



City of South Bend

2014 Budget Presentation and Public Hearing

September 24, 2013



We're coming back...

Changing the way South Bend does business





IgnitionPark





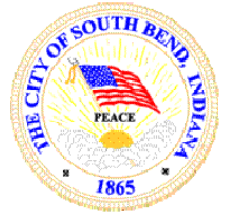
What South Bend must be

Our goal is to ensure South Bend is a **strong** and **open** city for **everyone**, where:

- The basics are easy for residents
- Government services are first-rate
- Everyone can thrive



Our strategy to get there

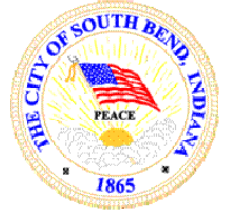


Strategy – Key guide posts to frame long and short-term planning efforts:

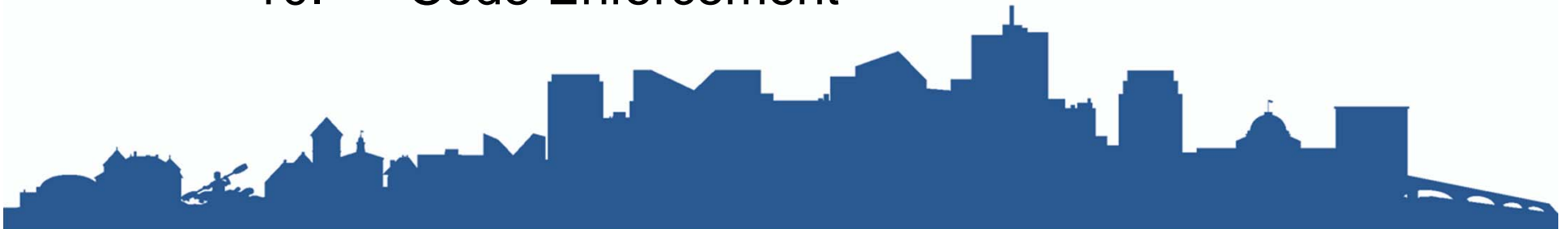
1. Measure how well we deliver and make decisions based on good information
2. Streamline city processes for citizens/customers
3. Break down bureaucratic walls to deal with complex issues
4. Welcome innovation and question habit
5. Form connections and partnerships for economic growth, education, public safety and quality of life
6. Attract, grow, retain, and engage excellent employees in an excellent work environment



2014 Administration Priorities



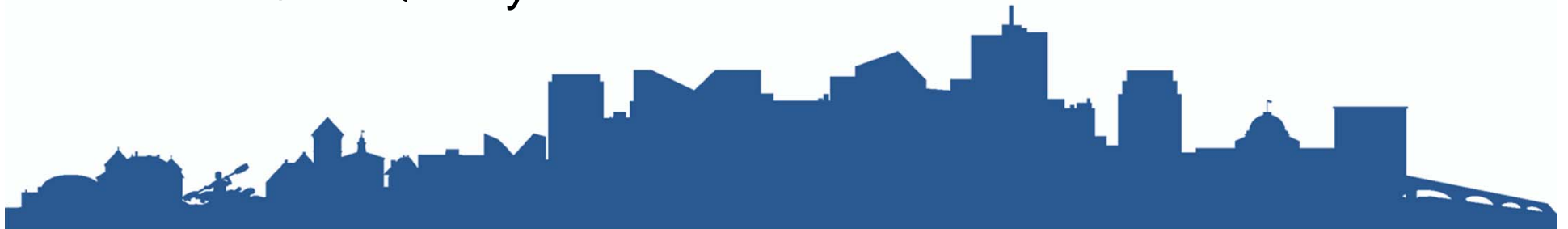
1. Economic Development/Jobs
2. Smart Streets
3. Vacant & Abandoned Housing
4. Information Technology Strategy
5. Customer Service (311)/Performance Management
6. Anti Violence Initiative
7. Workforce Development
8. Corridors
9. Parks & Recreation
10. Code Enforcement



