



CITY OF SOUTH BEND

EXCELLENCE | ACCOUNTABILITY | INNOVATION | INCLUSION | EMPOWERMENT

2018 Opening Budget Presentation August 16, 2017

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Context for the 2018 City Budget

- **Growth and strength** – South Bend’s economy and population continue to grow; civic energy is high, and financial reserves remain healthy. Unemployment rate is at 3.1% as of April 2017, which is the lowest rate in 19 years.
- **Fiscal challenges ahead**– Fiscal curb in 2020 will tighten city finances as programmed tax cut goes into effect. Property taxes remain relatively flat, however, the net assessed value is increasing at a modest rate (2.21% in 2016).
- **Major initiatives on track** – e.g. Quality of Place improvements including Smart Streets and MY SB Parks and Trails, Inclusive Economic Growth, Neighborhood Planning, and Diversity, Human Capital and Inclusion Efforts including centralization of Purchasing facilitating inclusive purchasing practices .

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Core Values



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EXCELLENCE

For each major area of service delivery, establish South Bend as the best in the state, and/or in the top 25% nationally, measuring and reporting progress.



ACCOUNTABILITY

Put residents first always, offering services at the greatest value to the taxpayer, with clear and transparent indications of how the government is using public resources.



INNOVATION

Deliver better services more efficiently by introducing creative approaches to government operations, questioning habit and using evidence to continually improve.



INCLUSION

Ensure the City administration, as an employer and as a purchaser, reflects the community it serves and includes diverse voices in our decision-making and actions.



EMPOWERMENT

Establish a work environment that enables employees to contribute richly to the administration and the community, taking pride and ownership in our work.

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2017 South Bend Common Council's Priorities And Overall 2017 Budget Wins

- **Accomplishments:**
 - *Increase technology access for the public to utilize city services, such as PC terminals for online payment*
 - Implemented Free Downtown Wi-Fi access
 - *City ID Program*
 - La Casa de Amistad was able to roll out SB ID on January 3, 2017; close to 1,000 ID's issued to date (<http://www.lacasadeamistad.org/sbid/>)
 - *Light Up South Bend Program*
 - 111 Street Lights and Lamppost programmed to be installed for this program in 2017; lights have been installed in every district
 - Continue to evaluate the current program to extend participation
 - *Improve City Infrastructure*
 - SmartStreets is Complete
 - Paved 14.3 lane miles YTD; Plan for a total of 28 lane miles by year end.
 - Increased minimum wage for all City employees to \$10.10 per hour beginning in 2017
 - Consolidated various agencies into VPA allowing the City to save money and find efficiencies; consolidation also allowed for Best. Week. Ever. to be a great success
 - Purchase of Kraz Building for temporary homeless shelter for weather amnesty
 - New Timekeeping, Payroll and Human Resource Information System implemented in 2017

2017 South Bend Common Council's Priorities And Overall 2017 Budget Wins

- **Continued Initiatives:**
 - *Stronger neighborhood plans and development from the Department of Community Investment (including infill of vacant lots)*
 - Investing in a Housing Study to determine current market and ways to advance our neighborhoods
 - *Diversity in the Workforce (especially in Public Safety)*
 - Continue recruiting efforts for all City staff through LinkedIn and other tools in order to hire a diverse, qualified group of employees
 - *Increase Community Policing*
 - *Improve City Infrastructure*
 - Continue to review the needs within the community to ensure the streets with the greatest need are addressed
 - *Code Enforcement Efficiency & Staffing*
 - Reviewing staffing levels to ensure more efficient workings within the department
 - *Curb and Sidewalk Programs*
 - Replaced 15,303 LF of curb & sidewalk YTD
 - Continue to fund and review the need for curbs and sidewalks throughout the community
 - Body Cameras being purchased will continue the administrations promise of transparency and mutual accountability

2018 South Bend Common Council's Priorities

- Quality of Life & Neighborhoods
 - Stronger Residential Development from Community Investment (Specifically in the most challenging Districts)
 - Affordable Housing
 - Expansion of "Light Up South Bend" Initiative
 - Code Enforcement
 - Vacant and Abandoned Housing Phase Development Phase II
- Economic Development, Job Training
- Public Safety & Traffic Patrols
- Parks & Recreation
- Infrastructure (Curbs, Sidewalks, Streets, CSO)
- City Corridors
- Diversity in the Workforce

