

# City of Bloomington Common Council

## Legislative Packet

**Wednesday, 20 May 2015**

## **Regular Session**

*For legislation and background material regarding  
Resolution 15-14, Appropriation Ordinance 15-01,  
Ordinance 15-11, and Ordinance 15-12 please consult the  
[06 May 2015 Legislative Packet](#).*

*For additional material regarding the bond projects associated with Resolution 15-14 and  
Appropriation Ordinance 15-01 please consult [TIF Bond Projects](#)*

*All other material is contained herein.*

Office of the Common Council  
P.O. Box 100  
401 North Morton Street  
Bloomington, Indiana 47402  
812.349.3409  
[council@bloomington.in.gov](mailto:council@bloomington.in.gov)  
<http://www.bloomington.in.gov/council>



### **Packet Related Material**

**Memo**

**Agenda**

**Calendar**

**Notices and Agendas:**

*None*

### **Resolutions and Legislation for Second Reading:**

**Two Pieces of Legislation Authorizing Tax Increment Finance District Revenue Bonds and Appropriating their Proceeds for Various Projects with the New Expanded and Consolidated TIF District**

- **Res 15-14** A Resolution Approving the Issuance of Bonds of the Bloomington Redevelopment District, Acting in the Name of the City of Bloomington, Indiana, in an Amount Not to Exceed \$48,000,000 to Finance Acquisition and Construction of Certain Improvements in the Bloomington Consolidated Economic Development Area
- **App Ord 15-01** An Ordinance Authorizing an Additional Appropriation of Proceeds of Bonds and Any Investment Earnings Thereon

*Contact:*

*Jeff Underwood, Controller, [underwoj@bloomington.in.gov](mailto:underwoj@bloomington.in.gov)*

*Margie Rice, Corporation Counsel, [ricem@bloomington.in.gov](mailto:ricem@bloomington.in.gov)*

*Hans Steck, Bingham, Bond Counsel, Greenebaum, Doll, LLP,  
[hsteck@bgdlegal.com](mailto:hsteck@bgdlegal.com)*

*Hershel Frierson, Financial Advisor, Crowe-Horwath, LLP,  
[Herschel.frierson@crowehorwath.com](mailto:Herschel.frierson@crowehorwath.com)*

*For legislation, associated materials and summaries for these two items, please see the [Weekly Council Legislative Packet](#) prepared for the May 6, 2015 Regular Session.*

*For additional information on the TIF Bond Projects presented at the May 13, 2015 Committee of the Whole, please go online to:  
<https://bloomington.in.gov/bond>*

## **Further Legislation for Second Reading**

- **Ord 15-11** To Amend Title 8 of the Bloomington Municipal Code, Entitled “Historic Preservation and Protection” to Establish Four Buildings at Six Addresses as Historic Districts - Re: Showers Brothers Furniture Company Complex (Bloomington Historic Preservation Commission, Petitioner)

*Contact:*

*Lisa Abbott at 812-349-3401, abbottl@bloomington.in.gov*

*Nancy Hiestand at 812-349-350, hiestann@bloomington.in.gov*

*Patty Mulvihill at 812-349-3426, mulvihip@bloomington.in.gov*

- **Ord 15-12** To Authorize the Issuance of Bonds by the Monroe County Redevelopment Commission Pursuant to IC 36-7-14-3.5

*Contact:*

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

*For legislation, associated materials and summaries for these two foregoing items, please see the [Weekly Council Legislative Packet](#) prepared for the May 6, 2015 Regular Session.*

## **Legislation and Background Material for First Reading:**

- **Ord 15-14** To Amend Title 2 of the Bloomington Municipal Code, Entitled “Administration and Personnel” - Re: Amending BMC 2.18.050, Regarding the Rules and Bylaws for the Bloomington Redevelopment Commission, to Codify Certain Existing Internal Financial Controls
  - Memo to Council from Jeff Underwood, Controller
  - BMC 2.18.050 Rules and Bylaws (of the Bloomington Redevelopment Commission) – annotated with Changes