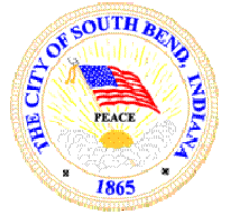
2014 Council Priorities



1. Economic Development
2. Public Safety
3. Parks & Recreation
4. Infrastructure (Curbs, Sidewalks & Streets)
5. City Corridors
6. Vacant & Abandoned Housing
7. Code Enforcement
8. Quality of Life



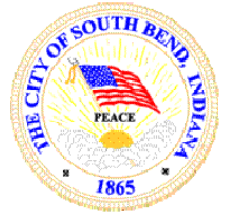
City of South Bend 2014 Proposed Budget City Budget Process/Components



- Proposed annual City budget presented by Mayor to Common Council
- City budget is divided into six (6) categories of activity (over 90 Funds):
 - General Fund
 - Special Revenue Funds
 - Debt Service & Capital Funds
 - Enterprise Funds
 - Internal Service Funds
 - Trust & Agency Funds
- Common Council holds budget hearings to review budget submission
- Common Council approval required for each Civil Fund



City of South Bend 2014 Proposed Budget Budget Summary

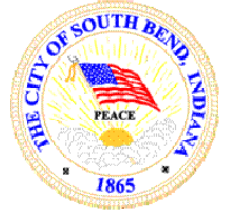


Key Assumptions:

- Fund Administration & Council priorities
- Balance budget for General Fund
- Invest in City infrastructure/quality of life (Smarter Streets, Parks, Downtown)
- Continue to leverage and invest in technology for improved delivery of City services
- Fully fund Public Safety (Police and Fire) personnel
- Focus on efficiency with no increase in City full-time personnel levels and provide a 2% pay increase civil city employees, other pay adjustments based on salary benchmarking and negotiated increases for City bargaining groups



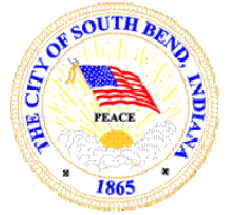
Investment Ready Places



- Proposed 2014 Investments
 - \$32.0m for investment ready places and people
 - \$11.4m for Smart Streets
- KPIs
 - 210 jobs created in 2013
 - \$623,000 public investment leveraged \$23.4m in private investment so far in 2013
- We must create the kind of places where people want to live and business want to invest.



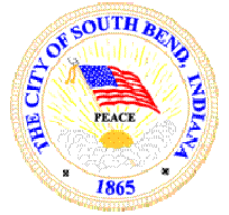
Vacant and Abandoned Housing



- Proposed 2014 Investments
 - \$2m for repair and demolitions
 - \$300,000 for deconstruction (12 jobs)
- 2013 KPIs
 - 45 houses repaired
 - 19 houses demolished
- Increasing the value and improving the quality of life in our neighborhoods is critical.



Information Technology



- Proposed 2014 Investments
 - \$5.0m in employee, services, and capital
- KPIs
 - 9,483 service calls to IT (target of 6,000)
 - Future measure: Our IT Technology IQ
- Strategy provides clarity to our services, our partnerships, our integration with other government entities and our community engagement.