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2018 Budget Priorities

- ✓ Safe Community for Everyone
- ✓ Strong, Inclusive Economy
- ✓ Thriving Public Spaces
- ✓ Vibrant, Welcoming Neighborhoods
- ✓ Robust and Well-Planned Infrastructure
- ✓ All Residents Empowered with Education, Mobility and Technology

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2018 Budget Highlights

✓ New Budget Items for 2018

- ✓ Major investment in MY SB Parks & Trails plan, including \$24.3 million of bonds (subject to approval) and \$5 million Regional Cities grant

- ✓ Funding for South Shore Relocation Project (\$25 million total; estimating \$1.5 million to be paid in 2018 – all funded through River West TIF)

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2018 Budget Highlights

✓ New Budget Items for 2018

- ✓ **Based on community conversations, the following are included in the 2018 budget:**
 - ✓ Public Health
 - Reduce Lead Poisoning in Children: Expanded funding for residential lead abatement and regulatory intervention (\$300,000)
 - “Healthy homes” rental safety inspection pilot program (\$180,000)
 - Expand access to treatment for substance use and overdose (\$74,500)
 - ✓ Early Childhood Education: Capacity-building to increase access to quality pre-k for local families (\$100,000)
 - ✓ Community Oriented Policing: Strategic Focus Outreach Unit (\$130,000 per year over 3 years)

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2018 Budget Highlights

✓ Safe Community for Everyone

- ✓ **Council Request:** Funding of Public Safety and Neighborhood & Traffic Patrols

✓ What is included in the 2018 Budget:

✓ South Bend Police Department

- ✓ Funding for 251 Police Officers (including 6 recruits)
- ✓ Funded programs include:
 - ✓ Basic Patrol and Operations (\$15 million)
 - ✓ Criminal Investigations (\$4 million)
 - ✓ Strategic Focus Unit (\$1.1 million)
 - ✓ School Resource Officers and Crossing Guard Programs (\$779,000)
 - ✓ Community Policing (\$600,000)
- ✓ Large Expenditures Include:
 - ✓ Fuel, Repair and Maintenance for Police Vehicles (\$1.3 million; roughly \$4,000 in maintenance for each vehicle)
 - ✓ Training costs for officers (\$278,000; roughly \$1,100 per officer)

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2018 Budget Highlights

✓ Safe Community for Everyone (continued)

✓ What is included in the 2018 Budget:

✓ South Bend Fire Department

- ✓ Funding for 210 Firefighters
- ✓ Funded programs include:
 - ✓ Emergency Medical Response (\$13.5 million)
 - ✓ Fire Suppression (\$3.2 million)
 - ✓ Fire Marshall Inspections (\$450,000)
- ✓ Large Expenditures Include:
 - ✓ Fire Station 9 and Training Center "Hot" Classroom (\$5 million bond (subject to approval) - \$183,000 in 2018 budget)
 - ✓ Aerial Truck (\$1 million - purchase in 2018, lease payments to begin in 2019)
 - ✓ Ambulance and Medic Refurbishment (\$485,000)

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2018 Budget Highlights

✓ Strong, Inclusive Economy

✓ **Council Request:** Funding for Economic Development & Job Training

✓ What is included in the 2018 Budget:

✓ Department of Community Investment

- ✓ Funding for Small Business and Workforce Development of \$529,000 (including Pathways Program, WorkOne programs, and training & workshops on doing business within the City)
- ✓ Funding for South Shore Relocation Project (\$25 million total; estimating \$1.5 million to be paid in 2018 – all funded through River West TIF)
- ✓ Funding of Façade Improvement Grants (\$225,000)

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2018 Budget Highlights

✓ Thriving Public Spaces

✓ **Council Request:** Funding for Parks & Recreation

✓ What is included in the 2018 Budget:

- ✓ Major investment in MY SB Parks & Trails plan, including \$24.3 million of bonds (subject to approval) and \$5 million Regional Cities grant
- ✓ Funding for Zoning Reform and Strategy (\$425,000)
- ✓ Continued work on the Cemetery and related projects (\$100,000; plus TIF funding)
- ✓ Funding for Tree Maintenance Program (\$130,000)
- ✓ Funding for Homeless Gateway Shelter (\$1.5 million from TIF)
- ✓ Partial funding for Homeless Outreach Coordinator through DTSC (\$25,000 – funding through savings from VPA consolidation)

