

In the Council Chambers of the Municipal Building held on Wednesday, September 7, 1994 at 7:30 P.M. with Council President Sherman presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
SEPTEMBER 7, 1994

Roll Call: Service, Bonnell, Pizzo, Sherman, Hopkins, White, Cole, Kiesling. Swain arrived at 8 P.M.

ROLL CALL

It was moved, seconded and approved by a roll call vote that the agenda be rearranged to better reflect the flow of council discussion on issues before the council. (Ayes:8, Nays:0).

AGENDA

The minutes of August 3, 1994 were approved by a voice vote.

APPROVAL OF MINUTES

Service informed the public of upcoming Civil War Days at Karst Farm as well as performances of MacBeth by the Monroe County Civic Theater.

MESSAGES FROM
COUNCILMEMBERS

Bonnell thanked Barbara McKinney, Sue Wheeler, Mike Phillips, Chuck Ruckman, Mike Davis, Doris Sims and the Mayor who have been very helpful during the budget process.

Pizzo said he had visited his 9th grandchild and namesake during the recess.

Cole welcomed students back to school at every academic level.

White welcomed IU students back to Bloomington and noted that this has been the most intensive budget session ever and hoped that in the spirit of compromise we deliberate carefully this evening. He hoped that everyone would stay open minded.

Kiesling stated that the Solid Waste District budget process has finally been completed and passed. She said she was pleased that a dialogue was taking place about some of the issues before the council (she was referring to health care issues).

Sherman wished everyone a Happy Rosh Hashannah as well as a Happy 15th Birthday to ESPN and Buddy Holly wherever he is. He also thanked the citizens of Bloomington for their input as well as the administration, the mayor and Mike Davis, the media, especially Jackie Sheckler, Dan Sherman for all his work on the budget and fellow councilmembers as we have hammered out budget details.

The Mayor showed the council this years' art acquisition from the 4th Street Art Fair as part of the city's collection.

MESSAGES FROM
THE MAYOR

She also announced that former Mayor Lee of our Sister City, Luchow, Taiwan and his son will be visiting our community this week.

Regarding the budget, it is worthwhile to note that the property tax increases have been kept to an absolute minimum over the years while addressing the community's needs. Since 1990 we have built a \$1.4 million dollar fire station, as well as necessary equipment without a property tax increase. The Showers partnership with CFC and IU and the city's share of the cost is being financed by the income tax revenues, again, without a property tax increase. The city property tax rate since 1990 has only increased by less than 1% a year (.03 cents) and since 1990 we have provided more than \$5.6 million in property tax relief to city homeowners through the Homestead Credit process. This budget bolsters economic development, adding \$125,000 to the industrial park development, job growth and increased support of the Bloomington EDC (Economic Development Corp) of \$30,000; The completion of the Growth Policy Plan, expanding the GIS process, \$200,000 dedicated to the acquisition of park land in the SE quadrant as well as \$40,000 for open space acquisition, the hiring of one new police officer and provide \$107,000 for the lease purchase of police communication equipment believing that the Mobile Data Terminals provide the best upgrade possibilities. A Task Force composed of numerous persons would evaluate the best system for our city. We will continue to make the maximum of Homestead Tax Credits available for our citizens, accounting for almost \$2 million dollars being returned to homeowners.

It was moved, seconded and approved by a voice vote that Kent McDaniel be reappointed to the Public Transportation Corporation for a 4 year term.

APPOINTMENTS TO
BOARDS & COMMISSIONS

It was moved and seconded that Resolution 94-23 be introduced and read by title only. Clerk Williams read the resolution by title only.

RESOLUTION 94-23

It was moved and seconded that Resolution 94-23 be adopted. The synopsis was given. There was no committee report.

It was moved and seconded that Amendment A be submitted adding a clause to phase in the additional levy over a period of 3 years and shall be used to fund a police communication system.

Sherman said this resolution authorizes us to ask for the one time tax levy to make up for the insufficient collection of taxes in the past. The original resolution enabled us to ask for the additional levy untied to any use and for a 1 year period. There was concern that the additional tax be spread out rather than a single year as well as it was necessary to say what it would be used for.

Bonnell did not agree with combining the two issues and thought each should be discussed and voted on separately. Sherman thought it could cut both ways and some councilmembers find it difficult to support without being tied together.

Pizzo thought if the two issues were not combined that people would think that it was just extra money without a real need. He thought it was important to give the police department the equipment to do their jobs.