*Contact: Jeff Underwood, 812-349-3412, underwoj@bloomington.in.gov*

## **Minutes from Regular Session:**

*None*

## Memo

### **One Item Ready for First Reading and Four Items Ready for Second Readings at the Regular Session on Wednesday, May 20<sup>th</sup>**

There is one item ready for introduction and there are four items ready for second reading at the Regular Session next Wednesday. The information and material regarding the one item for introduction can be found in this packet and the information and material regarding the four items ready for second reading can be found online as indicated above.

#### **First Readings:**

#### **Item One – Ord 15-14 – Amending the Enabling Legislation for the Bloomington Redevelopment Commission to Codify Some Existing Internal Financial Controls**

Ord 15-14 is coming forward at the behest of the Mayor and the entire Council. It amends the enabling legislation for Bloomington Redevelopment Commission (Commission) in order to codify some internal financial controls put into practice by the Controller last year across the City.

Jeff Underwood, City Controller, serves as Treasurer for the Commission. As his memo indicates, this has been through appointment by the Commission and then, as a result of a change in State law last year, by virtue of the Controller's position as fiscal manager of the City. In those capacities, he states that the ordinance "will codify the fundamentals of the new practice... (without being so specific) as to prevent myself and future Controllers from continually improving our standards."

Codification will assure that these internal financial controls will continue unless action is taken in the future to amend the proposed provisions. It makes sense to do so now for many reasons. Perhaps foremost among those reasons is the statutory separation of the Commission from the Council.<sup>1</sup> As you know, the City has recently expanded and consolidated five of its six TIF districts (and adopted an associated development Plan) and the Council is, during this Legislative Cycle,

---

<sup>1</sup> The Council appoints two of the Commission's five members.

considering the issuance of a “once-in-a-generation” bond package to help implement the Plan.

Assuming the bonds are issued, the Commission has the authority to spend the bond proceeds without further approval by the Council. Although trends in State legislation suggest that the oversight role of the Council will grow, at this point, except for redevelopment commissions that have an operational budget funded by TIF monies (ours doesn't), city councils do not *approve*<sup>2</sup> an annual budget for redevelopment commissions. Please note that, at a local level, the Administration has offered steps and suggestions – e.g. sharing agendas prior to meetings, having the Commission meet periodically with the Council, among others – to improve communication between the two and comply with recent changes in State law.

### Proposed Amendment to Code

The ordinance, in particular, provides:

First, that the Controller establishes fiscal standards for the Commission to follow.

Second, that the standards are also to be followed by:

- All staff under the Commission's supervision or authority as well as
- Any person, entity, or staff member which seeks funding from the Commissioners.

Third, that the standards are intended to achieve the following purposes:

- Promote transparency,
- Institutionalize good financial practices,
- Support fiscal integrity,
- Promote long-term and strategic thinking,
- Manage risk, and
- Provide for a system of checks and balances and the appropriate segregation of duties.

---

<sup>2</sup> PL149-2014 added a provision stating, in part, that redevelopment commissions and departments “are subject to oversight by the legislative body of the unit, including a review by the legislative body of the commission's and department's annual budget.”

Lastly, that the Commission (*in paraphrase*):

- Shall not approve a funding resolution<sup>3</sup> unless it is tied to a contract or agreement which must:
  - identify a vendor; and
  - specify a definite date by which the funding will terminate; and
- Shall not approve an extension of that contract or agreement:
  - without authorization by separate resolution by the Commission,
  - after appropriate staff have provided a full explanation and justification.

