



OFFICE OF THE CITY CLERK DAWN M. JONES, CITY CLERK

Personnel and Finance Committee September 7, 2022, 5:00 P.M.

Committee Members Present: Sheila Niezgodski, Eli Wax, Rachel Tomas
Morgan, Troy Warner (*), Henry Davis Jr. (*)

Other Council Present: Karen White, Canneth Lee (*), Sharon McBride (*)

Other Council Absent: Lori Hamann

Others Present: Dawn Jones, Justin LePla, Victoria Trujillo

Presenters: Eric Horvath, Director of Public Works

Agenda: 2023 Public Works Budget Presentation

(*) – denotes the council member was virtually present.

Full audio dialogue of the meeting is available upon request from the City Clerk's Office.

Committee Chair Sheila Niezgodski thanked Kathy Schuth from the Near Northwest Neighborhoods for allowing the Committee to hold the Public Works Budget meeting in their facility. The Committee will be hearing from the Department of Public Works 2023 Proposed Budget. Niezgodski stated the proposed budget is based on estimates from department heads for expenditures. The City Controller prepares estimates of revenue, and the City Executive and the Mayor review both the expenditures and the estimates of the revenue. The Mayor meets with department heads and the Fiscal Officer to review and revise the estimates. The Fiscal Officer then prepares a report for the Mayor of estimated department budgets, including expenses, revenues, and projected cash for all municipal funds. The legislative body then either approves or reduces the proposed budget after all the presentations are made by each department. The final vote for the 2023 budget is October 10th, 2022. The budget is based on baseline spending, which is the core responsibility of the City. This includes strategic spending, strategic operations, and strategic initiatives. The Council's job is to pass the budget based on all the presentations made as well as feedback from residents. This means that the adopted budget is usually different from the originally proposed budget. The Council cannot increase the budget, fund programs, or create expense items for city projects; however, the Council does have the ability to decrease the budget. After the budget presentation is presented, council members may ask two questions. The meeting will then be opened to the public. Two questions from each member of the public can be asked during the public portion of the meeting. If there are additional questions from council members or the public, please submit the questions to the Committee Chair who will ensure they are placed in the folder and directed to the appropriate department. After the public portion is completed, council members may make an additional statement. The time allowed for the public portion of the meeting may not exceed the time of the presentation.

Eric Horvath, Director of Public Works, offices located on the 13th floor of the County-City Building, stated the mission of Public Works is building a foundation for a thriving city. Horvath stated this includes providing basic household services, which include things like sewers, water, roads, and trash which are the foundations for which people live their lives. Public Works also seeks to improve the quality of life for citizens, which includes programs like the Complete Streets Program. Horvath introduced his staff: Jitin Kain - Deputy Director, Kara Boyles - City Engineer, Larry Parker - Director of the Streets and Sewers Divisions, Coby Deal - Director of Traffic and Lighting, Terry Swift - Director of Financial Services, Ron O'Conner - Public Works Finance Director, Kara Grabowski - Marketing Director, Kim Thompson - Interim Utility Director and Bradman Nostrum - Director of Water Operations.

Eric Horvath stated Public Works maintains one thousand two hundred sixty-two (1,262) lane miles of street, seven hundred (700) miles of sewers, five hundred eighty (580) miles of water mains, one hundred sixty (160) signalized intersections, three thousand (3,000) streetlights, ten thousand (10,000) catch basins, inlets, and drains, four thousand eight hundred (4,800) fire hydrants, three hundred ninety-eight (398) miles of alleys, sixty million (60,000,000) pounds of trash collected annually, and eleven million (11,000,000) pounds of leaves, brush, and yard waste collected. Horvath stated he is proud of the professionalism of his staff. The five different divisions are engineering, water, wastewater, streets, and solid waste. Water, wastewater, and solid waste are enterprise funds primarily covered by revenue and set rates. Horvath stated the increase in engineering by eleven percent (11%) is due to an increase in pay so the department can keep positions due to workloads increasing significantly. Horvath stated that water is up fifty percent (50%) and wastewater is up sixty-eight percent (68%), which is primarily driven by capital needs and making sure they are in alignment with the strategic plans. Horvath stated the need to keep up with the street plans that were rolled out three years ago with the repaving of streets has totaled more than there ever has been in the past. Horvath stated this is increasing the streets budget by sixteen percent (16%), with the bulk of the increase being capital driven. Solid waste has increased by one percent (1%).