Hopkins thought the amendment was mixing procedural with substantive matters and the three year phasing might make it more acceptable and then the purpose would be considered in another amendment.

A friendly amendment was made to the motion to divide the question into two parts: the 3 year time period and the proposed use.

The motion received a roll call vote of Ayes;9, Nays:0.

The amendment under discussion is that the levy be phased in over a 3 year period of time.

Bonnell did not believe that by spreading the levy out over 3 year make its more palatable to the people involved even though that was the intention. He did not think we need to go after the levy at all and still fund the things we want to fund. It is not being used to fund something that was cut from the budget. If we are going to justify a tax increase based on having to cut something last year the obvious question is why aren't we using it for something we didn't fund, not something that was never even discussed. There was also no decrease in any city services due to the shortfall and every major corporation in the country has gone through some kind of financial belt tightening. Finally, since we are also going to go for the allowed 5% tax increase, plus water and sewer increases that this is just an opportunity to give the tax payers a break.

Sherman said that the amendment on the floor at this time, is 3 years rather than 1 year and not the value of the resolution itself.

Hopkins disagreed with Bonnell and said that a 3 year spread is easier to accept than 1 year and supported the amendment.

Swain did not support the police communication factor in the amendment and did not support the 3 year phase in.

Kiesling also thought the 3 year plan would be easier for people to absorb.

Bonnell said that lost interest over a 3 year period would be between \$15 - \$22,000 dollars and Sherman suggested that if we lose it the citizens gain it.

The Amendment-Part 1, received a roll call vote of Ayes:7, Nays:2 (Bonnell, Swain)

It was moved and seconded that Amendment-Part 2 tying the levy to funding police communications be considered.

Kiesling said the original proposal for the increased levy did not tie it to any specific proposal and Sherman thought it was sensible to discuss this in its entirety rather than talking about it in the absence of what we would do with it. Perhaps there are alternatives out there to this specific proposal and it might be best to commit to the idea of spending money to bring the police communication system up to the 1990s rather than a specific item. A task force would be formed to come up with the specific program that would do that rather than a specific system.

Bonnell asked if the decision of the task force would come back before the council and Mayor Allison said it would come back to the council.

Service did not think that this is what the money should be used for, it has never been considered until this time even though this may well be the way we should be going. The need for efficient communication may well be the best thing to do at this time even though it is not a top priority.

Steve Sharp, Police Chief introduced the Muncie Police Chief who has the system we are considering. Chief Ent discussed their system and the positive aspects of the MDTs. Various questions regarding the history of their system were raised and discussed. Ent suggested that updated equipment reduces in part the need for additional officers.

Sharp said that in 1987 he presented the mayor with a request for a new computer record system which in fact was implemented. The 800 mgh system and the MDTs have been discussed in the past. Over the past years, we have spent approximately \$75,000 updating the current system. The portable systems do not have sufficient penetrations for our terrain and local buildings that we often are trying to get out of. The new system would also take a major load off dispatchers as well as eliminating officers waiting "on line" to get on the radio as the computer can handle more than one request at a time. There are also problems with radio frequencies being on the same bands. Adding newer or more radios does not make officers more efficient, or take the load off dispatchers. 800 mgh will be here in Bloomington within the next 3-4 years with the backbone being afforded by the state and this will mean a substantial savings for us. The FOP has made comments that the officers are against this and that simply is not true.

Officer Graham said the entire FOP was not represented when the vote was taken and believed that an update is necessary. If the 800 mgh is coming in 3-4 years then we should not tie up our money now. The officers he works with, on the night shift, are in favor of the MDTs.

Sharp reiterated his earlier comments and felt that this is a necessary consideration for the welfare of the community and the officers who are on the streets. Bonnell hoped that the chief would keep an open mind regarding the task force and perhaps having a member of the FOP on the task force. Sharp agreed.

James Haverstock, speaking for the police officers, said that the FOP position on the MDTs is that we want them but that we don't need them. These devices will not add to the economic well being or efficiencies of the department. He suggested that the soon to be signed Crime Bill is intended to put more officers into community oriented policing activities not staying in their cars with computers to run more data checks. He said more personnel is needed, that is the priority. He asked the council to earmark the money for the police department and not the MDTs.

Sherman clarified the point that use of the excess levy does not include new police officers. Haverstock thought the amendment could be structured to be part of the police department budget itself. Sherman thought the want vs. need position was not entirely understandable. Haverstock said the rationale is that this will not benefit the community at large.

