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CITY OF SOUTH BEND JAMES MUELLER, MAYOR
DEPARTMENT OF ADMINISTRATION AND FINANCE

April 3, 2020

Dear Commissioners,

In accordance with Indiana Code § 36-7-14-8(b), in my capacity as the Treasurer of the South Bend Redevelopment Commission, I am providing you with this annual report on the Commission's finances.

Financial Reports

The attached report contains a summary of the financial position and operations of the Commission-controlled funds for 2019, as well as a link to the City's document library, which contains monthly financial reports for all City funds, including those controlled by the Commission.

Discussion & Analysis of Financial Position

The use of tax increment financing to fund major capital and economic development projects continues to be a foundation for the realization of the City's strategic priorities.

TIF property tax revenue of \$28,228,570 in 2019 was 6.3% higher than the 2019 original budget, which has put the Commission in a strong financial position going into FY2020. However, 2020 promises to be a much more challenging year from a revenue perspective as the full impact of the circuit breaker property tax credits comes into effect. Indeed, the City is projecting a year-over-year reduction in TIF revenue of 4.7% in 2020. Additionally, as the full impacts of the economic slowdown resulting from the COVID-19 pandemic continue to be felt, TIF property tax revenue could continue to decrease in future years. This revenue decrease, if realized, has the potential to harm the City's ability to accomplish strategic priorities, especially those involving large-scale capital projects. The City will continue to monitor these financial projections.

Financial Processes Update

I would also like to take this opportunity to preview a conversation that my department will be having with the Commission in the upcoming months. On May 1, 2020, the City will be launching a new Enterprise Resource Planning system called Microsoft Dynamics 365 for Finance and Operations (which the City is calling "DFO"). The implementation of DFO to manage the City's financials will have many benefits and opportunities to gain efficiencies, most relevantly in the areas of reporting, project tracking, claims approval, and budgeting. Shortly after the implementation of the system, we will plan to discuss these benefits and changes with the Commission and look forward to hearing your feedback.

Please do not hesitate to reach out if you have any questions or concerns on any of this information.

With gratitude,

A handwritten signature in blue ink, appearing to read "Dan Parker", is written over a white background.

Dan Parker
City Controller



South Bend Redevelopment Commission
Financial Summary 2019

<i>Redevelopment Commission Controlled Funds</i>		<i>01/01/2019 Cash Balance</i>	<i>Receipts</i>	<i>Disbursements</i>	<i>12/31/2019 Cash Balance</i>	<i>Outstanding Encumbrances</i>	<i>Available Cash Balance</i>
<i>Tax Increment Financing Funds</i>							
324	TIF RIVER WEST	31,738,300	19,805,973	20,664,295	30,879,977	7,834,836	23,045,142
422	TIF DISTRICT - WEST WASHINGTON	1,801,466	317,073	1,089,137	1,029,402	342,165	687,238
429	TIF RIVER EAST DEV (NE)	10,994,678	2,943,424	5,741,954	8,196,149	4,543,278	3,652,871
430	TIF SOUTHSIDE DEVELOPMENT AREA #1	9,455,102	1,963,177	1,833,015	9,585,265	234,951	9,350,314
435	TIF DOUGLAS ROAD	204,331	4,609	21,575	187,366	87,225	100,141
436	TIF RIVER EAST RES (NE RE)	2,990,020	4,972,014	4,263,831	3,698,203	-	3,698,203
<i>Total Tax Increment Financing Funds</i>		<i>57,183,898</i>	<i>30,006,271</i>	<i>33,613,806</i>	<i>53,576,363</i>	<i>13,042,454</i>	<i>40,533,909</i>
<i>Redevelopment Funds</i>							
425	REDEVELOPMENT RETAIL AREA	8,388	204	8,592	0	-	0
433	REDEVELOPMENT ADMINISTRATION GENERAL	615,795	1,279,856	422,200	1,473,451	389,636	1,083,815
439	CERTIFIED TECHNOLOGY PARK	624,204	10,929	624,194	10,939	752	10,187
452	2018 TIF PARK BOND CAPITAL	10,429,340	183,188	6,536,438	4,076,090	3,889,707	186,383
454	AIRPORT URBAN ENTERPRISE ZONE	393,651	9,152	-	402,803	-	402,803
<i>Total Redevelopment Funds</i>		<i>12,062,990</i>	<i>1,483,125</i>	<i>7,582,832</i>	<i>5,963,283</i>	<i>4,280,095</i>	<i>1,683,188</i>
<i>Debt Service Funds</i>							
315	AIRPORT 2003 DEBT RESERVE	1,040,462	23,962	23,962	1,040,462	-	1,040,462
317	COVELESKI BOND DEBT RESERVE	526,587	930	527,517	-	-	-
328	SBCDA 2003 DEBT RESERVE	1,739,495	40,061	40,061	1,739,495	-	1,739,495
351	2018 TIF PARK BOND DEBT SERVICE RESERVE	993,495	23,099	-	1,016,594	-	1,016,594
756	SMARTS STREETS DEBT SERVICE	1,726,790	1,720,129	1,712,019	1,734,901	-	1,734,901
<i>Total Debt Service Funds</i>		<i>6,026,829</i>	<i>1,808,181</i>	<i>2,303,558</i>	<i>5,531,452</i>	<i>-</i>	<i>5,531,452</i>
<i>Total Redevelopment Commission Funds</i>		<i>75,273,717</i>	<i>33,297,577</i>	<i>43,500,196</i>	<i>65,071,098</i>	<i>17,322,549</i>	<i>47,748,549</i>

For more detailed information, please see individual monthly fund reports, which can be found online at the following website: <http://docs.southbendin.gov/WebLink/Browse.aspx?startid=1214>