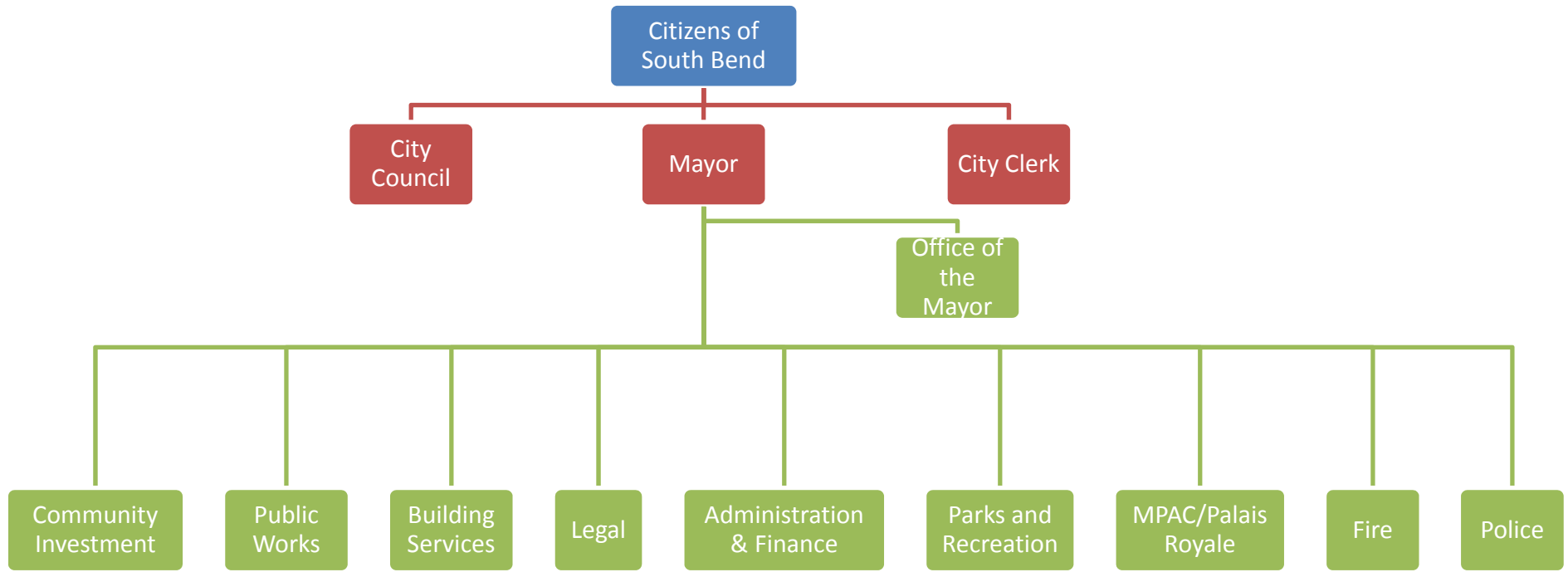
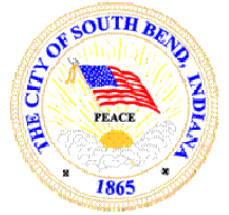
Customer Service/ Performance Management



- Proposed 2014 Investments
 - \$480,000 of internal funds for 311 expansion
 - 7 employees for 311 (currently 4.5)
- KPIs
 - ~60% of calls answered within 30 seconds (target is 65%; best practice 80%)
 - 69,149 calls taken to date (50,000 goal for 2013)
- Residents expect and deserve exceptional customer service.



