other factors that have impaired values or prevent a normal development of property or use of property.

To address these problems, CRED funds may be used for:

- The acquisition of land

- Interests in land
- Site improvements
- Infrastructure improvements
- Buildings
- Structures
- Rehabilitation, renovation, and enlargement of buildings and structures
- Machinery
- Equipment
- Furnishings
- Facilities
- Administration expenses associated with such a project
- Operating expenses
- Substance removal or remedial action to the area

There is no case law interpreting the boundaries of these categories. CRED funds may also be used as an incentive for certain developer agreements. Indiana Code § 36-7-13-18 allows the City to enter into an agreement with a developer (which has a technical definition) and if the developer meets or exceeds specified benchmarks, the developer is paid a specified amount of CRED funds.

## Tax Increment Financing (TIF) Funds

Indiana Code § 36-7-14-39(b)(3) governs the ways that Tax Increment can be spent. It permits Tax Increment to be spent, among other things, to:

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

Indiana Code § 36-7-14-39(b)(3)(G), (J) permits a redevelopment commission to use Tax Increment “for local public improvements.” These provisions do not restrict how Tax Increment can be spent on local public improvements. That is to say, these provisions are not limited to the up-front costs associated with a project. Compare Ind. Code § 36-7-14-39(b)(3)(J) (“Pay expenses incurred by the redevelopment commission for local public improvements . . .”) with Ind. Code § 36-7-14-39(b)(3)(L) (“Pay the costs of carrying out an eligible efficiency project (as defined in [Ind. Code §] 36-9-41-1.5 . . .”).



There is no specific definition of “local public improvement.” Indiana Code § 36-7-14-39(b)(3)(G), (J) include “buildings, parking facilities, and other items described in [Indiana Code § 36-7-14-25.1(a)]” within “local public improvement.” Indiana Code § 36-7-14-25.1(a) includes “the total cost of all land, rights-of-way, and other property to be acquired and redeveloped.”

The legislature intended this broad, non-exhaustive definition of “local public improvement.” By keeping “local public improvement” general, the definition is able to adapt to “take care of the necessities of the future.” *Dep’t of Pub. Sanitation of City of Hammond v. Solan*, 97 N.E.2d 495, 501 (Ind. 1951) (declining to “announce a hard and fast rule defining a ‘public local improvement’ that will be binding upon legislatures and courts in future years”). However, it is important to acknowledge the limitations that the Indiana Court of Appeals has placed on this language. See *Redevelopment Comm’n of Town of Munster v. Indiana State Bd. of Accounts*, 28 N.E.3d 272, 277-80 (Ind. Ct. App. 2015).

## **APPENDIX 2: Federal Funding Summary**

### Phase 2: Families First Coronavirus Response Act

*The Kaiser Family Foundation provides a detailed [breakdown of the act here](#).  
An explainer of what employers need to know about the act is [posted here](#).*

*The following Phase 2 summary was also provided by the office of Senator Todd Young. It is [posted online here](#).*

On March 18, the Senate voted to pass the Families First Coronavirus Response Act, which is now law. This package provides relief to families, workers, and businesses affected by the coronavirus, including providing free testing, food aid, and unemployment assistance.

#### Food Assistance

- Provides funding for nutrition assistance programs, including:
  - 500 million for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).
  - \$400 million for the emergency food assistance program to help states and food banks distribute food for low-income people through local agencies
  - \$250 million for nutrition programs for seniors, including home-delivered meals.
- Allows states to provide additional, temporary SNAP benefits to families with children whose schools have closed due to the public health emergency.
- Permits certain school meal program requirements to be waived to ensure food is provided despite school closures.
- Waives federal SNAP work requirements temporarily

#### Sick and Emergency Leave

- Creates emergency paid sick leave for eligible employees who are sick or quarantined; as well as for caregivers of quarantined family members or children.
- Full-time workers will be guaranteed 80 hours of paid leave, prorated for part-time workers. Payments will be capped at \$511/day for sick employees, or at two-thirds of pay for those caring for family members capped at \$200/day.
- Provides temporary paid family leave for an additional 10 weeks to care for children whose school or daycare facility has closed due to the health emergency.
- Payments will equal two-thirds pay with a cap at \$200/day.
- Small businesses with fewer than 50 employees may apply for hardship exemptions.

- Provides refundable payroll tax credits for employers to offset payments for sick leave and family leave requirements

#### Fighting Coronavirus

- Requires private and public health plans to provide full coverage for COVID-19 visits and testing.
- Provides \$1 billion to the Public Health and Social Services Emergency Fund to allow for COVID-19 testing for the uninsured.
- Gives states additional emergency federal medical assistance.
- Provides liability protection to certain personal respiratory protective device manufacturers to increase the production of devices in high demand.

#### Phase 3: CARES Act (Expanded)

The Senate approved on 3/25 the largest ever federal stimulus relief bill—the CARES Act. On 3/27 the bill passed the HView the IEDC breakdown of the bill [here](#). The IEDC states that the Senate and the administration have been collaborating closely with House leadership over the previous weeks in a bid to ensure smooth, quick adoption of the Senate bill.

#### Economic Development Administration (EDA)

EDA receives \$1.5 billion in supplemental funding, directed to the Economic Adjustment Assistance account. The agency also receives surge hiring authority, to allow EDA to properly staff the agency during this crisis; a 2% carve out of the supplemental funds is directed toward ‘salaries and expenses’ to support the surge.

#### Community Development Fund (CDBG)

CDBG receives \$5 billion in supplemental funding. \$2 billion will be distributed according to the 2020 allocation formulas within 30 days. \$1 billion will be distributed to states to combat the spread of COVID-19 within 45 days, in amounts determined by the Secretary of HUD based on best available data and need. The balance of the supplemental funding will be distributed to states based on a formula determined by the Secretary of HUD using best available data on COVID-19 and associated economic and housing disruptions.

#### USDA Rural Development (USDA-RD)

USDA-RD receives \$145.5 million in funding; \$20.5 million for the Rural Business-Cooperative Service that will make \$1 billion in lending authority available, \$100

million in grants for rural broadband service, \$25 million in grants for distance learning and telemedicine.

#### Hollings Manufacturing Extension Partnership (MEP)

MEP receives \$50 million to support MEP centers and waives the statutory cost-match requirement.

#### Minority Business Development Agency (MBDA)

MBDA receives \$10 million in grant funding to support technical assistance to minority business development centers and minority chambers of commerce for counseling for minority business on available COVID-19 related resources.

