



Mayor's Annual Address

South Bend Common Council
February 12, 2018

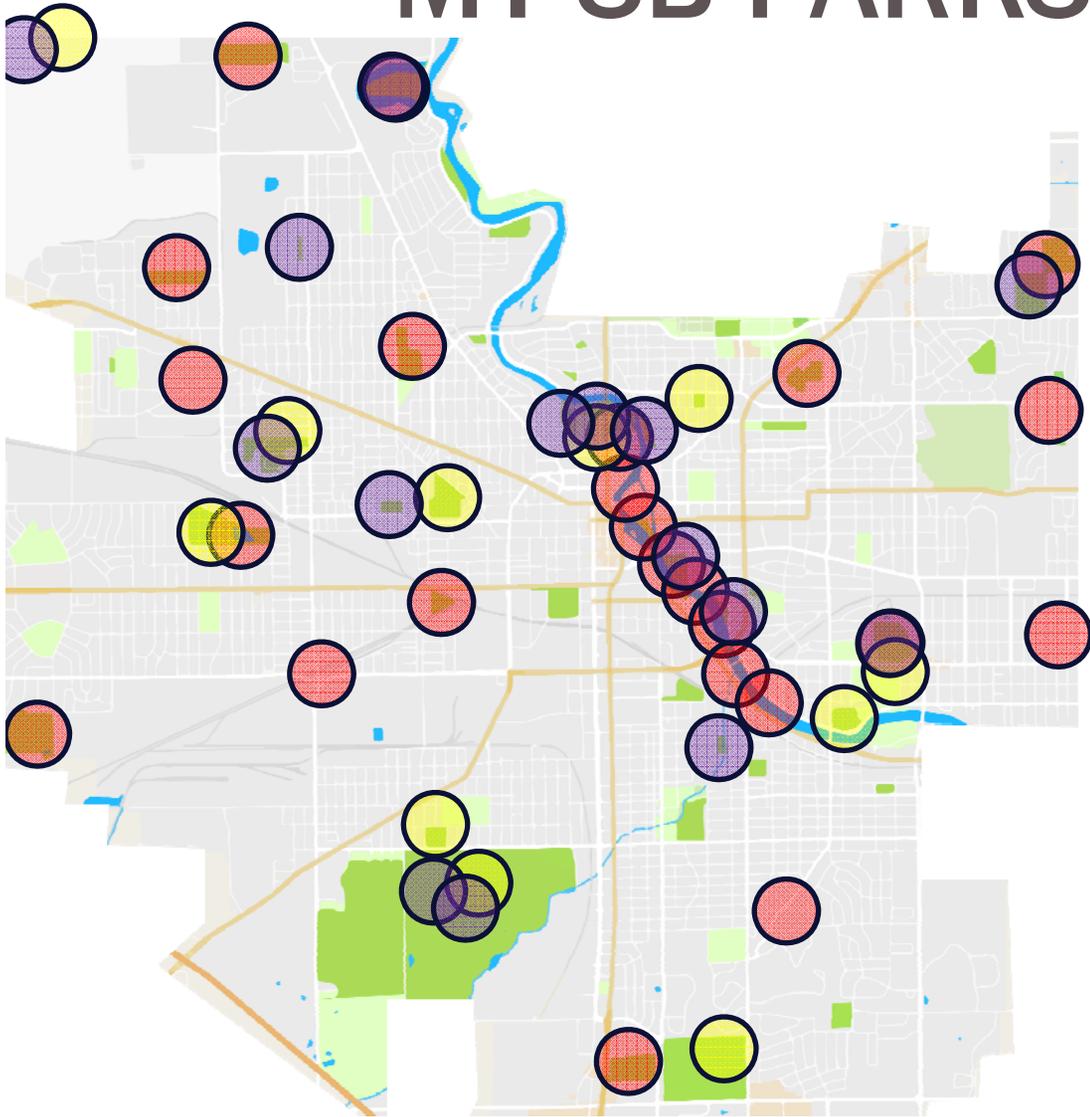
At a Glance

- The administration supported over \$200 million in private investment since the beginning of 2017 that will generate a projected 700 jobs
- Over 7,000 jobs have been added since 2012, reducing the **unemployment** rate to around 4% from over 10% in 2012; Labor participation rate is at 64.9%, above national, state, and metro area averages and has been rising since 2009
- The City's population is estimated to have increased again in 2017, continuing the reversal of over 25 years of decline
- Roughly half of the 700 new residential units announced in 2016 have come online downtown 2017
- Median income \$35,758; Per capita personal income \$19,626; 26.7% poverty rate

2017 Key Initiatives

- Placemaking and Neighborhoods were a large focus in 2017 and remain a key initiative in 2018 as we continue to **improve our parks, trails, roads and sidewalks throughout the City**. The Parks Bond that was issued in 2017 will allow for almost every area of the City to see some type of improvement in the coming year.
- Leading by example, the City **increased the minimum wage** of all City employees to **\$10.10 per hour** in 2017 and established a **Parental Leave** policy that is effective January 1, 2018.
- City Administration began a **Homeless Working Group** which recommended and secured funding for a FUSE Center which opened in 2017 to help the most vulnerable homeless members find shelter.
- **Diversity & Inclusion** continue to be of utmost importance in the City Workforce (inclusive recruitment strategies for mid to senior level positions, staff climate survey), through Diversity Purchasing initiatives (diversity purchasing data research), as well as in the community (inclusive boards and commissions demographics survey).

MY SB PARKS & TRAILS



MAJOR CAPITAL PROJECTS

-  Recently Completed
-  Currently In Progress
-  Planned

MY SB PARKS & TRAILS

FINANCING PLAN

\$13.57 M

\$16.38 M

\$13.78 M

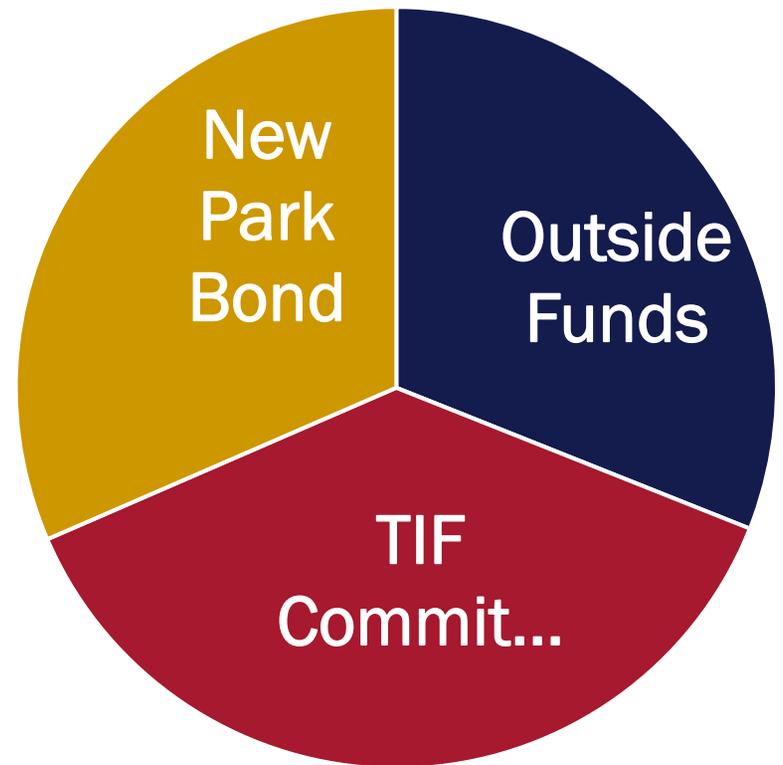
Outside Funds

TIF Commitment*

New Parks Bond

\$43.73 Million Investment

**\$5.8 Cash plus \$10.6M River West Bond*



The Racial Wealth Divide in South Bend

PROSPERITY
NOW

Main Focus

Focus on Liquid Asset Poverty (LAP) rates for our most vulnerable communities of color [Liquid Asset Poverty: A measure of the liquid savings households hold to cover basic expenses for three months if they experienced a sudden job loss, a medical emergency or another financial crisis leading to a loss of stable income.]

