



**JOHN HAMILTON
MAYOR**

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MEMO

TO: Members of the Common Council
FROM: Mayor John Hamilton
DATE: October 12, 2021
RE: 2022 Budget

I share the following important information to assist in your deliberations about the 2022 budget.

If Council Adopts the Proposed 2022 Budget, it will fund:

1. \$10.1M in proposed new American Rescue Plan Act (ARPA) expenditures, including major funding for affordable housing, jobs and training, the arts, sustainable infrastructure, and revenue replacement for Parks, Street, and Information Technology, as well as \$5,000 retention payments for sworn police officers and the \$500 employee payments for service during the pandemic.
2. \$1.0M in Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures related to critical IT infrastructure replacements.
3. Critical support for basic ongoing operations of the City, through increases to the General and Parking general funds as well as a number of other funds including Street, Sanitation, Fleet, Vehicle Replacement, Public Safety Local Income Tax (PS-LIT), Parking Meter, Parking Facilities, Bond Funds, Risk Management, Police and Fire Pensions, Jack Hopkins, and Alternative Transportation.
4. 16 new positions in public safety departments, and a new position in the City Clerk's Office.

If Council Fails to Adopt the Proposed 2022 Budget:

1. The most recent budget, i.e. the 2021 budget, carries over, as is, to the 2022 year.
2. The 2021 lower property tax levy and tax rate will carry over and the City will incur a permanent loss of approximately \$1.35M from the City General Fund and Parks General Fund for 2022.
3. The proposed \$11M of CARES Act and ARPA expenditures will not be funded (including the proposed COVID premium payments for all employees from these funding sources).
4. Every City Department will be required to make cuts to their 2022 proposed budgets to fit within the reduced 2021 carryover budget, which may necessitate staff cuts and significant program cuts.
5. No salary increases will be available to civil city/non-union employees.
6. 2022 salary increases included in three union contracts will have to be covered by making cuts elsewhere, or reaching agreement with the unions to negotiate lower percentages.

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7. No \$5,000 retention payments will be available to police officers.
8. Lower available funding will reduce what the City can offer for new Fraternal Order of Police (FOP) and AFSCME contracts slated for bargaining in coming months.
9. There will be no increased staffing in public safety (Fire, Police and Dispatch), or the Clerk's Office.
10. Police and Fire will lose \$1.1M in ARPA funding and \$1.1M in PS-LIT funding.
11. Parks, beyond the loss of levy growth, will have to plan \$900K in additional cuts in operating expenses (included in the ARPA funds request) requiring significant cuts in programming, capital projects and expenditures, and/or staff.
12. Street, beyond the loss of levy growth, will have to plan \$1M in additional cuts in operating expenses (included in the ARPA funds request) requiring significant cuts in programs, capital projects and expenditures, and/or staff.
13. Information and Technology Services will lose \$500K in ARPA funding as well as \$1.0M in CARES funding resulting in significant cuts in critical investments in basic operating network hardware and cybersecurity upgrades and/or staff.
14. There will be no funds for the proposed pilot of a parking cash-out program.