#### Federal Emergency Management Agency (FEMA)

FEMA receives \$45.4 billion for response and recovery, including \$400 million for grants for fire/ems, emergency management, and food & shelter providers.

#### Department of the Interior (Interior)

Bureau of Indian Affairs receives \$453 million, Bureau of Indian Education receives \$69 million, Indian Health Services receives \$1.032 billion, Office of Insular Affairs receives \$55 million.

#### National Endowment for the Arts & Humanities (NEA)

NEA receives \$150 million in total; \$75 million for the National Endowment for the Arts and \$75 million for the National Endowment for the Humanities; money will be used to assist state arts and humanities agencies and partners.

#### Small Business Administration

The Small Business Administration is receiving an enormous amount of funding and significant program adjustments to help small businesses weather and survive the crisis. A sample of the numbers includes:

- \$349 billion for loan guarantees,
- \$675 million for Small Business Administration salaries and expenses,
- \$240 million for small business development centers and women's business centers for technical assistance for businesses,
- \$10 billion for emergency EIDL grants,

- \$17 billion for loan subsidies,
- \$100 billion for secondary market guarantee sales

Programmatic changes appear to be primarily channeled through the 7(a) loan program. Key provisions include:

#### Paycheck Protection Program

- Creation of the Paycheck Protection Program (PPP)
- Helps small businesses, 501(c)(3)'s, 501(c)(19)'s, and 31(b)(2)(c)
- Limited to under 500 employees
- Includes independent contractors, sole proprietors and the self-employed
- Entities must have been operational by 2/15/20; had payroll, paid taxes
- Covered loan period is 2/25/20 through 6/30/20
- Maximum loan amount via 7(a) set to \$10 million through 12/31/20
- 100% loan guarantee through 12/31/20
- Eligible expenses include payroll, insurance, rent, mortgage and utilities
- Borrower cannot apply/carry both PPP and Economic Injury Disaster Loan (EIDL) for COVID-19, but can carry previous, non-COVID-19 EIDL and participate in PPP
- Borrower must good-faith certify that funds are needed for COVID-19 related purposes, the funds will be used to retain workers, and that their request is not duplicative with other SBA funds for the same purpose
- Waives borrower and lender fees
- Waives credit elsewhere requirements
- Waives collateral and personal guarantees
- Sets maximum interest rate of 4%
- No prepayment fees
- Defers payments on PPP loan for 6–12 months
- Delegates authority to all existing 7(a) lenders to expedite approvals/distributions
- Authorizes bank and non-bank lenders to participate in PPP program
- New lenders in program can only participate in PPP and not other 7(a) loans
- Amount spent by borrower in the first 8 weeks from loan origination may be forgiven; amount reduced proportionate to reductions in workforce as compared to previous year; if rehires made during 8 week period, no penalty in reflection of possible layoffs early in the 8 week period
- Allows inclusion of additional money paid to tipped workers
- Anything not forgiven or repaid by 12/31/20 will convert to a max 10 year loan at a max 4% interest rate; loan will remain 100% guaranteed

#### Emergency Injury Disaster Loan (EIDL)

- Eligibility expanded to include tribal businesses, cooperatives, ESOP's, individual contractors, sole proprietors, and private non-profits with less than 500 employees
- Waives credit elsewhere requirement for advances and loans below \$200,000

- Waives personal guarantee for advances and loans below \$200,000
- Waives 1-year-in-business requirement for advances and loans below \$200,000
- SBA has greater flexibility in determining borrower eligibility
- Entities eligible to apply for EIDL may request an advance in the form of an emergency grant of up to \$10,000
- SBA must distribute EIDL emergency grant within 3 days
- Applicants are not required to repay emergency grant, even if they are ultimately denied EIDL

#### Other provisions

- Additional funding provided to Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs)
- Match requirements for WBCs are waived for 3 months
- State Trade Expansion Program funds from FY18 and 19 will be made available through FY '21
- Requires SBA to subsidize 6 months of payments on existing 7(a), 504, or microloans beginning with the next payment.

#### Unemployment Insurance

The stimulus bill offers considerable resources related to unemployment insurance. At present, this section includes final sticking points that are delaying passage of the bill.

- Creates a temporary Pandemic Unemployment Assistance (PUA) program for those not traditionally covered by unemployment insurance (UI), including the self-employed, independent contractors, or those with limited work history
- Provides an additional \$600 per week in recipients of UI and PUA for up to 4 months
- Provides an additional 13 weeks of UI after state UI expires
- Federal government will cover 100% of the cost of the first week of UI if states waive the 1 week waiting period to begin benefits
- Federal government will reimburse states for 50% of the costs incurred through 12/31/20 of unemployment benefits for state agencies and nonprofits
- Federal government will pay 100% for 'short-time' programs in states with exiting programs in law and 50% of costs for states that begin 'short-time' programs during the covered period

#### For Businesses

A series of tax credits to ease the burden of keeping staff on payroll.

- Employee retention benefit: 50% refundable payroll tax credit during COVID-19 crisis for businesses that either fully or partially shut down OR have a 50% decrease in receipts versus the same quarter in the previous year and continue to pay employees.
- Based on qualified wages paid to employees during crisis, tied to number of employees (100+ full time employees = wages paid when they are not providing

services due to COVID-19 and less than 100 full time employees = wages paid regardless of business closure status)

- Covers up to \$10,000 paid per employee, including benefits, for the period 3/13/20–1/31/20
- Payroll tax deferred, payments to be spread over 2 years
- Net operating losses (NOLs) modification: NOLs arising in FY18, 19, and 20 can be carried back 5 years
- AMT credits available as refundable credits through 2021 can be claimed as a refund now
- Allowable deductible interest expenses are increased from 30% to 50% for 2019 and 2020.

### Economic Stabilization

The bill provides massive resources for economic stabilization primarily through the Department of the Treasury and the Federal Reserve.

- \$500 billion for the Treasury Exchange Stabilization fund for loans, loan guarantees and other investments, including: \$25 billion for air passenger carriers, \$4 billion for air cargo; \$17 billion for business important to national security; \$454 billion for the Federal Reserve's lending facilities to eligible businesses, states and municipalities
- Eligible entities must: have no alternative financing available, loans must be secured, loan terms must be less than 5 years, loan cannot be forgiven, no buy backs or dividend payments until the loan is repaid or 1 year from loan origination; must maintain 90% of 3/24/20 workforce until 9/30/20
- Any Federal Reserve lending must be broad-based, verification borrow is not insolvent, no other financing available, and loans cannot be forgiven.