The memo explains how this new procedure changed the manner by which the Redevelopment Commission authorized funding for projects. Prior to implementation in 2014, the Commission would, as a matter of course, “approve all funding for a project at once.” While permissible, the Controller wanted to impose a better practice that served the purposes that would now be set forth in the code. Rather than rely on a single, open-ended authorization of funding, last year’s changes tie a funding amount to a particular vendor and a deadline. This requirement will facilitate operations in a number of ways - it will help establish schedules, build budgets, and verify claims for payments.

---

<sup>3</sup> This is referred to as an open or blanket funding resolution.

**NOTICE AND AGENDA**  
**BLOOMINGTON COMMON COUNCIL REGULAR SESSION**  
**7:30 P.M., WEDNESDAY, MAY 20, 2015**  
**COUNCIL CHAMBERS**  
**SHOWERS BUILDING, 401 N. MORTON ST.**

**I. ROLL CALL**

**II. AGENDA SUMMATION**

**III. APPROVAL OF MINUTES FOR:** *None*

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

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

**V. APPOINTMENTS TO BOARDS AND COMMISSIONS**

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

1. Resolution 15-14 - A Resolution Approving the Issuance of Bonds of the Bloomington Redevelopment District, Acting in the Name of the City of Bloomington, Indiana, in an Amount Not to Exceed \$48,000,000 to Finance Acquisition and Construction of Certain Improvements in the Bloomington Consolidated Economic Development Area

Committee Recommendation:      Do Pass      8 – 0 – 1

2. Appropriation Ordinance 15-01 – An Ordinance Authorizing an Additional Appropriation of Proceeds of Bonds and Any Investment Earnings Thereon.

Committee Recommendation:      Do Pass      8 – 0 – 1

3. Ordinance 15-11 – To Amend Title 8 of the Bloomington Municipal Code, Entitled "Historic Preservation and Protection" to Establish Four Buildings at Six Addresses as Historic Districts - Re: Showers Brothers Furniture Company Complex (Bloomington Historic Preservation Commission, Petitioner)

Committee Recommendation:      Do Pass      7 – 0 – 1

4. Ordinance 15-12 - To Authorize the Issuance of Bonds by the Monroe County Redevelopment Commission Pursuant to IC 36-7-14-3.5

Committee Recommendation:      Do Pass      8 – 0 – 0

**LEGISLATION FOR FIRST READING**

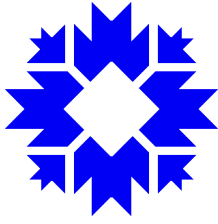
1. Ordinance 15-14 - To Amend Title 2 of the Bloomington Municipal Code, Entitled "Administration and Personnel" - Re: Amending BMC 2.18.050, Regarding the Rules and Bylaws for the Bloomington Redevelopment Commission, to Codify Certain Existing Internal Financial Controls

**VII. ADDITIONAL PUBLIC COMMENT\*** (A maximum of twenty-five minutes is set aside for this section.)

**VIII. COUNCIL SCHEDULE**

**IX. ADJOURNMENT**

\* Members of the public may speak on matters of community concern not listed on the agenda at one of the two *Reports from the Public* opportunities. Citizens may speak at one of these periods, but not both. Speakers are allowed five minutes; this time allotment may be reduced by the presiding officer if numerous people wish to speak.



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

To Council Members  
From Council Office  
Re Weekly Calendar –18-23 May 2015

**Monday, 18 May**

12:00 pm Board of Public Works – Work Session, Kelly  
12:00 pm Bloomington Entertainment and Arts District, McCloskey  
4:00 pm Council for Community Accessibility, McCloskey  
5:00 pm Utilities Service Board, 600 E Miller Dr.  
5:30 pm Bloomington Human Rights Commission, McCloskey

**Tuesday, 19 May**

11:30 am Plan Commission – Work Session, Kelly  
4:00 pm Board of Public Safety, McCloskey  
5:00 pm Redevelopment Commission, McCloskey  
5:30 pm Animal Control Commission, Kelly  
5:30 pm Board of Public Works, Chambers  
5:30 pm Commission on the Status of Children and Youth, Hooker Room