Executive Branch Organizational Structure

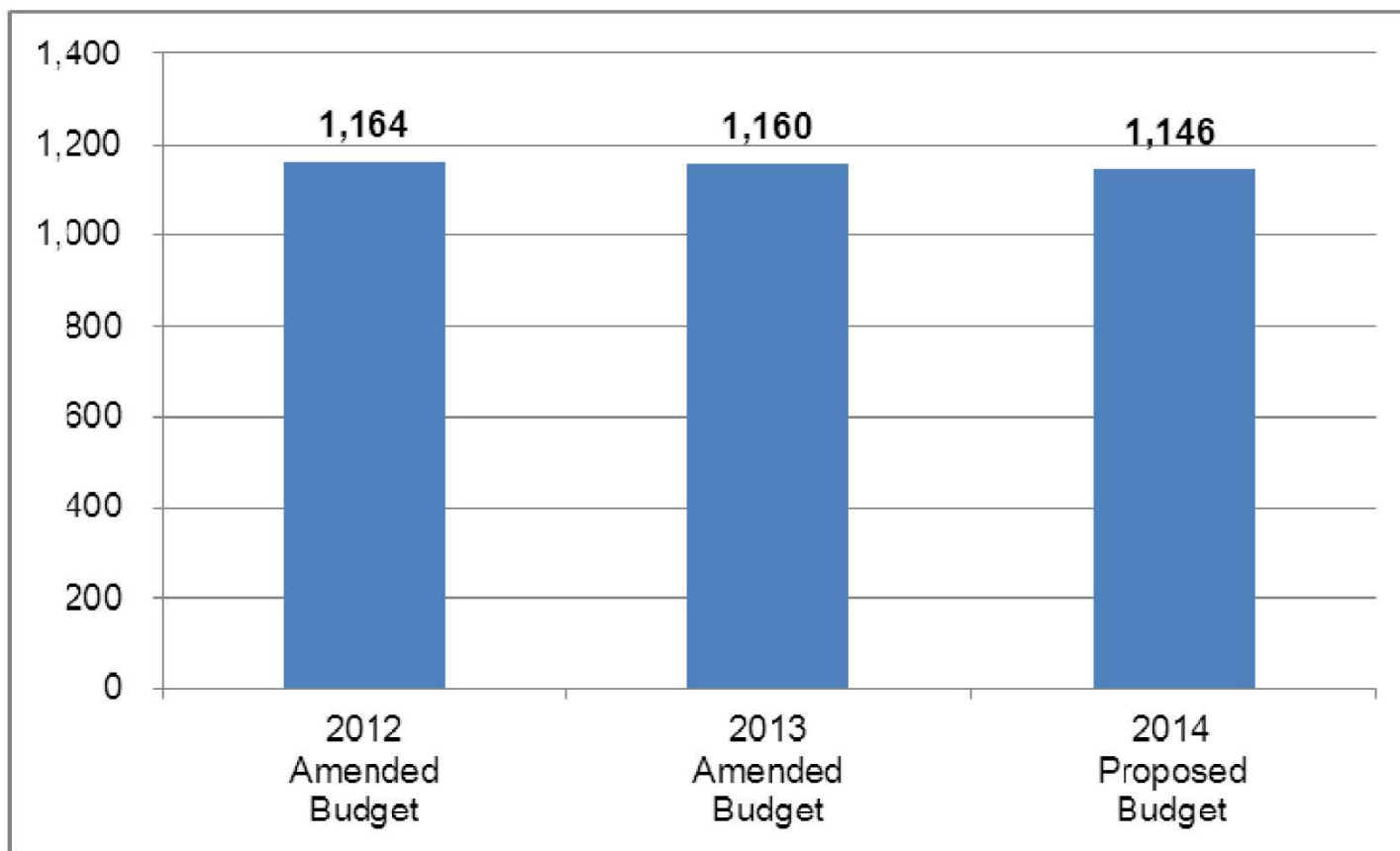


- To be effective and efficient, we need an organization and compensation structure that further professionalizes city government.



