



2020 Budget Presentation & Public Hearing

September 23, 2019



Setting the Stage for the 2020 Budget

Fiscal Curb

- 2020 Fiscal Curb is here

Refocus on Neighborhoods

- Even in the face of declining revenue, the City is increasing or maintaining investment in the City's neighborhoods.

Planning for Long-term Financial Stability

- Budgets in 2020 are lower on significant capital spending, higher on sustainable, consistent investment



Goals for Today

- We've been through 8 budget hearings, with 2 more left.
 - Almost all department budgets have been presented.
- The goals for today are as follows:
 - Provide a framework to conceptualize the 2020 budget as a whole
 - Understand how and to what extent the proposed 2020 budget invests in the City's neighborhoods.

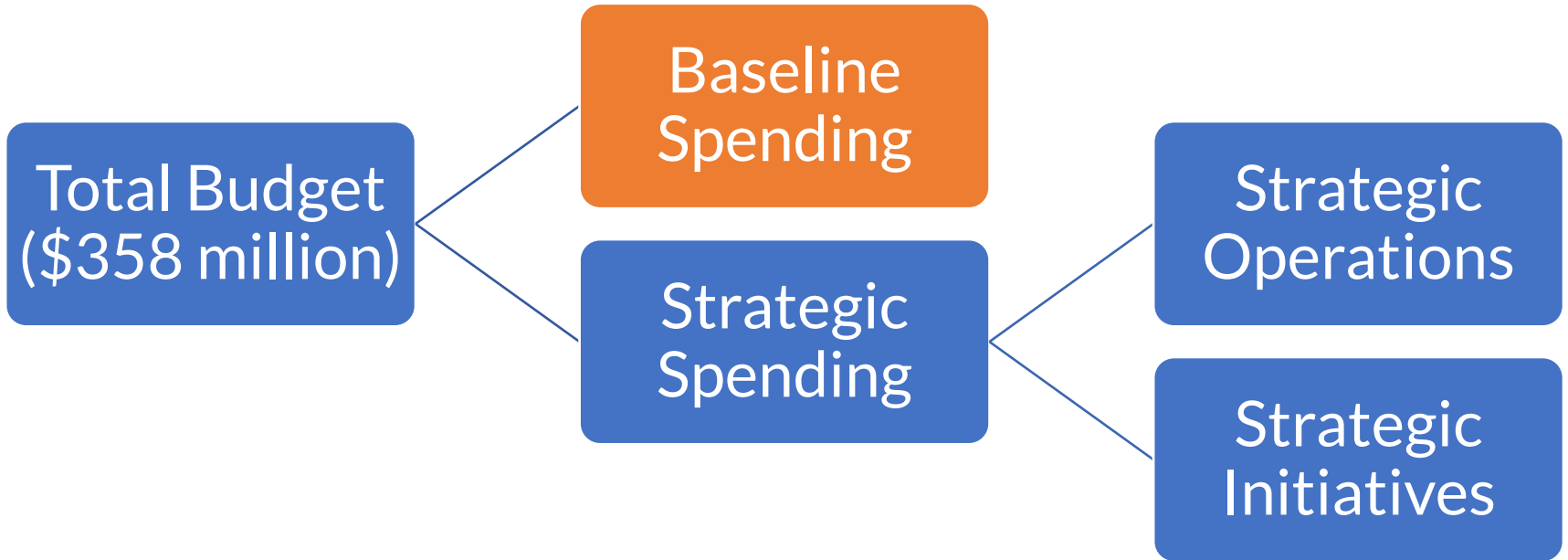


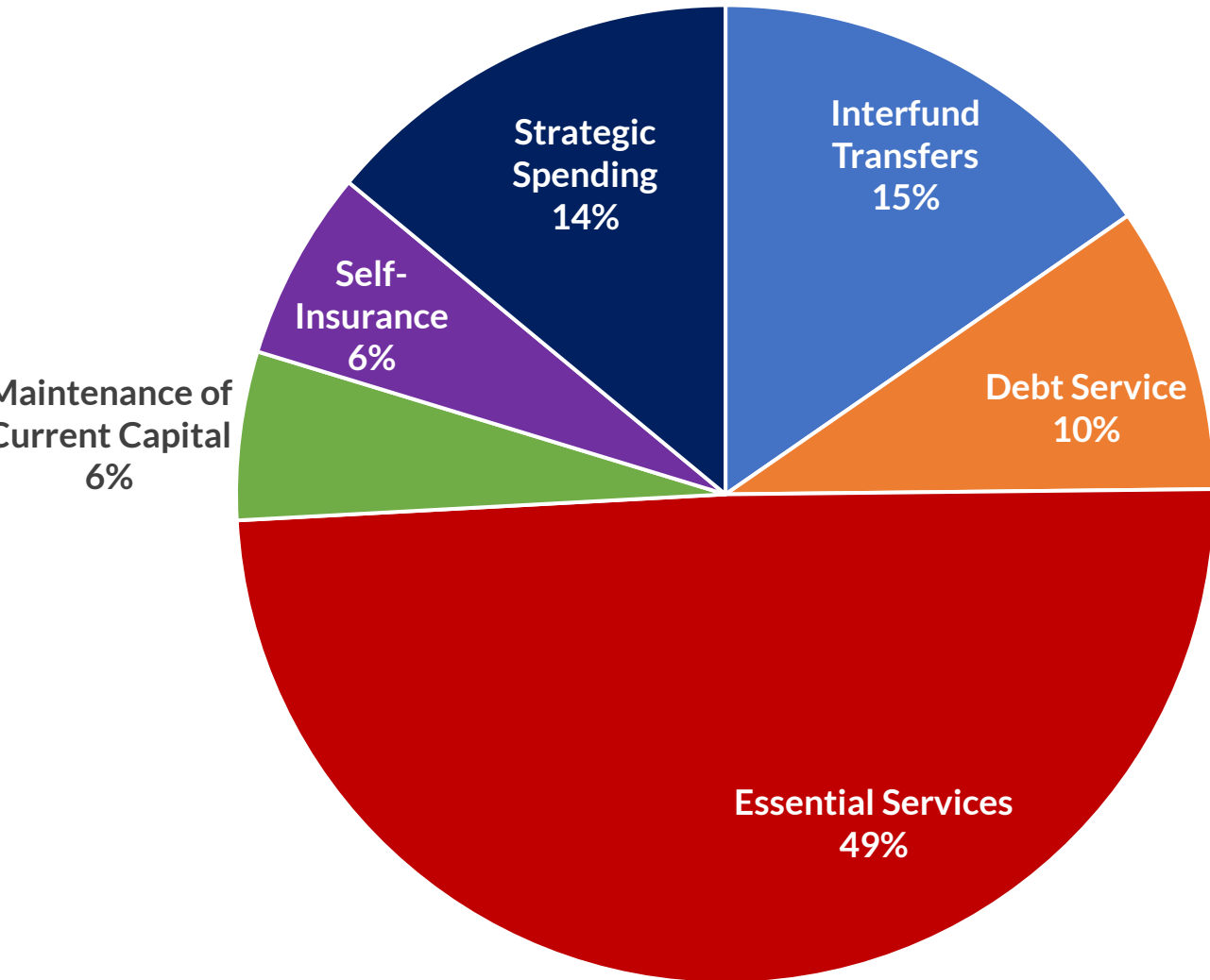
	2017 Actual	2018 Actual	2019 Budget (Original)	2020 Proposed Budget	Year Over Year Variance (\$)	Year Over Year Variance (%)
Revenue						
Property Taxes	77,136,347	80,788,795	78,885,295	77,482,325	(1,402,970)	-1.8%
Local Income Taxes	28,360,244	32,712,559	32,412,051	33,314,769	902,718	2.8%
Charges for Services	77,094,535	79,460,035	81,355,309	90,591,969	9,236,660	11.4%
Other Revenue	67,562,616	75,413,593	65,319,117	62,837,833	(2,481,284)	-3.8%
