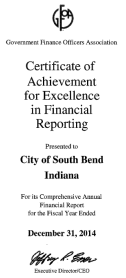


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Top Achievements during 2015:

- The City of South Bend received the **Certificate of Achievement for Excellence in Financial Reporting** award from the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This was the 25th consecutive year that the City of South Bend has received the award.
- The City of South Bend received the **Distinguished Budget Presentation Award** from the Government Finance Officers Association (GFOA) for its 2015 Budget. This was the first year the City had received the award in more than a decade.
- A high **credit rating of “AA”** with Standard and Poor’s was maintained during 2015. South Bend has one of the top city bond ratings in the State of Indiana.
- The **Monthly Cash Reserves Summary Report** was issued by the 15th day of each month and also posted to the City website.
- Working with the Mayor’s Office, Common Council, department heads, fiscal officers and others, prepared and received passage of the **2016 City of South Bend budget** that contains funding for priority projects of the City. This budget contains five-year operating and capital plans as recommended by the Government Finance Officers Association (GFOA) and credit rating agencies.
- The **Monthly Financial Report** was issued by 15th of month in most months and posted to the City website.
- The **Monthly Controller’s Report** was issued by 10th of the month in most months and posted to the City website.
- **New Cash Receipts Handling Procedure** was implemented September 1, 2015 to ensure the highest level of internal control possible.
- Solicited and closed on **three capital lease financing proposals** for City vehicles and equipment during 2015 for a variety of public safety, public works and other city vehicles. Multiple financing proposals were received for each lease financing from local and national companies with an interest rates of 1.3849% and 1.54% on the transactions.
- The City realized **savings from bond refundings of \$5,605,575** on a net present value basis from the Eddy Street Commons Refunding and Sewer Refunding Bonds during 2015. A total of **\$8,906,710 in bond refunding savings** has been realized since Mayor Pete assumed office in 2012.
- Participated in the sale of the **2015 Smart Streets Bond, 2015 Parks/EDIT Bond and 2015 Century Center Energy Conservation Bond.**



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- Began using **card based payments** in lieu of check payments for certain transactions. This program will continue to grow as more vendors begin to accept credit cards. We received a rebate check in the amount of \$13,548 based on a 1% rebate and \$1,354,800 in expenditures with the card. (Note: All payments made with the card were processed through normal Board of Public Works approval channels.)
- Cost per worker's compensation claim remains one of the lowest** of all municipalities in Indiana. Approximately \$2,504 per claim for the City of South Bend compared to an average of \$3,861 for other public entities in the State of Indiana.
- Overall worker's compensation costs incurred were \$435,773 in 2015** which compares to \$507,099 in 2014 and a recent high amount of \$598,932 in 2007.
- Had a slight increase in worker's compensation claims reported but **less medical treatment and more reporting-only claims**. This is expected with new initiatives in healthier employees in public safety and more strenuous training to accomplish departmental goals.
- The City Controller served as **Vice President of the Municipal Finance Officers Association** (2014-2015) and the Deputy City Controller has been nominated to serve as the **President of the Municipal Finance Officers Association** (2016 – 2017).
- Transitioned **CAFR preparation assistance to the CPA firm Plante Moran** for 2015 through 2017. Improvement in the quality of the financial statements have been realized.
- Provided two **Excel/NaviLine training sessions** for City employees.
- Three members from the finance team attended the **2015 GFOA Annual Conference** in Philadelphia.
- Senior Budget Analyst began the process for **Certified Public Finance Officer (CPFO)** designation which would include him in a select group of approximately 500 accounting professionals in the United States earning this distinction.
- Enhanced "Yellow Sheets" for 2016 Budget season** minimizing errors, omissions and data entry requirements.
- Improved the Capital Assets report** during its first full year of presentation.
- Created the **"Fund Revenue and Expenditures" Report** to be updated on a semi-annual basis.
- The Payroll Department **issued approximately 45,000 regular and pension payroll checks during 2015** over the course of 27 pay periods for regular payroll and 12 pay periods for pension payroll. All **payroll accounts had a zero balance** as of January 1, 2016 which means that they were properly reconciled.