- 66% of households of color experience liquid asset poverty in South Bend
 - 68% for Black Households
 - 63% for Latino Households
 - 37 % for Asian Households
 - 34% for White Households

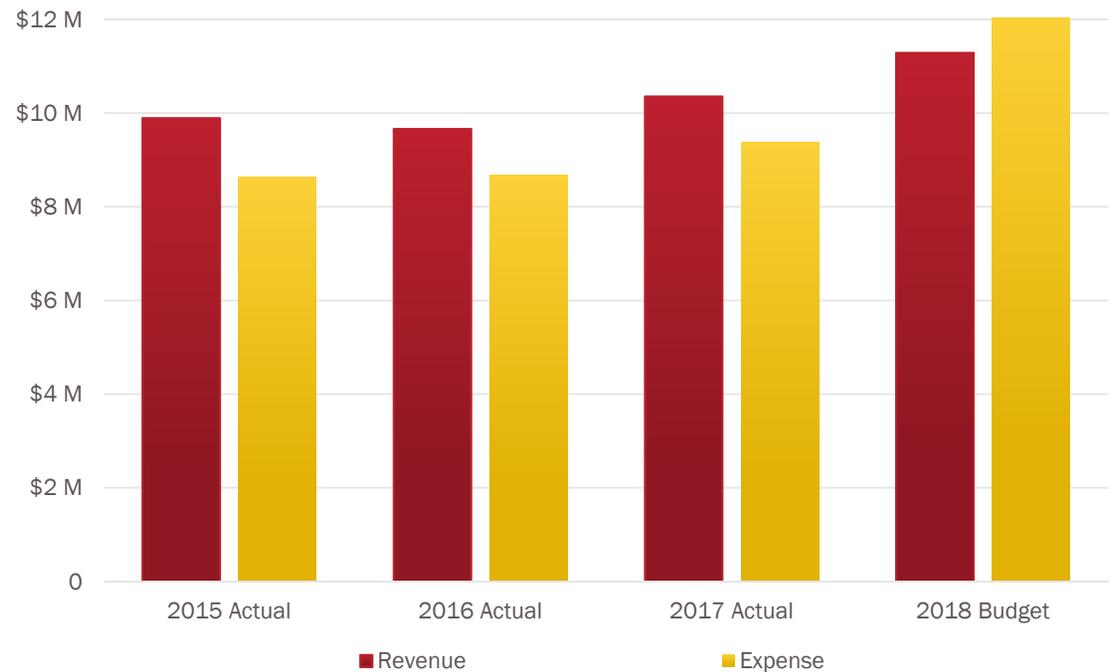
What the City of South Bend is doing to close the liquid asset poverty gap

- Established a new senior level position in DCI for Economic Empowerment and Engagement
- Encourage, support and fund affordable homeownership initiatives through partnerships with NNN, South Bend Heritage
- Encourage and support entrepreneurship especially in communities of color
- Encourage and support financial literacy workshops and partnerships between local financial institutions and communities of color

Road Funding

- In 2017, additional road funding was made available by a State-enacted increase in the gas tax
- Even with increased tax revenues, City continues to project shortfalls due to increased costs rising at a greater rate than revenues
- 31 Travel Lane miles paved in the City
- 31,515 linear feet of Sidewalk added/replaced
- 13,420 linear feet of Curbs added/replaced

Motor Vehicle Highway Fund

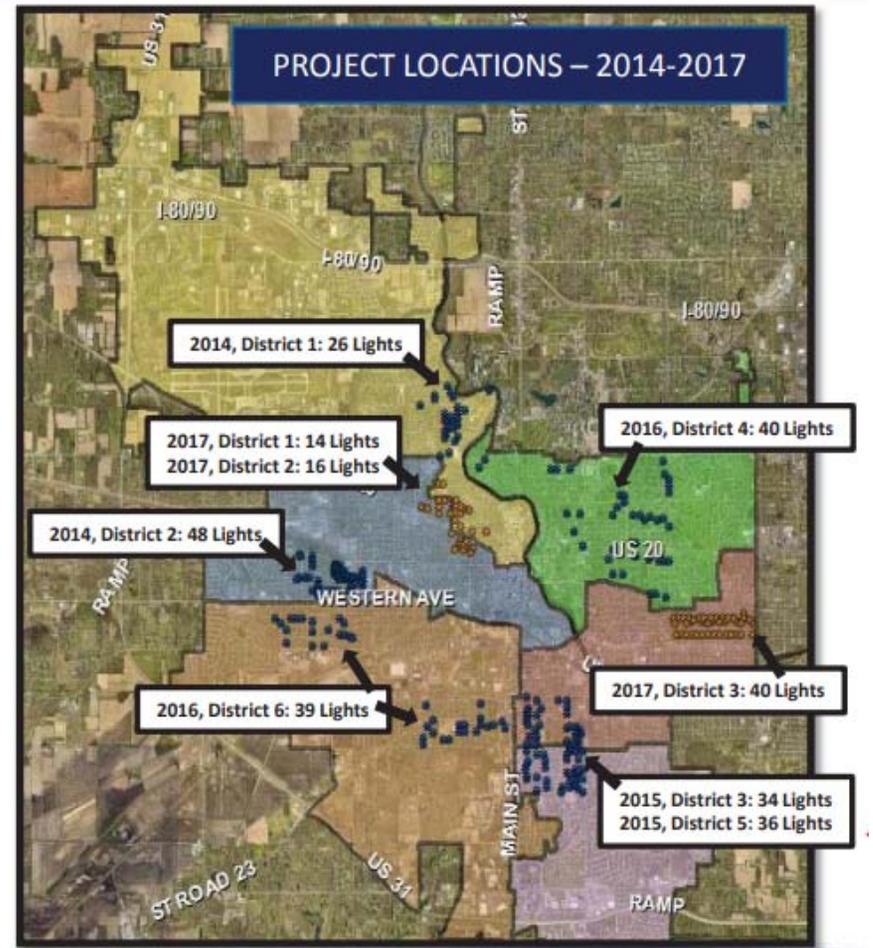


Fund Type	2015 Actual	2016 Actual	2017 Actual	2018 Budget
Revenue	\$ 9,895,950	\$ 9,663,579	\$ 10,356,311	\$ 11,288,058
Expense	\$ 8,630,943	\$ 8,671,202	\$ 9,369,849	\$ 12,034,218

2017 Light-Up South Bend

Project Number 117-010

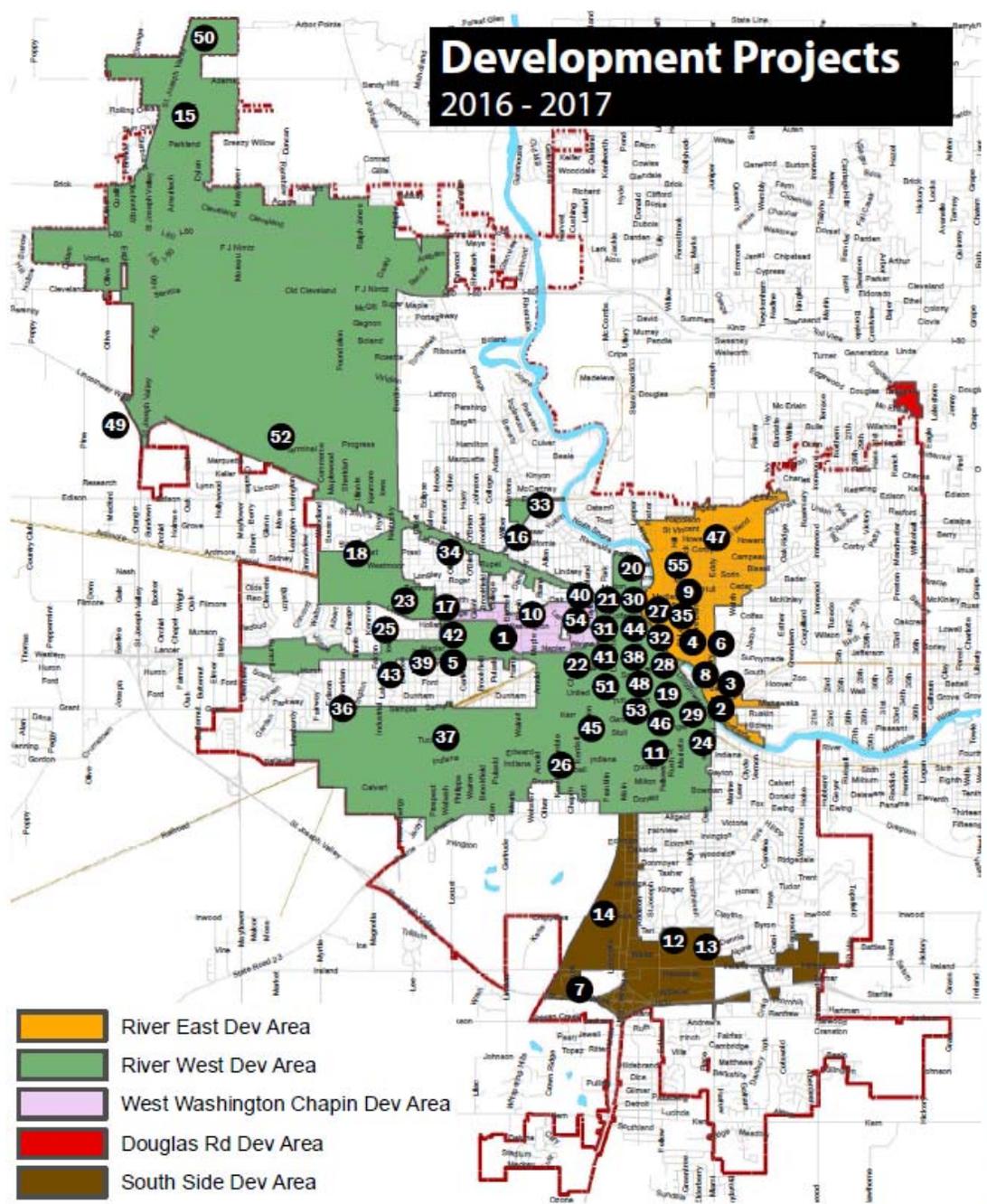
- Description:
 - Annual partnering program with I&M Power to install additional street lights in neighborhoods throughout the City
 - Lamppost Program to install residential street lights
- Public Works Duties:
 - Selecting Locations, Coordinating Installation with I&M Power
- Cost: \$200,000
- Funding: COIT