Interest Earnings	1,960,479	4,352,557	2,262,558	3,076,388	813,830	36.0%
Transfers In	48,664,234	45,853,517	51,370,795	55,031,097	3,660,302	7.1%
Interfund Allocation Reimb	15,235,026	16,446,236	22,427,153	20,920,632	(1,506,521)	-6.7%
Debt Proceeds	43,629,978	23,645,347	2,034,625	4,329,076	2,294,451	112.8%
Total Revenue	359,643,459	358,672,638	336,066,903	347,584,089	11,517,186	3.4%
Expenditures						
Salaries & Wages	79,045,143	82,510,428	88,137,692	89,025,706	888,014	1.0%
Fringe Benefits	27,552,466	28,527,829	26,695,090	28,259,024	1,563,934	5.9%
Professional Services	16,328,642	14,764,511	16,841,403	16,033,314	(808,089)	-4.8%
Repairs & Maintenance	13,437,922	14,297,924	14,772,466	14,957,395	184,929	1.3%
Supplies	9,974,500	11,069,566	13,476,721	18,391,793	4,915,072	36.5%
Debt Service	47,876,394	32,269,040	33,654,877	33,927,982	273,105	0.8%
Other Expenses	40,855,764	47,484,074	49,954,071	50,013,362	59,291	0.1%
Transfers Out	36,923,732	45,853,457	51,370,795	55,031,097	3,660,302	7.1%
Other Interfund Allocations	15,014,496	16,042,071	22,468,191	20,936,568	(1,531,623)	-6.8%
Operating Expenditures	287,009,058	292,818,900	317,371,306	326,576,241	9,204,935	2.9%
Operating Income	72,634,401	65,853,738	18,695,597	21,007,848		
Capital	39,372,501	45,213,437	50,856,403	31,782,255	(19,074,148)	-37.5%
Rev in Excess of Exp	33,261,900	20,640,302	(32,160,806)	(10,774,407)		