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2018 Budget Highlights

✓ Vibrant, Welcoming Neighborhoods

✓ **Council Requests:** Funding for Quality of Life & Neighborhoods including:

- a) stronger residential development,
- b) affordable housing,
- c) expansion of Light Up South Bend,
- d) continued Code Enforcement Improvements
- e) Vacant & Abandoned Housing Achievements

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2018 Budget Highlights

✓ Vibrant, Welcoming Neighborhoods

✓ What is included in the 2018 Budget:

- ✓ Funding for New Housing Construction initiative (\$1 million) and Housing Rehab initiative (\$300,000)
- ✓ Increased funding for Traffic Calming (\$100,000)
- ✓ Increased funding for neighborhood engagement through Neighborhood Resource Connections (\$100,000)
- ✓ Funding to address Vacant & Abandoned houses (\$500,000) and related grants (\$100,000)
- ✓ Funding for Light Up South Bend (\$200,000) as well as lighting improvements through the MY SB Parks & Trails projects
- ✓ Funding for School Zone Flashing Beacons (\$100,000)

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2018 Budget Highlights

✓ **Robust and Well-Planned Infrastructure**

✓ **Council Request:** Funding for Curbs & Sidewalks, Sustainability Projects and Streets/City Corridors

✓ What is included in the 2018 Budget:

- ✓ Funding for median channelization devices for railway Quiet Zones across entire city (\$120,000)
- ✓ Funding for Lincoln Way/Charles Martin Streetscape Project (\$2 million)
- ✓ Funding for Curbs & Sidewalk Program (\$1,500,000)
- ✓ Funding for potential Energy Savings Contracts, including solar, in various City Departments (\$3-5 million, depending on ESCO contractors; \$300,000 for solar at new Fire Stations)
- ✓ Funding for a series of Green Storm Water infrastructure improvements as part of the LTCP (\$150,000 for consultant in 2018)
- ✓ Continue funding for water and wastewater operations and capital improvement through user fees

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2018 Budget Highlights

✓ **All Residents Empowered with Education,**

Mobility and Technology

✓ **Council Requests:** Increase technology access for the public to utilize city services, Improved City Website

- ✓ Funding for Fire Department High School Dual Credit program (self-funding program through payments from High Schools)
- ✓ Increased funding for Youth Scholarship Fund through VPA (\$75,000)
- ✓ Funding of MetroNet Build Out (\$373,000)
- ✓ Funding for expansion of wireless connections at Neighborhood Centers (\$6,800)

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2018 Budget Highlights

✓ **Great Employer with Great Employees**

- **Council Request:** Diversity in the Workforce
 - What is included in the 2018 Budget:
 - Continuing to fund diversity efforts for City workforce through various recruitment efforts, training for staff, and Diversity & Inclusion Intern program (total of \$37,000)
 - Improving on the current Employee Recognition Program by researching options for an overall Employee Morale program and Employee Resource Groups to impact more employees in the coming years (\$18,000)
 - Parental Leave Program for all full-time employees will be funded (\$156,000)

✓ **Excellent Services and Efficient Processes**

- What is included in the 2018 Budget: Improved efficiencies through consolidation of Purchasing within Central Services

✓ **Modeling our Values (Excellence, Accountability, Innovation, Inclusion and Empowerment)**

- What is included in the 2018 Budget: Employee Performance Management Based on Values in conjunction with HRIS implementation

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2018 Budget Highlights

✓ **Robust Physical and Technological Capital Assets**

- What is included in the 2018 Budget: Funding for the replacement of the City's outdated ERP System

✓ **Reliable Compliance with Regulations and Well-Managed Risk**

- Proactive claims investigation and evaluation leading to lower claims being paid out by the City
- 24-48 hour average turn around time for APRA requests in 2017