### Coronavirus Relief Fund

An injection of funding for states, tribes and local governments to combat the spread and aftermath of COVID-19

- Provides a \$150 billion grant fund for states, to be distributed proportional to population size, with a minimum of \$1.25 billion for states with the smallest populations.
- Funding is for state, local and tribal governments to use in response to the COVID-19 crisis.

### Rebates

Cash payments to U.S. residents

- All U.S. residents with an adjusted gross income of up to \$75,000 for individuals and \$150,000 for couples will receive a cash rebate of \$1,200 (ind) or \$2,400 (couples)
- Includes all taxpayers with work-eligible SSN, including those with low or no income

- Rebate amount decreases by \$5 with for every \$100 over the threshold, with individuals AGI over \$99,000 completely phased out, \$146,000 for head of household with at least 1 child phased out, and \$198,000 for couples phased out.
- An additional \$500 will be given for each child per household.

As you can see, this bill is massive in both funding and scope. A fourth aid bill is all but certain to come in the weeks ahead, with additional funding and program fixes and adjustments. IEDC will continue to engage Congress and the administration throughout this crisis. Please continue to engage your elected officials on the importance of a swift, substantial and sustained federal response to this crisis.



### **APPENDIX 3: How other counties/municipalities are responding**

- [Full database of capital resource responses from other cities/community partners](#)
  - Includes non-Indiana CDFI responses, municipal loan funds
- [International Economic Development Council Webinar: Preparing for COVID-19](#)
- Los Angeles Economic Development Corporation (LAEDC):
  - [LAEDC Coronavirus Response page](#)
  - Main areas of focus/key takeaways:
    - LAEDC's 17 steps to cope with new business/operational challenges
    - [City of LA Resilience Toolkit](#)
    - California SmartMatch to strengthen local supply chains
- City of Toronto Economic Development & Culture:
  - [City of Toronto Coronavirus Response page](#)
  - The City of Toronto has created a response team, "Team Toronto", consisting of investment and attraction agencies, and the chamber of commerce to report business functions to the government.
  - Working with landlords and tenants. Landlords are reluctant to give up rent and small businesses are not in a position to pay their rent on April 1. Deferring property taxes and any other fees that people will pay to the city. More information below.
  - SARS Outbreak in 2003 prepared them for COVID-19
    - Focused on the physiological impact on social distancing and reluctance to attend large gatherings.
  - Main areas of focus/key takeaways:
    - Postponing Ontario's budget release and will currently release economic and fiscal updates
    - Project initial impacts to economy
      - Reduce consumer and business spending
      - Decreases in exports and non-residential business investment
    - Deployed Economic Recovery and Support Taskforce (Team Toronto)
      - Extending grace periods
      - Employee protections
      - Establishing contingency fund
      - Access to employment insurance
      - Expanding small business advisory services
      - 24-hour retail delivery exemption
- Galveston Economic Development Partnership, Galveston, TX:
  - [GEDP Coronavirus Response page](#)
  - Strong regional collaboration with the Greater Houston Partnership
  - GEDP has responded to many economic hardships in their community before: hurricanes, oil spills, etc.
  - Main areas of focus/key takeaways:
    - Reactivated business recovery loan program to focus on COVID-19

- 3.25% APR/ 180 Days
  - Gap funding until other funds are organized
  - Created business continuity & disaster preparedness toolkit
- [Grella Partnership Strategies](#)
  - Reassess → Respond → Reinvent
    - Health
    - Business
    - Policy
    - Supply Chain
    - Workers
  - Recommendations by Mike Grella:
    - Incentives are important short term
    - Break the cycle of permanent subsidies and lost debt
    - Create communities with a healthy tax basis so critical services like health care and access to funds are available
    - Economic development focus is primarily on high paying, quality jobs.  
Jobs coming back will be remote work or part time
- [Grant County Economic Growth Council Coronavirus Response page](#)
- [Grant County Economic Growth Council Fund](#)
  - Extension of the [Revolving Loan Fund](#)
  - Can receive up to \$7,500
  - Businesses eligible if...
    - Operating in Grant County
    - Have less than 30 employees
    - Current on all taxes
    - Not a franchisee
  - Terms
    - No prepayment for 6 months
    - Interest-only Payments for 6 months
    - Full repayment by month 24 (in two years)
    - Interest rate of 3.00%
  - Fund used for
    - Offsetting losses related to the Coronavirus
    - Helping companies sponsor sick pay for workers.
    - Preventing staff reductions

#### **APPENDIX 4: Questions/Issues to Consider**

- Make certain there is a legal precedence for a public municipality/county to use taxpayer funds as capital investment dollars and the mechanisms to deploy said capital. Keep in mind that these funds are being repurposed from the original intent of why the dollars were collected.
- If there is a decision to move forward with public funds in an investment capacity identify the industries...the loan committee should be comprised of at least one proven industry expert amongst the team
- Assess the probability of legal actions taken by the borrower(s) and those rejected to receive public tax dollars, meaning, how does the public entity pick winners and losers? Loan criteria must be very clear under these circumstances
- Is there an affirmative action element in the lending to balance and encourage minority business involvement
- Consider leveraging loan and investment expertise by having Elevate Ventures in the loan review process. They typically co-invest so they know how to work side-by-side with banks or other capital market investors. They understand deal structure for repayment probability and have a proven track record which is measurable from a public accountability standpoint. Demand best practices if it is decided to pursue this pathway
- What is the interest and term rate of the loans and how will you keep the community informed about how their tax dollars are being spent and the success rate.
- Can bankruptcy be used as a way to default on the loan
- Is the loan collateralized through assets
- Should the community require a co-investor
- Ethically if a public entity makes a loan to a business can they do business with them more or less frequently than a business that did NOT receive no loan but is in the same business/service
- Can a city or county employee be a shareholder of a publicly funded business that needs rescue?
- Alternatively, determine a set dollar value for loans then coordinate with the Community Foundation to aid in the distribution of the funds
- Is there a loan denial requirement from another lender before coming to the Economic Recovery Loan Committee? For instance, the SBA loan requires that a bank must decline your loan request before you are eligible for a loan. This insures the borrower is serious about their business
- Could TIF dollars be used if the business relocates or currently resides in a TIF district

## **APPENDIX 5: "Parking Lot" Issues**

### Commercial Utility Deferral

For San Diego, they are doing a utilities moratorium. Are we considering/recommending such a thing? Can someone work on this? "Commercial Utility Deferral: This program immediately helps business owners by suspending water billing fees, removing penalties for late payments, and ensuring there are no commercial account shut-offs. This mirrors previous relief provided to families in San Diego struggling to make payments to keep current during uncertain times."