**Wednesday, 20 May**

9:30 am Tree Commission, 930 W 4<sup>th</sup> St.  
4:00 pm Board of Housing Quality Appeals, McCloskey  
6:00 pm Council of Neighborhood Associations, Hooker Room  
7:30 pm Common Council – Regular Session, Chambers

**Thursday, 21 May**

8:00 am Bloomington Housing Authority Board of Commissioners, 1007 N Summit, Community Rm.  
3:30 pm Bloomington Municipal Facilities Corporation, Dunlap  
4:00 pm Jack Hopkins Social Services Funding Allocation Hearing, Chambers  
5:15 pm Monroe County Solid Waste Management District – Citizens’ Advisory Council, McCloskey  
7:00 pm Environmental Commission, McCloskey

**Friday, 22 May**

12:00 pm Common Council – Internal Work Session, Council Library  
12:00 pm Economic Development Commission, Hooker Room

**Saturday, 23 May**

8:00 am Bloomington Community Farmers’ Market, Showers Common, 401 N Morton St.

*Posted and Distributed: Thursday, 14 May 2015*



## ORDINANCE 15 -14

### TO AMEND TITLE 2 OF THE BLOOMINGTON MUNICIPAL CODE, ENTITLED “ADMINISTRATION AND PERSONNEL

- **Re: Amending BMC 2.18.050, Regarding the Rules and Bylaws for the Bloomington Redevelopment Commission, to Codify Certain Existing Internal Financial Controls**

WHEREAS, Chapter 2.18.000 of the Bloomington Municipal Code ("BMC") creates a Bloomington Redevelopment Commission ("RDC") which shall have all the powers and authorities set for such commissions under the Indiana Code; and

WHEREAS, Section 2.18.050 provides that the RDC may adopt the rules and bylaws considered necessary to properly conduct their proceedings and to safeguard the money and property in their custody; and

WHEREAS, in 2014, the City of Bloomington has adopted policies and procedures to strengthen internal controls, to recognize its fiduciary duty to all constituents and to advance the community's greater good; and

WHEREAS, the procedures set the baseline standard for stewardship over financial resources and sound financial practices; therefore, the BMC should be amended to require the RDC's compliance with procedures;

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

SECTION 1. BMC Chapter 2.18, entitled “Bloomington Redevelopment Commission,” Section 050, entitled “Rules and bylaws,” shall be amended by keeping the first sentence and adding the remaining sentences, so that the provisions shall now read as follows:

The redevelopment commissioners may adopt the rules and bylaws they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property in their custody. The redevelopment commissioners shall, in all circumstances, follow the standards established by the City of Bloomington Controller and shall require that all staff under its supervision or authority as well as any person, entity or staff member which seeks funding from the redevelopment commissioners follow the same standards. Those standards are intended to:

- Promote transparency
- Institutionalize good financial practices
- Support fiscal integrity
- Promote long-term and strategic thinking
- Manage risk
- Provide for a system of checks and balances and the appropriate segregation of duties

In addition, under no circumstance, shall the Redevelopment Commission approve a blanket or open funding resolution, which is one not tied to a specific contract or agreement with a specific vendor. All funding approvals shall be tied to a specific contract or agreement with a specific vendor and shall specify a definite date by which the funding shall terminate. Any extensions of time for funding must be explicitly authorized by separate resolution of the Redevelopment Commission, once full explanation and justification for the extension is provided by appropriate staff.

SECTION 2. If any sections, 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 the end the provisions of this ordinance are declared to be severable.