Swain did not feel that this was a justified expenditure. It has not been on a wish list of any kind and believed that this recouped monies could be better spent. It would be best to get the other law enforcement agencies on line beforehand and then further the interlocal cooperation. He did not support the appropriation.

Bonnell said a second amendment he will be offering would have the entire levy go to police and fire pensions in order to repay these past due debts. We have underfunded the pension funds by \$750,000 for the past 3 years and the additional supplemental that we voluntarily add each year is not really going to take care of the underfunding. He suggested that the \$750,000 would have a \$11 million dollar value in 4 years using the various current interest rates. If \$322,000 goes into the pension fund today we come up with a value of over \$5 million to better fund those pension funds. It thought funding the pension funds was a better and wiser fiscal plan to leverage the greatest use of the money. He urged this amendment be defeated and pass an amendment to fund the pension plans.

Chuck Ruckman, Controller discussed the various actuarial studies requested by Jack Hopkins and proposed that if the COIT levels rise again and start to reach projected levels, we would use those COIT monies to restore some of those cuts. The Chief has talked to the budget committee for years, to get them to consider an improved radio system and in fact this year we did not have money for new police cars, never mind new radio systems.

Bonnell said that funding pensions is the hardest thing for organizations to do and based on that reluctance to do so, the IRS has forced business and corporations to do so.

Service said there are nine different priorities among nine different councilmembers. However there is only one mayor and this is the priority that the mayor has. We have tried for months to come up with an agreed upon project and we are still back to the police communications system. She agreed with the general wording of the amendment to fund the police communication system rather than a specific item.

Pizzo addressed the many needs in the community and if there are no needs then we should turn the money down. The police need the improved equipment and that is an important need.

Hopkins said that cutbacks were made last year, particularly salaries and police communication needs come out rather low on his list of priorities. We need more officers out in the community and not part of fortresses on wheels.

Cole agreed with more foot patrol officers but also thought officers have large wide spread patrols in other areas. She said she would support the amendment. She also said that this subject comes up over and over, the need for improved communications and trusts the chief that he will do what is best for his men. It is a good use for the money and this would do that.

White said he is not in favor of the increased levy in the first place and there are other amendments and legislation this evening that will allow this funding to take place and if we have to have a levy we should fund the unfunded liability.

Kiesling thought a task force made up of all the agencies would be the best idea. This is part of getting on the information highway and we need to give the tools to our officers to do the job.

Swain said that the next budget cycle will find us trying to fund the pension liabilities as well as trying to fund police communications if this amendment passes tonight.

Sherman explored various 90s kind of technology and computers in police cars are coming and will be here within 5 years because our police department needs to have the same kind of advanced technology as other departments. New technology makes us more efficient and more productive. Of course we can get along without new technology but does it make sense. The police department would seem to be the one department that really does make sense.

The amendment received a roll call vote of Ayes:5, Nays:4 (Hopkins, White, Swain, Bonnell).

The resolution has now been amended to provide for a 3 year period of time to recoup the monies as well as using the levy for police communication needs.

Swain said the debate is not about technology, but about prioritizing the appropriation of funds.

The resolution, as amended, received a roll call vote of: Ayes;5, ~~NAYS~~ :4 Hopkins, White, Swain, Bonnell).

It was moved and seconded that Resolution 94-27 be introduced and read by title only. Clerk Williams read the resolution by title only.

RESOLUTION 94-27

It was moved and seconded that Resolution 94-27 be adopted. The synopsis was given. There was no committee recommendation.

Mayor Allison said that through the years monies from the West Side Fund have been used to fund numerous economic development programs and infrastructure initiatives. In 1986 \$400,000 was allocated to create a revolving incentive loan fund and since that time, over \$800,000 loans have been made and obviously paid back. In 1992 we allocated \$300,000 to fund an affordable housing fund and has been recognized as one of the best in the nation. The fund is most effective when used to provide advances for land acquisition or design for our main infrastructure projects minimizing the financing costs and thereby saving hundreds of thousands of project dollars. Since 1989 we have advanced more than \$4.5 million dollars for projects all over the city. Current projects are Sare Rd, the upcoming Thomson truck route and downtown hotel. We need the bridge financing capabilities that this fund gives us. She urged that the west side funds be left as they are. Bonnell raised a point of order and objected that an opponent to a resolution be allowed to speak first. Sherman apologized.

