



# OFFICE OF THE CITY CLERK

## BIANCA L. TIRADO, CITY CLERK

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### PERSONNEL & FINANCE

SEPTEMBER 4, 2024 5:30 P.M.

Committee Members Present:

Sheila Niezgodski, Canneth Lee, Rachel Tomas Morgan, Angela Smith, Ross Deal, Karen White, Troy Warner\*

Councilmembers Present:

Ophelia Gooden-Rodgers

Councilmembers Absent:

Sharon McBride, Sherry Bolden-Simpson, Dr. Oliver Davis

Others Present:

Bianca Tirado, Matthew Neal, Samuel Turck, Talia Thorton, Bob Palmer

Agenda:

Public Works Budget Presentation

Members marked with an asterisk (\*) are in virtual attendance.

Please note the attached link for the meeting recording:

<https://docs.southbendin.gov/WebLink/browse.aspx?mediaid=382881&dbid=0>

Please note the attached link for the meeting presentation:

<https://docs.southbendin.gov/WebLink/0/foi/385129/Row1.aspx>

Committee Chair Sheila Niezgodski called to order the Personnel & Finance Committee meeting at 5:30 p.m.

Committee Chair Sheila Niezgodski provided information regarding the 2025 Budget Overview process. City Residents can access the City Budget Survey to provide their input using the following link: <https://southbendin.gov/budget/>. Additional questions pertaining to this meeting or the budget hearing can be emailed to the Personnel and Finance Committee Chair, Sheila Niezgodski, at [sniezgodski@southbendin.gov](mailto:sniezgodski@southbendin.gov) and they will be directed to the appropriate department. The Final Budget Hearing is scheduled for October 14, 2024.

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CHIEF DEPUTY CITY CLERK

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## **2025 Public Works Budget Presentation**

Erik Horvath, Director of Public Works with offices on the 13<sup>th</sup> floor of the County-City Building gave an overview of the budget plan for 2025. Erik Horvath introduced Deputy Director Jitin Kain, Director of Wastewater Kim Thompson, City Engineer Dr. Kara Boyles, Assistant City Attorney Michael Schmidt, Director of Water Utilities Matt Bussell, Marketing Director Cara Grabowski-Brown, and Director of Solid Waste Management Kelly Smith. Erik Horvath thanked Kyle Willis, Terry Swift, and Ron O'Connor for their work in putting this budget together.

The presentation will be structured into seven (7) parts, an overview of the Public Works Department, highlighting the Common Councilmember's priorities, and then breaking down each budget for the five (5) divisions within Public Works. Sean Ward is the Director of Streets & Sewers. Streets & Sewer is primarily funded by Motor Vehicle Highway (MVH) and the gas and wheel tax known as the Local Road and Street (LRS) formula. Engineering is primarily funded by Fund 101, the General Fund but also has allocations from many different departments. Water, Wastewater, and Solid waste are all funded by Enterprise funds, the revenues from these departments completely fund themselves.

Public Work's mission is building the foundation for a thriving city. This includes providing essential services such as snow removal, street sweeping, clean water, treating the wastewater before it goes into the St. Joseph River. Developing sustainable assets and infrastructure which will enhance the community's quality of life.

Erik Horvath gave an overview of the Common Councilmember's priorities. Investment into repairing the City's streets is the top priority, which has seen unprecedented investment in the last three (3) years from the City's administration. The Streets Plan has brought more investment into the City's infrastructure in the last five (5) years than in history of the City. The Common Council would like more traffic calming and speed reduction in the City. Erik Horvath stated that this is very difficult as the funding for traffic calming and speed reduction comes from the same places as paving streets, sewers, traffic calming, and lighting. The Police Department increasing speed enforcement has been a large help in speed reduction. Increasing funding for curbs and sidewalk repairs will happen, it will be about the same amount of funding from 2024 which was an increase from 2023. The budget will see investment in modernizing the water and wastewater systems. The regulatory goals will be met in accordance with the City's Combined Sewer System (CSO) consent decree and specific provisions in the Safe Drinking Water Act. Increasing funding for street cleaning will not happen, street cleaning funding will remain at a similar level to 2024. Every street gets swept twice a year. Automatic Vehicle Location (AVL) will be added to the sweepers which will track them to ensure every street will be swept twice a year. If there are cars parked on the street it makes it difficult to clean them, also large items of trash cannot be cleaned by the street sweepers. Public Works will have a marketing campaign next year to highlight the importance of bagging all of your trash. If loose trash is in the bin, when the garbage trucks pick up the bins, wind could scatter it on the street if it is not properly bagged.

