



MEMO FROM COUNCIL OFFICE ON 2024 BUDGET AND RELATED LEGISLATION – Three appropriation ordinances and three salary ordinances pertaining to the 2024 Budget for the City of Bloomington

Relevant Materials

- Appropriation Ordinance 23-05 – 2024 Civil City Budget
 - Staff Presentation Slides describing changes from August budget hearings may be forthcoming
- Appropriation Ordinance 23-06 – 2024 Utilities Budget
 - Staff Memo describing changes to the proposed 2024 Utilities budget from what was presented to the Council in August
- Appropriation Ordinance 23-07 – 2024 Bloomington Transit Budget
 - Note: There have been no changes to the proposed 2024 Transit budget from what was presented to the Council in August
- Ordinance 23-24 – 2023 Salaries for Police and Fire Departments
 - Staff Memo – Emily Fields, Interim Director, Human Resources
- Ordinance 23-25 – 2023 Salaries for Appointed Officers, Non-Union, and A.F.S.C.M.E. Employees for All City Departments
 - Staff Memo – Emily Fields, Interim Director, Human Resources
- Ordinance 23-26 – 2023 Salaries for Elected City Officials
 - Staff Memo – Emily Fields, Interim Director, Human Resources
- Responses to Written Questions/Comments from the City Council submitted after Departmental Budget Hearings
- Additional budget information, materials, and resources available at <https://bloomington.in.gov/city/budget>, including approved budgets from previous years, materials and presentations from departmental budget hearings held in August, 2023, and links to more information related to the financial health of the City.

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Schedule and Process for Council Consideration of 2024 Budget Legislation

Over the next two weeks, the Common Council will be entering the second phase of its Budget Deliberations for 2024.

Previously (as it has done since 2013), the Council:

- held four nights of Departmental Budget Hearings beginning in late August.
- The department presentations and materials from the meetings held August 28th to August 31st can be found here: <https://bloomington.in.gov/city/budget>.

Now the Council will

- formally consider 2024 budget legislation at a:
 - Special Session and Committee of the Whole on Wednesday, September 27th (which serves as the statutorily-required public hearings on the budget ordinances for the City and Transit); and
 - Special Session on Wednesday, October 11th (which serves as the State-designated “Adoption Hearing”).

The 2024 budget legislation included in this week’s packet is accompanied by supporting memos from the relevant city department heads. These memos document the changes made to the budget since the Departmental Budget Hearings. Note: there is no memo accompanying the Transit budget as no changes have been made since that budget was presented to the Council in August.

2024 Budget Legislation

For those members of the Council or the public interested in a detailed description of the budgeting process beyond what is described here, one available resource is a [2024 Budget Bulletin](#) published annually by Accelerate Indiana Municipalities (Aim). Please note that this guide to municipal budgeting is not limited to information relevant to second class cities (such as Bloomington). It contains a detailed narrative that discusses the Indiana municipal budgeting process, including how to determine expenses and revenues and how to balance the budget. Supplements in the bulletin describe specific components of a municipal budget.

The budgeting process begins long before the Council’s formal consideration of the budget legislation. State law ([IC 36-4-7 et seq.](#)) provides that, before the submission of the notice of budget estimates required by [IC 6-1.1-17-3](#) (which contains information about the proposed budget, tax levies, and the time and place of required public hearings on the budget), each city shall formulate a budget estimate for the ensuing budget year in the following manner, according to [IC 36-4-7-6](#):

- (1) Each department head prepares for their department an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure the department head anticipates.



(2) The city fiscal officer prepares an itemized estimate of a) revenues available for the ensuing budget year and b) expenditures for other purposes above the money proposed to be used by the departments.

(3) The city executive meets with the department heads and the fiscal officer to review and revise their various estimates.

(4) After the executive's review and revision, the fiscal officer prepares for the executive a report of the estimated department budgets, miscellaneous expenses, and revenues necessary or available to finance the estimates.

Appropriation Ordinances 23-05, 23-06, and 23-07

The Appropriation Ordinances for 2024 set forth the Civil City Budget (23-05), Utilities Budget (23-06), and Transit Budget (23-07).

[IC 36-4-7-7](#) provides that, after the steps listed above, the controller presents the report of budget estimates to the Council. After reviewing the report, and following the required public hearings, the Council can adopt an ordinance making appropriations for the estimated department budgets and other municipal purposes during the ensuing budget year, which fixes the budgets, levies, and rate of taxation for raising revenue to meet the expenses for the budget year.