Total Proposed Expenditures:
\$358 million



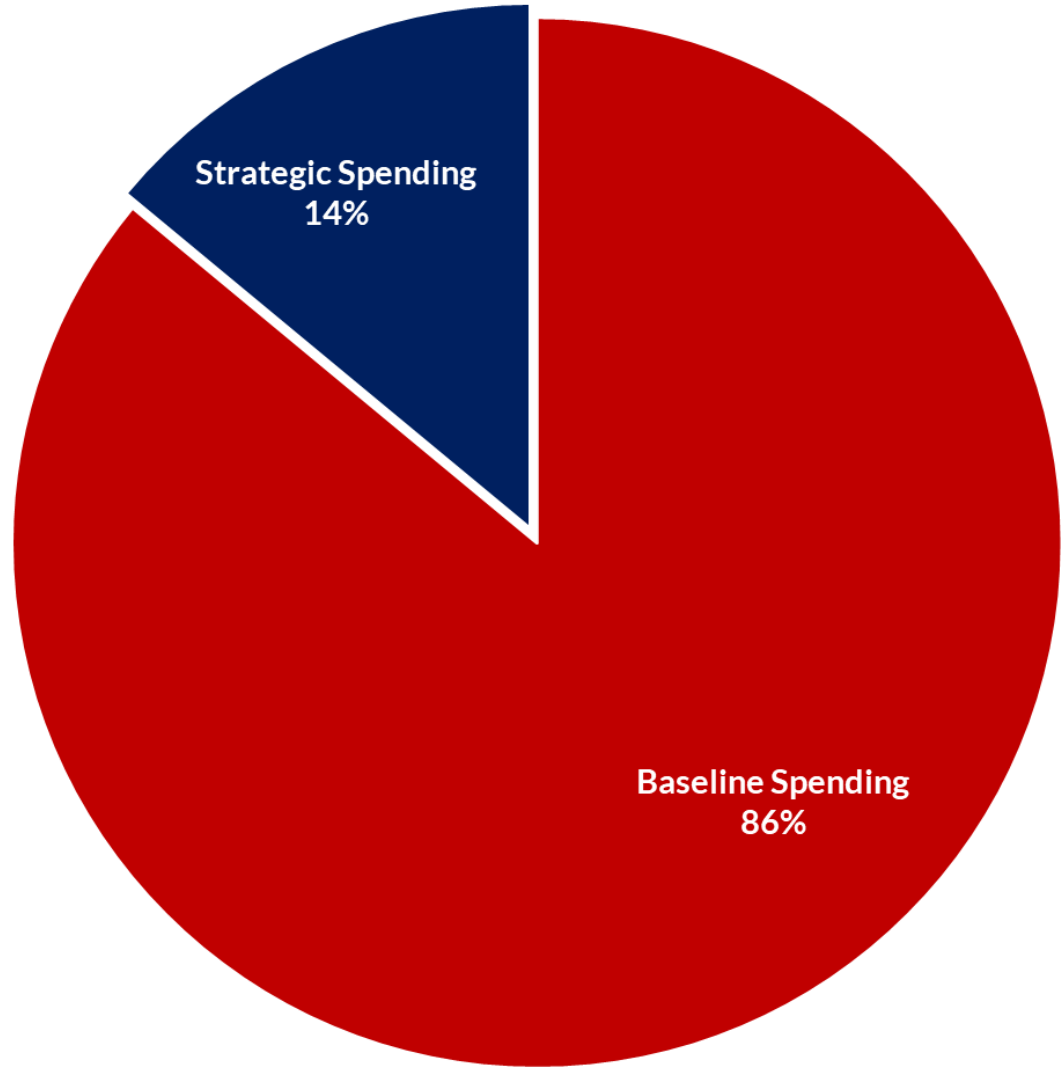
2020 Budget Breakdown





	<u>2019 Adopted</u>	<u>2020 Proposed</u>
<u>Interfund Transfers</u>	\$ 33,654,877	\$ 33,928,732
<u>Debt Service</u>	\$ 33,654,877	\$ 33,928,732
<u>Essential Services</u>		
Police	\$ 45,464,077	\$ 44,936,295
Fire/EMS	\$ 38,240,877	\$ 36,486,420
Water	\$ 17,974,252	\$ 17,641,512
Wastewater	\$ 31,467,317	\$ 32,138,111
Solid Waste	\$ 4,381,290	\$ 4,825,365
Streets	\$ 8,914,720	\$ 8,971,962
Park Maintenance	\$ 8,386,446	\$ 8,005,812
Neighborhood Code Enforcement	\$ 5,181,489	\$ 5,111,469
Administration*	\$ 16,270,303	\$ 16,810,992
Building Dept	\$ 1,295,696	\$ 1,682,541
<u>Maintenance of Current Capital</u>		
Fleet Replacement	\$ 2,079,625	\$ 4,329,076
Fleet & Building Maintenance	\$ 11,464,029	\$ 15,596,503
<u>Self-Insurance</u>		
Health Insurance	\$ 16,622,400	\$ 18,482,713
Liability Insurance	\$ 3,992,783	\$ 4,059,232
Total Baseline Spending		\$ 307,987,832

