



MEMO FROM COUNCIL OFFICE ON:

Appropriation Ordinance 23-04 – To Specially Appropriate from the General Fund, ARPA State and Local Fiscal Recovery Fund, Parks and Recreation General Fund, and Motor Vehicle Highway Street Fund, Expenditures Not Otherwise Appropriated (Appropriating a Portion of the Amount of Funds Reverted to Various City Funds at the End of 2022 for Unmet Needs in 2023)

Synopsis

This ordinance appropriates an additional \$4,035,551 of funds from the General Fund, ARPA State and Local Fiscal Recovery Fund, Parks and Recreation General Fund, and Motor Vehicle Highway Fund for a variety of expenditures by departments and for certain public safety retention measures.

Relevant Materials

- Appropriation Ordinance 23-04
- Staff Memo from Controller's Office

Summary

Appropriation Ordinance 23-04 appropriates \$4,035,551 out of four funds. Appropriations from the General Fund and Parks & Recreation General Fund utilize money that reverted to those funds from past years. Appropriations of reverted funds have previously been proposed as part of a program initiated by Mayor Hamilton both to share savings with Departments and to encourage department heads to be good stewards of the City's funds and find innovative ways to become efficient in their utilization.

The administration initiated appropriations of reverted funds in 2016, 2017, 2018, and 2019. In 2016, \$2.79 million of reverted funds from 2015 were appropriated primarily for the replacement of aging vehicles (Category 4 – Capital Outlays) and training & education (Category 3 – Other Services and Charges). In 2017, \$2.7 million of reverted funds from 2016 were appropriated primarily for capital and vehicle replacement (Category 4 – Capital Outlays) and training, outside services, and programmatic support (Category 3 – Other Services and Charges). In 2018, \$2.083 million of reverted funds from 2017 were used primarily for capital replacements and improvements (Category 4 – Capital Outlays) and training and consultants (Category 3 – Other Services and Charges). In 2019, \$2.016 million of reverted funds from 2018 were used primarily for Category 3 – Other Services and Charges. In 2020, the program focus shifted and reversions were appropriated to assist with Bloomington's response to the COVID-19 pandemic.



This year, the Administration is proposing appropriations totaling \$4,035,551 to be utilized by various departments for uses described in the legislation and accompanying staff memo.

The amounts to be appropriated out of the four funds are as follows:

| | |
|-----------------------------------|-------------|
| General Fund - | \$626,100 |
| Parks & Recreation General Fund - | \$233,600 |
| ARPA Local Fiscal Recovery Fund - | \$1,300,000 |
| Motor Vehicle Highway Fund - | \$1,875,851 |

The proposed appropriation from the ARPA Local Fiscal Recovery Fund is not utilizing reverted money but instead proposes expenditures of money allocated to the City under the American Rescue Plan Act (“ARPA”) of 2021. In 2021, [Ordinance 21-25](#) was adopted, which established the ARP Coronavirus Local Fiscal Recovery Fund in the Office of the Controller to consist of all monies allocated to the City under ARPA. The ordinance listed the following allowed purposes for the fund:

- (A) To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (B) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the City that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- (C) For the provision of government services to the extent of the reduction in revenue of the City due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the City prior to the emergency, that being 2019; or
- (D) To make necessary investments in water, sewer, or broadband infrastructure.
- (E) For any other purpose as may be allowed by Congress or regulations issued by the Department of the Treasury.

These allowed uses comported with requirements outlined in both federal and state guidance documents that accompanied the ARPA funding.



The proposed appropriation from the Motor Vehicle Highway Fund is also not utilizing reverted money. Rather, this appropriation comes as a result of state guidance on accounting for motor vehicle highway and restricted motor vehicle highway funds. The adopted [2023 civil city budget](#) included \$1,875,851 in the Motor Vehicle Highway Restricted Fund (Fund #456). The Controller's Office has indicated that the proposed appropriation of these funds out of the Motor Vehicle Fund (Fund 451) is needed to make use of this already-budgeted money in 2023.

Appropriations Generally; Public Hearing Required

[Indiana Code 36-4-7-8](#) provides that the legislative body may, on the recommendation of the city executive, make further or additional appropriations by ordinance, as long as the result does not increase the city's tax levy that was set as part of the annual budgeting process. The additional appropriations requested by [Appropriation Ordinance 23-04](#) should not result in such an increase to the city's tax levy. Please note that a public notice of the proposed additional appropriation will be published pursuant to [Indiana Code 6-1.1-18-5](#) and also note that the Council must conduct a public hearing (scheduled for May 17, 2023) on the proposal before adoption.

Contact

Jeffrey Underwood, Controller, 812-349-3412, underwoj@bloomington.in.gov

Jeff McMillian, Deputy Controller, 812-349-3412, mcmillij@bloomington.in.gov

Cheryl Gilliland, Director of Auditing & Financial Systems, 812-349-3412,

cheryl.gilliland@bloomington.in.gov