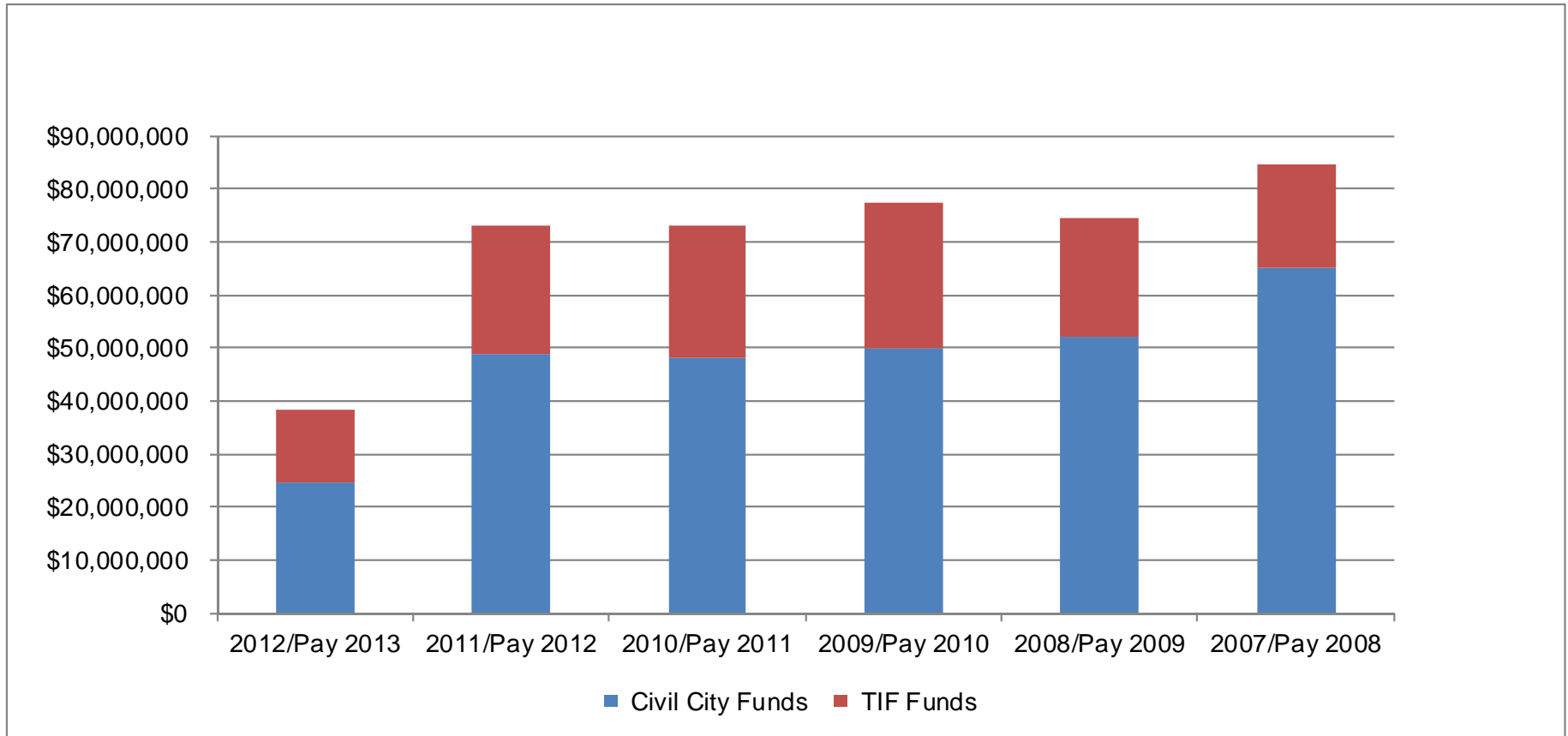
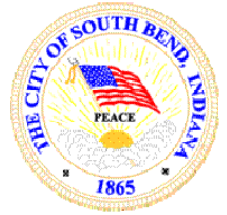


Full-Time Positions



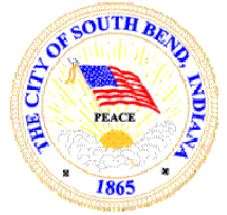
Property Tax Collection Trends

June 30, 2013



Type	2012/Pay 2013	2011/Pay 2012	2010/Pay 2011	2009/Pay 2010	2008/Pay 2009	2007/Pay 2008	2006/Pay 2007
Civil City Funds	24,741,156.50	48,843,402.52	48,218,717.52	49,710,528.83	52,033,758.46	65,200,047.00	62,038,415.00
TIF Funds	13,672,366.71	24,061,128.01	24,743,454.97	27,578,275.26	22,256,715.51	19,286,939.15	15,384,452.31
Total Property Tax Collections	<u>38,413,523.21</u>	<u>72,904,530.53</u>	<u>72,962,172.49</u>	<u>77,288,804.09</u>	<u>74,290,473.97</u>	<u>84,486,986.15</u>	<u>77,422,867.31</u>