✓ **Effective, Responsive Leadership and Communication**

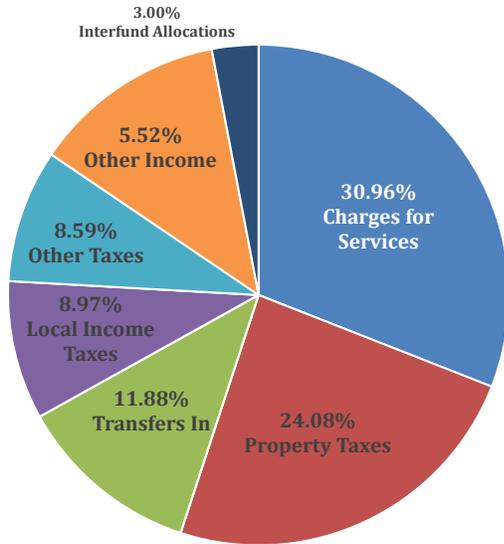
- Continuing to promote transparent and responsiveness with residents and business owners
- Further integrating improvements based on 311 data

✓ **Enduring Financial Strength**

- Balanced budget for General Fund, PS LOIT, EDIT, and COIT
- Keeping other funds on track for long term balance

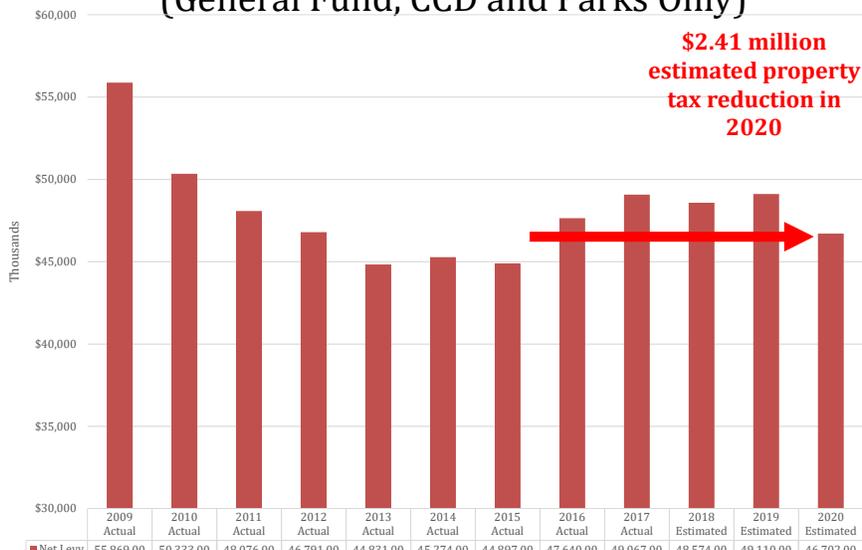
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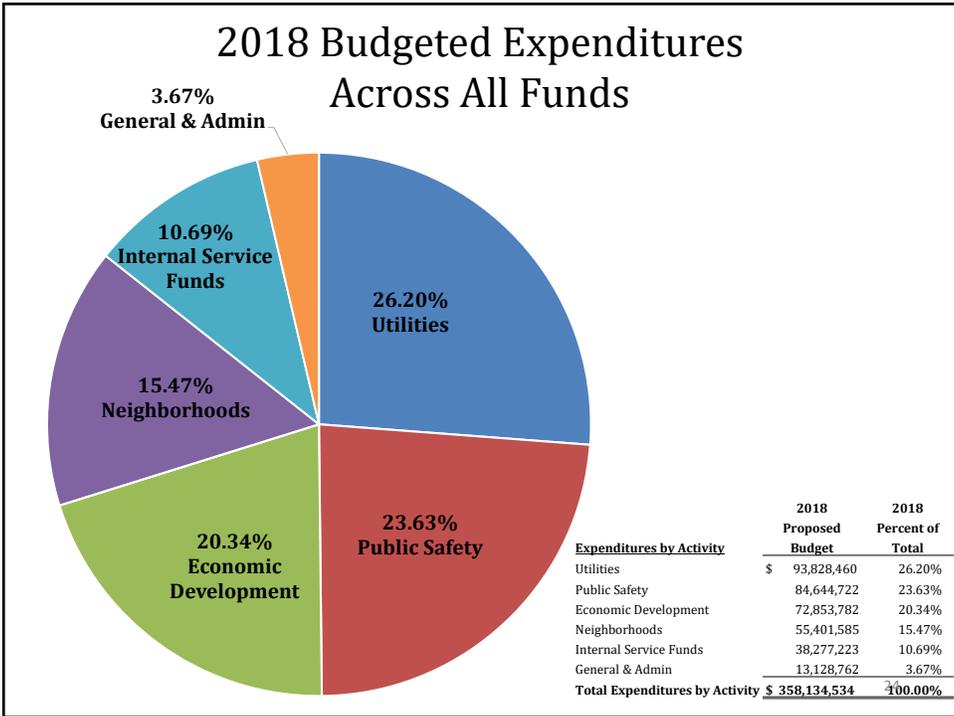
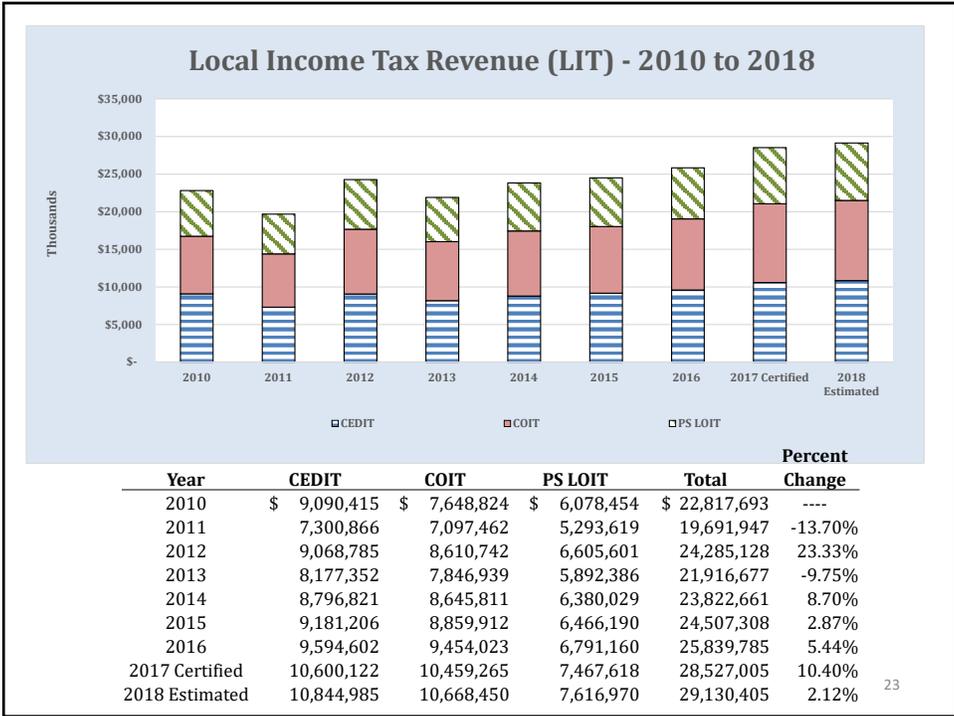
2018 Budgeted Revenues Across All Funds