STATEMENT OF REVENUES AND EXPENDITURES			
FOR THE YEAR ENDED DECEMBER 31, 2015			
IF YOU HAVE ANY QUESTIONS ABOUT THIS STATEMENT, PLEASE CONTACT THE CITY CLERK AT (530) 845-1234.			
Account Name	Account No.	Actual	Original Budget
Total Available for Expenditure			
REVENUES		1,234,567	1,234,567
EXPENDITURES		876,543	876,543
TOTAL		358,024	358,024
THE BALANCE FORTHY IN REVENUES, NOVEMBER 30, 2015, IS \$123,456.			
TOTAL AVAILABLE FOR EXPENDITURE, NOVEMBER 30, 2015, IS \$123,456.			

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- Payroll **issued approximately 1,700 W'2s and 450 1099'Rs** by the deadline of January 31, 2016.
- The Payroll Department is now **reporting our state taxes for Indiana and Michigan and our State Unemployment Report electronically.**
- Monitored and approved over **6,000 Purchase Orders** during 2015 including blanket purchase orders and emergency purchase orders.
- The Purchasing Manager actively participated in the **Board of Public Works contract review and approval** processes by reviewing and preparing documents for the Board's review.
- Offered **on-site departmental training** regarding the City's procurement system and the Indiana Code requirements for departmental employees.
- The **Diversity Compliance Officer** directed city-wide training and data collection on the inclusion of Women and/or Minority Business Enterprises in the City's bid and quote processes.
- City's Diversity Compliance Officer and Purchasing Manager **participated in the St. Mary's Women's' Business Conference** by hosting an informational table on the City's opportunities, and sponsoring a class on "How to do Business with the City."
- The Diversity Compliance Officer resigned in June to pursue other opportunities. The position was not filled in anticipation of approved funding for the **Diversity and Inclusion Officer with an expanded role in 2016.**
- **Published Quarterly "Diversity News"** to outline details of City's inclusion practices of M/WBE businesses.
- Attended **Community Outreach events** to meet with M/WBEs and encourage participation in the City's procurement processes and to explain the importance of registering M/WBE businesses with the Indiana Department of Administration.
- Developed the curriculum and sponsored a Diversity Utilization Board orientation session. Attended all **Diversity Utilization Board meetings** and was available for consultation by Board Members.
- The **Human Rights Commission** continued to work with all new police recruits concerning diversity in our community and how their role is essential to our community.
- Human Rights continued to offer scholarships to three college-bound students that participated in the **Annual Human Rights Awareness Day Recognition Luncheon and Fair Housing Workshop.** The top three essay writers received scholarships valued at \$2,000, \$1,500 and \$1,000 respectively.



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- The Human Rights Commission sponsored a **training at the Century Center concerning LGBTQ issues in employment and housing**. Ms. Elana L. Brandon (EEOC) and Ms. Meghan Buell from the GLBT Resource Center of Michiana were the primary speakers.
- The Human Rights Commission provided **training for the Community Homebuyers Corporation First Time Homebuyers Post Purchase class**. The training dealt with discrimination in housing and employment.
- **Ishman and Associates** has completed their review of **Community Reinvestment Act activities of our local banks**. The review covered loans that the banks were making in housing and where the loans were being made. The Human Rights Commission is planning a workshop to make the results of the study available to the banking community.
- The Human Rights Commission **investigated (closed) 107 cases during FY 2015**. Eleven of those cases resulted in probable cause findings. The Human Rights Commission handled over 5,000 inquiries during 2015.
- **Reduction of reported incidents** in 2015 of 24 as compared to 2014. This was 11 fewer reported incidents than the public entity average and 14 fewer than the South Bend region average.
- **Safety Director was certified as Public Safety and Health Professional** through the Department of Labor and the University of Cincinnati.
- **Training of more than 4,732 employee hours** which included OSHA 10 hour certification of more than 28 city employees; First aid, CPR & AED of more than 80 city employees; implementation of the “training certification matrix” for Public Works and Parks employees
- Safety Director nominated to serve on the **national Board of Directors for the Public Risk Management Association**
- **Conducted safety outreach programs** throughout the community and school programs.
- Implemented and rolled out a new automated **Applicant Tracking System** in Human Resources to receive employment applications.
- Presented the second annual **City of South Bend Women's Leadership Conference** in October with over 110 participants. Distinguished speakers included Mayor Pete Buttigieg, Coach Muffet McGraw and Paqui Kelly.