*Includes Common Council, Clerk’s Office, Mayor’s Office, Admin & Finance, Human Resources, Legal, Innovation & Technology, and Engineering

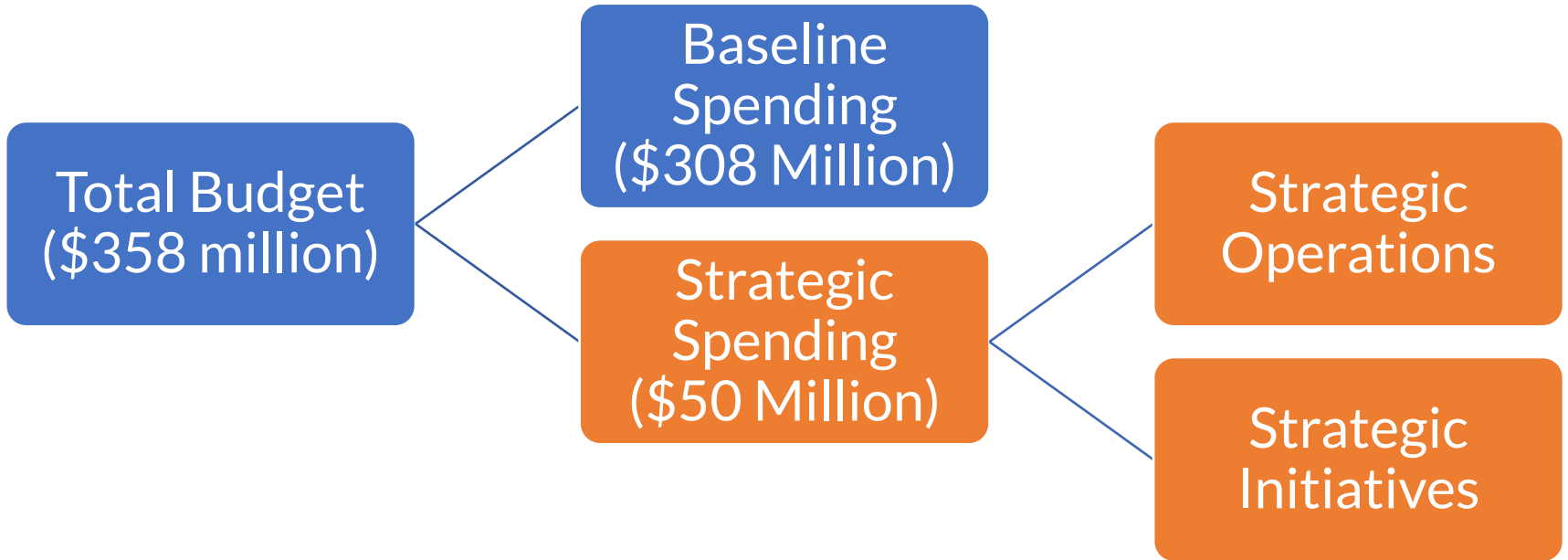


	<u>2019 Adopted</u>	<u>2020 Proposed</u>
<u>Interfund Transfers</u>	\$ 33,654,877	\$ 33,928,732
<u>Debt Service</u>	\$ 33,654,877	\$ 33,928,732
<u>Essential Services</u>		
Police	\$ 45,464,077	\$ 44,936,295
Fire/EMS	\$ 38,240,877	\$ 36,486,420
Water	\$ 17,974,252	\$ 17,641,512
Wastewater	\$ 31,467,317	\$ 32,138,111
Solid Waste	\$ 4,381,290	\$ 4,825,365
Streets	\$ 8,914,720	\$ 8,971,962
Park Maintenance	\$ 8,386,446	\$ 8,005,812
Neighborhood Code Enforcement	\$ 5,181,489	\$ 5,111,469
Administration*	\$ 16,270,303	\$ 16,810,992
Building Dept	\$ 1,295,696	\$ 1,682,541
<u>Maintenance of Current Capital</u>		
Fleet Replacement	\$ 2,079,625	\$ 4,329,076
Fleet & Building Maintenance	\$ 11,464,029	\$ 15,596,503
<u>Self-Insurance</u>		
Health Insurance	\$ 16,622,400	\$ 18,482,713
Liability Insurance	\$ 3,992,783	\$ 4,059,232
Total Baseline Spending		\$ 307,987,832

*Includes Common Council, Clerk’s Office, Mayor’s Office, Admin & Finance, Human Resources, Legal, Innovation & Technology, and Engineering