TIF Expenditure Overview 2016-2017

- Total River West Investments: \$38,551,189
- Total River East (inclusive of Residential Area) Investments: \$10,667,437
- Total South Side Development Area Investments: \$4,595,488
- Investment Breakdown:
 - 60% Public Infrastructure- neighborhood/community benefit (capital improvements, roads, corridor improvements, streetscape, sidewalks, debt service on public facilities/projects, studies, plans)
 - 40% Economic Development - project specific incentives (capital expenditures, infrastructure, utilities, building improvements, environmental remediation)

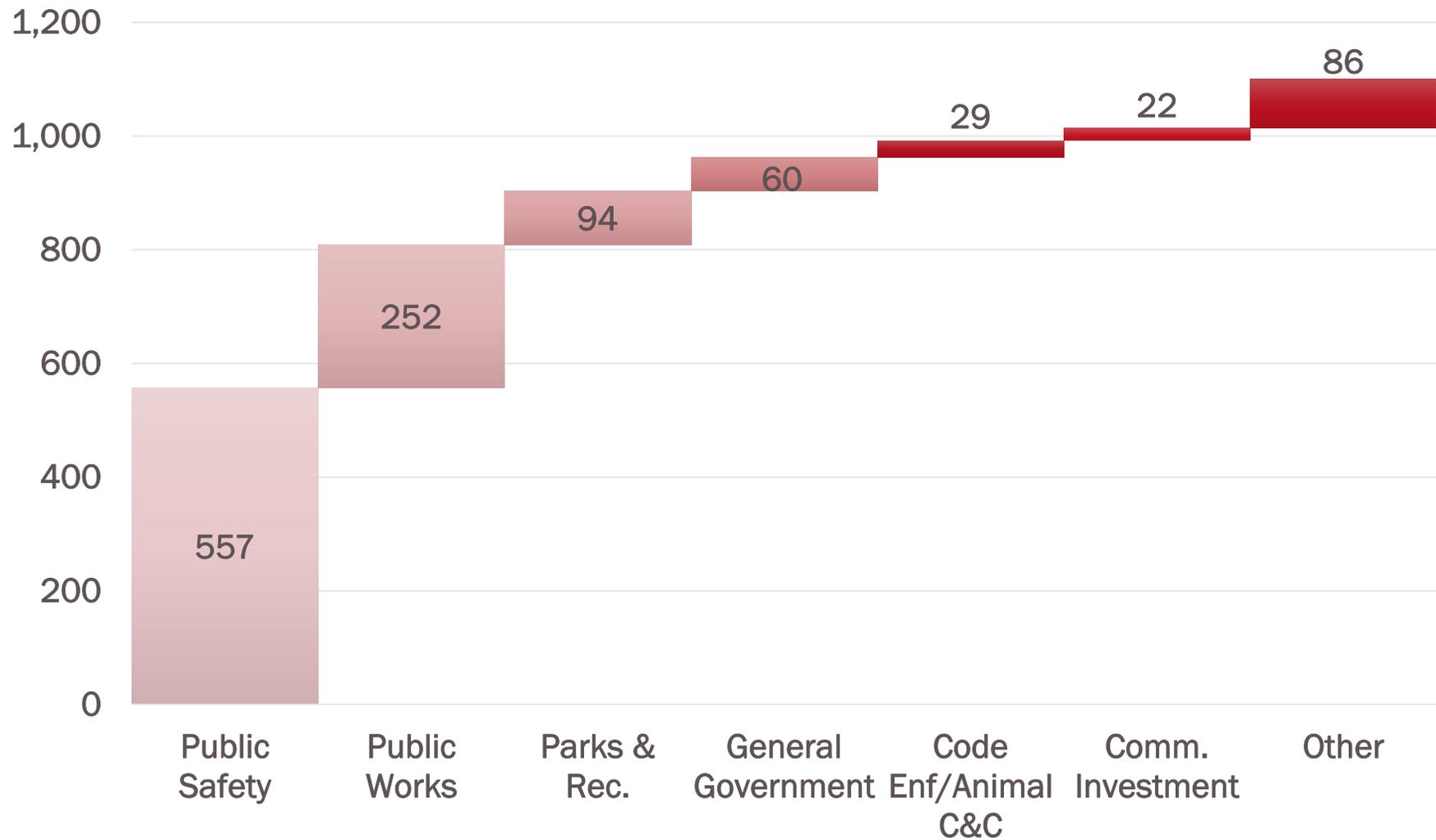
Development Projects 2016 - 2017



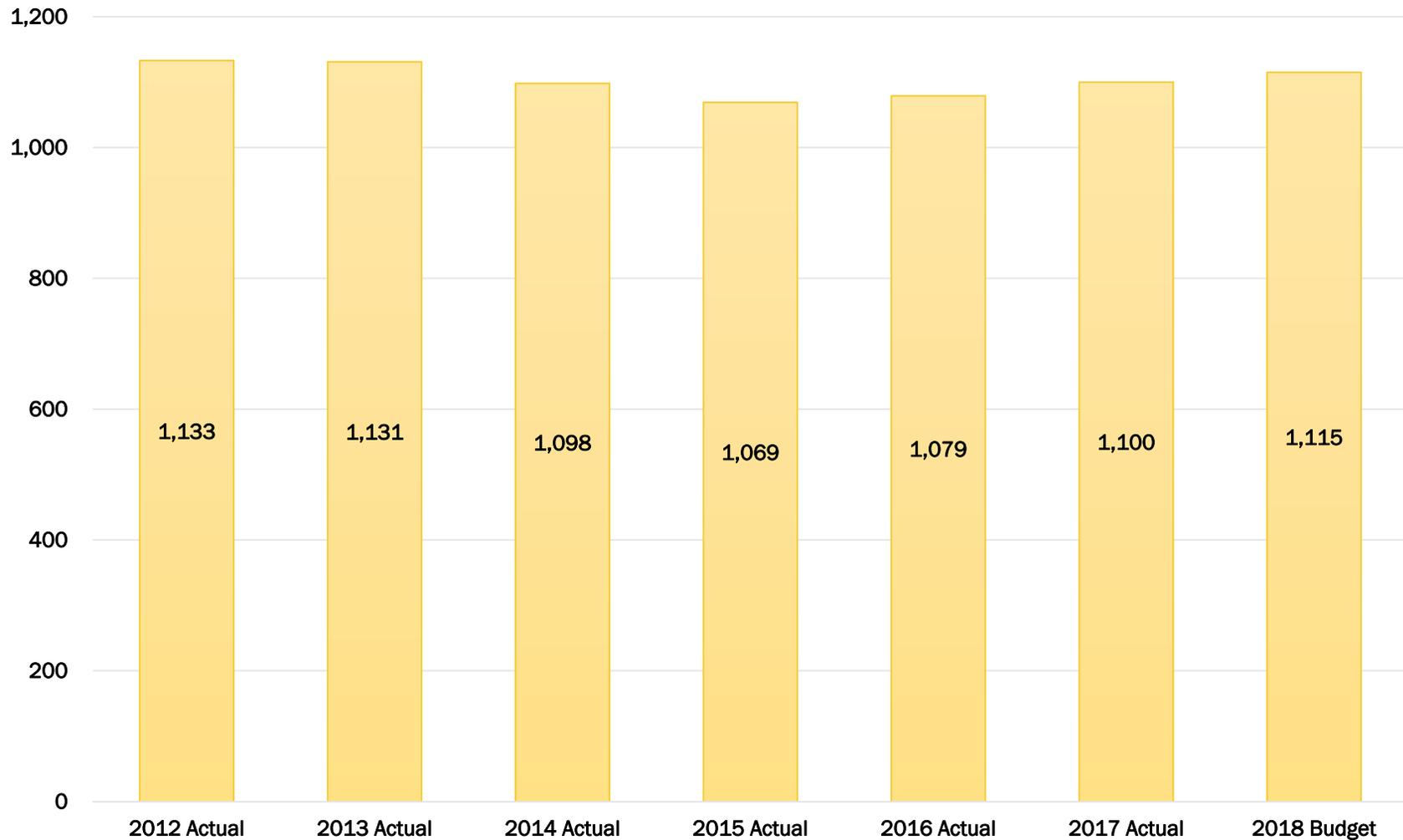
- River East Dev Area
- River West Dev Area
- West Washington Chapin Dev Area
- Douglas Rd Dev Area
- South Side Dev Area