Bonnell said that 1)there is an need to bring more industry and economic development and 2)honor what has been a history of using money in lieu of annexation for the west side improvements. This resolution if approved would allow the \$125,000 for funding two police officers and since the excess levy passed it may not be necessary to use the balance of the funds for the police communications systems. Bonnell said his concern about the industrial park is not whether or not we should do it but where the money is coming from. We will lease or sell property as it develops which certainly repays the fund in a revolving fund manner. This is a way to leverage existing dollars and put two more police officers on the street.

Pizzo said the west side funds were established as an in lieu of taxes arrangements and as such should go into the general fund. East side tax monies don't go into an east side fund. We should spend those monies for the development of the west side industries. Shifting the monies doesn't necessarily make it more. It makes it less.

White agreed with the allocations to date allowing us to save a lot of interest monies and Bonnell has a good point in that there is enough money to do both things.

Hopkins also agreed with Bonnell. He was concerned that no site has been identified for an industrial park at this time.

Kiesling said we need to make a commitment that says we are going to support industrial development and she liked the fact that the county and the university were in agreement with this proposal. She thought the addition of private enterprise into the partnership was also important.

Service was also concerned about just what pocket we are taking the money out of. Many past proposals would not be funded from say, the general fund, this amendment does not make a hugh difference either way.

Swain said this fund gives us a lot of flexibility for a lot of projects we want to do.

Bonnell said the we can "buy" personnel with general fund money, but not with excess levy or west side money. Freeing up general fund money simply provides more flexibility.

Sherman thought this action meant we were "buying economic development". Meeting after meeting we are hearing that this city and this council needs to be doing more for the business community and we have been slammed for not doing more and now we come up with something that puts \$125,000 into it and they are not saying use that money somewhere else. People in the development community are saying to us to do this.

Linda Williams, Bloomington Economic Development Commission Director, said that we need new money in order to have land available. Our efforts must be constant. The land that is currently on the market is very expensive and its expensive because there is not a lot available. The new Furrows store is sitting on acreage that is zoned for industrial. We could not find an industry that could pay the kind of prices a developer can hold out for if there is the choice of selling it for a commercial site. There are areas that we are very interested in and getting control of it to prevent it from going to some other use. She noted the upcoming proposal for 110 ac on N. 37 that has long been considered for a business park and soon a petition for residential will come before the Plan Commission. If we had money to secure that land, we could purchase it and

market it accordingly. Local industries hoping to expand simply cannot afford \$50,000/ac for land. She thanked Sherman for listening to the needs to the Commission.

Allison said the possibilities are several: separate entities can develop industrial parks, using the Bloomington Advancement or the BEDC. Our purpose and goal is to have more alternatives for good business prospects who do want to come. Kiesling urged the administration to keep the council informed regarding prospective business opportunities.

Jim Haverstock asked what is a good republican to do, with questions like the need for economic development on one hand and the need for police officers on the other. He suggested that both be done.

Gary Shelley, PSI and EDC Director urged the council to look at this as an investment and view the acquisition of possible business as "interest".

Sherman thought it was also a dilemma for good democrats.

Hopkins also said that people who are supporting this resolution are being painted as opposing economic development.

Sherman clarified the vote on this resolution, reminding the council that a Yes vote would support the resolution taking money from the west side fund for the industrial park and a No vote says we stay with the position of using General Fund money for this project.

The resolution received a roll call vote of Ayes: 3,(Hopkins, White, Bonnell): Nays:6.

It was moved and seconded that Resolution 94-31 be introduced and read by title only. Clerk Williams read the resolution by title only.

It was moved and seconded that Resolution 94-31 be adopted. The synopsis was given.

RESOLUTION 94-31

Bonnell said this resolution was formulated to address the inequities of discussing health insurance benefits for the council when the same kind of access was not available to the rest of our part-time workers. A great amount of time was taken discussing what part-time actually meant and so one aspect of this resolution would grant to city employees who work less than 20 hours/week the same health insurance benefits that the council has at no cost to the city. Simply stated, it is a matter of equity. The original thinking was to give part-time employees who work less than 20 hrs. access to health insurance at a pro-rated premium, with the city paying part of that premium, as well as expanding the PERF to employees who are regular part-time employees and that is what this resolution states is for allowing the RPT employees who work less than 20 hours access to health insurance in 1995 and establishes a task force made of members of the administration, council, union leaders, to look at this issue for 1996. It is necessary to make part-time work life sustaining.