2020 Budget Breakdown





Strategic Spending

- **Focus of Strategic Spending in 2020:**
- How much of this \$50 million is focused specifically on neighborhoods?
 - Defined as investments specifically in the following areas:

Affordable
Housing

Economic
Development

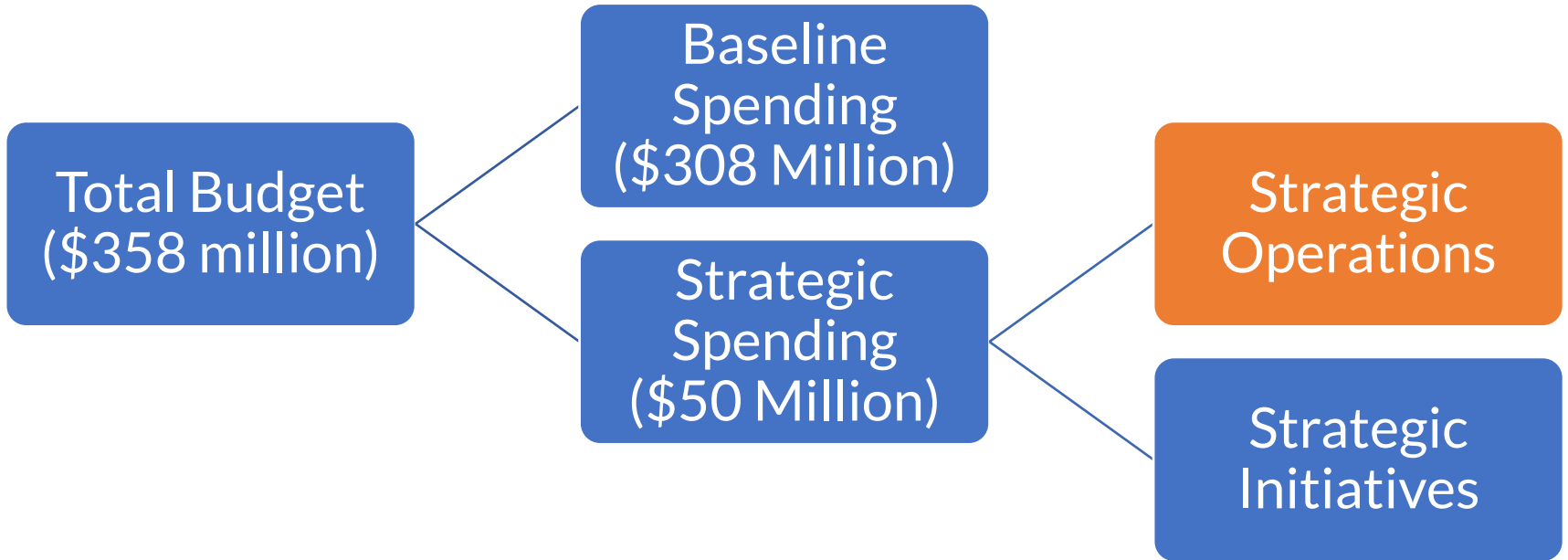
Neighborhood
Infrastructure

Public Safety
& Wellness

Youth
Engagement &
Employment



2020 Budget Breakdown





Strategic Operations

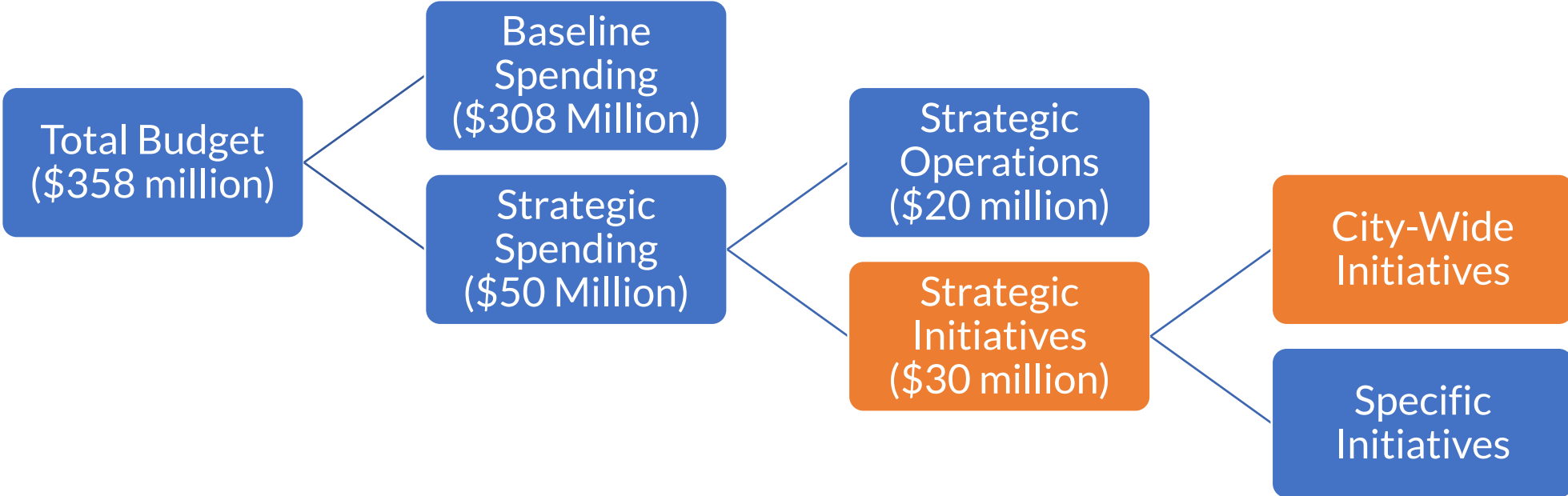
	2019 Adopted	2020 Proposed
Tax-Funded Departments		
Office of Inclusion, Diversity, Equity, and Access	\$ 841,201	\$ 1,048,516
Office of Sustainability	\$ 278,815	\$ 377,393
Dept of Community Investment Operations	\$ 3,150,666	\$ 3,232,000
Additional Code Enforcement Operations		
Animal Resource Center	\$ 929,300	\$ 1,010,138
Rental Safety Verification Program	\$ 158,616	\$ 345,826
Neighborhood Enforcement Action Team (NEAT)	\$ 563,891	\$ 544,092
Additional Venues Parks & Arts Operations		
Morris PAC & Palais Royale	\$ 2,155,089	\$ 1,985,523
Recreation Division	\$ 3,037,627	\$ 2,897,693
Experience Division	\$ 1,214,568	\$ 1,266,763
Self-Sustaining Operations		
Century Center	\$ 4,430,061	\$ 4,923,776
Golf Courses	\$ 1,266,567	\$ 1,476,201
Parking Garages	\$ 1,871,794	\$ 1,180,495
Total - Strategic Operations	\$ 19,898,195	\$ 20,288,416

How much investment in neighborhoods?

\$5.1 million



2020 Budget Breakdown





Strategic Initiatives: City-Wide

AFFORDABLE HOUSING

- Community Development Block Grant (CDBG) Funding (\$2.5 Million)
 - Homeownership assistance
 - New Construction (Homeownership & Rental)
 - Owner-Occupied Rehab
- Owner-Occupied Rehab (\$250k)

- *(Not in SB Budget)* HOME Program (\$1.1 Million)
 - New Construction
 - Acquisition / Rehab
 - Homeownership Assistance

TOTAL INVESTMENT: \$2.8 million

How much investment in neighborhoods?

Strategic Initiatives

Affordable Housing \$2.8 million



Strategic Initiatives: City-Wide