- 1 MTI
- 2 Newman Center
- 3 Eddy, Sample, Beyer Improvements
- 4 Howard Park Improvements
- 5 Olive / Western Improvements
- 6 Michiana Brick
- 7 Bowen Street
- 8 Riverfront Parks & Trails
- 9 Wharf Development
- 10 City Cemetery Park
- 11 Bowman Creek Improvements
- 12 Erskine Drainage Improvements
- 13 Erskine Club House
- 14 South Well Field Improvements
- 15 Chet Waggoner Drive
- 16 Coal Line Trail
- 17 Fire Station #4
- 18 Unity Gardens
- 19 West Bank Trail Improvements
- 20 Patel Plaza
- 21 Saigon Market Site Improvements
- 22 The Ivy @ Berlin Place
- 23 Bosch
- 24 Bowman Creek / Ravina Park
- 25 Charles Black Improvements
- 26 FUSE
- 27 Downtown Streetscape
- 28 Hibberd Plaza
- 29 Langlab
- 30 LaSalle Hotel
- 31 Leighton Plaza
- 32 Marriott Hotel
- 33 Portage Avenue Bridge
- 34 Project Lead the Way
- 35 Riverfront Edge Adventure
- 36 Sample / Sheridan
- 37 Tucker Drive
- 38 One Michiana Square
- 39 Western Avenue Street Scape
- 40 LWW / Charles Martin Intersection
- 41 Cove Lot 4 Paving
- 42 Olive Street Metronet
- 43 Harrison Safe Routes to School
- 44 JMS
- 45 Ignition Park
- 46 SouthEast
- 47 Eddy Street Phase 2
- 48 Fat Daddy's
- 49 SB Chocolate
- 50 Portage Prairie
- 51 Studebaker Building 84
- 52 South Shore
- 53 Ziker
- 54 Lafayette Building
- 55 Perley Safe Routes to School
- 56 Ireland / Miami Improvements