SECTION 3. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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

ATTEST:

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
REGINA MOORE, Clerk  
City of Bloomington

SIGNED and APPROVED by me upon this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
MARK KRUZAN, Mayor  
City of Bloomington

#### SYNOPSIS

This legislation is coming forward from the Mayor in concert with the entire Council. Its primary purpose is to strengthen the City of Bloomington's financial policies and to ensure proper stewardship of taxpayer dollars. This Ordinance makes it a requirement of local law that City of Bloomington Redevelopment Commission follow the City of Bloomington Controllers' financial standards, which ensure proper segregation of duties. It further guarantees that any funding resolution may not be open-ended, but must be specifically tied to a specific contract and vendor and include a definite date when the funding shall terminate.



**MARK KRUZAN**  
**MAYOR**

**JEFFREY H. UNDERWOOD, CPA**  
**CONTROLLER**

CITY OF BLOOMINGTON

CONTROLLER'S OFFICE

401 N Morton St  
Post Office Box 100  
Bloomington IN 47402

p 812.349.3416  
f 812.349.3456  
controller@bloomington.in.gov

## Memorandum

**To:** Council Members  
**From:** Jeffrey Underwood, Controller  
**Date:** May 13, 2015  
**Re:** Ordinance 15-14

---

This Ordinance amends Chapter 2.18 of the Bloomington Municipal Code, which addresses the Bloomington Redevelopment Commission. The result of passage of this Ordinance is the addition of the language in bold to Section 2.18.050:

The redevelopment commissioners may adopt the rules and bylaws they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property in their custody. **The redevelopment commissioners shall, in all circumstances, follow the standards established by the City of Bloomington Controller and shall require that all staff under its supervision or authority as well as any person, entity or staff member which seeks funding from the redevelopment commissioners follow the same standards. Those standards are intended to:**

- **Promote transparency**
- **Institutionalize good financial practices**
- **Support fiscal integrity**
- **Promote long-term and strategic thinking**
- **Manage risk**
- **Provide for a system of checks and balances and the appropriate segregation of duties**

**In addition, under no circumstance, shall the Redevelopment Commission approve a blanket or open funding resolution, which is one not tied to a specific contract or agreement with a specific vendor. All funding approvals shall be tied to a specific contract or agreement with a specific vendor and shall specify a definite date by which the funding shall terminate. Any extensions of time**

**for funding must be explicitly authorized by separate resolution of the Redevelopment Commission, once full explanation and justification for the extension is provided by appropriate staff."**

The Redevelopment Commission's treasurer "has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the redevelopment commission . . ." Ind. Code § 36-7-14-8(b). Before July 1, 2014, the Redevelopment Commission had the authority to appoint its own treasurer. Effective July 1, 2014, state law changed, making the City Controller the treasurer of the Redevelopment Commission.

As Treasurer of the Redevelopment Commission, I have applied the City's new policies and procedures—introduced in 2014 to strengthen the City's internal financial controls—to the Redevelopment Commission. Before these new policies and procedures were introduced, the Redevelopment Commission's standard practice was to approve all funding for a project at once. Although this practice is permissible, I felt that a better practice was to approve funding for specific aspects of a project, and to specify a definite time period when the funding approval would terminate.

For example, if the Redevelopment Commission were asked to approve a greenway project which would require design, engineering, and construction, with a total budget of \$50,000, under the previous practice the Redevelopment Commission could approve that project and budget with a single vote, which would make all \$50,000 available for the project. Under the new practice, the Redevelopment Commission approves each aspect of funding separately, and imposes a deadline on that funding approval. Using the same hypothetical greenway project example, the Redevelopment Commission would be asked to approve funding three separate times (once each for design, engineering, and construction), and if there were a delay in the project beyond the deadline set by the Redevelopment Commission—for any reason—it would be necessary to explain to the Redevelopment Commission why the delay took place, and for the Redevelopment Commission to extend the deadline of its funding approval.

I am currently working with City Staff and the Redevelopment Commission to develop a process which will further bifurcate the project approval and the funding approval process, which will help ensure that City resources are only spent on projects that the Redevelopment Commission supports.

