

Memorandum

TO: Members of the City of Bloomington Common Council
FROM: Kerry Thomson, Mayor
Date: September 16, 2024

The Office of the Mayor (OOTM) is pleased to submit the revised 2025 Budget for the City of Bloomington. This budget reflects changes made 1) in response to feedback from and negotiations with Council, 2) to move some items out of the budget and into a future bond, and 3) to correct any errors that have come to light. This memo summarizes changes and intents for future actions together. Thank you for your partnership and collaboration.

The amount and term of the proposed bond are yet to be finalized with Council, but a bond is key to meeting our shared objectives. \$4.5M is advertised in the budget for Bond #5 because \$4.5M is the highest our first-year payment could be without raising the tax rate. This gives us flexibility and keeps our tax rate flat. Our bonding capacity is dependent on many factors yet to be decided, such as bond size and term length. The Controller intends to recommend a \$5M, 2-year bond, but it would also be possible, for example, to issue a 1-year bond for \$4.5M (this would likely involve cutting some projects), or a 3-year bond for \$6M. Bond counsel is preparing options for our mutual consideration.

Please also note that \$6M for implementing the compensation and classification study across all departments "lives" in the HR budget for now. Salary ordinances confirming pay grades for civil and non-union roles and confirming pay rates for Fire and Police will be submitted to Council in October. Individual salaries for each employee, based on role and tenure, will be confirmed and communicated before the end of the year. A salary study for elected officials is yet to be completed in 2024, and the salary ordinance for elected officials will be submitted in November to reflect its findings. A salary study for AFSCME employees is included in the 2025 budget.

2025 Budget Changes

- The Controller added \$1M for 2025 Transportation Plan projects (such as greenways); this would include \$600K in the general fund; \$300K in CCD funding; and \$100K not in the budget that would have to be bonded.
- \$1.4M for 2025 Safe Streets 4 All prioritized projects would be added to the bond. Precisely *which* projects can be determined later when the SS4A prioritization plan is final, but might include the Indiana Ave protected bike lane, for example.
- \$1.35M for 3 Engineering projects (curb ramps and signal modernization) was removed from the budget but would be included in the bond.
- \$150K more for sidewalks was added to the budget (other projects were shifted to the bond to free up Alternative Transportation Fund dollars for this).
 - We agree Sidewalk Plan could be added to Transportation Plan with philosophy/criteria developed by interdepartmental sidewalk committee (and of Council vote to add to the Plan).
- \$50K for neighborhood traffic calming was already in the budget per usual but will likely be moved to the bond to free up the funding source.
- Another \$400K was added to the budget to max out Community Crossing Grant match potential.
- \$500 was added to Council President stipend (raising it from \$1,000 to \$1,500).
- \$10K was added for public safety study (this will appear in the Controller's budget under Other Services & Charges and will be broken out soon into a new Community Safety line in the ED LIT Fund).
- We have reached agreement with the Clerk, and 3 of 4 salary increases requested are included in the budget.
- \$15K was cut from the HR budget since website changes are included elsewhere.
- The Community Engagement Director in the OOTM, which is currently empty, had been accidentally deleted from the OOTM's personnel line and has been added back in. This adds \$99,579 back into the OOTM departmental budget.
- The calculation for the Police personnel line was missing some of the details proposed for the contract. This adds \$1,052,722 to the BPD personnel budget.

	General	PS LIT	ED LIT	Total
New 2025	16,787,407	3,835,462	1,821,053	22,448,229
Old 2025	15,734,686	3,835,462	1,821,053	21,395,507
	1,052,721			1,052,722

- \$450K was already in the Planning budget for SS4A corridor studies, likely including 3rd/Atwater.

- \$75K was already in the Planning budget for a 20% match for SS4A demonstration pilot projects.
- \$150,000 was cut from the Planning budget. The UDO Housing Affordability Linkage Fee / Nexus Study was budgeted at \$250K, but came in at a lower estimate from a consultant during budget hearings.
- Finally, Engineering notes there will be CRED money allocated but not spent this year, perhaps as much as \$1.5M, that could be reallocated next year.

Thank you for your consideration!