Full Time Employee December 31, 2017

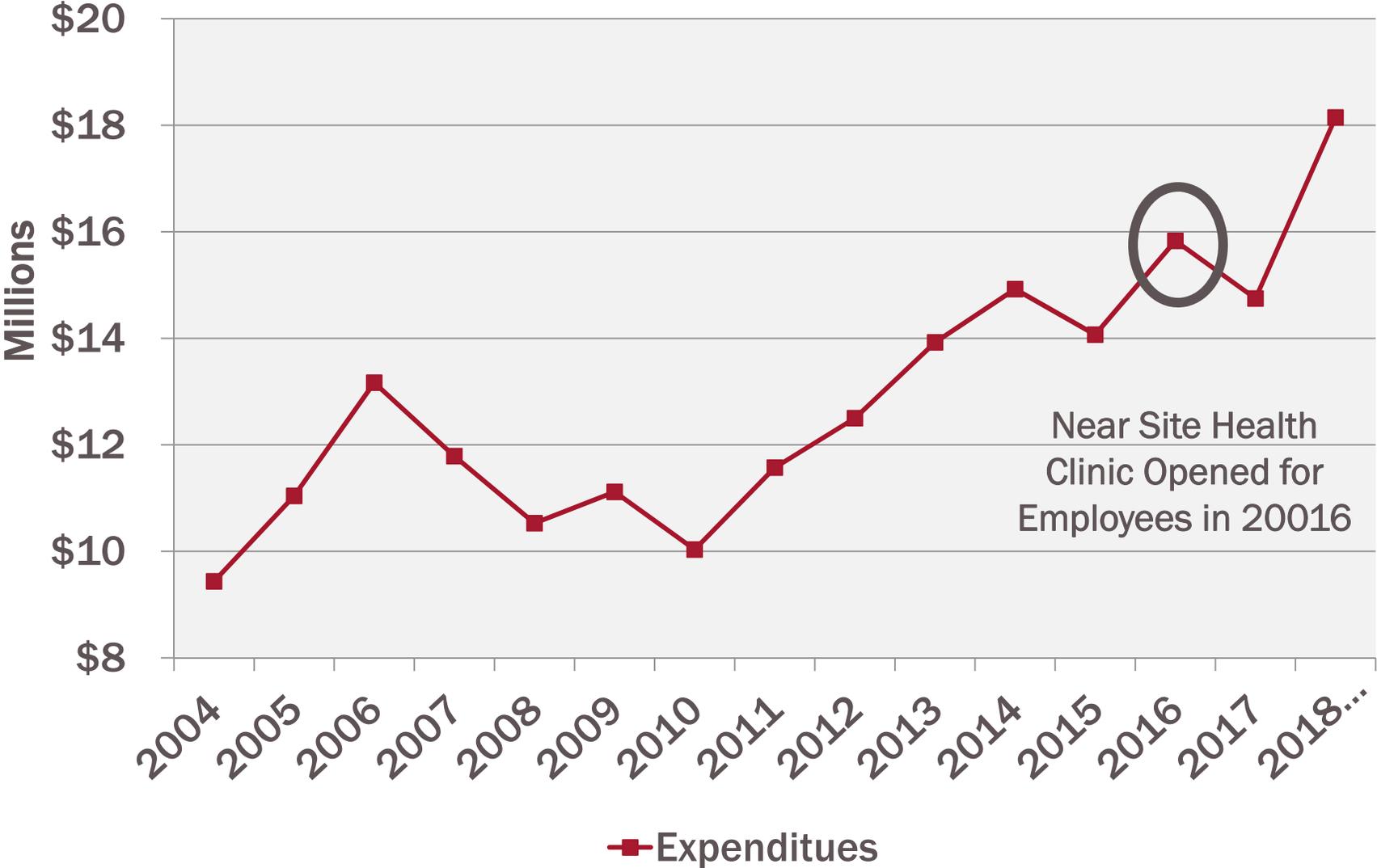


Actual Full Time Employee Trend 2012 - 2018



Excellence | Accountability | Innovation | Inclusion | Empowerment

Health Insurance Fund 711 Expenditures Trends 2004 - 2018

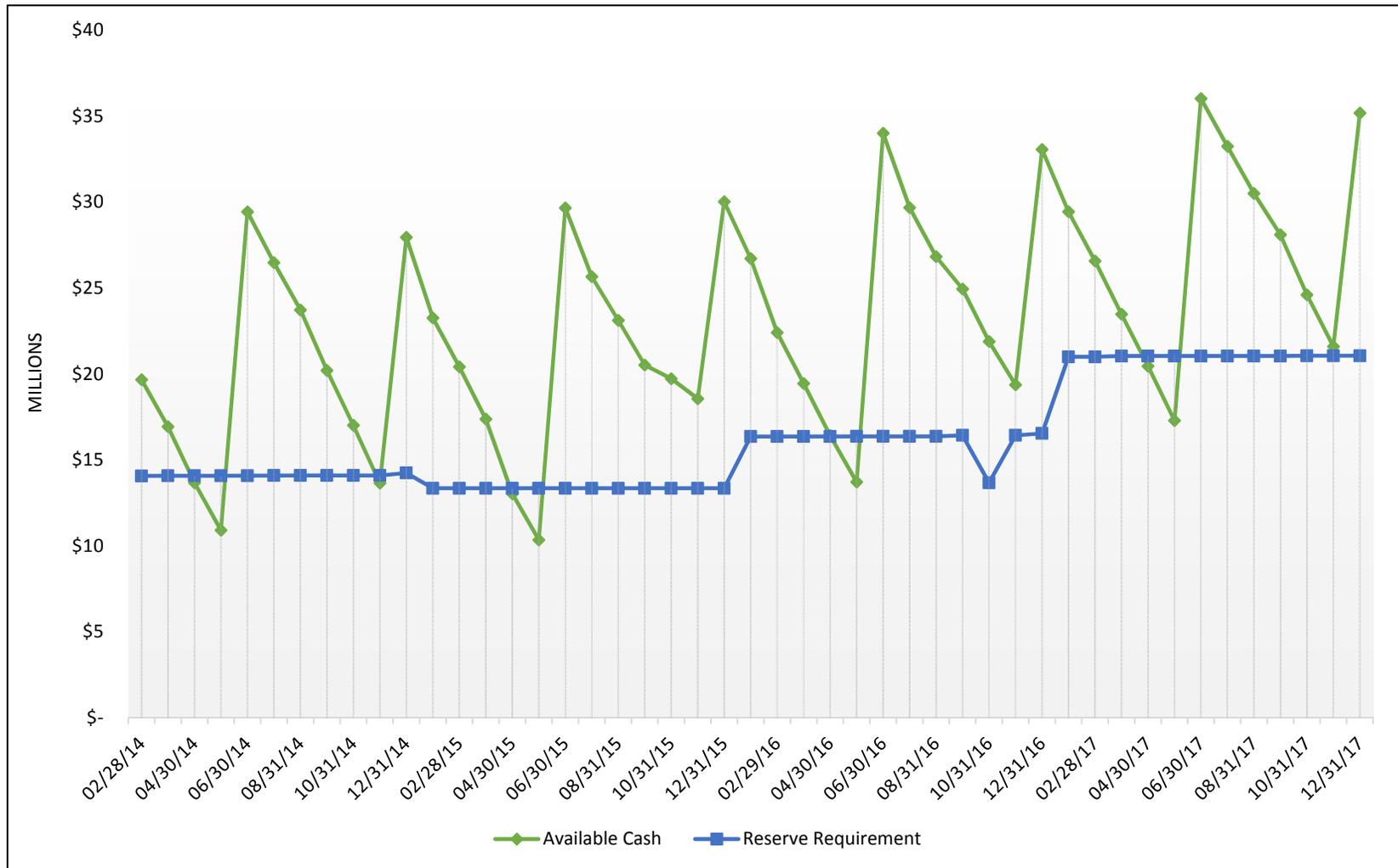


City of South Bend

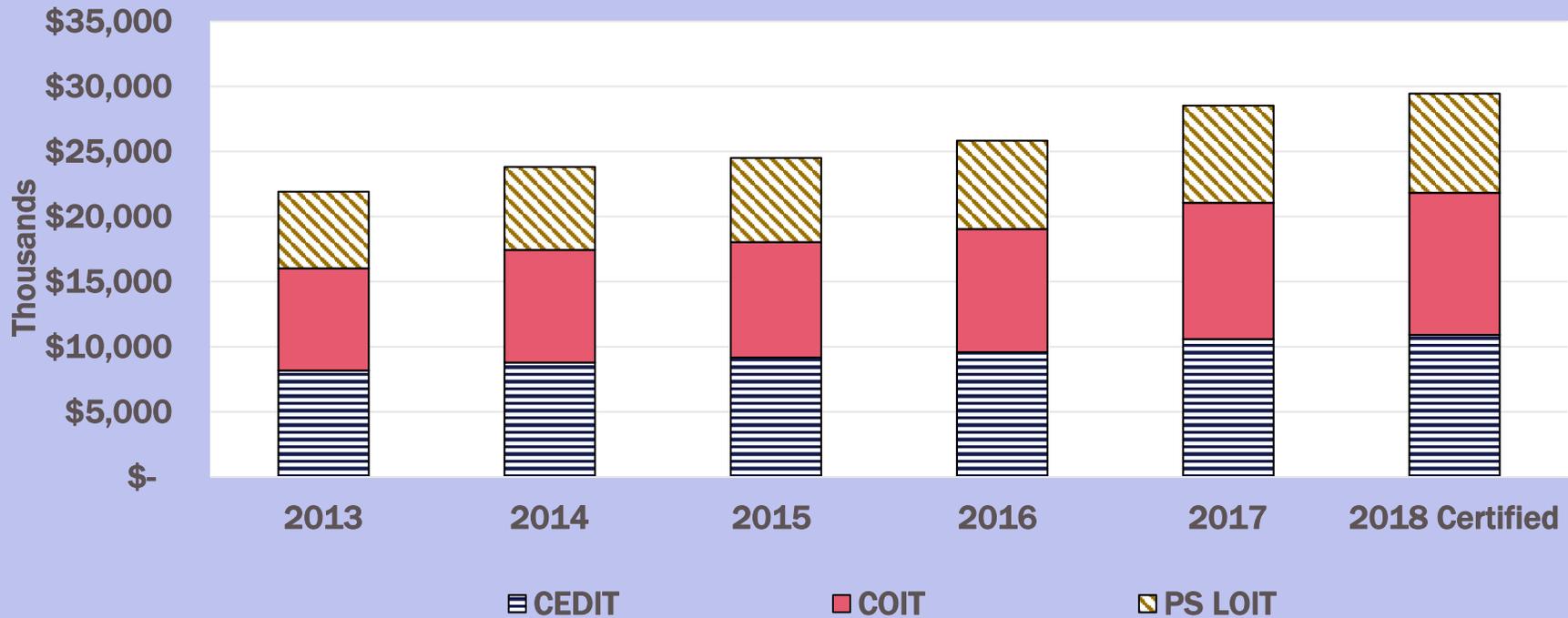
Consolidated Revenue and Expenditure Summary

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Revenues					
General Fund	62,367,385	55,106,223	53,719,617	56,474,525	59,227,689
Special Revenue Funds	59,232,041	55,527,522	58,056,013	67,801,179	68,117,663
Capital & Debt Service Funds	4,178,129	2,990,005	3,781,829	4,926,841	50,449,061
Enterprise Funds	80,207,216	81,994,452	94,852,365	94,282,102	95,965,345
Internal Service Funds	22,799,127	23,646,013	23,608,505	28,766,463	34,044,917
Trust Funds	10,913,212	11,250,795	11,427,272	10,888,596	11,151,297
Tax Increment Financing Funds	28,575,854	28,311,909	35,281,242	30,052,570	31,156,387
Redevelopment Funds	4,448,140	2,878,464	195,118	23,583	266,247
Debt Service Funds	11,715	9,306	18,912	29,942	8,911,856
Total Revenue	272,732,819	261,714,689	280,940,873	293,245,801	359,290,460
Expenditures					
General Fund	62,326,332	54,686,374	51,988,226	52,482,273	57,324,663
Special Revenue Funds	55,048,410	58,525,465	64,812,979	61,963,073	64,956,207
Capital & Debt Service Funds	5,100,018	7,580,704	5,511,960	4,472,162	23,916,457
Enterprise Funds	95,162,743	90,470,162	95,696,921	99,861,764	96,538,657
Internal Service Funds	24,428,685	24,682,209	24,334,214	26,190,507	29,475,099
Trust Funds	11,927,126	12,156,033	11,547,460	11,557,934	10,762,728
Tax Increment Financing Funds	23,577,844	19,106,018	36,572,461	30,660,319	29,572,822
Redevelopment Funds	1,750,915	1,568,169	3,023,509	143,242	1,801,133
Debt Service Funds	335,990	9,477	18,002	22,200	10,511,121
Total Expenditures	279,658,063	268,784,611	293,505,732	287,353,474	324,858,886
Net Sources of/ (Uses of) Fund Balance	(6,925,244)	(7,069,922)	(12,564,859)	5,892,327	34,431,574

General Fund Cash Reserves



Local Income Tax Revenue (LIT) – 2013 to 2018



Year	CEDIT	COIT	PS LOIT	Total	Percent Change
2013	\$ 8,177,352	\$ 7,846,939	\$ 5,892,386	\$ 21,916,677	—
2014	8,796,821	8,645,811	6,380,029	23,822,661	8.70%
2015	9,181,206	8,859,912	6,466,190	24,507,308	2.87%
2016	9,594,602	9,454,023	6,791,160	25,839,785	5.44%
2017	10,600,122	10,459,265	7,467,618	28,527,005	10.40%
2018 Certified	10,919,931	10,906,293	7,629,539	29,455,763	3.26%
Percent Change	3.02%	4.27%	2.17%	3.26%	

**S & P's General Obligation Ratings
Indiana Second Class Cities
As of January 28, 2016**

Obligor	Rating
1 Fishers	AAA
2 South Bend	AA
2 Westfield	AA
2 Carmel	AA
2 Noblesville	AA
3 Bloomington	AA-
3 Elkhart	AA-
3 Evansville	AA-
3 Fort Wayne	AA-
3 Jeffersonville	AA-
3 Lafayette	AA-
3 Merrillville	AA-
4 Anderson	A+
4 Columbus	A+
4 Mishawaka	A+
4 New Albany	A+
4 Portage	A+
4 Richmond	A+
5 Kokomo	A
6 Hammond	BBB+
6 Terre Haute	BBB+



Second Class City refers to Cities with population in excess of 35,000 residents and a City Council of 9 members.

Bond ratings are important to the City as the high rating allows the City to issue bonds at the lowest possible rate, therefore, saving valuable tax dollars.