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### San Francisco Survey Form

[https://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/COVID-19%20Resiliency%20Fund%20Application%20Form\\_%20v03.11.2020.pdf](https://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/COVID-19%20Resiliency%20Fund%20Application%20Form_%20v03.11.2020.pdf)

\*\*\*\*\*

We should research matching programs such as Indiana's Next Level Fund, which makes targeted investments in Indiana venture capital funds and Indiana businesses in order to generate competitive investment performance as well as support increased entrepreneurship and innovation in the State.

\*\*\*\*\*

As of 3/26/20, The Bloomington Arts and Culture COVID-19 Impact Survey - 152 respondents (51% of respondents identify as Independent Contractors)

\*\*\*\*\*

Need to confirm following note from earlier draft:

- Formstack has donated a super-user account for data collection (via a form) and to reduce workflow, e.g. when a FEBO submits their information via the form, it is stored in the cloud and can be submitted to the right parties.
- Jennie Moser of Jennie Moser Design is secured for 15-20 hours to build a website and pull together any other technology that we need to make applying for loans, grants, etc. easier

\*\*\*\*\*

Resolving Childcare need



## **ORDINANCE 20-09**

### **TO AMEND TITLE 2 OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “ADMINISTRATION AND PERSONNEL” AND TO GRANT AUTHORITY TO ACT IN ACCORDANCE WITH DECLARED DISASTER EMERGENCIES**

**--Re: Amending 2.22.030 Entitled “Employee Policies” and Complying with the State of  
Indiana’s Declaration of Disaster Emergency under I.C. § 10-14-3-12**

WHEREAS, Bloomington Municipal Code § 2.22.030 regulates Employee Policies for the City of Bloomington; and

WHEREAS, Governor Holcomb has declared a statewide disaster emergency for the COVID-19 pandemic in accordance with Indiana Code Section 10-14-3-12; and

WHEREAS, in the event of disaster emergencies and in accordance with Indiana Code Section 10-14-3-17(j)(5), municipalities may “waive procedures and formalities otherwise required by law pertaining to:

- (A) the performance of public work;
- (B) the entering into of contracts;
- (C) the incurring of obligations;
- (D) the employment of permanent and temporary workers;
- (E) the use of volunteer workers;
- (F) the rental of equipment;
- (G) the purchase and distribution of supplies, materials, and facilities; and
- (H) the appropriation and expenditure of public funds;” and

WHEREAS, for the protection of the community, the Common Council now believes it is necessary to take affirmative action during this time of emergency;

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

SECTION 1. Section 2.22.030, entitled "Employee Policies" shall be amended to add the following additional section:

(8) Stay Home Pay During a Declared Emergency. The Mayor may require some (non-critical or non-essential) or all employees to refrain from coming to their work stations in the event of a national emergency or state disaster emergency as provided in Indiana Code Section 10-14-3-12. In the event of such emergency declaration, the Mayor may provide that employees directed to refrain from coming to work receive pay (hourly and/or salary) for their regularly scheduled, non-overtime work hours (“Emergency Stay Home Pay”), subject to the following conditions:

- (a) If some of all of the employee’s job functions can be performed from home, the employee is expected to perform those job functions from home during the employee’s regularly scheduled non-overtime work hours;
- (b) For the duration of the declared emergency, the employee is considered “on duty” and at work during the employee’s regularly scheduled non-overtime work hours, and, therefore, must be available by phone and/or email to respond to calls from other City officials and must be available to return to their work station with two (2) hours of notice from their supervisor, the Mayor, or the Mayor’s designee;
- (c) The employee may not work or earn compensation from any other source during the employee’s regularly scheduled non-overtime work hours (i.e., for which the employee would earn Emergency Stay Home Pay).

SECTION 2. For the duration of the declared disaster emergency under Indiana Code Section 10-14-3-12, the Mayor of the City of Bloomington shall have the powers to act in conformity with and waive any and all procedures and formalities in accordance with Indiana Code Section 10-14-3-17(j), the Governor’s executive orders, or any other applicable law, declaration, order, or decree.

SECTION 3. In accordance with the powers in the preceding Section 2 and the guidance from the State Board of Accounts, the Controller shall have the authority to approve payment of all necessary expenditures on behalf of the City of Bloomington for the duration of the declared emergency, and any board or commission normally tasked with the approval of such expenditures shall review and approve the Controller's authorizations once the declared emergency has ended.

SECTION 4. 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 5: This ordinance shall be in full force and effect from and after its passage by the Common Council and approval by the Mayor.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of March, 2020.

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STEPHEN VOLAN, President  
Bloomington Common Council

ATTEST:

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NICOLE BOLDEN, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of March, 2020.

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NICOLE BOLDEN, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of March, 2020.

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JOHN HAMILTON, Mayor  
City of Bloomington

#### SYNOPSIS

Ordinance 20-09 addresses the operation of City government during the public health emergency resulting from COVID-19. It amends employee policies to allow the Mayor to order some or all employees of the City of Bloomington to continue to receive pay during their regularly scheduled, non-overtime work hours, for the duration of an emergency declared by the Governor under IC § 10-14-3- 12. Then, for the duration of this emergency, it invokes Indiana Code 10-14-3-17(j), which, in part, allows political subdivisions to waive procedures and formalities in regard to certain of its functions, and gives the Mayor the authority to implement those measures, as long as those actions are consistent with that statute, the Governor's executive orders, or any other applicable law, declaration, order, or decree. Also for the duration of this disaster emergency and to the extent consistent with guidance from the State Board of Accounts, it authorizes the Controller to approve the payment of all necessary City expenditures, and defers the action of the boards and commissions which normally review and approve these expenditures, until after the emergency and alters their role, at that time, to the review and approval of the Controller's actions.



**CITY OF BLOOMINGTON  
LEGAL DEPARTMENT  
MEMORANDUM**

**TO: Members of the Common Council of the City of Bloomington**

**FROM: Philippa Guthrie, Corporation Counsel**

**CC: Dan Sherman, Council Administrator/Attorney**

**RE: Ordinance 20-**

**DATE: April 3, 2020**

The global COVID-19 pandemic began with the first confirmed reports on December 31, 2019 that Chinese physicians in Wuhan had been treating dozens of cases of pneumonia of unknown cause. In the weeks since then, the virus has spread to nearly every country in the world. By March 13<sup>th</sup>, the speed with which COVID-19 had spread and the actual and predicted effect on the U.S. population and economy were so alarming that President Trump declared a national emergency. Correspondingly, many Governors and many local government officials have since declared emergencies and issued orders designed to reduce COVID-19 infections within their jurisdictions.