Eric Horvath stated the proposed budget is one hundred forty-two million dollars (\$142,000,000.00), but the inter-fund transfers added to this brings the overall Public Works proposed budget to approximately one hundred seventy-seven million dollars (\$177,000,000.00). Horvath stated that strategic initiatives are primarily capital, and money is mostly spent directly on the water, and sewer infrastructure into buildings, streets, curbs, and sidewalks and storm sewer projects with a thirty-seven million five hundred thousand dollar (\$37,500,000.00) increase due to the capital increase from 2022 to 2023.

Eric Horvath stated other specific changes that were made to the budget to meet the needs of the residents, the Mayor, and the Council. This includes the continuance of street maintenance, alley stabilization, the Light Up South Bend program, the LED conversion program, curb & sidewalk replacement, and neighborhood traffic calming which is a quality-of-life initiative.

Kara Boyles stated there are nineteen (19) full-time employees in the engineering department with four vacant positions along with a one hundred thirty-four percent (134%) increase in capital work. Boyles stated there is an increase in salary and wages in the General Fund, which is reflective of a



new full-time position, as well as some increases in professional services, such as small projects and professional service agreements that may not be related to major capital projects. Boyles stated large increases are being proposed for personnel. Along with the increase in the budget for capital work, there are one hundred (100) to one hundred fifty (150) different projects each year that engineering is a part of, as well the department has reviewed two to three times that number in private developments, and redevelopment-type projects. Boyles stated the goals that the department is working on focus on the neighborhoods, public works projects, and engineering operations that include implementing a pilot alley maintenance program, setting realistic timeframes for project initiation and completion, and focusing on factors that impact successful projects.

Kara Boyles stated in 2021, the department did one hundred twenty-nine (129) lane miles at nine million six hundred thousand dollars (\$9,600,000.00). This current year, the department is doing one hundred twenty-five (125) lane miles at sixteen million nine hundred thousand dollars (\$16,900,000.00). Next year, the department is proposing to do one hundred thirty-nine (139) lane miles at six million seven hundred thousand dollars (\$6,700,000.00) which are reflected in the street improvement plan in 2020 and can create strategic capital. Engineering has been addressing two hundred thirty-four (234) backlog requests from 2018 to 2021. Engineering is currently in the process of getting ready to do a demonstration project trial of rubber speed humps throughout the city. The cost to procure twelve (12) rubber speed humps is cost-effective however the cost of the installation is not. Boyles stated the department put out a request for installations to at least twenty (20) different contractors along with collecting more speed data to further prioritize and finalize those specific plans. Boyles stated last year engineering had a budget of three hundred thousand dollars (\$300,000.00) with an additional one million two hundred thousand dollars (\$1,200,000.00) in ARP Funds. Boyles stated the future ARP requests of eight hundred thousand dollars (\$800,000.00) for next year regarding the five-year phasing program will not cover the backlog of requests. There is a plan for three million one hundred fifty thousand dollars (\$3,150,000.00) worth of work over five years in addition to more requests in 2022.

Kara Boyles started the Green Light program for various lighting initiatives. Boyles stated they had over one hundred six (106) applicants for the Lamp Post program this year. The LED conversion plan is a little over fifty percent (50%) complete with funding being the same request for 2023. Boyles stated the city-wide lighting plan is working with Innovation and Technology to develop a survey and a map that residents can provide input on where they see gaps and needs. Boyles stated it is a goal to coordinate the AEP next year as part of the Light Up South Bend program. Boyles stated for the annual curb and sidewalk program there is a similar funding level of seven hundred thousand dollars (\$700,000.00) this year and in 2022 the department supplemented the budget with one million two hundred thousand dollars (\$1,200,000.00) worth of ARP Funds to do twice as much as was done in the past. The first bid this year was forty percent (40%) over the budget which was based on estimates from the prior year. Boyles stated the program focuses on very poor conditions where there are trip hazards. The work is performed internally as well with the seven hundred thousand dollars (\$700,000.00) being the contracted portion. The proposed rate increase for water is due to the need for evaluation of the general water supply. The budget is two hundred fifty thousand dollars (\$250,000.00) for the comprehensive master plan.