ECONOMIC DEVELOPMENT

- Emergency Solutions Grant (ESG) (\$212k)
 - Emergency Shelter Operations
 - Rapid re-housing assistance
- Weather Amnesty (\$200k)
- Permanent Supportive Housing (\$250k)
- Pathways Workforce Development (\$500k)
- Additional Workforce training / education (\$75k)
- Lifelong Learning (\$150k)
- Small business assistance – Non-Traditional Financing Capital (\$500k)
- Additional grants to support the creation/growth of small businesses (\$100k)
- Industrial Revolving Loan Fund
- Tax Phase-ins
- Neighborhood Organization Support (\$175k)
- Acquisition and redevelopment of neighborhood properties (\$482k)
- Incremental Development Alliance (\$30k)
- CDFI-Friendly Community Initiative
- Inclusive Economy & Neighborhood Redevelopment Action Plan (\$150k)

TOTAL INVESTMENT: \$2.8 million

How much investment in neighborhoods?

Strategic Initiatives

Affordable Housing \$2.8 million

Economic Development \$2.8 million



Strategic Initiatives: City-Wide

NEIGHBORHOOD INFRASTRUCTURE

- Traffic Calming (\$400k)
- Light Up South Bend (\$200k)
- Curb & Sidewalk program (\$500k – including Council Allocation)
- Additional Street Paving above State Funding (\$3.8 million)
- Affordable & reliable transportation (\$50k)
- Love Your Block Program (\$25k)
- Neighborhood Scale Development Matching Grant (\$150k)
- Neighborhood Planning (\$200k: 2-4 Neighborhood Plans)
- South Bend Plan Commission – focus on neighborhood development & ease of use (\$215k)
- Historic Preservation (\$102k)
- Stormwater Drainage Management projects (\$495k)
- St. Joseph Riverbank Stabilization Project (\$300k)
- South Bend Green Corps program (\$400k)
- Neighborhood Park Expansion / New Neighborhood Parks (\$2 million) *(carryover from 2019 budget)*
- Neighborhood Park Athletic Courts Upgrade (\$100k)
- Vacant & Abandoned Demolitions (\$250k)

TOTAL INVESTMENT: \$7.1 million

How much investment in neighborhoods?