On March 23, 2020, Governor Holcomb issued Executive Order 20-08, “Directive for Hoosiers to Stay at Home,” which, among other things, ordered all non-essential businesses and operations to cease activities, but carved out an exception for “Essential Businesses and Operations,” of which one category is “Essential Governmental Services.” Executive Order 20-08, moreover, ordered individual citizens to stay at home except for certain limited reasons deemed to be essential for human health, or to perform work for Essential Businesses and Operations, including employers considered to be Essential Governmental Services. As of today, the stay-at-home order is in place effectively until April 7<sup>th</sup>.

By the time Governor Holcomb had issued his order, Indiana state government had already been attempting to address questions from local government units about how they could and should conduct their operations in the midst of a national emergency of this nature. The primary concern was how to conduct business as usual, and as required by state and local codes, while still protecting their employees and citizens from this virulent pathogen.

Indiana state government began responding with guidance memos and directives on issues that had been widely raised, for example, the conduct of public meetings when reducing the size of groups of people was recommended by the CDC. Many of the questions being fielded by the state involved the procedures and formalities by which local government units were handling financial transactions.



The State Board of Accounts (SBOA) issued its first Memorandum addressing the coronavirus crisis on March 12, 2020. It was a general statement urging governing bodies to adopt policies that incorporated “those items that could be of concern in the coming months.” On March 16, 2020, the SBOA issued a second Memorandum that fleshed out the intent of the First Memorandum stating, “Governing bodies will need to be flexible in their approach....If it is determined that there are needed actions that do not need a formal policy or that there are actions that should be done in conjunction with a formal policy, as long as there is written evidence that a governing body is appropriately approving actions in an appropriate forum, those are acceptable.” In addition, the Second Memorandum noted that, “Any policies/actions should have in mind to maintain operations of government as normal or near normal as possible while maintaining the wellbeing of governmental employees and the public.” Finally, the SBOA released its third Memorandum on March 19, 2020. This memorandum acknowledged that local government units might need to adjust normal financial procedures and said it would not take audit exception to alternative procedures for handling of deposits and approval of claims, and it described the acceptable alternative procedures. All three Memoranda were provided in your packet.

In light of the current declared emergency, and in order to comply with the directives from the SBOA, the Administration asks the Council to adopt this Ordinance 20-09 as a policy statement that acknowledges the need for and authorizes additional operational flexibility for the Administration to respond to the emergency as necessary. In the event of a declaration of emergency, I.C. 10-14-3-17(j)(5) provides each political subdivision of the state with the authority to:

“[W]aive procedures and formalities otherwise required by law pertaining to:

- (A) the performance of public work;
- (B) the entering into of contracts;
- (C) the incurring of obligations;
- (D) the employment of permanent and temporary workers;
- (E) the use of volunteer workers;
- (F) the rental of equipment;
- (G) the purchase and distribution of supplies, materials, and facilities; and
- (H) the appropriation and expenditure of public funds

Given that our political subdivision has shared authority between the Common Council and the Executive, the Administration believes that under both the state code and the SBOA Memoranda the Common Council must make a policy statement that the ability to waive procedures and formalities as necessary is appropriate and authorized.

Accordingly, the Ordinance would first amend Section 2.22.030 of the Bloomington Municipal Code to authorize the city to permit employees to work at home during this or any future declared national or state emergency, and to be paid during their normal, non-overtime hours even though working from home. The Ordinance then provides that the Mayor is authorized under the current emergency to waive procedures and formalities in accordance with the state code provision referenced above, and the Governor’s executive orders or any other applicable law. Finally, the Ordinance provides flexibility to the Controller in conformance with state code and any SBOA directives to approve necessary expenditures for the duration of the current emergency, with any required approval from boards and commissions being obtained once the emergency has ended.

We cannot know all the actions we will need to undertake to manage the COVID-19 crisis, and the Administration has already had requests, and anticipates receiving many more, for actions that have heretofore not been part of usual operations. For example, we have been asked whether certain city buildings could be used for isolation housing for people afflicted with COVID-19, or childcare for health workers. Moreover, given how fast this crisis has developed and how quickly circumstances change in a matter of hours, action may be required practically overnight. Many such actions could require the expenditure of funds, and if agreed to under normal circumstances would also need advance approval of a board or commission, or dictate that city staff follow prescribed procedures that could significantly delay response time.

This Ordinance would provide the city with the ability to be quick and nimble as needed to protect the health and wellbeing of its employees and the public, and would meet the directives issued by the SBOA for flexibility and written documentation in order to avoid audit exceptions. In these unprecedented times, we request that the Council adopt Ordinance 20-09 to provide the Administration with the flexibility to take necessary action to address our current public health emergency.



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**MEMORANDUM**

March 12, 2020

Re: Policy for Coronavirus

Dear Officials,

We have received several questions regarding the Coronavirus (COVID-19) and its impact on governmental activities. Currently the questions are centering on disruption of travel, work environment, and employee benefits/compensation.

We urge governing bodies to work in the very near future with their attorneys to develop a policy specific to this emerging pressing situation. It should incorporate those items that could be of concern in the coming months. We would advise that this policy have broad language that may reference more specific materials so that the policy does not need to be constantly updated and approved to address the quickly changing real-time issues. The policy should be adopted through normal processes as provided by statute, including public meetings. IC 5-14-1.5-5(d) provides for emergency meetings if those become necessary. Also, if you have collective bargaining, do not forget to consider the agreement's impact.

We will not take audit exception to these policies and resulting responses that are due to the Coronavirus.

We will be providing in a separate communication Monday suggestions and items to consider.

Please continue to send any questions to the Directors, they may be reached at 317-232-2512.

The wellbeing of our citizens is paramount to us all.

Sincerely,

Paul D. Joyce, CPA  
State Examiner



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**MEMORANDUM**

TO: All Units

FROM: Paul D. Joyce, CPA, State Examiner

RE: Items to Consider when Governing Bodies are Developing Actions/Policies Regarding Coronavirus

DATE: March 16, 2020

=====  
Provided are suggestions and items to consider as referred to in the memorandum provided on March 12, 2020.

It must be stressed the urgency to both monitor and address situations as they arise. This is a very fluid situation, changing constantly. Governing bodies will need to be flexible in their approach. Any guidance we provide must be taken in that context and should not be taken as restrictive.

If it is determined that there are needed actions that do not need a formal policy or that there are actions that should be done in conjunction with a formal policy, as long as there is written evidence that a governing body is appropriately approving actions in an appropriate forum, those are acceptable.