The passage of this Ordinance will codify the fundamentals of the new practice. For instance, it explicitly prohibits "a blanket or open funding resolution," referring to a funding resolution that is not tied to a specific contract or agreement with a specific vendor. However, it is not so specific regarding the specific standards imposed as to prevent myself and future Controllers from continually improving our standards.

Feel free to contact me by email at [underwoj@bloomington.in.gov](mailto:underwoj@bloomington.in.gov) by phone at 349-3416 at any time.

## **Changes in BMC Chapter 2.18 (Bloomington Redevelopment Commission) Proposed by Ord 15-14**

*Note: New Text is indicated in bold font*

### **Chapter 2.18 BLOOMINGTON REDEVELOPMENT COMMISSION**

#### **Sections:**

[2.18.000 Establishment.](#)

[2.18.010 Appointments.](#)

[2.18.020 Qualifications.](#)

[2.18.030 Terms.](#)

[2.18.040 Meetings.](#)

[2.18.050 Rules and bylaws.](#)

[2.18.060 Majority vote.](#)

#### **2.18.000 Establishment.**

There is created a Bloomington redevelopment commission, which shall control the housing and neighborhood development. The redevelopment commission shall have all the powers and authorities set for such commissions in Indiana Code 36-7-14, Redevelopment of Blighted Areas, and shall bear such duties and responsibilities as are therein set out. The redevelopment commission shall follow such rules and procedures as are now set out in Indiana Code 36-7-14, or as shall be added by future amendments to the Indiana Code.

(Ord. 97-06 § 9, 1997; Ord. 83-6 § 2 (part), 1983).

#### **2.18.010 Appointments.**

The five members of the Redevelopment Commission shall be appointed three by the Mayor and two by the Common Council.

(Ord. 83-6 § 2 (part), 1983).

#### **2.18.020 Qualifications.**

A redevelopment commissioner must be at least eighteen years of age and a resident of the City.

(Ord. 83-6 § 2 (part), 1983).

#### **2.18.030 Terms.**

- (1) Each redevelopment commissioner shall serve for one year from the first day of January after his appointment and until his successor is appointed and has qualified, except that the original commissioners shall serve from the date of their appointment until the first day of January in the second year after their appointment.

- (2) Redevelopment commissioners shall serve at the pleasure of the appointing authority, who may summarily remove its appointees from office at any time.

(Ord. 83-6 § 2 (part), 1983).

#### **2.18.040 Meetings.**

The redevelopment commissioners shall hold a meeting for the purpose of organization not later than thirty days after they are appointed and, after that, on January 2 of each year.

(Ord. 83-6 § 2 (part), 1983).

#### **> ORD 15-14 – SECTION 1**

#### **2.18.050 Rules and bylaws.**

The redevelopment commissioners may adopt the rules and bylaw they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property in their custody. **The redevelopment commissioners shall, in all circumstances, follow the standards established by the City of Bloomington Controller and shall require that all staff under its supervision or authority as well as any person, entity or staff member which seeks funding from the redevelopment commissioners follow the same standards. Those standards are intended to:**

- **Promote transparency**
- **Institutionalize good financial practices**
- **Support fiscal integrity**
- **Promote long-term and strategic thinking**
- **Manage risk**
- **Provide for a system of checks and balances and the appropriate segregation of duties**

**In addition, under no circumstance, shall the Redevelopment Commission approve a blanket or open funding resolution, which is one not tied to a specific contract or agreement with a specific vendor. All funding approvals shall be tied to a specific contract or agreement with a specific vendor and shall specify a definite date by which the funding shall terminate. Any extensions of time for funding must be explicitly authorized by separate resolution of the Redevelopment Commission, once full explanation and justification for the extension is provided by appropriate staff."**

(Ord. 83-6 § 2 (part), 1983).

#### **2.18.060 Majority vote.**

Concurrence of three members of the Commission is necessary to authorize any action.

(Ord. 83-6 § 2 (part), 1983).