Strategic Initiatives

Affordable Housing	\$2.8 million
Economic Development	\$2.8 million
Neighborhood Infrastructure	\$7.1 million

Strategic Initiatives: City-Wide

PUBLIC SAFETY & WELLNESS

- Lead Safe Program (\$3 million) (*carryover from 2019 budget*)
- New Mayoral Public Safety Division (\$700k)
 - GVI & SAVE Program
 - Other Community Initiatives (Peacemakers, Peer to Peer, etc.)
- Community Paramedicine Program (\$200k)
- Trauma-Informed Community Initiative

TOTAL INVESTMENT: \$900,000

How much investment in neighborhoods?

Strategic Initiatives

Affordable Housing	\$2.8 million
Economic Development	\$2.8 million
Neighborhood Infrastructure	\$7.1 million
Public Safety & Wellness	\$ 900,000

Strategic Initiatives: City-Wide

YOUTH ENGAGEMENT & EMPLOYMENT

- Mentored Mowing Program (\$20k)
- Police Athletic League (\$100k)
- Police Cadet Program & Jr. Cadet Program
- Bloomberg Mayor’s Challenge Initiative (\$750k)

TOTAL INVESTMENT: \$870,000

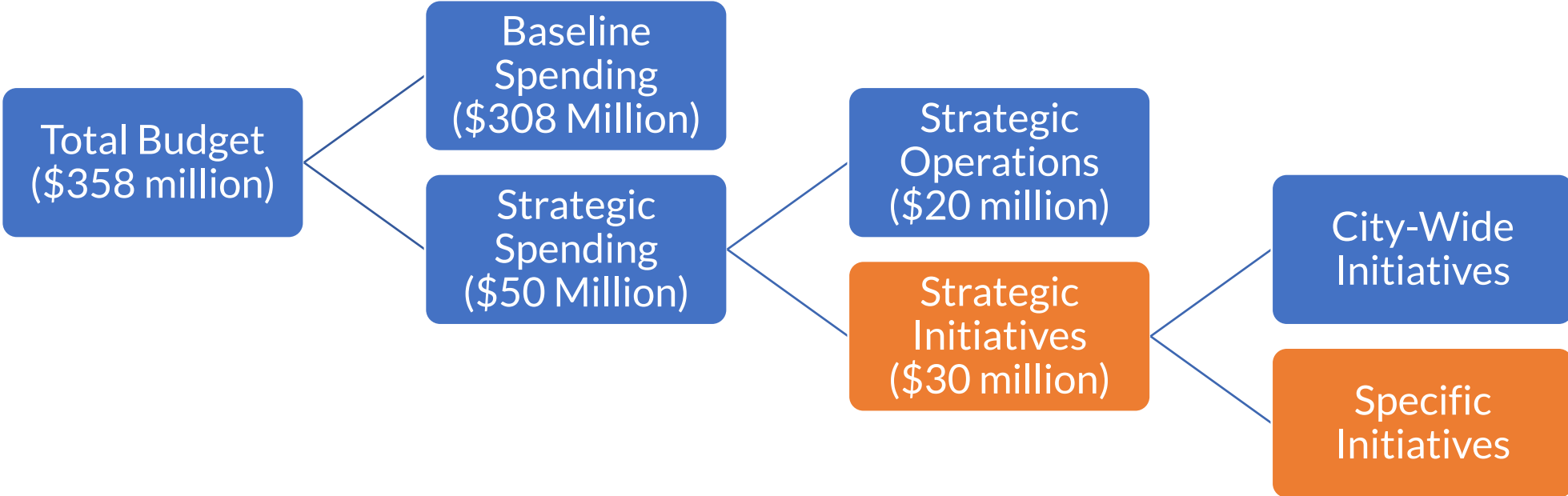
How much investment in neighborhoods?

Strategic Initiatives

Affordable Housing	\$2.8 million
Economic Development	\$2.8 million
Neighborhood Infrastructure	\$7.1 million
Public Safety & Wellness	\$ 900,000
Youth Engagement & Employment	\$ 870,000
Total Investment	\$14.5 million



2020 Budget Breakdown





Note: This is not meant to be a comprehensive look at all programs & initiatives, but rather it is meant to represent a sample of major investments in specific neighborhoods.