For example, school boards who decide to pay employees when schools are closed or impose specific directives or procedures in response to the coronavirus epidemic should do so in a public meeting and the board's action must be in writing. The written action of the board may be in the form of a resolution or board meeting minutes. It is not necessary to do a formal board policy as this action will be temporary and not one that will be ongoing and continuous in the future.

Any policies/actions should have in mind to maintain operations of government as normal or near normal as possible while maintaining the wellbeing of governmental employees and the public.

Here are some items to consider when developing policies/actions for personnel specific to the coronavirus:

What will be done regarding compensation and leave time of employees if there is a mandatory closure of the building? If there is already normally scheduled time off, such as spring break, then for that period of time compensation and leave would be proceed as normal. For mandatory closure outside of normally scheduled time off then guidelines specific to the emergency situation would come into effect.

First to consider, is there specific guidance regarding the coronavirus by the U.S. Department of Labor (DOL)?

DOL website is recommending review of leave policies and consideration of increased flexibility. Q & A regarding pandemics and the fair standards labor act as well as the family medical leave act can be found at [dol.gov/agencies/whd/pandemic](http://dol.gov/agencies/whd/pandemic).

Part of this flexibility is considering what work might be done from home and what will require work from the office in order to conduct business.

Questions to be asked and instituted into policy/action items:

Are there essential employees that must work from a certain location?

Are there trade off days where certain employees would work at the office one day and others another to allow for social distancing but also allow for those things that are easier to be completed in the office to still be done that way?

Are there prohibitions against a certain number of employees meeting in close proximity and the need to utilize virtual meetings, even when in the office?

What duties can be done remotely?

How will employees be informed that they will be working remotely? Who will be making the decision, who will be communicating that information and how will it be communicated?

When working remotely will the work schedule be the same? How will employees "check in"? What common way should they be communicating (phone, email, virtual system, etc.)? How often should supervisors communicate with those who report to them?

What security issues are there? Will documents be allowed to leave the office? Is there secure IT systems in place that allow for remote access? What equipment is needed to work remotely? Can employees utilize their own devices?

For employees that cannot work from home due to nature of duties performed, but there is mandatory closure, what will leave time/benefits/compensation be allowed? We have been asked several times if we will take exception to the compensation of employees that must stay home but their duties do not allow for working from home. We won't take exception to extension of paid leave time that is in accordance with allowable approved policies/actions and provisions.

As this document is being written, Congress is considering passage of paid leave time that would provide for sick time off as well as time off for a parent when there is mandatory shut down of a child's school, with either advance funding or reimbursement funding for entities with certain staffing levels.

You should consider tracking costs that are directly associated with this emergency as no one at this time knows what type of reimbursements or stimulus may be put into effect by the federal government.

Again, you must work with your attorneys and keep monitoring for changes.

Also, your individual associations are monitoring this situation and many will provide guidance that will cover specific legal aspects to consider, such as for libraries what is their responsibilities regarding patrons. Please, carefully review the guidance they are providing you.

We will work with you to provide guidance that incorporates maximum flexibility, but remember, even in emergency times we all should strive to provide good stewardship of those responsibilities and assets that have been entrusted to us.

Contact us with any questions you might have at 317-232-2513.



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**STATE EXAMINER DIRECTIVE 2020-1**

Date: March 19, 2020

Subject: Timely Deposits and the Claims Process

Authority: IC 5-11

Application: This Directive applies to all local governmental units

From: Paul D. Joyce, CPA, State Examiner

State Examiner Memorandums titled Policy Regarding Corona Virus dated March 12, 2020, and Corona Virus Items to Consider dated March 16, 2020, are hereby incorporated by reference into this Directive.

During the time of this Public Health Emergency, local governmental units may need to adjust normal procedures for the timely deposit of funds and the approval of claims. The State Board of Accounts will not take audit exception to the following alternative procedures for the timely deposit of funds or the approval of claims.

**Timely Deposit of Funds.** Indiana Code 5-13-6-1 governs the procedure for the deposit of public funds and is still in effect during this time of emergency. However, the State Board of Accounts will not take audit exception if the governing body approves the frequency for deposit of public funds to be limited to two times per week. The approval of the governing body must state that the deposits will be made on Tuesday and Thursday and require the public funds to be secured on those days when a deposit is not made. As always, proper internal controls must be in place to safeguard the assets of the unit.

**Approval of Claims.** Indiana Code 5-11-10 governs the claim approval process and is still in effect during this time of emergency. However, the State Board of Accounts will not take audit exception if the governing body uses the following procedures:

1. The governing body may designate one of its members to approve claims for payment in advance of board allowance. The board must allow those claims at its first meeting after the Public Health Emergency has ended.
2. For those units of government which have statutory authority to adopt an ordinance for the preapproved payment of claims, the board may provide written approval to the fiscal officer to pay certain claims during the Public Health Emergency. The board must allow those claims at its first meeting after the Emergency has ended.

This Directive will be rescinded upon Declaration by the Governor that the Public Health Emergency has ended.

Sincerely,

Paul D. Joyce, CPA  
State Examiner

## **Chapter 2.22 - HUMAN RESOURCES DEPARTMENT<sup>[2]</sup><sup>1</sup>**

(With Changes Proposed by Ord 20-09 – Which Insert a New Sub-Section  
2.22.030 [8] – **indicated in red font below**)

### **Sections:**

- 2.22.000 - Establishment
- 2.22.010 - Appointment of director.
- 2.22.030 - Employee policies.

### **Footnotes:**

--- (2) ---

**Editor's note**— Ord. No. 10-13, § 1, adopted Sept. 15, 2010, changed the title of Ch. 2.22 from "Employee Services Department" to "Human Resources Department."

### **2.22.000 - Establishment.**

The human resources department shall have responsibility for establishment and administration of a comprehensive employee development, assistance, and training system applicable to all city departments, boards, commission, and councils. The department shall promulgate rules and regulations for all aspects of employee administration. The department shall also provide for employee development and training, benefits and compensation management, labor relations, implement the city's equal employment and affirmative action programs and maintain the human resource information system.

(Ord. 97-04 §§ 1 (part), 2, 1997; Ord. 83-6 § 2 (part), 1983).

(Ord. No. 10-13, § 2, 9-15-2010)

### **2.22.010 - Appointment of director.**

The human resources department shall be administered by the director of human resources, who shall, with the approval of the mayor, establish job descriptions, classifications, and administrative regulations governing all aspects of human resources administration.

