

Geoff McKim, Democratic Candidate for Monroe County Council
Responses to questions from the Greater Bloomington Chamber of Commerce
For the June 2, 2020 Primary Election

1. Monroe County government will be significantly affected by the COVID-19 pandemic. What are your top concerns for county government in that regard, and how do you propose to address those concerns?

The COVID-19 pandemic has rapidly and deeply shocked the local and global economy, and with it the demands on and capabilities of local government. The primary role of the County Council is prioritizing and appropriating funding for the operations of county government, and thus my answers should be seen through this lens. My top concerns can be divided into three phases – short term, medium term, and long term.

The short-term concern is immediate crisis response -- ensuring the survival of county residents and businesses. The County Council appropriated \$200,000 out of county Food and Beverage Tax receipts for emergency response grants to local tourism-related businesses, grants that can complement aid from the Federal government. If the need remains, I would support appropriating up to the entire balance (currently approximately \$750,000) for emergency relief.

We have also appropriated \$500,000 out of the Rainy Day fund for emergency response expenses, such as funding of local relief efforts (e.g., United Way, food bank, food pantries). The County also needs to support, both financially and in other ways, such as coordination with the township trustees, efforts to provide safe housing for those experiencing homelessness, including those potentially newly homeless resulting from the pandemic. Finally, we need to fund the primary election (and potentially the general election) in a way that maximizes voter participation yet keeps our poll workers safe; this will mean spending to send absentee ballot applications to all registered voters.

Medium term efforts will need to focus on building a more resilient county government. This effort includes assessing the barriers to providing services safely and remotely during the shutdown, and investing in mitigating those barriers for the future. For example, an online permitting system would allow residents to receive and pay for various county permits and services (building, planning, health, etc.) remotely, and not be impacted by another shutdown. We need to actively support the efforts of various county department heads and elected officials to implement systems to deliver their services remotely, such as the Recorder's initiative to start e-recording deeds. We need to ensure that the jail has adequate supplies to allow both corrections officers and those incarcerated to remain safe. And finally, we need to work closely with our Health Department to ensure that they have the resources to provide necessary and potentially expanded services in a post-COVID Monroe County.

Finally, the long-term concerns are related to the impacts of the pandemic on revenues necessary to sustain essential county government services in the future. The County Council formed a task force to assess the ongoing impacts of the COVID-19 pandemic on county government finances and recommend actions to the Council, and I am one of three councilors

serving on that task force. Although obviously we are still in the middle of the pandemic and the shutdown of the economy, we have begun to identify the most likely fiscal impacts.

Several of those revenue impacts will be felt immediately. The Innkeepers Tax and our highway funding revenues will see an almost immediate and focused impact. Others, such as the local income taxes, will have an impact more into the future. I will discuss these impacts in more detail in my answer to the next question.

2. The council is responsible for appropriating county funds. In the context of the COVID-19 pandemic, what will be your funding priorities for the county? What projects or departmental budgets, if any, do you expect will see funding cuts?

My funding priorities for the county are driven by the need to maintain essential county government services to residents in a period of reduced revenue. During a crisis, residents need their local governments more than ever, and it is essential that we avoid layoffs and cutbacks in important community services.

Fortunately, the County Council has carefully built up Rainy Day reserves of over \$7M for the purposes of withstanding a fiscal downturn; it is likely that we will have to spend much of it to sustain county government in the years ahead.

In order to avoid painful cuts when services are most needed, we do need to pause some previously-planned capital projects. At our last Council meeting we tabled several requests for capital spending. And I think it will be quite awhile before any decisions can be made about moving forward on the Convention Center expansion and other major capital projects.

Several revenue sources will take an almost immediate hit. The Innkeepers Tax will likely see an 80% reduction during the shutdown, and it is unknown how quickly that revenue stream will rebound. Although that funding is used primarily for marketing Bloomington/Monroe County and operating the Convention Center, it is also used to pay the existing debt on the Convention Center. We will be working closely with the Convention and Visitors Commission (CVC) to ensure that the debt can continue to be serviced if the decline in Innkeepers Tax revenue proves to be long-lasting.