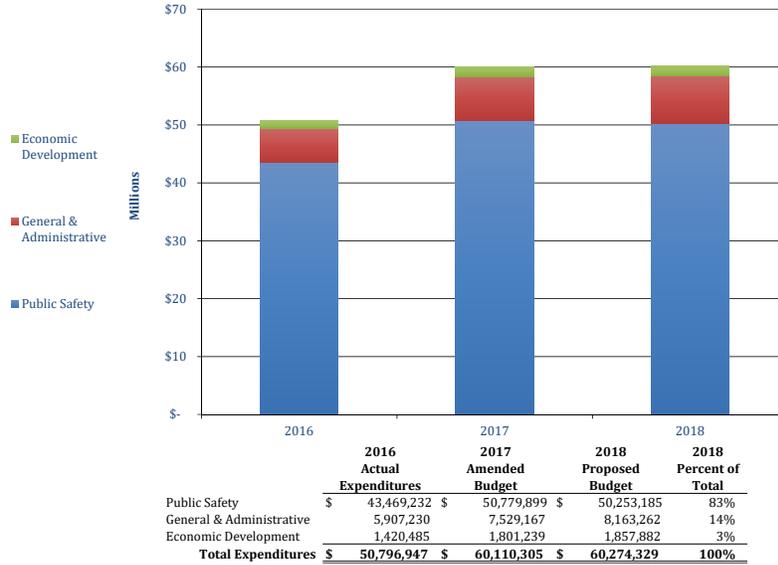
Revenue Type	2018 Proposed Budget	2018 Percent of Total
Charges for Services	\$ 99,888,745	30.96%
Property Taxes	77,665,750	24.08%
Transfers In	38,337,019	11.88%
Local Income Taxes	28,931,439	8.97%
Other Taxes	27,718,675	8.59%
Other Income	40,375,244	12.52%
Interfund Allocations	9,681,037	3.00%
Total Revenues	\$322,597,909	100.00%