(Ord. 97-04 §§ 1 (part), 3, 1997; Ord. 83-6 § 2 (part), 1983).

(Ord. No. 10-13, § 3, 9-15-2010)

### **2.22.020 - Human resources policies.**

The human resources department shall maintain policies and practices that allow the strategic management of the city's human resources, allow the city to recruit and develop the highest quality individuals from a diversity of backgrounds, motivate employees to achieve their fullest potential in performing the public's business, and help employees to lead healthy, complete lives.

(Ord. 97-04 §§ 1 (part), 5, 1997).

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<sup>1</sup> Please note that Paid Time Off (PTO) Charts in Section 2.22.030 (4) (a) (i), (ii) & (iii) have been removed to narrow focus on changes.

2.22.030 - Employee policies.

The administration of certain human resources matters shall be governed by the following policies:

- (1) **Mileage and Travel Allowance.** In all instances where city employees use their own vehicles in city affairs and work, other than traveling from their home to their place of work and from their place of work to their home, such employee shall be entitled to an allowance in such amount as authorized and approved by the State Board of Accounts.

City employees who travel on official city business may be reimbursed for the reasonable costs of such travel. The human resources director with approval of the mayor shall promulgate policies and procedures acceptable to the State Board of Accounts governing such travel and reimbursement.

- (2) **Vacations—Union-Eligible Employees.**

- (a) Union-eligible employees who are not on probationary status and who have worked for the city for more than six continuous months but less than twelve continuous months, shall be entitled to one work week vacation during their first calendar year of employment. Union-eligible employees who are not on probationary status and have worked for the city for more than twelve continuous months, but less than five continuous years, shall be entitled to two work weeks vacation per year, with full pay, subject to proration after the first twelve continuous months to adjust to the calendar year. Union-eligible employees who have worked for the city for more than five continuous years shall be entitled to one extra work day with full pay for each year worked over five continuous years, and those who have worked for the city for more than nine continuous years shall be entitled to two extra work days with full pay for each year over nine continuous years, but under no circumstances shall the employee be entitled to more than four work weeks of vacation. It is understood that eligibility for extra vacation days shall begin at the conclusion of the fifth and ninth year of work, respectively.
- (b) Vacation must be taken within the calendar year and will not accumulate from year to year except in extenuating circumstances. If an employee who has worked for the city for more than twelve continuous months should resign and leave in good standing after giving proper notice, he/she shall be paid in full for unused vacation leave carried over from the prior year. He/she shall also be paid for unused vacation leave accumulated in the year of resignation, subject to proration based on the amount of time worked during the first six months of the calendar year. Provided, however, when an employee retires in good standing, only the first two weeks of unused vacation time earned in the year of retirement shall be subject to proration. An employee who leaves city employment before the end of the twelfth month of employment shall repay any vacation time taken in excess of one workweek prorated over the amount of time worked after the first six months of employment. An employee who leaves city employment after twelve continuous months of employment shall repay any vacation time taken in excess of the amount of vacation accumulated as of January 1st prorated over the first six months of the calendar year.
- (c) The human resources director, with approval of the mayor, shall promulgate policies and procedures for the administration and enforcement of this vacation policy.

- (3) **Sick Leave and Sick Bank.** The following rules shall apply to union eligible employees' sick leave and/or to non-union eligible employee's PTO Sick Bank, as indicated in each specific provision.

- (a) **Sick Leave.** This provision shall apply only to union-eligible employees. Each employee shall be entitled to accumulate sick leave indefinitely. Regular full- time employees shall receive one paid sick day for each calendar month worked, beginning on the most recent



date of hire. Such sick leave shall not become effective, however, until the employee leaves probationary status. Sick days shall accumulate only while the employee is on active paid status, which includes paid benefit time.

- (b) Rules Governing Sick Leave and Sick Bank. This provision shall apply both to union-eligible employees' sick leave and to non-union eligible employees' sick bank. Sick days are intended for use only when the employee is medically ill or injured; provided, however, the human resources director, with the approval of the mayor, is authorized to implement and administer reasonable policies allowing use of accumulated sick leave due to family emergency or illness of a family member, or for major life events such as birth or adoption of a child by the employee. In order to be paid for more than two sick days in any given work week, or for more than three consecutively scheduled work days, the employee may be required to present a physician's statement that he/she was unable to work. Unused sick leave shall not be paid upon separation from employment. The human resources department, with approval of the mayor, shall establish and administer policies governing use and abuse of sick leave.
- (4) Paid Time Off—Non Union-eligible Employees. This policy shall apply to all regular full-time (RFT) and regular part-time with benefits (RPB) employees other than those who are union-eligible (as defined herein) or are sworn police or firefighter personnel. This policy replaces the former paid benefit time categories of vacation, personal business days, and birthday with a single category of paid benefit time called paid time off (PTO).
- (a) Credited Paid Time Off. Paid time off shall be credited upon hire and thereafter on January 1st of each year in the following maximum amounts:
    - (i) Regular full-time employees, other than department heads, who are scheduled to work forty hours per week shall be credited with PTO in accordance with the following chart:

*Chart of Credited Paid Time Off (PTO) – Not Displayed*
    - (ii) Regular full-time employees, other than department heads, who are scheduled to work between thirty-five and thirty-nine hours per week inclusive, shall be credited with PTO in accordance with the following chart:

*Chart of Credited Paid Time Off (PTO) – Not Displayed*
    - (iii) Regular part-time with benefits employees shall be credited with PTO in accordance with the following chart:

*Chart of Credited Paid Time Off (PTO) – Not Displayed*
    - (iv) Department Heads. PTO will be credited in the amount of one hundred seventy-six hours per year each January 1st, subject to proration in the year of hire in the discretion of the mayor.
  - (b) Earned Paid Time Off. Additional paid time off will be earned at the following rates:
    - (i) Regular full-time employees who are regularly scheduled to work between thirty-seven and forty hours per week inclusive and department heads: four hours of PTO will be earned for each biweekly pay period worked.
    - (ii) Regular full-time employees who are regularly scheduled to work thirty-five or thirty-six hours per week: three and one-half hours of PTO will be earned for each bi-weekly pay period worked.
    - (iii) Regular Part-Time Employees: Three and one-half hours will be earned for each bi-weekly pay period worked for employees regularly scheduled to work between thirty-three and thirty-six hours per week, inclusive. Three hours will be earned for each bi-

weekly pay period worked by employees regularly scheduled to work between twenty-eight and thirty-two hours per week, inclusive. Two and one-half hours will be earned for each bi-weekly pay period worked by employees regularly scheduled to work between twenty-four and twenty-seven hours per week, inclusive. Two hours will be earned for each bi-weekly pay period worked by employees regularly scheduled to work between twenty and twenty-three hours per week, inclusive.