The Engineering Division manages over two hundred (200) projects across all of the essential services the City offers. Salaries and wages for the Engineering Division in 2025 will be two



million five hundred thousand dollars (\$2,500,000). This is a six percent (6%) increase from 2024. This increase is due to a three percent (3%) increase for all individuals in Engineering and one (1) position receiving a higher than standard increase. Fringe benefits will increase nine percent (9%) due to healthcare costs increasing. This will be a common theme across all of the divisions in Public Works. Professional Services will increase two percent (2%) despite a seeming decrease of seven million dollars (\$7,000,000). That seven million dollars (\$7,000,000) came from the University of Notre Dame and the Hotel Motel Tax which was for one (1) specific project the South Bend Ave and Northern Ave project. Fifty thousand dollars (\$50,000) of the Repairs and Maintenance budget is for alley repairs and maintenance. The Capital Budget of one thousand and seventy-eight dollars (\$1,078) is for repairing the City's fuel site, which every department in the City is contributing funds towards. Interfund Allocations increased eleven percent (11%) which will be similar among all of the divisions. Those are allocations to IT and Admin. Other programs managed in Engineering include paving and the Light Up South Bend project. Paving in 2025 will be four million and one hundred thousand dollars (\$4,100,000). There will be zero (0) dollars coming out of the Major Moves Fund or Fund 412 which was money from a toll road operated by Public Works which saw little success in 2024. Some of the money out of Fund 412 was loaned for the Eddy Commons project so the fund will be payed back over the next two (2) years. Total Paving in 2025 will be nine million dollars (\$9,000,000), in 2024 it was eight million dollars (\$8,000,000). The Light Up South Bend project will see a two percent (2%) increase in 2025. Every area in town has been mapped for lighting needs. The Lampost Reimbursement program has been successful, the cost shares will remain the same as in previous years, fifty dollars (\$50) for targeted areas and two hundred and fifty dollars (\$250) for other areas of the City.

In 2023 Traffic Calming was partly subsidized by American Rescue Plan (ARP) funds which brought it to nine hundred thousand dollars (\$900,000). Traffic Calming and Signals will total five hundred and fifty thousand dollars (\$550,000) in 2025. Two hundred and fifty thousand dollars (\$250,000) will be used for traffic calming, three hundred thousand dollars (\$300,000) will be used for traffic signal upgrades. Fund 251 known as Local Road and Street Fund will be used for traffic calming and signal upgrades. Curb and Sidewalk repairs will total one million six hundred thousand dollars (\$1,600,000). Council allocations will be similar to 2024 totaling either one thousand (1,000) feet of curb repair or two thousand five hundred (2,500) feet of sidewalk repair. Erik Horvath stated that the Common Council should get their selections in early on Geographic Information System (GIS) to help Public Works get bids out earlier to ensure a better price for the City. The Curb and Sidewalk Reimbursement program has different reimbursement rates on a case-by-case basis.

Personnel changes include one (1) new Full Time Employee (FTE) which is a Project Inspector. This will save money due to inspections being done by the City compared to outsourcing them. The Fire Station Eight inspection would have cost the City three hundred thousand dollars (\$300,000) if it was outsourced. The title of the Director of CSO Project Management position will be changed to the Director of Project Management to give the position a broader range of responsibilities. The title of Manager Public Construction will change to the Director of Project Management. This change includes a higher than standard increase in salary. This is an individual



who is personally responsible for all of the parks projects which totals to over thirty (30) projects citywide.