Kiesling asked for a clarification of two points: health care for employees and the task force. Bonnell said the real question is not just access to health care but access to affordable health care and so this resolution balances the scales right away in 1995 and makes insurance available as we study a pro-rated system that looks at other factors. There would be no cost increase to other city employees.

White commended Bonnell for bringing this issue to the table and this resolution allows us to help part-time employees by giving them access group health care policy.

Service said that what we really need is a national insurance plan that would eliminate this hodge podge system we now have. It seems that we are going to have to turn to employers to make health care available to their employees. Bloomington has a large "underemployment" rate, that being the way a lot of people are scraping by with part time jobs.

Sherman also wished we had a better national system, but until we do, we as a community should value the people who fix the streets, mow the parks and collect the garbage and these are our employees and we should be trying to make the same kind of benefits available that we would like any employee to have.

Cole also supported the proposal and hoped that the national agenda was not "dead" and wondered if anyone had talked with any part-time employees to see if it meets their needs.

Bonnell said he was addressing this in terms of equity and access and he wasn't overly happy about this being such a baby step, but it is a first step. Kiesling was concerned that we might be implementing this before we really know what the numbers are.

Doris Sims, Personnel Director, said that there is not increase in cost to the city in terms of budget but keep in mind that the city insurance is self funded and there will be increases when we increase our employee pool and increase our level of risk taking and that can be reflected in re-insurers charging us an increased premium.

Pizzo asked what the insurance rates are: Employee & Family is \$5,000 (COBRA) and wondered how many people could pay this rate. He said he would support this effort knowing that it is at best a first step.

Swain said he thought this might be sort of meaningless and when we find out we have no part-time employees who want to take advantage of this and he was concerned that we did not have the task force in place at the time of making this decision and did not feel comfortable with this. He said he would be more comfortable if this was to be implemented in 1996, with greater information that pertains to enrollment.

Service said that this was available to councilmembers last year, paying full cost. She said she has 3 part-time jobs with none offering insurance and what this is all about is availability of insurance.

Hopkins suggested that a lot of people in Bloomington work more than one part-time job and at least this offers the opportunity for coverage.

The resolution received a roll call vote of Ayes:7, Nays:1 (Swain). Cole was out of chambers.

It was moved and seconded that Resolution 94-29 be introduced and read by title only. Clerk Williams read the resolution by title only. It was moved and seconded that Resolution 94-29 be adopted. The synopsis was given.

RESOLUTION 94-29

Service read the resolution whereas in their entirety. She said that the council is in the awkward position of actually voting on a benefit that is pertinent to themselves alone and after considerable discussion and debate it was determined that this would not take effect until next year. (1996)

White said that he will vote against this because a city our size does not need a full time council nor should they be granted full-time benefits and did not feel that this is an appropriate step. He did not think we should fall into the same kind of trap that the congressional delegation has given themselves (endless benefits).

Hopkins said he would support the resolution because it will benefit the next council and in a way it becomes sort of a referendum on this issue. The point is, that this makes health care available, period.

Cole also supported this resolution in the same way as supporting the access we are making available to other employees through the previous resolution. She said she did not consider herself a part-time employee, but as an elected local official and that it is a different relationship with the city. The important point is to have a council that is representative of the entire community and to have a health care policy that is as inclusive as possible rather than as narrowly as possible.

Bonnell supported the resolution because, again, it is a question of access and we all pay for persons who are not insured and still are in need of medical assistance.

Sherman believed that by delaying the council health insurance benefits until 1996 is the correct path to take and believes that this body is important to the city of Bloomington and the contribution this council makes to the city is important.

The resolution received a roll call vote of Ayes:7, Nays:1 (^{White}Swain), Abstain:1 (Pizzo).

It was moved and seconded that Appropriation Ordinance 94-4 be introduced and read by title only. Clerk Williams read the ordinance by title only. It was moved and seconded that Appropriation Ordinance 94-4 be adopted. The synopsis was given.

APPROPRIATION
ORDINANCE 94-4
(CIVIL CITY BUDGET)

It was moved and seconded that Amendment #7 be considered: removing \$9,200 from the General Fund allocating funds for councilmember health insurance benefits.

Amendment #7 received a roll call vote of Ayes:9, Nays:0.

It was moved and seconded that Amendment #10 be considered: that the \$9,200 be shifted to the Human Resources Grant Line to fund equipment for the Hoosier Hills Food Bank Rescue Project.

Service said this proposal came to the council's social services committee last year and because of diminished funds we were not able to fund this cause. This vehicle will allow the food van to collect foods from restaurants and dormitories in a safe sanitary manner. This small amount of money will have a very big effect.