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- Hosted the second **Veteran's Day Celebration** for City employees during November.
- Completed site selection and overall planning and recruiting process for the new **Employee Health & Wellness Center** located at 320 South St. Joseph Street. The clinic opened for employee use on January 18, 2016.
- Released **Employee Handbook** and conducted meetings with all employees to review the new document.
- In conjunction with open enrollment for health insurance, planned and hosted a **Health Fair for City employees** and their families in November.



Strategic Goals for 2016

- Continue to show good government by disclosing **financial reports and financial transaction details via website/portal** with a commitment to transparency and accountability.
- Look at the budget in a different way, likely through a **Priority-Based Budgeting method**, to ensure City dollars are being budgeted according to priorities which are important to the administration and the citizens of South Bend. A contract for professional services in connection with this effort has been submitted to the Board of Public Works for its consideration.
- The Department of Administration and Finance Purchasing Office will focus on assisting the City departments in achieving best practices and process improvements to **achieve optimal efficiencies in purchasing practices** while supporting the Indiana Code on Procurement Activities.



Important Initiatives for 2016

- Continue to **maintain adequate cash reserves** per City of South Bend policy and industry standards. Continue preparing a monthly report of cash reserves by the 15th of the month and posting it to the City website.
- Continue to **promote best practices in municipal budgeting** including continued integration of five-year operating and capital plans, the use of KPI's in budgeting and priority-based budgeting.
- Educate and promote excellence in departmental fiscal officers through a variety of methods including **bi-monthly fiscal officer's meetings** that contain an educational

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component. Certain departmental Fiscal Officers now report directly to the Controller's Office.

- Review investment results with 1st Source Bank on a regular basis with financial advisors at **quarterly investment review meetings** that contain external benchmarks.
- Develop a **Popular Annual Financial Report (PAFR)** for submission to the Government Finance Officers Association (GFOA) for award consideration. A PAFR is a citizen-friendly annual report that makes it easier for a lay person to understand a city's finances.
- Prepare a consolidated **Internal Controls guide** for all City employees who handle cash and checks. Provide training to all such employees as a requirement of the Indiana State Board of Accounts.
- **Participate in the Board of Public Works and the Park and Recreation Board's** contract review processes to achieve an efficient procurement system while complying with South Bend Policy and Indiana Code.
- Consult with City Departments to ensure their **appropriate use of city technology and compliance with purchasing policies** to attain and optimize best practices in the procurement process.
- Maintain **quick turnaround times** regarding departmental requests, APRA requests and purchase order changes.
- Move **more safety training and reporting to city's webpage** for easier employee access.
- **Reduction of Workers Compensation** costs and incidents in 2016 as compared to 2015.
- Shift the Safety Culture to **achieve lower numbers of incidents and costs** through supervisor safety training to focus on changes with our current culture.
- Update programs to support a safer culture and a centralized program for **business contingency plan**.
- Facilitate an **Indiana chapter of Public Risk Management Association**.
- Continue in leadership roles in the **Indiana Municipal Finance Officers Association** to enhance the overall knowledge and understanding of local governmental finance.



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- Conduct educational meetings with all employees regarding the **Employee Health & Wellness Center** and updated wellness program.
- Host a **Third Annual Women's Leadership Conference**.
- Host a **Third Annual Veteran's Day Celebration**.
- Host an employee **Health Fair** in conjunction with open enrollment.
- Release updated **Employee Handbook**.
- **Continued outreach to area accounting students at local universities**, including Indiana University South Bend and the University of Notre Dame, encouraging students to consider a career in public finance and with the City of South Bend.
- Develop and implement **Policy and Procedure Manual** and provide manager/supervisor training.
- Review all existing **benefit plans** and evaluate potential options.
- Perform an **audit of the payroll system** to ensure compliance with state and federal requirements.
- **Provide training on supervision, retirement, recruitment and selection**. Conduct City-wide needs assessment to determine employee training needs. Seek tools to build skill sets where needed.
- **Redesign Performance Management System**, including performance reviews. Will implement employee self-reviews and 360° reviews that incorporate reviews from supervisors, peers and direct reports.
- Developing an expanded **new employee onboarding** to assist new hires in adapting to expectations and demands of new employer, providing a more immediate and comprehensive understanding of the City's operations and functions, as well as workplace rules and expectations.
- **Continue to promote the use of interns** in the areas of finance, human resources, information technologies and other departments to access good talent on a temporary basis and to expose potential new employees to the City of South Bend.
- Provide a **good work environment** for all current and future staff members that is supportive of their desire to be successful and is consistent with the Administration's missions and values.