Streets & Sewers also include Traffic & Lighting. They maintain over seven hundred (700) miles of sewer, one thousand two hundred and sixty-two (262) lane miles that need to be swept, plowed, repaved, and repaired. One hundred and sixty (160) signaled intersections, thousands (1,000s) of street signs, thousands (1,000s) of feet of street lines, three thousand (3,000) street lights, and four hundred (400) miles of alleys. Leaf pickup is also conducted by this staff. This division is primarily funded by MVH and the gas and wheel tax. MVH generates six million, five hundred thousand dollars (\$6,500,000) of revenue per year. LRS generates a couple of million dollars per year. This is subsidized close to ten million dollars (\$10,000,000) per year through LIT. Erik Horvath stated that road funding is hard to come by, and it is a nationwide problem. Salaries and Wages will go up seventeen percent (17%). This is due to a nine percent (9%) increase in Teamsters salaries and a three percent (3%) increase in non-bargaining employees. Two new positions will be added that are both Teamsters positions. Repairs & Maintenance will go up eight percent (8%) this increase is due to inflation. Fringe Benefits will increase due to the price of health insurance increasing. Debt Service Interest and Fees and Debt Service Principal is up considerably due to the repairs needed for the City's fuel site. The Internal Paving Budget will be from Fund 266 or the MVH Restricted Fund. The State restricted MVH funds so that they could only be used for certain capital paving projects. Signals and Streetlight Maintenance funding will be divided from Fund 202 and Fund 266 as the dollars from Fund 266 cannot be used for certain streetlight maintenance. Most of this maintenance is caused by distracted drivers. There will be two (2) new FTEs with the title of OP-Techs – T&L. These positions will do sign repair and manufacturing as well as working special events. There will be a title change for a Operator III – Sewers to Job Leader. This title change will have a three (3%) percent pay increase.

Water Utilities pumps over five (5) billion gallons of water every year. They are responsible for operating and maintaining over six hundred (600) miles of water mains, as well as all of the fire hydrants in the City. Salaries and Wages are increasing six percent (6%). Other Charges and Services went up eleven percent (11%) due to compliance with the American Water Infrastructure Act's requirements and cybersecurity upgrades. PILOT went down. Professional Services went up. Repairs and Maintenance went up thirteen percent (13%) due to repairs needed at the water treatment facility. Interfund Allocations increased eight percent (8%). Interfund Transfers Out went down significantly due to the ongoing obligation to move money from Fund 620 to the Debt Service Sinking Fund. In addition four hundred thousand dollars (\$400,000) will be moved to the Capital fund named Fund 622. Erik Horvath stated improving cybersecurity is increasingly important to the water and wastewater industry. The wastewater industry is becoming more and more reliant on automation and system controls at wastewater treatment plants. Sixty thousand dollars (\$60,000) of additional funding for cybersecurity has been added. Twenty-five thousand dollars (\$25,000) for a study to enact the American Water Infrastructure Act will also be added. There is one (1) change in personnel which is a title change/promotion of a Project Manager to the Director of Water Quality & Laboratory. The City operates a Class four (4) wastewater treatment plant which processes forty-eight million (48,000,000) gallons of wastewater per day. The plant can handle peak flows of up to seventy-seven million (77,000,000) gallons of wastewater per day.



They are currently working to get the plant to be able to handle one hundred million (100,000,000) gallons of wastewater per day. There is a new three million (3,000,000) gallon storage tank currently under construction which will allow the plant to take combined sewage rather than send it into the St. Joseph River. This treatment plant treats about thirteen billion (13,000,000,000) gallons of wastewater every year. There are forty-nine (49) lift stations throughout the system. The system works on gravity the majority of the time, but at a certain point they have to pump it up and let gravity take it again. Salaries and Wages are increasing six percent (6%) due to two (2) higher than standard increases and all other wages increasing. Fringe Benefits went up six percent (6%). Supplies went up twenty-three percent (23%) due to chemical price increases, and the plant completing some internal projects. Rather than do a large capital project the division decided to keep the cost in supplies. These projects include check valves and vacuum mixers which the staff will install. Other Services & Charges increased thirteen percent (13%). Professional Services went up due to increased consulting costs. Repairs and Maintenance increased fifteen percent (15%). Travel went down slightly. Utilities increased two percent (2%). Bad Debt is staying the same. Interfund Allocations increased six percent (6%). Interfund Transfers Out increased twenty-seven percent (27%). Eight million, four hundred thousand dollars (\$8,400,000) of that transfer goes to support debt service and the other ten million dollars (\$10,000,000) goes to support capital. They decided to cover the cost of these projects due to the projects being too small to bond. The Department had the cash to cover these projects. The Repairs and Maintenance increase is due to additional sensors for the plant and collection system. A digital twin of the plant is being developed to give the operators a better understanding of how the plant works. Lift station repairs are required on a regular basis. The National Pollutant Discharge Elimination System (NPDES) permit will be renewed as is required every five (5) years. The Interceptor Line will be cleaned. This is the largest line bringing wastewater into the plant, it is nine-six (96) inches in diameter. The Interceptor Line is too large to be cleaned by the City staff. CSO repairs will be completed in 2025. There will be a Risk Management Plan onsite evaluation which is required by the EPA due to chlorine sulphur dioxide being at the plant. The CSO tank will be bonded, but the design services will be paid for using the Capital Fund. That first payment will be three million, two hundred and fifty thousand dollars (\$3,250,000). The Sage Road lift station requires two million, five hundred thousand dollars (\$2,500,000) of maintenance. CSO 035 Outfall repair will be five hundred thousand dollars (\$500,000). There will be one million, one hundred thousand dollars (\$1,100,000) of repairs on hydraulic improvements at the wastewater plant.