Mayor Allison urged support for this amendment.

A representative from the Food Bank also urged the council to fund this request.

White commended Service for creating the councilmember health benefits debate, postpone it until 1996 and then use the money for social services; he thought it was really a good deal for everyone.

Amendment #10 received a roll call vote of Ayes:9, Nays:0

It was moved and seconded that Amendment #4 be considered: that the General Fund/Police Dept. Capital Outlay be reduced by \$215,000 concurrent with the earlier decision to implement the increased property tax levy over a 3 year time period.

Sherman said that this amendment brings the budget in line with what we discussed earlier regarding the police communication systems.

Amendment #4 received a roll call vote of Ayes:9, Nays:0.

Kiesling asked what the proposed tax rate was and Ruckman said a .22 increase in the tax rate which is a 5.8% increase. The city tax rate is \$4.04 and the cost of the excess levy will be .03.

Bonnell said he could support this budget and Sherman thanked him for all his hard work and input.

Sherman thought it was a good budget that addresses the community's needs and reminded people that their taxes increase for other taxing units besides the city portion of the tax. Over the years we have asked private enterprise to bear the brunt of economic development investments and we now recognize the need for the city to do more.

White commented on the additional tax levy not being necessary and stated that he cannot support the total budget because of the excess tax levy.

The ordinance, as amended, received a roll call vote of Ayes:8, Nays:1 (White) Helium balloons were then raised in the Council Chambers and the Clerk and Council Attorney added their vote of support of the ordinance.

It was moved and seconded that Ordinance 94-42 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 94-42

It was moved and seconded that Ordinance 94-42 be adopted. The synopsis was given.

Mike Phillips, Utilities Director, reminded everyone of recent droughts all around the country and said that Bloomington has been spared that kind of emergency concern because as a city we have been progressive as we look to the needs of the future and this bond ordinance allows us to continue to meet those community needs.

The ordinance received a roll call vote of Ayes:8, Nays:0. White was out of chamber.

It was moved and seconded that Ordinance 94-40 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 94-40

It was moved and seconded that Ordinance 94-40 be adopted. The synopsis was give.

Jeff Underwood, Utilities Department, said that the rate increase would be going before the Indiana Utility Regulatory Commission for approval. This ordinance reflects cost inflation and capital projects. The new rates would go into effect in March or April 1995. With the water it would be a one-time 8% increase and that would remain in effect for a couple of years and then it would be reviewed again.

The ordinance received a roll call vote of Ayes:9, Nays:0.

It was moved and seconded that Ordinance 94-43 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 94-43

It was moved and seconded that Ordinance 94-43 be adopted. The synopsis was given.

Mike Phillip said the project is for two large interceptors on the SE and SW sides of the city and other major renovations to the wastewater plant. Phillips said this project is important because the current plant has been in use since the late 60s. Since then the discharge requirements have become much stricter and, for example the treatment of ammonia has been difficult to do effectively with the current facilities. The current east interceptor will be upgraded to provide better service for current customers and will replace our largest lift station which has been a problem. The other is the proposed SW interceptor that will serve the proposed growth sector as called for in the growth policy plan and provide service for the industrial growth on the west side.

Hopkins asked how far these improvements will carry us and Phillips said the SE interceptor will take care of existing customers. The SW pipe will last 50-100 years by itself and capacity-wise about 30-32 years.

The ordinance received a roll call vote of Ayes:9, Nays:0.

It was moved and seconded that Ordinance 94-41 be introduced and read by title only. Clerk Williams read the ordinance by title only.

ORDINANCE 94-41

It was moved and seconded that Ordinance 94-41 be adopted. The synopsis was given.

Jeff Underwood said that there has been an extensive discussion of this particular proposal and discussed the various changes/charges in the ordinance.

Amendment #D was moved and seconded for consideration: Amending Section 6 dealing with meter sizes and reduced fees for pipes over 2" in size.

Hopkins wondered about the veracity of the initial fee increase being so high, what could the public possibly think about such a large increase, and now we are reducing it to a more reasonable level. Hopkins thought it was very misleading. Underwood said they tried to be very clear from the beginning to come forward with an amendment that would answer the concerns people had.

Bonnell asked what would happen if we base our rates on a "if come" budget, what happens if we are wrong. Underwood said when a rate increase is budgeted you always have to anticipate a certain growth estimate. If rates fall short then adjustments have to be made regarding expenditures. There are ups and downs because weather can be a very significant factor; we can have a very dry or very wet period and it affects usage and wastewater.