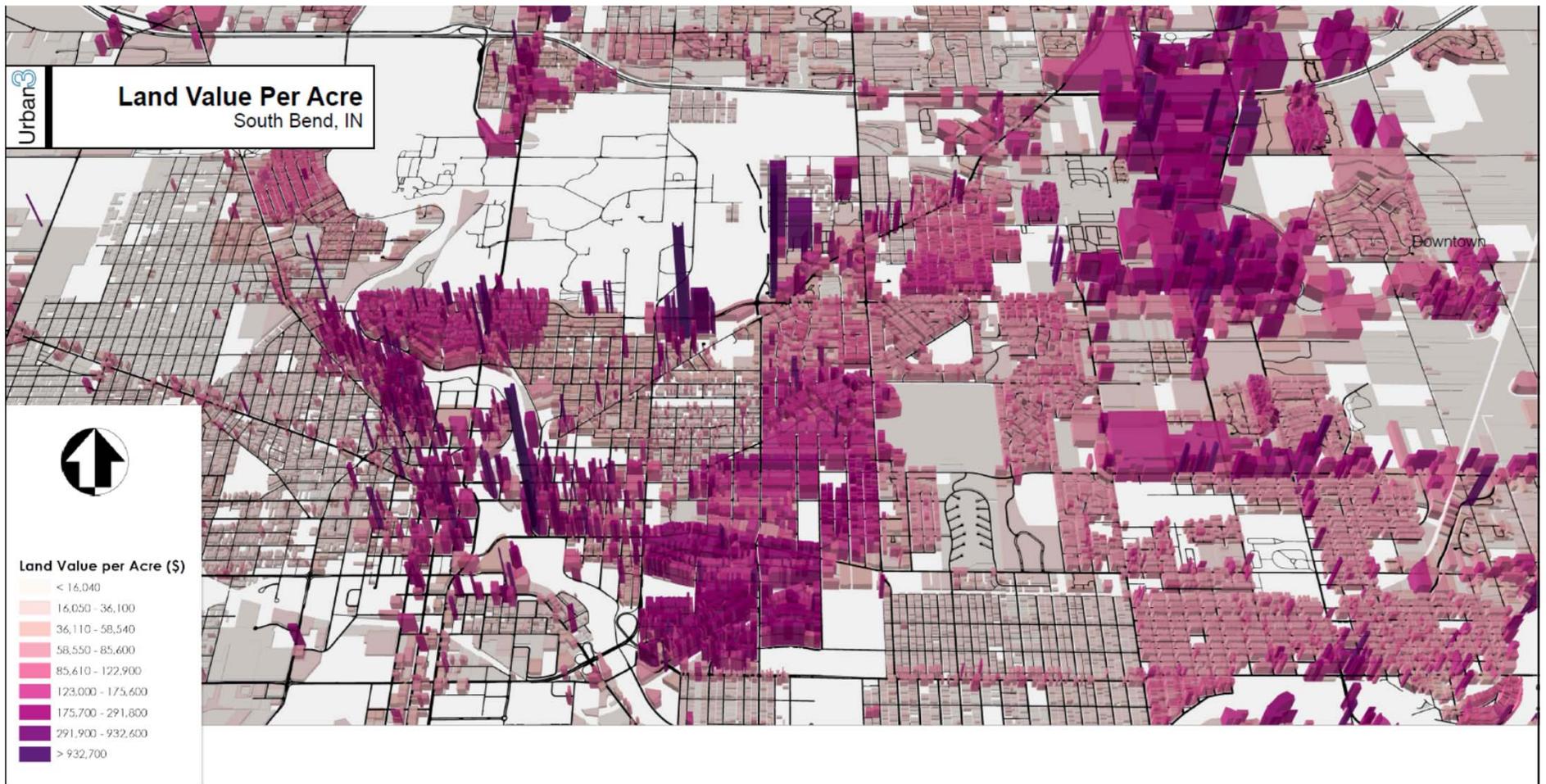
Note: No public ratings of debt for Evansville, Gary, Greenwood, or Muncie.

Assessed Valuation

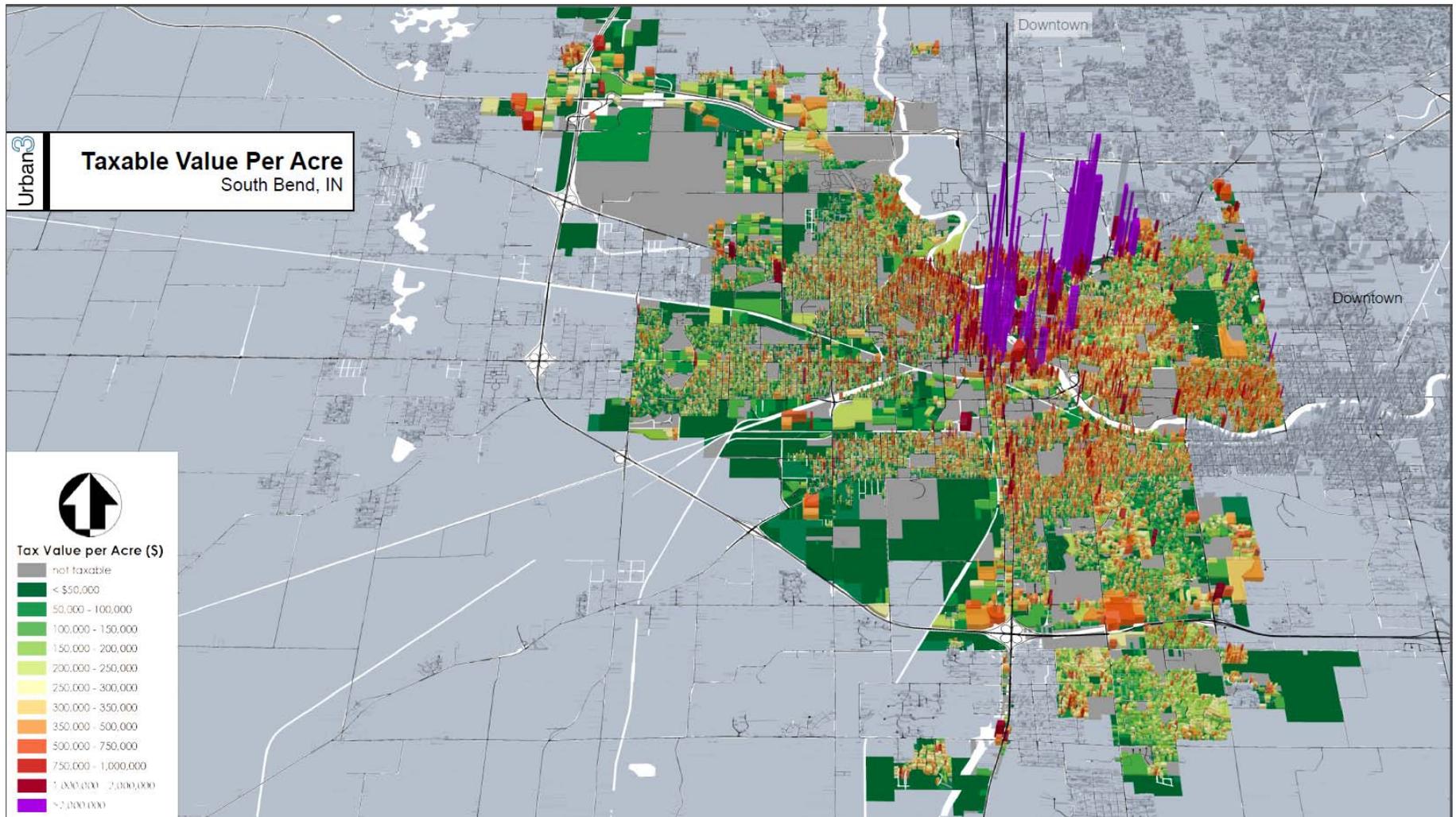
City of South Bend, Indiana
Actual and Estimated Net Assessed Values (2009 – 2020)
Mid AV Growth



