



OFFICE OF THE CITY CLERK

BIANCA L. TIRADO, CITY CLERK

PERSONNEL & FINANCE

SEPTEMBER 26, 2024 5:30 P.M.

Committee Members Present:

Sheila Niezgodski, Canneth Lee, Ross Deal, Karen White, Rachel Tomas Morgan, Sharon McBride, Angela Smith

Committee Members Absent:

Troy Warner

Councilmembers Present:

Ophelia Gooden-Rodgers

Councilmembers Absent:

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

Others Present:

Bianca Tirado, Matthew Neal, Samuel Turck, Talia Thorton, Bob Palmer, Sherry Bolden-Simpson

Agenda:

Transpo Budget Hearing — Budget Wrap-up and Final Questions

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

Please note the attached link for the meeting recording:

<https://docs.southbendin.gov/WebLink/0/edoc/385971/Transpo%20Budget%20Hearing%E2%80%94%20Final%20Questions.mp4>

Please note the attached link for the meeting presentation:

<https://docs.southbendin.gov/WebLink/0/foi/385664/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. Additional questions about this meeting or the budget hearing can be emailed to the Personnel and Finance Committee Chair, Sheila Niezgodski, at sniezgodski@southbendin.gov, and they will be directed to the appropriate department. The Final Budget Hearing is scheduled for October 14, 2024. The Human Rights Commission's budget presentation has been moved to October 3, 2024.

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Elivet Quijada-Navarro
CHIEF DEPUTY CITY CLERK

Matthew Neal
DEPUTY / DIRECTOR OF POLICY

Samuel Turck
DIRECTOR OF SPECIAL OF PROJECTS

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2025 Transpo Department Budget Presentation

Amy Hill, General Manager & CEO of Traspo, with offices at 1401 South LaFayette Boulevard, South Bend, IN 46613, gave an overview of the 2025 Transpo budget. Transpo has one hundred and six (106) employees. Transpo operates fifty (50) fixed-route buses and twenty (20) paratransit vans. The paratransit vans are designed for individuals who may, because of a disability, not be able to ride the regular fixed route service. There is an application process for that service that requires medical certification. 2024 is the first (1st) year with one hundred percent (100%) of Transpo's fixed route fleet fueled by compressed natural gas (CNG). The first (1st) CNG buses will be eligible for replacement in 2026. The CNG buses are used for twelve (12) years before being replaced. The paratransit vehicles can be used for five (5) years before being replaced. The paratransit vehicles have doubled in cost over the last four (4) years. A fuel feasibility study is being conducted to be eligible for Federal grants. Technology upgrades include real-time information, bus tracking, and automated next stop/ American with Disabilities Act (ADA) announcements in 2025. Amy Hill stated that Transpo has been focused on expanding its ridership programs. The K-12 Summer Travel Program saw a record-setting thirty-seven thousand (37,000) rides in June, July, and August. Retaining fleet operators has been challenging, but Transpo is close to being fully staffed. The 2025 budget has increased by sixteen thousand dollars (\$16,000) over the 2024 budget. Most of the tax revenue is from property taxes, about four million dollars (\$4,000,000) annually. Two hundred and sixty thousand dollars (\$260,000) come from the excise tax, and eight hundred thousand dollars (\$800,000) from the local income tax. The Public Mass Transportation Fund (PMTF) funds all public transportation agencies state-wide. This funding has not been increased from forty-five million dollars (\$45,000,000) in ten (10) years. If it had continued to grow with inflation, the fund would have grown to sixty-eight million dollars (\$68,000,000). The Federal funding will be down nearly twenty percent (20%) in 2025. It is one dollar (\$1) to ride the fixed route service and two dollars (\$2) for the paratransit service. It costs Transpo about eight dollars (\$8) for a fixed route ride and twelve dollars (\$12) for a paratransit ride. Leased revenue is down as Transpo has one (1) parking garage left that it leases to the City. That lease will end in 2025, and ownership of the parking garage will be turned over to the City. Seventy-seven percent (77%) of the Transpo budget are wages and benefits. The benefits have remained flat due to Transpo being a part of the St. Joseph County Health Plan. Fuel expenses have remained flat. From 2021 through 2023, Transpo has had clean financial audits. The operating budget has increased as Transpo has come closer to being fully staffed. Amy Hill stated that funding uncertainty is always an issue. State and Federal funding for public transportation is uncertain in the next few years. Ridership continues to increase at ninety percent (90%) of pre-pandemic levels. The CONNECT Transit Plan will start to be implemented in 2025.

Citizen Member Angela Smith asked what savings Transpo has seen since converting to a one hundred percent (100%) CNG fleet.