Personnel changes include changing the Maintenance Electrician position to an Electrical and Instrumentation Manager. This includes a raise to eighty-three thousand and two hundred dollars (\$83,200) a year. This position will be a licensed electrician and a Teamster position. The plant recently lost an electrician to another municipality due to a pay increase. Erik Horvath stated that the City must remain competitive with salaries to retain employees. The Director of SCADA Info Systems will receive a seven percent (7%) raise.

The Solid Waste division picks up over sixty million (60,000,000) pounds of trash every year, and over eleven million (11,000,000) pounds of yard waste a year. Erik Horvath stated that there had been a large amount of turnover of staff in Solid Waste. This has been fixed by increasing wages even outside of the collective bargaining agreement process. Salaries and wages are increasing



seven percent (7%). Fringe Positions are increasing eight percent due to healthcare costs increasing. Supplies are increasing three percent (3%). Education Training is increasing two percent (2%). Other Services and Charges are increasing slightly due to increased costs in trash disposal. Travel is increasing due to the supervisors attending industry trainings in 2025. Bad Debt has gone up considerably, which is what is written off when the City doesn't receive trash pickup payments from the residents. Interfund Allocations will be increasing by seven percent (7%). Interfund Transfers Out will increase by twenty-one percent (21%). This is due to the purchasing of trash trucks which can take up to two (2) years to receive. At the beginning of 2024 Solid Waste purchased the trucks for 2024 and 2025. The increase in 2025 is due to those lease payments increasing.

Committee Chair Niezgodski looked to the Committee for questions.

Citizen Member Ross Deal asked where the Public Works Department is in their effort to reduce CSOs.

Erik Horvath stated that the City's plan to separate the sewer system is ongoing and as of September 4, 2024 fifty percent (50%) of the system is separated. One hundred and fifty million dollars (\$150,000,000) has currently been spent on this project. The project was going to be too expensive moving forward, so the decision was made to wait and look for a better path forward. The City has implemented the Smart Sewer System that gave them additional flexibility, which allowed the consent decree to be renegotiated to two hundred and seventy-five million dollars (\$275,000,000) over twenty (20) years. Most of this funding will go into overflow storage, some will go into sewer and plant modifications. The next project will be fifty million dollars (\$50,000,000) at Randolph Sampson. This is at the beginning stages as the renegotiations ended two (2) years ago on the new twenty (20) year plan. Erik Horvath stated this plan will save half a billion dollars (\$500,000,000), and is also better for the environment.

Citizen Member Deal asked what is the number of CSOs before the new plan was implemented and after it was implemented.

Erik Horvath stated that the City has the same number of CSOs, but has decreased the amount of overflow by eighty percent (80%). Before the implementation there was about two billion (2,000,000,000) gallons of overflow a year. After the implementation in a typical year of rainfall which is around sixty (60) inches of rain per year is four hundred million (400,000,000) gallons of overflow

Committee Member Canneth Lee thanked the Public Works staff for their work. Committee Member Lee asked how much traffic calming can be done with two hundred and fifty thousand dollars (\$250,000).

Erik Horvath stated that much more money than two hundred and fifty thousand dollars (\$250,000) will go into traffic calming through other efforts such as redesigning intersections and streets. That two hundred and fifty thousand dollars (\$250,000) will net two speed humps per Common Council District.



Committee Member Lee asked how can the City better address streets that have gone unpaved for over thirty (30) years.

Erik Horvath stated that the City has put unprecedented amounts of funding into restoring the City's streets. The City uses the Pavement Conditions Index (PCI) to rate what streets should be repaved next. Roads are repaved based on condition not age. The PCI ratings are done every year.

