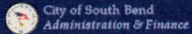


**2024 Budget Hearing #1:
Budget Overview**
2025 Budget
August 14, 2024



1

Strategic Priorities

Strong Neighborhoods	Safe Community for Everyone	Robust, Sustainable Infrastructure
Equitable Access to Opportunity	Youth and Workforce Development	



2


Filed in Clerk's Office

AUG 14 2024

Bianca Tirado
City Clerk, South Bend, IN


Budget Context

<p style="text-align: center;">Macroeconomy</p> <ul style="list-style-type: none"> • Inflation has stabilized, prices remain high • Continued growth, lower interest rates ahead • Competitive wages continue to climb faster than revenue growth 	<p style="text-align: center;">City Financial Position</p> <ul style="list-style-type: none"> • Growing revenue, healthy reserves • Need to grow into existing budget, making additional cuts wherever possible • Structural deficit makes new, ongoing expenditures unsustainable • Budgeted deficit is not an actual deficit. 	<p style="text-align: center;">Policy Outlook</p> <ul style="list-style-type: none"> • New federal spending unlikely • State road funding formula • State tax reform proposals
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 City of South Bend
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Competing Priorities

<p style="text-align: center;">Eliminate Budgeted Deficit</p> <ul style="list-style-type: none"> • Elimination of ARP and nontraditional services • Cuts to basic services or new revenue 	<p style="text-align: center;">Increase Basic Services, Reduce ARP/Other Nontraditional Services</p> <ul style="list-style-type: none"> • Elimination of ARP and nontraditional services • Prioritization of some basic services <p style="text-align: center;"><i>or</i></p> <ul style="list-style-type: none"> • New revenue 	<p style="text-align: center;">New Programs and Services</p> <ul style="list-style-type: none"> • Cuts to basic and nontraditional services <p style="text-align: center;"><i>and</i></p> <ul style="list-style-type: none"> • New revenue
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Selected Highlights

Safe Community for Everyone	Strong Neighborhoods and Infrastructure	Good Government
<ul style="list-style-type: none">• Expansion of Community Resource Officers and Strategic Focus Unit (full staffing level of 257 sworn officers)• Expansion of real time crime center operations and technology• Continued investments in homelessness strategy• Animal Resource Center• Upcoming fire negotiations	<ul style="list-style-type: none">• Continued funding above historic levels for Rebuilding Our Streets• Parks and neighborhood projects• Vibrant places grant• IGNITE grants• Neighborhood plan for Twyckenham Hills• MLK Dream Center operations• All-of-the-above housing strategy	<ul style="list-style-type: none">• Latest best practices in Innovation & Technology• Cost of living adjustments to attract and retain talent, Teamsters negotiation• Climate Action Plan• Improved experience in public spaces



Financial Overview

Proposed 2025 Budget



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Cash Reserve Requirements

Fund Category	12/31/2024 Projected Cash Balance	Cash Reserve Requirement	Variance	Reserve Requirement Explanation
General Fund	100,899,175	54,411,751	46,487,424	50% of annual operating expenses
Local Income Tax Funds – Public Safety & Economic Development	30,078,645	11,094,983	18,983,662	Generally, 50% of annual operating expenses
Special Revenue Funds	62,629,836	3,268,692	59,361,144	Rainy Day Fund - 3% of total City expenses
Capital & Debt Service Funds	17,818,646	5,270,338	12,548,308	Debt Service Reserves
Internal Service Funds	24,714,798	5,205,831	19,508,967	Reserve requirement is for self-insured funds
Enterprise & Other Funds	127,599,014	26,762,882	100,836,132	

2025 Projected Revenues


	2021 Actuals	2022 Actuals	2023 Actuals	2024 Amended Budget	2025 Proposed Budget
Property Taxes	55,516,953	58,019,715	61,739,306	65,178,717	69,930,540
Local Income Taxes	35,733,172	31,464,266	44,541,348	41,439,340	47,369,788
Charges for Services	105,060,688	110,825,456	114,705,082	123,589,568	123,496,462
Debt Proceeds	27,792,114	20,602,267	4,913,200	26,573,000	18,063,997
Donations	4,581,762	3,523,560	4,721,935	9,720,560	1,383,000
Fines, Forfeitures, and Fees	662,297	646,218	664,440	744,420	781,840
Interest Earnings	1,398,903	3,926,913	7,982,221	12,411,286	6,078,935
Intergov./ Grants	39,944,433	39,837,702	8,738,061	4,489,368	5,179,662
Intergov./ Shared Revenues	25,595,557	25,298,818	27,529,359	30,670,188	29,156,740
Licenses & Permits	1,821,899	2,240,128	2,348,304	1,930,707	2,588,372
PILOT	6,154,321	6,079,325	6,095,594	6,024,186	5,765,661
Other Income	5,316,366	6,178,396	5,643,414	3,108,272	3,564,079
Interfund Transfers In	57,632,946	46,216,472	53,946,233	76,607,072	61,893,928
Interfund Allocation Reimb	25,124,917	25,996,674	26,659,591	30,402,622	32,722,479
Grand Total	392,336,327	380,855,910	370,228,088	432,889,306	407,975,483