Kara Boyles stated the service line replacement plan with the required public-facing inventory will help the department better understand the focus and priorities of the service line replacement. The Fellows Booster Pumping station is an eight million one hundred thousand dollar (\$8,100,000.00) capital project that will provide water from the central pressure zone to the south pressure zone which cannot operate fully on its own without the flow from the central pressure zone. The department has applied for SRF funding for the project but was not awarded funding due to rates being too low in comparison across the state. The two million (2,000,000) gallon equalization tank is the first project in the long-term control plan and will be constructed at the wastewater treatment plants including upgrades of pipes and outfall structure as well as the SCADA electrical backup power. This project is anticipating a five-year implementation period with a budget of eighteen million one hundred thousand dollars (\$18,100,000.00) along with a 2-year-plus construction window.

Kara Boyles stated the dissolved air flotation wastewater treatment plan focuses on the replacement of any of the three thirty (30) year-old units. Boyles stated the project's budget is two million dollars (\$2,000,000.00) and is a part of equalization which are all a part of the thirty-three million dollars (\$33,000,000.00) in the wastewater capital lines. Boyles stated the compressed natural gas (CNG) compressor project is also a part of the big capital project. The upgrade will allow the department to fill the eighteen to twenty (18-20) trucks over certain periods on the weekends to avoid supplementing CNG at Transpo. The improvements of the wastewater treatment plants also include hydraulic pipe improvements. Boyles stated the sewer manhole rehabilitation program with an annual budget of two million dollars (\$2,000,000.00), is to line and protect the sewers instead of out-right sewer replacements, to protect the integrity of the pipes and the keeping of the sewers in action during a real disturbance.

Kara Boyles stated the return of the review signal maintenance program to address signal operations and maintenance needs including repairs and replacements. Boyles stated the school zone safety program which includes professional service agreements with a consultant to look at each school in the city to understand how to better manage traffic. Boyles stated the dorm water project and the increase in budget to one million four hundred fifty million dollars (\$1,450,000.00) due to a backlog of neighborhood stormwater projects such as the stabilization project on Riverside Drive budgeting eight hundred thousand dollars (\$800,000.00) and the West Grace repair. Boyles stated the update on Coline Trail as Phase One is complete and Phase Two is out for bid with two phases: Phase Two A and Phase Two B. Phase 3 will be funded by MACOG for future years. The three projects at Muessel Primary, Holy Cross, and Our Lady of Hungary will go to bid next year. The estimated total cost for those projects is about two million five hundred thousand dollars (\$2,500,000.00) worth of curb and sidewalk work. Boyles stated the awarding of the Kennedy Safe Routes for School will be up for construction either in the fiscal year 2024 or 2025. The local projects will only require twenty percent (20%) of funding from the city and the remaining eighty percent (80%) will be from federal funding.

Kara Boyles stated the update on alley maintenance funds of one hundred eighty-nine thousand dollars (\$189,000.00) to look at different ways to maintain the paved and unpaved alleys with an introduction of a rating system. Draining will also need to be addressed. Boyles stated the Raise Grant was awarded to the City of South Bend. The grant is a three million dollars (\$3,000,000.00)



planning grant that the city provides twenty percent (20%) of the share to study the Eddy Street Corridor and the Cooper Street Bridge for improvement opportunities in the area.