Flat Projected Property Tax Revenues Due to State Circuit Breakers Tax Cut (General Fund, CCD and Parks Only)



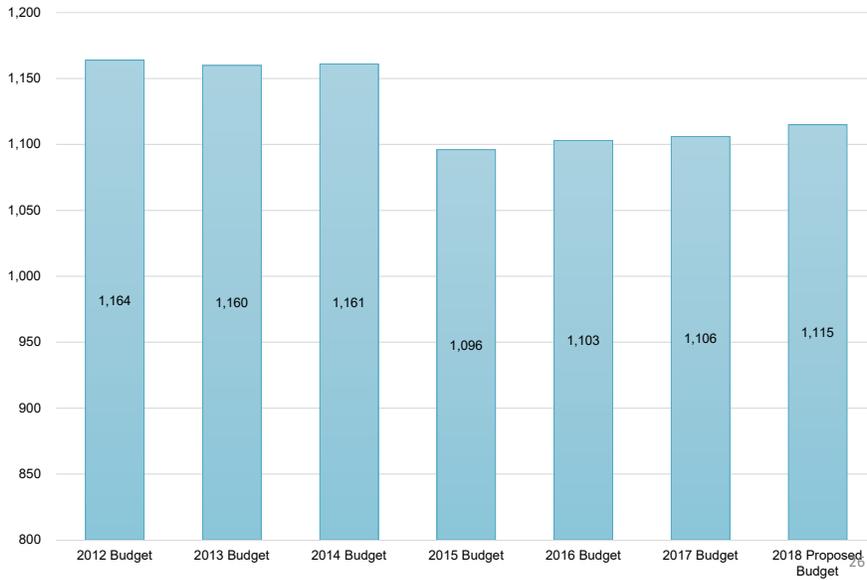


2018 Proposed Expenditures General Fund

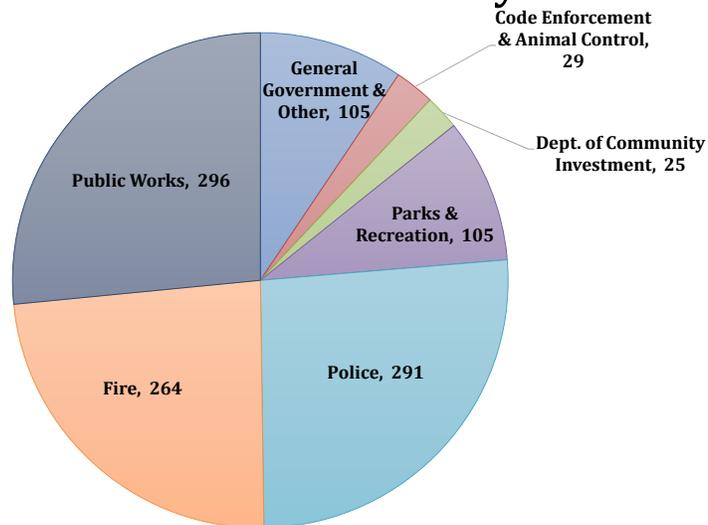


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Budgeted Full-Time Positions



2018 Budgeted Full-Time Headcount Summary



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City of South Bend 2018 Proposed Budget Concluding Thoughts

- Working diligently to get ahead of the 2020 tax cut/fiscal curb
- Overall City budget of \$358 million
 - reduced overall expenditure from 2017 due to major spending on roads from funding surge, bond spend down in utility funds and other changes in capital spending year over year
 - expenditures higher than revenue mostly due to timing of bond proceed usage for infrastructure investments as well as timing of TIF related projects
- General Fund, Public Safety LOIT, EDIT and COIT budget of \$91.1 million is currently a balanced overall budget
- Moving towards long-term balance while relying on modest reserves in certain other funds to sustain key expenditures
- City budget maintains our city's comeback through:
 - continued investment in our neighborhoods, city center, and people
 - use of technology and efficiency to drive results
 - maintaining resources needed to keep high levels of service
 - measuring our performance for continuous improvement
- We respectfully ask Council to approve our 2018 budget request

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