2014 Proposed Budget Assessed Value/Income Projections



	2009	2010	2011	2012	2013	2014	2013-2014
\$ Millions	Actual	Actual	Actual	Actual	Estimated	Budgeted	Percent Change
Assessed Value \$(000)	\$2,668,887.4 -10%	\$2,453,505.6 -8%	\$2,324,451.9 -5%	\$2,380,874.1 2%	\$2,371,087.1 -0.4%	\$2,371,087.1 0%	0%
Tax Rate (cert) \$	2.2460%	2.7951%	3.0268%	3.0748%	3.1707%	3.2053%	1.1%
Tax Levy \$	\$66.0	\$68.6	\$70.3	\$72.0	\$74.1	\$76.0	2.6%
Circuit Breaker	(\$8.0)	(\$14.7)	(\$18.1)	(\$20.0)	(\$26.3)	(\$27.2)	3.4%
Net Tax \$	\$58.0	\$53.9	\$52.2	\$52.0	\$47.8	\$48.8	2.1%
Collection Rate	89.7%	92.3%	92.3%	93.8%	95.0%	95.0%	0.0%
Collected \$	\$52.0	\$49.7	\$48.2	\$48.8	\$45.4	\$46.4	2.2%

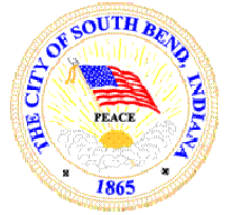
Notes:

Civil City Funds: General Fund (101), Parks & Recreation Fund (201), Cumulative Capital Development (406), and Hall of Fame Debt Service Fund (313).

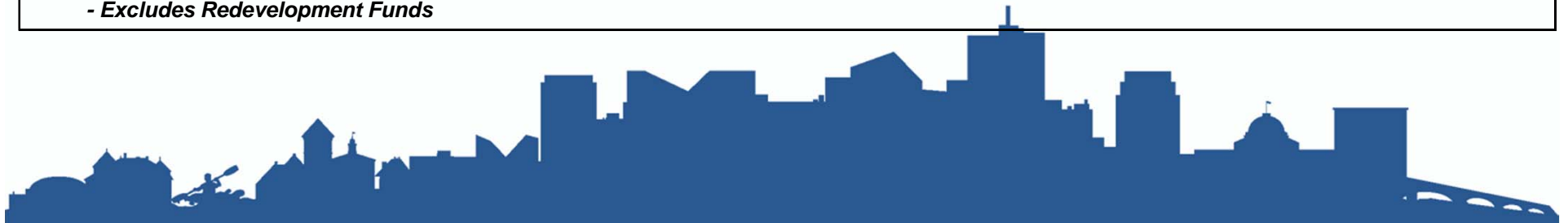
2013 State-wide Growth Quotient - 2.6%



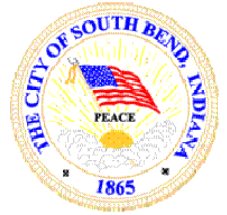
Revenue & Expenditure Summary 2008 to 2014