- (iv) Eligibility for earned paid time off is dependent upon the employee working his or her full regular schedule during the biweekly pay period. Paid benefit time will be counted as hours worked but unpaid leave will not be counted as hours worked and earned time will be reduced proportionately based upon the amount of unpaid leave taken during any pay period.
- (v) Earned paid time off will be credited at the beginning of the payroll period subsequent to the payroll period in which it is earned and may not be used until credited.
- (vi) During their probationary period under city policies, employees may use only earned paid time off.
- (c) Carry Over, Banking, and Pay upon Separation. Both credited and earned paid time off remaining at the end of the calendar year in which it was earned/credited may be carried over into the next year, with department head approval, or may be placed into the sick bank. All time in the sick bank may be carried over indefinitely, may be used only in accordance with subsection (3)(b) above (2.22.030 (3)(b)), and will not be paid at separation from employment. Any paid time off which is carried over into the next year and not used during that year will be placed into the sick bank. An employee who resigns and leaves in good standing after giving proper notice shall be paid for unused PTO up to a maximum of forty (40) days for regular full-time employees (the maximum will be pro-rated for regular part-time employees based on their regularly scheduled hours) calculated as follows: the employee will be paid in full for any PTO carried over from the previous year and for any PTO earned in the current year; and the employee will be paid for any unused credited PTO from the current year pro-rated over the first six months of the calendar year.
- (d) Use of PTO. PTO (other than time placed in the sick bank) may be used for any purpose, subject to applicable rules and procedures governing such use, which shall be promulgated by the human resources department with approval of the mayor, and administered by the human resources department.
- (5) Other Paid Benefit Time. The human resources department with the approval of the mayor may prescribe uniform rules and procedures, which may permit employees to use the following kinds of paid benefit time subject to the conditions contained in such rules and procedures:
  - (a) Personal business days for union-eligible employees;
  - (b) Compensatory time for overtime work;
  - (c) Bereavement leave;
  - (d) Breaks;
  - (e) The first five days of normally scheduled work during which the employee is unable to work due to on-the-job injury, subject to reimbursement by the employee in the event he/she later receives Worker's Compensation Benefits for such time;
  - (f) A paid day off on the employee's birthday, for union-eligible employees;
  - (g) Paid holidays, which shall be designated annually by the mayor;
  - (h) Civic leave for attendance as a juror or witness, but only to the extent the employee does not receive juror or witness fees;
  - (i) Paid leave for employees who are scheduled to work but directed not to report on days when city operations are closed due to a weather emergency.

- (6) Modifications and Additions. Modifications and additions to subsections 2.22.020(1) through 2.22.020(4) may be adopted by the several city boards, namely the board of public works, the board of public safety, board of parks and recreation, and the utilities service board concerning employees under their jurisdiction and with the approval of the mayor.
- (7) Residency. Residency requirements for employees are those mandated by Indiana law, including but not limited to Article 6, Section 6 of the Indiana Constitution (if and to the extent it may be applicable to certain city officers) and, for members of the police and fire departments, Indiana Code Section 36-8-4-2.

**Ord 20-09 - Section 2 – *Inserts the following new Section:***

- (8) Stay Home Pay During a Declared Emergency. The Mayor may require some (non-critical or non-essential) or all employees to refrain from coming to their work stations in the event of a national emergency or state disaster emergency as provided in Indiana Code Section 10-14-3-12. In the event of such emergency declaration, the Mayor may provide that employees directed to refrain from coming to work receive pay (hourly and/or salary) for their regularly scheduled, non-overtime work hours (“Emergency Stay Home Pay”), subject to the following conditions:**
  - (a) If some of all of the employee’s job functions can be performed from home, the employee is expected to perform those job functions from home during the employee’s regularly scheduled non-overtime work hours;**
  - (b) For the duration of the declared emergency, the employee is considered “on duty” and at work during the employee’s regularly scheduled non-overtime work hours, and, therefore, must be available by phone and/or email to respond to calls from other City officials and must be available to return to their work station with two (2) hours of notice from their supervisor, the Mayor, or the Mayor’s designee;**
  - (c) The employee may not work or earn compensation from any other source during the employee’s regularly scheduled non-overtime work hours (i.e., for which the employee would earn Emergency Stay Home Pay).**

(Ord. 03-39 §§ 1—4, 2003; Ord. 00-02 § 1, 2000; Ord. 99-50 §§ 1—10, 1999; Ord. 97-04 §§ 1 (part), 4, 1997; Ord. 92-41 §§ 1—5, 1992; Ord. 83-6 § 2 (part), 1983).

(Ord. No. 10-13, § 5, 9-15-2010)

**2.22.040 - Definitions.**

As used in this section, the following terms have the following meanings, unless otherwise designated:

- (1) "Regular full-time employee" includes all employees who are regularly scheduled to work a minimum of thirty-five hours per calendar week and whose term of employment is intended to exceed nine consecutive months.
- (2) "Regular part-time employee" includes all employees who are regularly scheduled to work between twenty hours per calendar week and thirty-five hours per calendar week and whose term of employment is intended to exceed nine consecutive months.

- (3) "Temporary full-time employee" includes all employees who are regularly scheduled to work a minimum of thirty-five hours per calendar week and whose term of employment is intended to expire on or before the last day of the ninth consecutive month of employment.
- (4) "Temporary part-time employee" includes all employees who are scheduled to work less than twenty hours per calendar week and all employees who are regularly scheduled to work between twenty hours per calendar week and thirty-five hours per calendar week and whose term of employment is intended to expire on or before the last day of the ninth consecutive month of employment.
- (5) "Residency" means a factual place of abode or an actual home, in the sense of having no other abode or home.
- (6) "Union-eligible employee" means an employee who holds a position which is covered by the collective bargaining agreement between the city and the American Federation of State, County and Municipal Employees (AFL-CIO Council 62.).

Solely for purposes of eligibility for paid benefit time under Section 2.22.030, the term shall also include the following employees whose positions are not covered by said collective bargaining agreement: employees classified as regular part-time with benefits who hold positions in the 100-level pay grades.

(Ord. 00-02 § 2, 2000; Ord. 99-50 § 11, 1999; Ord. 97-04 §§ 1 (part), 6, 1997; Ord. 92-41 § 6, 1992; Ord. 83-6 § 2 (part), 1983).