Eric Horvath stated there is a large workload that is present. The new FTEs are to manage this workload along with the increase in salary for the City Engineer, the Deputy Director, and the Assistant City Engineer. Horvath stated the median salary for a Civil Engineer with seven years of experience is one hundred twenty thousand dollars (\$120,000.00) and with twelve (12) years of experience with a P.E., the median salary is two hundred twenty-two thousand dollars (\$222,000.00). The City needs to raise these salaries to stay competitive with the competing market. Horvath stated the Department of Public Works has decided to go back to having a Water Utility Director and a Wastewater Utility Director despite the salary burden. The department has been without a director for the last nine months. The reorganization is to bring consistency with the other city directors as well as inside the utility department. Horvath then proceeded to explain the different responsibilities of the Directors of Water Distribution, Customer Service & Billing, Water Operations, Wastewater Utility, Water Utility, Water Quality and Lab, Wastewater Maintenance, Wastewater Operations, Environmental Compliance, and SCADA. The goal is to make the pay more consistent with other directors in the city as well as across the board. The proposed 2023 budget for the Water Utility Department shows considerable increases in professional services as well as supplies and fuel. Water capital is proposed to increase from eight million nine hundred thousand dollars (\$8,900,000.00) to twenty million three hundred thousand dollars (\$20,300,000.00). The Water Utility Department requested a new FTE as a Project Manager with a proposed salary of fifty-nine thousand five hundred eighty-two dollars (\$59,582.00). This would be to manage the City's AMR water meters, as well as the new regulations from the EPA on lead service line replacement. Other large changes include the HTS increase for the Water Asset Specialist from forty-five thousand dollars (\$45,000.00) to fifty-four thousand dollars (\$54,000.00), which would be an increase of twenty-one point three percent (21.3%). There would also be a twenty-one point six percent (21.6%) increase in HTS for the Manager of Water Distribution S&R, bringing the salary from fifty-three thousand dollars (\$53,000.00) to sixty-five thousand dollars (\$65,000.00).

The increase in professional services for the 2023 budget allows for the Water Utility Department to make improvements to the SCADA communication. This also allows for an additional third well cleaning and evaluation and an evaluation and rehab of one high-service pump per year. The increase is also for legal fees related to water. The increase in other contractual services is due to an increase in costs related to Service Line Repair Program negotiated rates. The increase in the supply budget is due to a two hundred percent (200%) increase in treatment chemical costs as well as a fifty percent (50%) increase in fuel costs.

Eric Horvath stated the Water Utility Department is having issues around retention due to the forty percent (40%) turnover rate for the past five years. Outside the bargaining unit agreement, the department would add certification pay to keep staff, especially for the upcoming winter season. Horvath stated the salary and wages are up four point nine percent (4.9%) due to inflation.

The Wastewater Utility Department budget shows a decrease of thirteen point three percent (13.3%) but a thirty-eight point seven percent (38.7%) increase in supplies and a sixty-three point three percent (63.3%) increase in fuel. The wastewater/storm capital is proposed to increase from



nine million eight hundred thousand dollars (\$9,800,000.00) to thirty-three million eight hundred thousand dollars (\$33,800,000.00) which would be a two hundred forty-four percent (244%) increase. The Wastewater Utility Department 2023 budget would propose a total of fifty-eight million two hundred thousand dollars (\$58,200,000.00), which would be an increase from last year of sixty-seven point nine percent (67.9%).

The Wastewater Utility Department proposed a new General Labor FTE with a salary of thirty-six thousand dollars (\$36,000.00) to have someone go sort through the yard waste to find trash that shouldn't be thrown away with the yard waste. Additionally, Wastewater Utility is requesting a fourteen percent (14%) increase to the Director of Operations HTS and a three percent (3%) decrease to the Director of Wastewater Utility HTS.

Jitin Kain presented the 2023 proposed budget for the Streets Department and introduced the Streets Department personnel: Sean Ward - Director (absent), Tom Whitaker - Manager of Streets, Larry Parker - Manager of Sewers, Coby Deal - Manager of Traffic & Lightning. Kain then presented the changes to the Streets Department budget and stated the increase in salaries and wages by ten point eight percent (10.8%) is due to the new FTEs that have been added. The increase in training by seventy-five percent (75%) and travel by two hundred percent (200%) is due to the staff being unable to travel for training for the past two years due to COVID. There have also been increases in supplies, services, fuel, and traffic calming. The streets and sewers capital has increased thirty-two percent (32%) to accommodate for the addition of two new FTEs as well as the purchase of a sidewalk grinding machine. The Streets Department is proposing an increase of sixteen percent (16%) to the total budget bringing the 2023 proposed budget total to approximately thirty-four million five hundred thousand dollars (\$34,500,000.00).

Kain stated the two new FTEs for alley grading are Heavy Equipment Operators I, who will be responsible for the alley grading. There are currently only two FTEs that oversee alley grading and are currently able to do eighty to one hundred (80-100) alleys a year. The goal is this increase in personnel will double the City's alley grading capability. There is also a new FTE for an Electrician and a new FTE for a Signal Tech II to assist with traffic and lighting. They would work to address street lighting and signal maintenance with the Traffic and Lighting Team which currently has a crew of nine workers. The goal of the two additional employees is to help the crew be more efficient with street lighting and signal maintenance which will add to the efficiency of street paving, leaf pickup, and snow plowing.