Amy Hill stated that the savings are about one dollar (\$1) per gallon of gas. The maintenance of the new CNG-fueled vehicles is similar to that of gasoline-powered vehicles. There are additional expenses for inspections on CNG-fueled vehicles.



Citizen Member Smith asked how the new shuttle from downtown to campus is reimbursed during the Notre Dame football games.

Amy Hill stated that Transpo's downtown partners fund the express route.

Citizen Member Ross Deal asked where Transpo is regarding staffing and whether retention has been a problem.

Amy Hill stated that six (6) full-time fixed route operator positions, two (2) full-time paratransit positions, and several maintenance and mechanics positions are currently vacant. Retention has been an issue, but Transpo has been doing better than other organizations in the same field.

Committee Member Canneth Lee asked how Transpo can get young people into their field.

Amy Hill stated that people cannot receive their Commercial Drivers License (CDL) with passenger endorsements until they are twenty-one (21). Transpo will hire people without CDLs, train them, and train mechanics without commercial experience.

Committee Member Lee thanked Amy Hill for the presentation and Transpo's work.

Amy Hill stated that the Controller/Procurement Chris Kubsazak creates the budget and does excellent work.

Committee Chair Niezgodski held the public hearing, but nobody spoke.

Citizen Member Smith stated she would like to destigmatize public transportation in the City.

2025 Budget Wrap-up with City Controller Kyle Willis

Committee Member Tomas Morgan stated that the administration had not answered some questions from the Venues, Parks, and Arts (VPA) presentation.

Kyle Willis, City Controller with offices on the 12th floor of the County-City Building, said he would follow up and get those answers.

Councilmember Gooden-Rodgers asked the general impression of the budget from the administration's perspective.

Kyle Willis stated that the budget is in a good place. The budgeted deficit for 2025 is ten million and eight hundred thousand dollars (\$10,800,000).

Committee Chair Niezgodski stated that the City is over the cash reserve requirements, which is fifty percent (50%) of operating expenses.

Committee Member White asked if the City would stop withdrawing money from reserves.

Kyle Willis stated that the City has not had to pull from reserves in the last four (4) years.

Committee Member White asked when the ARP funds are expended and how those discretionary programs will continue to be funded.



Kyle Willis stated that the City must determine which discretionary programs have the most impact. Funding these programs would not be possible without an increase in taxes.

Citizen Member Smith asked if the previous year's surplus included encumbered funds or if it was an actual surplus and if the Council could receive these numbers.

Kyle Willis stated that the total surplus would decrease if encumbered funds were included. Kyle Willis stated that he would get those numbers and respond to the Council later.

Committee Chair Niezgodski stated that the ARP funds were a once-in-a-generation investment by the federal government. Estimating revenue from property taxes is always challenging because the revenues change yearly.

Kyle Willis stated that the local income tax revenues have a two (2) year lag.

Committee Member Lee stated that the City has ample cash reserves and needs to continue educating the public on the budget process.

Citizen Member Smith stated that budgeting for the City is akin to not knowing your exact income but having enough savings to cover down years in revenue.

Committee Member White asked for clarification regarding salary caps.

Kyle Willis stated that very few employees are currently at their caps, and the savings from the budget deficit are due to all employees being budgeted as if they are at their salary caps. That accounts for four million dollars (\$4,000,000) to five million dollars (\$5,000,000) of savings.

Committee Chair Niezgodski stated that all budget presentations are online and available to the public. Not all the budget questions have been answered, but Clerk Tirado is following up with the department administrators. The top five (5) things residents wanted to address in the 2025 budget are street repairs, increased housing, curb and sidewalk repair, safer communities, and investment in creating opportunities, especially for the youth.

Committee Chair Niezgodski opened the public hearing.

Sue Kesim, 4022 Kennedy Drive, South Bend IN 46614, stated that the annual comprehensive financial report has not been released and that the City is spending too much money.

Committee Chair Niezgodski stated that the information about the 2025 budget is available on Laserfiche and can be accessed by going to:

<https://docs.southbendin.gov/WebLink/0/fol/382958/Row1.aspx>

Committee Chair Niezgodski stated that the annual comprehensive report has been delayed due to some errors that occurred while transferring to new software.

Kyle Willis stated that the monthly reports are close to being returned to the website. The annual comprehensive report for 2024 was filed with the Department of Local Government Finance (DLGF), and the 2025 report will be filed on time.

Stapp's shell



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With no further business, Committee Chair Niezgodski adjourned the Personnel & Finance Committee meeting at 6:10 p.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sheila Niezgodski".

Sheila Niezgodski, Committee Chair

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