Sherman suggested that a number of departments depend on "educated guesses" for their projected expenses.

Bonnell continued to stress that this was different. When one of the educated guesses for other projects does not work out perfectly, the council or the city does not say "we have to raise rates to cover shortfalls". This does and that is the distinction.

Amendment D received a roll call vote of Ayes:6, Nays:(Bonnell, Hopkins, White)

Amendment E was moved and seconded for consideration: Amend Section 5 for septic haulers shall be \$8.25 for each load for 500 gallon capacity vehicles and .50 for each gallon over the 500 gallon limit and it also removes the fee for tapping into sewer mains.

Amendment D received a roll call vote of Ayes:9, Nays:0

Amendment B was moved and seconded for consideration: would have a rate increase of 20% for sewer service and eliminate the connection fee altogether.

White said the USB initial discussion and vote was lively and split 4-3 with significant feeling against having a connection fee at all. While the connection fee seemed to be a way of paying for past improvements to the sewer facilities, a large percent of those improvements were paid for by the federal government and were not paid for by rate payers. He thought this connection fee sent the wrong kind of message if we are trying to encourage economic development. \$500 may not sound like a lot, but it is to many, many people and it raises the cost of buying a house. The cost of commercial and industrial development is also increased. In the past the whole community has incurred the costs of whatever expansion takes place, not just the people who are affected by it.

Pizzo asked how this amendment would affect anticipated income. Phillips said this proposal would return about the same amount of revenue. This is basically a difference in philosophy and there are good points on each side. The USB finally reached a decision that they felt treated the existing customer and new customers fairly and equally.

Sherman offered a friendly amendment to Amendment B, putting the \$75 connection fee back in the ordinance. White agreed to that suggestion.

Bill Finch urged the council not to approve a hook on fee increase for their is a real problem with the numbers and when you really look at it and see the drastic change in the rate schedule, you wonder what it was all about to begin with. It is a direct add on to the cost of housing. He was concerned about what he called this incremental approach to this rate problem and used four different properties around Bloomington to determine tax and utility rate increases as well as computing grass and trash fees projected over a period of time and discovered almost a 50 to 100% increase. He offered some alternative ideas: a 20% rate increase for everyone would be more equitable and we could spend less, God forbid!, and do we really need the 20% increase if Utilities is giving \$600,000 to the Civil City as a subsidy to the city for services rendered by the city. He suggested that the formula is wrong and he noted that the Mayor, Council and Clerk supposedly spend 26% of their time on Utility matters and these numbers get us to \$300,000 paid by Utilities to the city as a direct subsidy. Another possibility is the in-lieu of taxes raising about \$300,000.

He said the theory of the user fee is simply unsound and he urged the council to support this amendment. This lays governmental programs at the checkbook of utilities and that this is not right way to fund the city.

Leo Hickman also supported the amendment and said this an opportunity to do something positive for future homeowners.

Bonnell supported the amendment and said that we should all share the future increased utility capacity costs. He thought this entire discussion should have taken place outside the budget process with people who are directly affected involved with the debate i.e, builders, developers and future homeowners.

Bonnell said if there is support for Amendment C (removing the connection fee and not raising rates) he would introduce it.

White said that developers will pay the fee initially but it will be passed on to the home buyer.

Kiesling pointed out that Lake Monroe Regional Waste District has had a connecting fee for a long time and their minimum commercial fee is \$2,000, residential is \$1,600 and \$1,200 depending on number of rooms. If we are talking about 20% for sewer, 8% for water that comes to about \$4-5 per month and then a trash fee cost, basic services are getting pretty expensive. She asked Linda Runkle how these numbers occurred.

Runkle said these fees are statutorily enabled and they must be just and equitable and computations are done for what utilities would pay us if they were a separate entity and we in turn pay certain fees, like our water and sewer services, meters set. She commended Finch for his critique of payment for services agreements and noted that they were here when Finch was the city attorney. It's a formula that is time tested and rate payers and civil city monies are kept separate. The connection fee issue is a policy issue, it exists in statute and in fact other communities indicate that they have had connection fees for years. You may not think it is right but it is permitted by statute.

Swain said this is really a debate of where are we going to put this burden and it should be put on who benefits directly. He felt we were getting into micro management and with all the various entities that have calculated and reviewed this, Black & Veatch, the USB, the administration have all signed off on this.