<i>Fund</i>	<i>Fund Name</i>	<i>2008 Actual</i>	<i>2009 Actual</i>	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Amended Budget</i>	<i>2014 Proposed Budget</i>	<i>2013-2014 Percent Change</i>
Revenues									
	<i>General Fund</i>	33,930,404	96,281,658	61,449,946	60,911,669	63,585,275	63,932,287	55,453,616	-13.3%
	<i>Total Special Revenue Funds</i>	44,925,597	49,411,366	60,382,796	53,315,524	55,684,376	65,423,003	54,742,767	-16.3%
	<i>Total Capital & Debt Service Funds</i>	6,861,960	9,189,365	7,972,851	7,592,782	7,757,647	7,489,776	7,162,033	-4.4%
	<i>Enterprise Funds</i>	64,521,513	72,074,502	74,292,685	103,169,961	113,687,196	98,788,596	102,304,531	3.6%
	<i>Internal Service Funds</i>	20,512,587	18,200,236	15,865,625	17,999,349	21,154,131	23,615,529	24,524,572	3.8%
	<i>Trust Funds</i>	7,821,320	14,193,476	11,011,500	12,021,517	13,207,579	10,914,226	11,701,582	7.2%
	Total Revenue	178,573,381	259,350,603	230,975,403	255,010,802	275,076,204	270,163,417	255,889,101	-5.3%
Expenditures									
	<i>General Fund</i>	66,503,546	61,327,868	59,241,185	61,438,862	63,399,284	65,091,572	55,453,430	-14.8%
	<i>Total Special Revenue Funds</i>	41,204,024	35,253,141	56,823,840	53,543,871	52,176,078	66,691,962	63,356,247	-5.0%
	<i>Total Capital & Debt Service Funds</i>	7,377,491	10,333,632	8,765,807	7,355,824	9,669,642	19,244,268	11,466,274	-40.4%
	<i>Enterprise Funds</i>	74,460,068	75,348,774	74,145,059	86,579,570	89,188,333	128,225,778	126,521,534	-1.3%
	<i>Internal Service Funds</i>	15,461,269	16,099,353	15,876,382	16,864,543	21,636,374	24,615,132	25,389,231	3.1%
	<i>Trust Funds</i>	11,593,997	11,647,851	11,799,890	12,323,516	12,215,209	12,844,161	13,106,386	2.0%
	Total Expenditures	216,600,395	210,010,619	226,652,163	238,106,186	248,284,920	316,712,873	295,293,102	-6.8%
	Net	(38,027,014)	49,339,984	4,323,240	16,904,616	26,791,284	(46,549,456)	(39,404,001)	-15.4%
<p>- Transfers In/ Transfers Out \$24,660,252 for the 2014 Proposed Budget. - Excludes Redevelopment Funds</p>									



Five-Year Capital Improvement Plan Summary



Summary by Type	2014 Budget	2015 Projection	2016 Projection	2017 Projection	2018 Projection
Vehicles	4,268,150	3,709,599	4,656,005	5,281,365	4,344,800
Computer Equipment	710,390	1,451,481	1,067,000	1,000,000	1,000,000
Machinery & Equipment	1,553,827	1,134,406	1,101,950	811,265	521,000
Office Equipment	39,400	-	-	15,000	-
Furniture & Fixtures	49,000	10,000	100,000	-	-
Building & Building Improvements	3,181,974	4,805,000	3,275,000	3,843,400	1,070,000
Land & Land Improvements	12,854,500	4,103,500	1,489,400	1,428,500	1,458,500
Water & Wastewater Systems	37,127,580	31,677,869	25,217,500	24,952,350	24,695,000
Other	250,000	275,000	275,000	275,000	275,000
Total	\$ 60,034,821	\$ 47,166,855	\$ 37,181,855	\$ 37,606,880	\$ 33,364,300

- Excludes Redevelopment Funds



City of South Bend - UPDATE

2014 Proposed Budget

Final Thoughts



- Overall City budget of \$295.3 million – deficit of \$ 39.4 million is primarily timing of spending of bond proceeds for CSO sewer projects and investments in City infrastructure
- General Fund budget of \$55.5 million is balanced
- City budget reflects:
 - investing in our City infrastructure to create investment ready places
 - improving our neighborhoods
 - leveraging technology
 - responding more effectively to citizen needs/questions
 - measuring our performance
- We respectfully ask for the Council to approve the budget request





We're coming back...

Changing the way South Bend does business