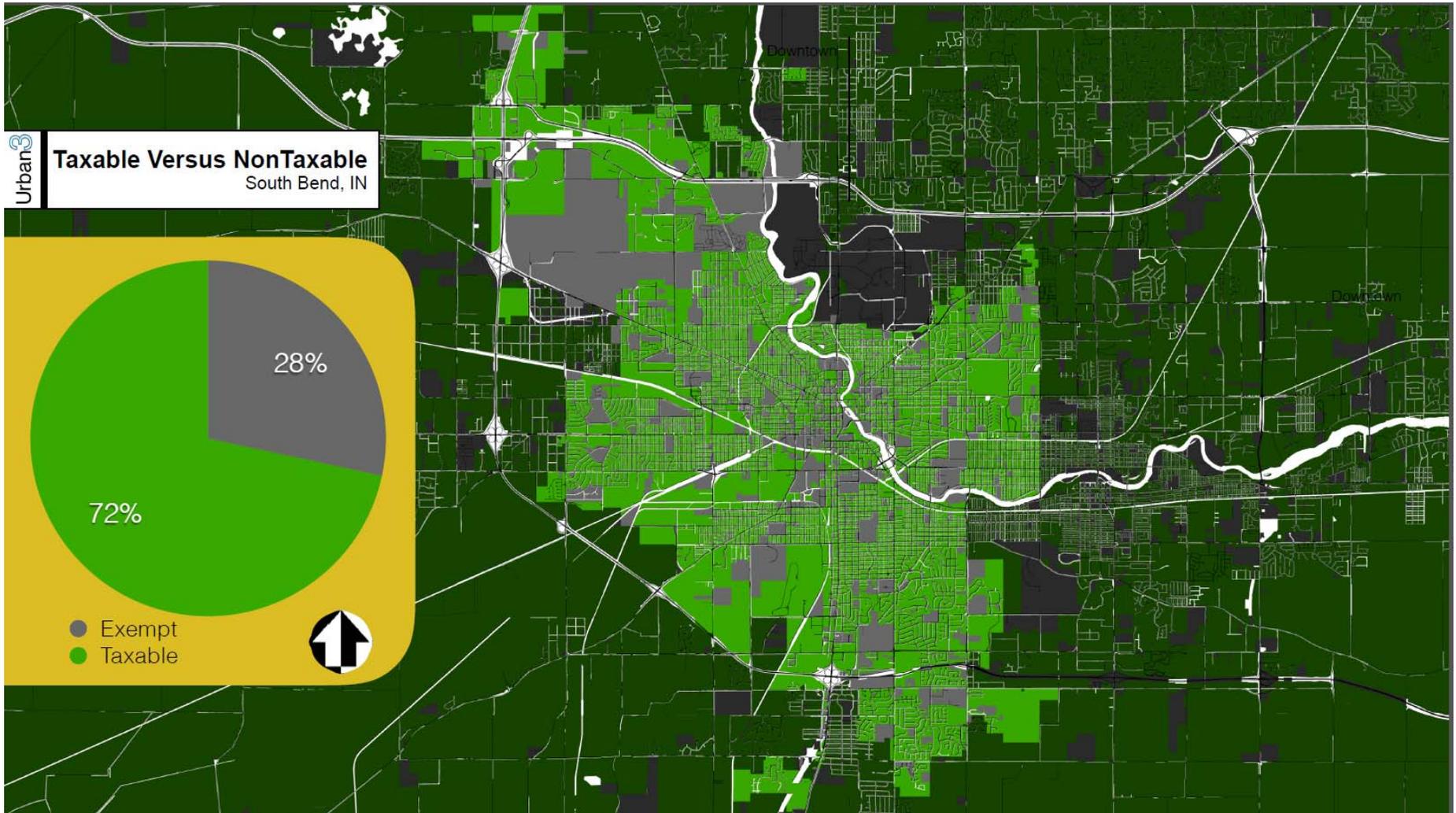
Land Value Disparities



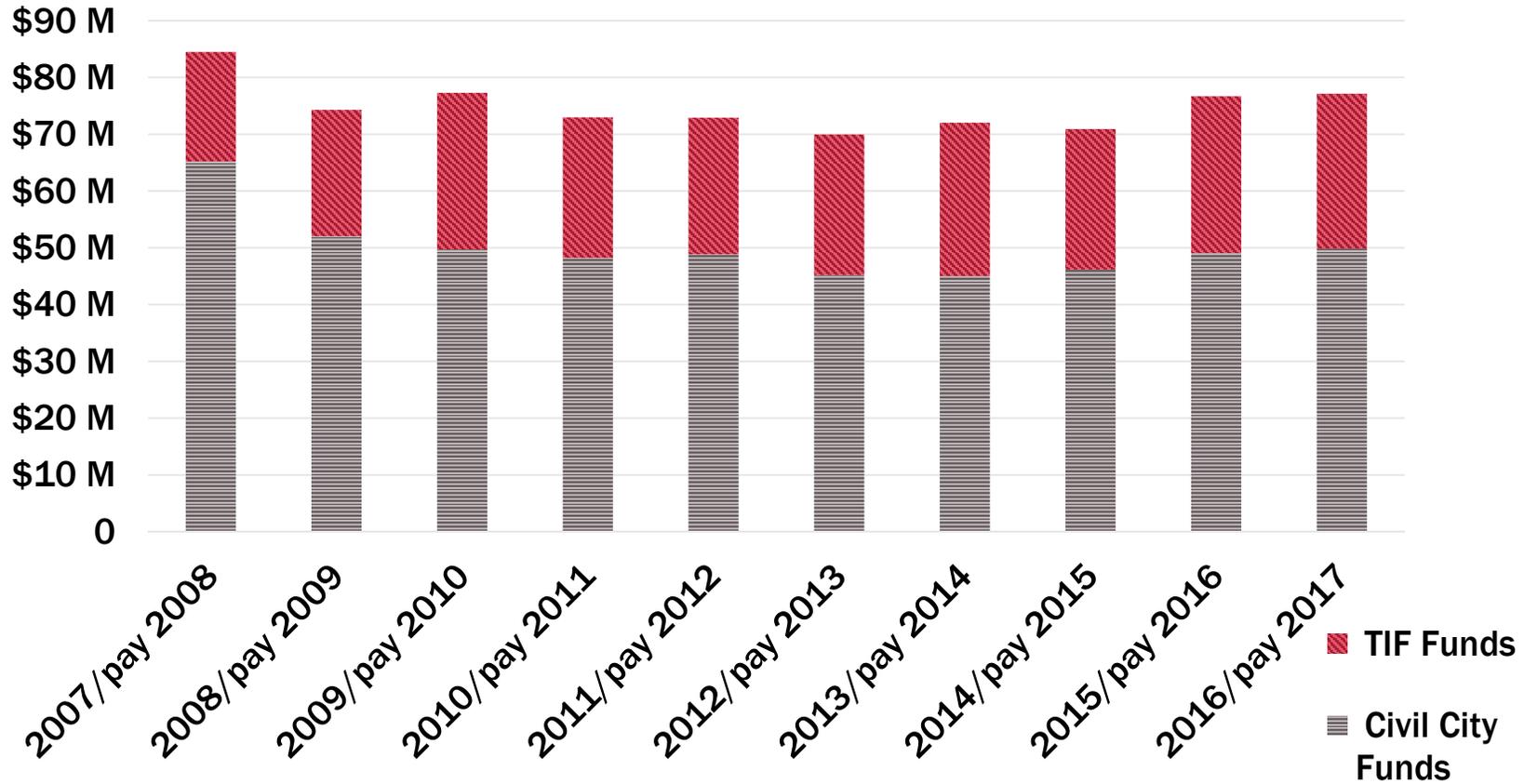
Value of Density, Downtown



Taxable Land

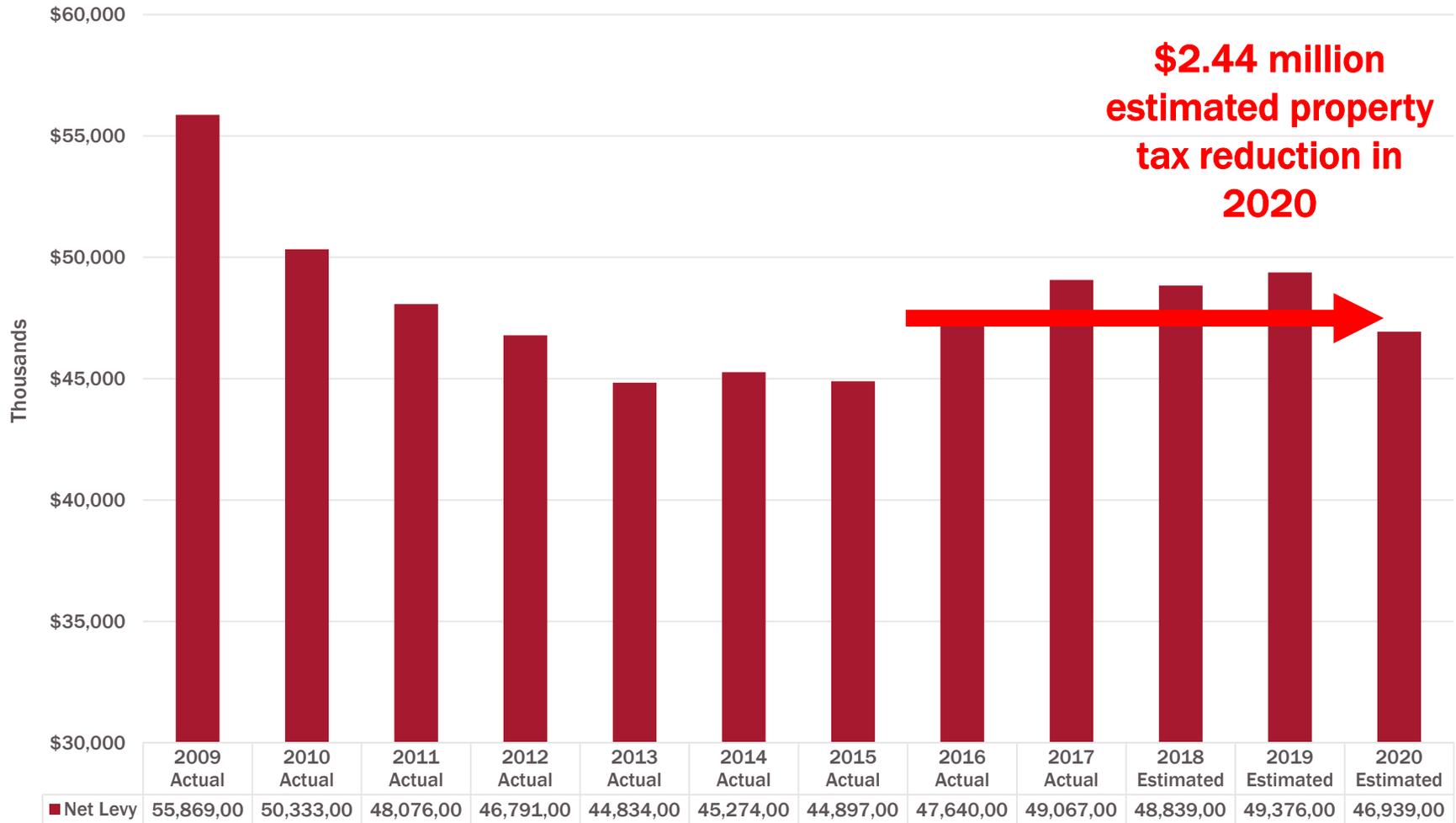


Property Tax Collections



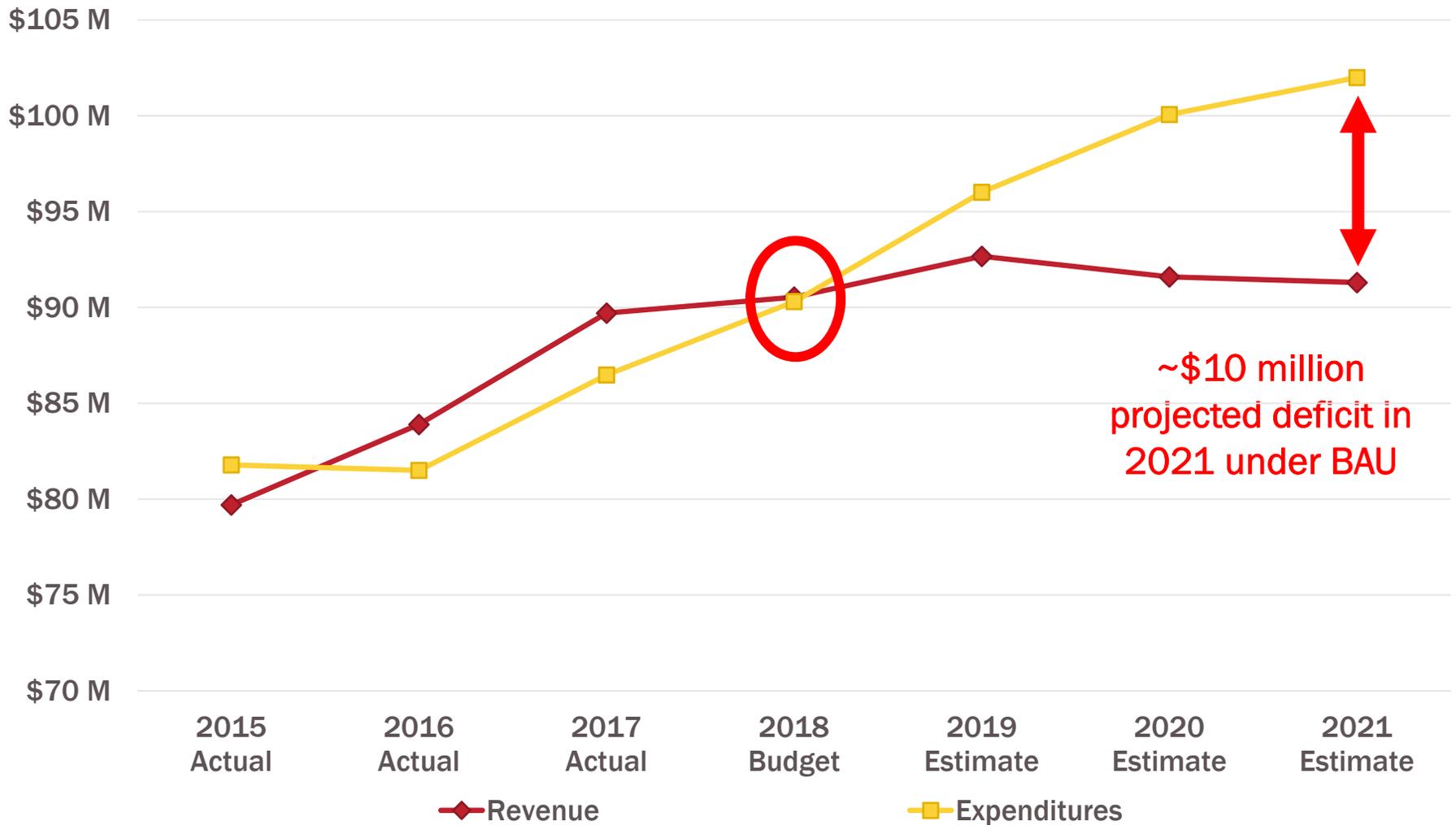
Type	2007/pay 2008	2008/pay 2009	2009/pay 2010	2010/pay 2011	2011/pay 2012	2012/pay 2013	2013/pay 2014	2014/pay 2015	2015/pay 2016	2016/pay 2017
Civil City Funds (thousands)	652,000	520,338	497,105	482,187	488,434	451,900	450,029	461,719	490,675	498,587
TIF Funds (thousands)	192,869	222,567	275,783	247,435	240,611	247,903	270,311	247,429	276,409	272,776
Total Property Tax Collections (thousands)	\$ 844,870	\$ 742,905	\$ 772,888	\$ 729,622	\$ 729,045	\$ 699,803	\$ 720,340	\$ 709,148	\$ 767,084	\$ 771,363

Projected Property Tax Levies Due to State Circuit Breaker Tax Credits (General Fund, CCD and Parks Only)



Revenue & Expenditures

General, COIT, EDIT, and Public Safety LOIT Funds



Measures in 2018 Budget to Address Fiscal Curb

1. Continue to find innovative ways to save on health care costs through collaborative arrangements with analysts, near site health clinic and others. Health costs continue to rise nationwide, however, the City is working to keep costs reasonable while providing excellent benefits to our employees.
2. Continue to work with PSAP Executive and Operations Boards to manage the costs of the new consolidated PSAP (911 – Public Safety Answering Point) Center which opened in 2016.
3. Continue to work with the County to ensure property taxes accurately reflect market conditions and everyone is paying their fair share.
4. Working towards a consolidated purchasing department. By consolidating our “purchasing agents” who currently wear many hats down to roughly 10 dedicated purchasing agents, the City hopes to see both cost savings and time efficiencies.