Amendment B received a roll call vote of Ayes:2 (Bonnell, White), Nays:7. The amendment failed by a vote of 2-7.

Amendment A was moved and seconded for consideration: basically a compromise between the previous amendment and the one that was adopted. The amendment would allow for a 18% rate increase, \$300 connection fee and changes various rates. Bonnell said he would amend his amendment and that would remove the last 5 rates dealing with pipe sizes.

Amendment A received a roll call vote of Ayes:2 (White, Bonnell), Nays:7. The amendment failed by a vote of 2-7.

Cole urged the utilities department to be a bit more sensitive to money that comes from ratepayers.

The ordinance, as amended, received a roll call vote of Ayes:8, Nays:1 (White).

It was moved and seconded that Resolution 94-30 be introduced and read by title only. Clerk Williams read the resolution by title only. It was moved and seconded that Resolution 94-30 be adopted. The synopsis and was given.

RESOLUTION 94-30

Chris Spiek discussed the utility grant program that assists income eligible citizens with water and sewer connection costs. This resolution allows rental properties to take advantage of the program when the housing project is tied to affordable housing. This resolution is also available to developers who are building a whole project of affordable housing tied to an established program. It would not be available to a developer who says he is going to build affordable housing on his own for we would have no way of controlling what he would ultimately be selling the units for.

The resolution received a roll call vote of Ayes:9, Nays:0

It was moved and seconded that Appropriation Ordinance 94-5 be introduced and read by title only. Clerk Williams read the ordinance by title only. It was moved and seconded that Appropriation Ordinance 94-5 be adopted. The synopsis was given.

APPROPRIATION
ORDINANCE 94-5

Jeff Underwood said the budget is set at 3% for both budgets and is a very conservative budget.

Hopkins expressed concern that we are raising rates, adding connect fees on the grounds that it is needed to operate efficiently and then turn around and maintain the rebate policy.

Phillips said this is a basically a policy question. It is considered a worthwhile, equitable, justifiable program. Hopkins said he disagreed with the policy.

Service said it has been a 19 year tradition to oppose this policy. All of the improvements that we talked about earlier are important and are needed and yet at the same time we persist with this outdated policy to give money back to developers in this one category. Bloomington is fairly lonely in maintaining this policy and in particular this year, when we are adding so much to the cost.

Bill Finch said it isn't an outdated policy at all and the current rule has been discussed for years. It is an investment and it is only a part of what the cost of putting a line in actually cost and now the line will go in and we will be getting \$500 per hook on and it is still the developer who put in the line, that provide the homes that get the hook on.

Service was pleased that she has, after all these years, found another councilmember who supported her position. (Hopkins) At that rate, she thought she would be on the council for a lot more years.

The ordinance received a roll call vote of Ayes:7, Nays:2 (Service, Hopkins).

The following ordinances were introduced and read by title only for first reading before the Common Council by the Clerk. Clerk Williams read the legislation by title only.

LEGISLATION FOR
FIRST READING

Appropriation Ordinance 94-6 To Specially Appropriate from the General, Park General, Rosehill and Motor Vehicle Highway Funds Expenditures Not Otherwise Appropriated.

APP.ORD. 94-6

Ordinance 94-31 To Amend Title 15 of the BMC Entitled Vehicles and Traffic.

ORDINANCE 94-31

Ordinance 94-32 To Amend The Bloomington Zoning Maps from MG to BA re: 1204 Bloomfield Road (William Shaad, petitioner).

ORDINANCE 94-32

Ordinance 94-45 To Amend the Higher Density Residential Development Conditional Use Map found in Section 20.10.09.00 of the BMC re: 303 and 309 E. 7th Street and 312 N. Lincoln St. (CFC, Inc, Petitioner)

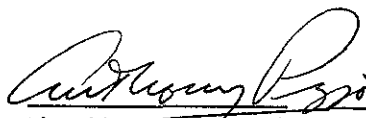
ORDINANCE 94-45

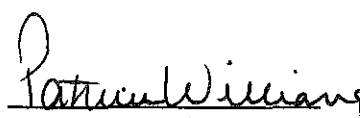
There were no petitions or communications from the public. Mercifully the meeting finally ended at 2:35 A.M. on Thursday morning.

ADJOURNMENT

APPROVE;

ATTEST;


Jim Sherman, President
Bloomington Common Council


Patricia Williams, CLERK
City of Bloomington

Approved this 14th day of December, 1994.