City of South Bend
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2025 Proposed Budget

Total Revenue (City):	\$407,975,483
Total Expenditures (City):	<u>(\$423,414,212)</u>
Net Surplus/(Deficit):	(\$16,527,231)

- Deficit Breakdown:
 - General Plus Funds Deficit: **\$7,738,646**
 - Other Governmental Funds Surplus of \$4,087,760 reduces total Governmental Fund Deficit to **\$3,650,886**.
 - Enterprise Funds Deficit: **\$12,876,345**
 - (Spend down of Internal Service fund balances across various funds (\$2.1m), and transfer of funds across Water and Sewer funds for capital and debt service expenditures, (\$10.7m).



City of South Bend
Administration & Finance
Note: Excludes Redevelopment Commission

2025 Proposed Budget

- General Plus Fund Deficit:
 - Subsidies for Streets Department capital and operational expenditures.
 - Subsidize Parks operations
 - Expenditures for the Real-Time Crime Center and cameras for the Fire Department and City Parks.
 - Increased operating costs due to inflation and increased salaries and wages
- General Plus Fund History:

General Plus Funds Budget:					
2022		2023		2024	
Budget	Actual	Budget	Actual	Budget	6/30/2023 Actual
\$6.3m	\$2.7m	\$13.1M	\$9.28M	\$16.1M	\$5.2M
Deficit	Surplus	Deficit	Surplus	Deficit	Surplus

- Actual revenues were higher than budgeted amounts
- Cost savings (particularly in personnel and some departments spending roughly 70 – 75% of their actual budgets.)


City of South Bend
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2025 Proposed Budget

	2021 Actual	2022 Actual	2023 Actual	2024 Amended Budget	2025 Proposed Budget
01 Mayor's Office	1,716,896	2,132,797	869,934	1,109,306	1,180,862
02 City Clerk	477,787	433,836	424,275	492,180	510,538
03 Common Council	538,882	509,239	599,639	888,100	941,725
04 Administration & Finance	35,073,661	52,290,061	41,613,850	47,995,436	51,511,576
05 Legal Department	1,227,132	1,303,534	1,441,171	1,731,678	1,807,343
06 Public Works	93,949,799	82,035,216	74,748,032	109,085,221	112,879,294
07 Innovation & Technology	9,183,704	9,298,919	9,420,931	13,056,860	15,011,232
08 Police Department	42,044,556	43,031,323	46,162,859	51,624,354	55,143,126
09 Fire Department	35,767,842	38,290,606	41,819,635	43,376,051	43,644,774
10 Dept of Community Investment	19,419,521	27,676,663	16,795,208	22,712,628	22,414,361
11 Venues, Parks & Arts	22,403,068	36,461,432	36,759,065	31,842,727	33,717,369
Grand Total	261,802,847	293,463,626	270,654,599	323,914,541	338,762,199

City of South Bend
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* Amounts do not include interfund transfers

Personnel Assumptions

- **Non-bargaining personnel:** 3.00% raise
- City Residency Incentive: \$2,000
- **Sworn Firefighters:** TBD raise (per new contract)
- **Teamsters:** TBD raise (per new contract)
 - City Residency Incentive: \$2,000
- **Sworn Police Officers:** 4.25% raise (per current contract)

City of South Bend
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Format of Budget Hearings

2025 Budget



Budget Hearing Schedule

Date	Time	Topic
Wednesday, August 14, 2024	5:30 PM	2025 City-Wide Budget Overview
Wednesday, August 21, 2024	5:30 PM	Police Department & Fire Department
Wednesday, August 28, 2024	5:30 PM	Venues Parks & Arts
Wednesday, September 4, 2024	5:30 PM	Public Works
Wednesday, September 11, 2024	5:30 PM	Council Working Session #1
Thursday, September 12, 2024	5:30 PM	Community Investments (DCI)
Wednesday, September 18, 2024	5:30 PM	Admin & Finance, Legal Department, and Innovation & Technology
Wednesday, September 25, 2024	5:30 PM	Mayor's Office, Diversity & Inclusion, City Clerk, Common Council
Thursday, September 26, 2024	5:30 PM	Transpo, Budget Wrap-Up and Final Questions
Monday, September 30, 2024	7:00PM	Public Hearing – City Budget
Thursday, October 3, 2024	5:30PM	Council Working Session #2

Format of 2025 Budget Packets

- Copy of each PowerPoint Presentation (submitted at least 24hrs before scheduled budget hearing)
- Budget Summary Sheet
 - Summary of Spending
- High-level summary of proposed personnel changes