Committee Member Rachel Tomas Morgan asked what is the status of the rebuilding our streets plan. The first (1<sup>st</sup>) goal was to repave all of the failed streets, what percentage of those failed streets have been repaved.

Erik Horvath stated that it is a slow process. All of the failed streets have been repaved. The PCI score for streets currently being repaved is in the mid thirties (30s) out of one hundred (100). Maintenance of the streets has also increased some examples are crack sealing and micro-surfacing. In 2024 so far there has been over sixty (60) miles of crack sealing. This is an inexpensive approach to increase the longevity of the roads. The PCI rating will slowly increase over time.

Committee Member Tomas Morgan can the number of miles of roads paved and repaired each year be made available.

Erik Horvath stated that information is on GIS and he will look into it and get back to the Council.

Citizen Member Angela Smith asked if the City will continue providing wastewater services to new developments outside of the City with the maintenance problems that already exist in the largest wastewater line going to the water treatment plant.

Erik Horvath stated that it helps the City as the developments are paying for the upgrades that bring those services to the developments. The problems with the large line comes from hydrogen sulfide build-up, and additional flow would reduce that.

Citizen Member Smith stated that the sidewalk repair reimbursement program cannot currently be used in areas that do not have a sidewalk. She suggested that the City fund a program to install sidewalks in older areas of the City that have never had sidewalks.

Erik Horvath stated that the policy is not to allow reimbursement to areas without sidewalks, but in certain cases they do. There are specific projects to install new sidewalks, one (1) of these projects was done in 2024 on Ironwood Drive.

Councilmember Ophelia Gooden-Rodgers asked how the streets on the west side can be improved, and what materials are being used to repave the roads.

Erik Horvath stated that the process of using the PCI rating is designed to take out any bias or subjectivity in the repaving process. The PCI rating is fairly consistent across the City. The materials used are mainly asphalt which lasts fifteen (15) to twenty (20) years. Concrete roads can last forty (40) to fifty (50) years.



Committee Member Karen White thanked the Public Works staff for their work. Committee Member White asked about the progress on the Pilot Alley Program to address concerns from residents regarding alley maintenance.

Erik Horvath stated that maintenance is ongoing. Paving the alleys has been looked at to help with maintenance.

Committee Member Troy Warner asked how many lane miles were paved in 2024 and how many are planned for 2025.

Erik Horvath stated thirty-five (35) miles in 2024 and the same is expected for 2025.

Committee Member Warner asked what has been the increase in PCI rating since the beginning of the three (3) year plan.

Erik Horvath stated that it has increased slightly and the average PCI rating is sixty (60).

Committee Chair Niezgodski asked if the Wastewater plant has a cybersecurity plan and if they do is there a time limit.

Erik Horvath stated that the plan is updated every year, and the budget is changed to reflect that with sixty thousand dollars (\$60,000) being added to the cybersecurity budget.

Committee Chair Niezgodski asked how many lift stations are there and how much do they cost.

Erik Horvath stated that there are forty-nine (49) lift stations and they vary in price. The Sage Road lift station will cost two million five hundred thousand dollars (\$2,500,000) in 2025. A brand new lift station can cost over ten million dollars (\$10,000,000).

Committee Chair Niezgodski opened the public hearing.

Sue Kesim 4022 Kennedy Drive, South Bend IN 46614 asked how many miles will nine million dollars (\$9,000,000) pave.

Erik Horvath stated thirty-five (35) miles.

Sue Kesim asked how the City will account for new regulations on chemicals.

Erik Horvath stated that he is not aware of grants that can help with that. The wells are being actively tested and how the plant can remove those chemicals. There are settlements currently in court against the companies that sell chemicals and that should fund much of this work.

Citizen Member Smith stated there should be education made available that it is the responsibility of the homeowners to maintain the alleys.

Council Member Gooden-Rodgers asked what is the procedure on knowing what streets have been swept and what is still waiting to be swept.

Erik Horvath stated that is tracked internally to allow every street to be swept twice a year. Later in 2024 this will be made available to the public.





With no further business, Committee Chair Niezgodski adjourned the Personnel & Finance Committee meeting at 7:44p.m.

Respectfully Submitted,

Sheila Niezgodski, Committee Chair

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