Kain stated the Streets and Sewers Department is having issues retaining enough CDL drivers for this winter and the following years. The city lost five CDL drivers in a month due to employees moving to better pay and hiring bonuses. The Streets and Sewers Department is looking to hire and train new CDL drivers due to the department's deficit.

Jintin Kain introduced the Solid Waste Department's organizational structure: Kelly Smith – Director, Ernest Taylor – Superintendent V, Terry Malone – Superintendent V. The Solid Waste Department's total budget shows one percent (1%) increase; however, repairs and maintenance are adding to an increase in expenses. This is mainly due to a cost increase in supplies and fuel. Kain stated the decrease in the capital plan is due to having to reduce the number of solid waste trucks; the plan originally stated five trucks, but the department is reducing it to four due to the increased



cost of solid waste trucks as well as the procurement time. The average cost of a solid waste truck is usually three hundred seventy-five dollars (\$375,000.00), however, this year the same truck is being bid out for four hundred twenty-five thousand to four hundred seventy-five thousand dollars (\$425,000.00-\$475,000.00). The time to procure a truck has also increased from four to five months to approximately a year.

Jitin Kain showed images depicting what an average truck's contamination load looks like. There will be an increase in education next year thanks to grant funds, and the City has already sent out postcards to educate residents about yard waste. The Solid Waste Department will work with AmeriCorps to develop a pilot that will tag bins that have been contaminated so the driver will not continue to pick up from that location/bin to prevent more contamination. Kain stated the strategic initiative in solid waste is to use electric trucks, starting a pilot to use at least one or two vehicles next year. The department is currently looking at federal grants to support the initiative that covers up to seventy-five percent (75%) of the cost of a new truck, and up to fifty percent (50%) for charging infrastructure.

Committee Chair Niezgodski thanked the presenters for the presentation and requested questions and comments from the council.

Council Member Karen White thanked the staff for the presentation and the attention to the alleys. White suggested for additional individuals be involved to begin to address some of the other conditions going on with the alleys.

Horvath stated Public Works can investigate partnering with Code Enforcement to start a pilot that would allow them to go through and clean up alleys after Public Works is finished grading them.

White asked if there is an update on the national infrastructure coming to different states and cities and if there are any updates on the consent decree.

Eric Horvath replied the department is tracking a lot of grant opportunities from that I. J. A. that will be routed through the state. The three-million dollar (\$3,000,000.00) R. A. I. S. E. grant the City received came from the I. J. A. for planning. The State Revolving Fund that is covering a lot of water and wastewater dollars comes from the Indiana Finance Authority. Horvath stated the department is hoping to get a better borrowing rate to doing bonds themselves or from having some of the funds becoming forgivable, making them grant monies. Horvath stated the consent decree is signed at two hundred seventy-six million dollars (\$276,000,000.00) for a twenty (20) year plan. Horvath stated regardless, Public Works will continue to look for opportunities with the I. J. A.

Jitin Kain stated the department is consulting with a firm to put together a strategic plan which identifies the needs of every city department's capital project infrastructure and to see what kind of monies may be coming directly from the federal and state government. The plan is to help identify funding sources/opportunities and to make sure the department applies for those grants with competitive applications. Public Works is already applying for grant opportunities and the strategic plan will help them be better prepared as funds roll out later this year.



Committee Member Eli Wax asked if this is the time to invest in CNG as the potential to upgrade to electric trucks is becoming more prevalent.

Jitin Kain replied that the department has already invested heavily in CNG and that all the fleet in solid waste is CNG. Kain stated the CNG compressor is completely unreliable currently and that is why the compressor is proposed. The pilot is to allow the purchase of one electric truck, which will take several years before the whole fleet is converted. Because of this, purchasing compressor upgrades or replacements makes sense.

Committee Member Wax asked if there is a cheaper compressor

Jitin Kain replied the team is looking for a cheaper compressor if not a smaller one or looking to upgrade the existing compressor. Kain stated the budget amount presented is not the price of the compressor.