State law provides that the Council may only reduce, but not increase, any estimated item from the figure submitted in the report of the fiscal officer, unless the mayor also recommends an increase ([IC 36-4-7-7\(a\)](#)). An exception to this rule is the compensation for police and firefighters ([IC 36-8-3-3](#)), but please note that the City has local regulations that apply to collective bargaining with the police and fire unions (Fraternal Order of Police Lodge 88 and Bloomington Metropolitan Firefighters Local 586). The City has entered into contracts pursuant to these local provisions, and the contracts have been approved by the Council via [Resolution 22-11](#) and [Resolution 20-18](#). These contracts extend until December 31, 2026 and December 31, 2024, respectively. State law also states that the Council shall promptly act on the appropriation ordinance(s).

If the Council does not pass an ordinance before November 2 fixing the rate of taxation and making appropriations for the estimated department budgets and other city purposes for the ensuing budget year, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year ([IC 36-4-7-11](#)).

A change in state law years ago shifted the approval of the Transit Budget, tax levy, and tax rates to the Council. Specifically, state law provides that the Council “shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.” ([IC 6-1.1-17-20](#)). For that reason, the budget materials relevant to this review are included.



2024 Salary Ordinances

Included in this packet are three salary ordinances related to the 2023 budget process. State law details how salaries for elected city officers ([IC 36-4-7-2](#)); appointive officers, deputies, and other employees ([IC 36-4-7-3](#)); and all members of the police and fire departments and other appointees ([IC 36-8-3-3](#)) should be fixed.

Ordinance 23-24 - Police and Fire Department Salaries: This ordinance sets forth the title, grade, number, salary, and pay schedules for members of the City police and fire departments. It also covers other provisions affecting compensation, including longevity, certifications, education and training, specialty pay, shift pay differentials, holiday pay, incentive payments, and increases for salaries not set by the contract.

Per [IC 36-8-3-3](#), the annual compensation of all members of the police and fire departments and other appointees shall be fixed by ordinance of the legislative body not later than November 1 of each year for the ensuing budget year. The ordinance may grade the members of the departments and regulate their pay by rank as well as by length of service. If the Council fails to adopt an ordinance fixing the compensation of members of the police or fire department, the board of public safety may fix their compensation, subject to change by ordinance.

Please note that contracts in place with both police and fire unions (Fraternal Order of Police Lodge 88 and Bloomington Metropolitan Firefighters Local 586) impact the amount of compensation proposed in the salary ordinance (as described in the memo from Emily Fields). Unlike related provisions of state law that specify how salaries are fixed for elected officials and for appointed officers and employees (*except* members of the police and fire department), the statute affecting public safety employees does not expressly restrict salary increases during the budget year.

Ordinance 23-25 - Appointed Officers, Non-Union and A.F.S.C.M.E. Employee Salaries: This ordinance sets forth the title, grade, number, and salary ranges for city employee positions and board members not covered by other salary ordinances. It also covers other provisions affecting compensation, including shift differentials, treatment of transfers, gainsharing, emergency call out, on-call status, temporary reassignments, tool allowances, licenses and certifications, night and swing shifts, holiday pay, common law positions, employee recognition longevity payments, and incentive payments or reimbursements.

Per [IC 36-4-7-3](#), the city executive shall fix the compensation of each appointive officer, deputy, and other employee of the city, subject to the approval of the city legislative body. The Council may reduce but may not increase any compensation fixed by the executive. Compensation must be fixed not later than November 1 of each year for the ensuing budget year. The City Clerk may, with the approval of the legislative body, fix the salaries of deputies and employees appointed under [IC 36-4-11-4](#).



City of Bloomington Indiana

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Ordinance 23-26 - Elected city officer compensation: This ordinance sets forth the annual salaries of the elected officials of the City: the Mayor, Clerk, and Council Members. Per [IC 36-4-7-2](#), the city legislative body shall, by ordinance, fix the annual compensation of all elected city officers. The compensation of an elected city officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.

A resolution regarding the 2024 salary for the City Clerk was recently adopted. [Resolution 23-16](#) indicated the Council's intent to fix the salary for the City Clerk at \$87,000 for 2024. This amount is reflected in [Ordinance 23-26](#).