5. Working towards a consolidated facilities division that will oversee and assist with the general maintenance of City-owned buildings to ensure our assets are properly maintained and effectively utilized. Working together will all departments, this division will continue to consolidate maintenance contracts for facilities to save money and time when the need arises for building maintenance (i.e. garage door maintenance, HVAC maintenance, generator maintenance, etc.).

2018 Key Initiatives

- Sustaining commitment to **inclusive economic growth** (small business and workforce development, homelessness working group, anchor institution strategy, wireless)
- **Placemaking** (Riverfront Parks and Trails, infrastructure investments)
- Cultivating **Vibrant Neighborhoods** with programs such as Light Up South Bend, Vacant & Abandoned, curbs & sidewalk and other neighborhood development while furthering neighborhood engagement
- Working with the Federal Railroad Administration to implement additional **Quiet Zones** throughout the City
- Making our community **safe for everyone** (GVI, 21st century policing, recruiting, training)
- Moving forward with implementation of **Diversity and Inclusion** plan
- **Lead abatement** and housing safety inspection programs
- **Homeless** support through Permanent Supportive Housing funding and funding for a Gateway Shelter
- **Early Childhood Education Quality** pilot program
- Expanded **access to treatment** for substance use and overdose



Additional Information Available Online at:

<https://www.southbendin.gov/government/division/finance>

(“View publicly-available city budgets and
finance records” section)