Highway funding, which comes primarily from fuel taxes, will also be affected nearly immediately. Based on state estimates, we can expect up to a 50% reduction in our Motor Vehicle Highway and Local Roads and Streets funding. While we hope that this revenue will rebound quickly, it is critical that we work closely with our highway department to ensure that we are able to adequately fund pavement preservation, as once pavement is allowed to deteriorate, the costs of repair increase dramatically. A pause in filling some vacant positions may become necessary to preserve essential services.

The most significant impact on county revenues will likely come from the local income tax (LIT), which is based on the income of Monroe County residents. We actually have three LITs, all of which will be affected – one that goes into the general fund, one for public safety, and one for juvenile services. LIT is distributed to local governments in arrears; e.g., the LIT received in 2021 comes from 2019 income tax returns. Thus the majority of the impact of a reduction in local incomes will show up in 2022 and after. Because the governor extended the deadline to file 2019 tax returns, there may be some impact in 2021 as well.

Although we don't know the magnitude of the impacts in 2021 and 2022 (and beyond), we do know that the local income taxes going into the general fund (and public safety) will be substantially reduced. Initial estimates show that we could potentially exhaust most of our Rainy Day trying to make up for the losses through 2022. While it is too soon to determine which specific cuts will need to be made, strategies include pauses on refilling vacant positions, extra scrutiny for contractual expenses, and suspending capital expenses other than necessary maintenance on county facilities.

Although the bulk of property taxes probably won't be greatly affected by the pandemic in the short term, our rate-based property taxes (cumulative capital and bridge funds) may be reduced in future years if property values decrease. This will require that we ensure that maintenance and preservation of county buildings and assets are prioritized.

3. Other than the current crisis, what will be your top 3 priorities on the county council?

Support Affordable Housing

Although the pandemic may tamp down on some of the most excessive prices for urban real estate, the fundamental imbalance between supply and demand of housing leading to unaffordable housing in Bloomington will remain a serious problem for our community, particularly for lower-income community members. Some initiatives that are pursuing that are within the scope of county government include:

- Rewriting our cumbersome county zoning code to incentivize and make it easier to develop affordable housing
- Using new tools like Residential TIF to encourage the development of workforce and affordable housing.
- Creating a county housing program to protect tenants and support additional housing opportunities, potentially in partnership with a non-profit like SCIHO
- Creating a fast track to affordable housing program that speeds up some of the approval processes, without diluting the standards
- Supporting abatements and incentives for affordable housing
- Investing in infrastructure to increase our housing stock
- Supporting environmentally resilient and appropriate development.

Make Our Justice System More Humane

The justice system, which include the sheriff, jail, courts, probation, clerk, prosecutor, and public defender, make up almost 50% of the county budget. By that measure, budgeting for these functions is the most important duty of the County Council. However, as a society we are near reaching a consensus that the justice system has gone badly off the rails – that we incarcerate far too many people, that we use the justice system (and jails and prisons) as the alternative to underfunded mental health and addictions treatment, and that once ensnared in the justice system, it is nearly impossible to get out. With a mind towards the County Council’s role in determining funding priorities, I intend to support the following initiatives:

- Continuing to fund alternatives to incarceration, in partnership with the Courts
- Investing in treatment rather than incarceration, including the new Crisis Diversion Center.
- Reducing the dependence of the justice system on user fees
- Funding increased mental health and addictions treatment in the Monroe County Correctional Center.

Promote Workforce Development for the Entire Community

Finally, we still need to continue to grow our local economy and workforce in a way that benefits all residents. This includes:

- Using economic development tools to encourage the creation and retention of high-wage jobs
- Building human-scaled and walkable communities
- Investing in context-sensitive infrastructure
- Encouraging providers to expand broadband access throughout Monroe County
- Investing in public transit to allow people of all incomes and abilities to fully participate in community life.