Eric Horvath stated that the gas in the trucks currently is not CNG, but RNG which operates on methane from human waste. The CNG compressor is to compress the RNG into the vehicles every night. The federal government gives the department rebates for using methane as fuel for the trucks totaling around one hundred twenty-five thousand dollars (\$125,000.00) annually. Horvath stated the trucks cannot completely use RNG because the compressors are not big enough and CNG at Transpo is typically being used to subsidize the resource.

Committee Member Wax asked for more information on the streetlamp post-program and if they are for primarily targeted neighborhoods.

Kara Boyles stated the program is for identified targeted areas and the city has covered the cost.

Eric Horvath stated the program is subsidized so anyone can get a post and the City will cover half of the costs. If it is in a targeted area, the subsidy will be greater.

Committee Member Wax asked if the city is working on only regular street lighting in areas where there isn't good lighting.

Kara Boyles replied that once the LED conversion data is processed then the department will start to conduct surveys and neighborhood input to look at gaps throughout the City.

Committee Member Wax clarified that the City is currently waiting on the LED conversion data, but the City would look to explore putting in new lighting.

Kara Boyles replied that is correct.

Committee Member Rachel Tomas Morgan thanked the city for the traffic calming strategies including striping the parking lanes. Tomas Morgan asked what the logic is for being denied funds due to low water rates.



Eric Horvath stated there is a prescriptive set of things and the city did not score high compared to the overall rating scheme across the states due to the rates being much lower than other entities. This results in getting a greater discount on borrowing. Due to the City's rates increasing, Public Works will be more likely to use the S. R. F. program in the future.

Council Member Davis thanked the department for the presentation. Davis stated his questions are in the virtual chat and emailed to the Council and the department.

Council Member Lee thanked the department for the presentation. Lee asked what the alternatives are for residents when they have the wrong items in the yard waste bins.

Committee Chair Niezgodski asked for the Council to email their questions due to audio issues.

Citizen (Inaudible first name) Hinesburg, 2633 Arrowhead Drive, South Bend, thanked the department for its presentation. Citizen is grateful for the efforts being put forth in sidewalk repairs. Hinesburg asked if there is a way for the department to look at renters who may not have the opportunity for the special pick-up once a month to be able to get one outside of the landlord.

Jitin Kain replied that the question makes a good point and stated there is a history of renters moving and putting more waste than allotted, leaving the landlord responsible for the waste. Kain stated that the department is always looking for ways to improve the life of the residents and if they can allow a landlord to authorize a renter for a special pick up then the department will investigate it.

Jim Bogner 807 West Washington Street, South Bend Indiana 46601, stated the citizens wanted the LED lighting for the city and thanked the staff. Bogner stated there is a legacy of place costs, and the department is losing a lot of good people. There are parts of the country where citizens can't drink the water that comes out of the tap, and Public Works need to be supported and should be given whatever they want.

John Mites 735 Portage Avenue, South Bend, Indiana, asked what the feedback has been from the public regarding the LED lights in the Portage neighborhood, and that he has concerns.

Eric Horvath stated the advantages of LED lights in the city include that they are more efficient and last a lot longer, so the City doesn't have to replace them as often. The lights are three thousand Kelvin (3,000K) meaning they are a yellowish color that gives off better visibility than the four thousand five hundred Kelvin (4,500K) white lights. Some of the feedback around LED lights has been that they are too bright, so the City has put reflectors on the backside of the light to keep the light shining into the streets where they are supposed to and not into someone's house. If citizens have any concerns they should reach out to Public Works, but so far most of the feedback has been positive. The lights are also night sky compliant.

Committee Member Tomas Morgan stated that she echoes Jim Bogner's comments.

Committee Member Wax stated that Public Works keeps the city going and expressed his appreciation for their work.



Council Member White thanked the department for its efforts and for meeting the City's expectations.

Committee Chair Niezgodski thanked the Department of Public Works for the presentation. Niezgodski stated the presentation gave a lot of information and that she will share the online councilmember's questions with the Department. Niezgodski thanked Public Works for their time and hard work.

With no further business, Committee Chair Sheila Niezgodski adjourned the Personnel and Finance Committee meeting at 6:56 p.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sheila Niezgodski". The signature is written in a cursive, flowing style.

Committee Chair Sheila Niezgodski