Cleveland Road & US 31
Pavement Replacement
(\$1.6 M)

Bendix Drive Pavement
Replacement (\$2.5 M)

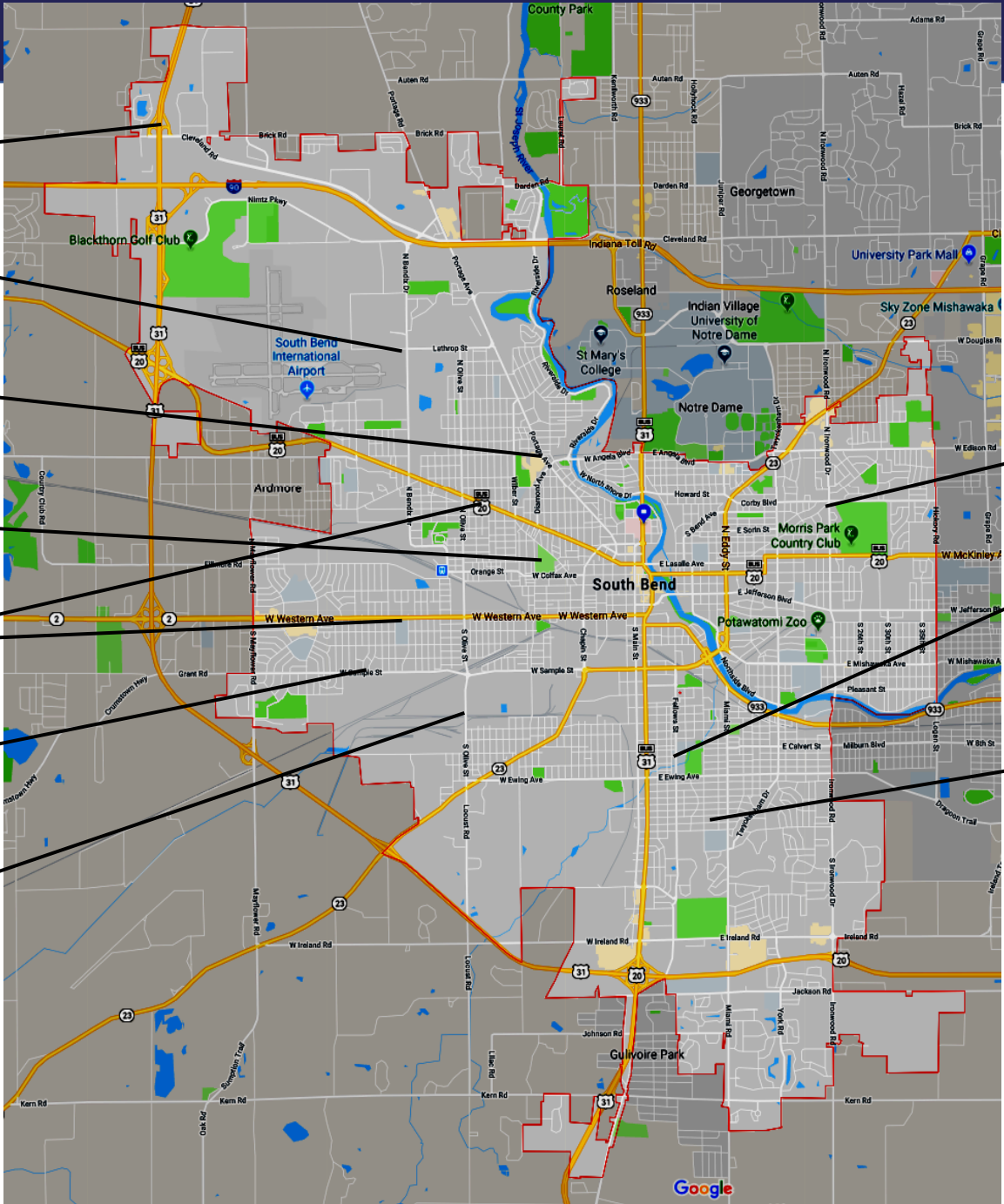
Portage / Elwood Plan
Implementation (\$845k)

City Cemetery
Improvements (\$550k)

West Side Main Streets
(\$2 M)

Sheridan & Sample
Intersection
Improvement (\$477k)

Olive Street
Reconstruction (\$2.5 M)



Corby / Ironwood / Rockne
Improvements (\$1.2 M)

Early Child Care - New United Way
Community Center (\$1 million)

Implementation of
Southeast Master Plan
(\$2.8 M)



Investment in Neighborhoods Summary

Total Baseline Spending	\$ 307,987,832
<hr/>	
Total Strategic Spending	50,094,914
<hr/>	
Strategic Investment in Neighborhoods	
Strategic Operations	5,170,434
Strategic Initiatives – City Wide	14,557,105
Strategic Initiatives - Specific	12,295,000
Total Investment	\$ 32,022,434

Percent of Strategic Spending Invested Directly into Neighborhoods:

$$\frac{32,022,434}{50,094,914} = 63.9\%$$



2020 Budget Takeaways

- The City's proposed 2020 budget sets up the City for **financial stability** in the face of revenue challenges now and in the future.
- The City's proposed 2020 budget focuses on improving City services through “baseline spending”, driving efficiency and improving the health, safety and well-being of all residents.
- The City's proposed 2020 budget focuses strategic spending on neighborhoods through **consistent, sustainable investment**, which can be repeated year after year to build the foundation for success for all residents.