



**CITY OF SOUTH BEND**  
**MAYOR JAMES MUELLER**  
**OFFICE OF THE MAYOR**

June 24, 2020

Dear Chairwoman White and Personnel and Finance Committee Members:

Thank you for the clarifications to your position on Bill 21-20 as well as your suggestions for how to move forward together. I also want to share my appreciation to the Council for accepting my request on May 20 to have the first reading of Bill 21-20 on May 26 with second and third readings set for the subsequent Council meeting.

While I did not agree with delaying this urgent proposal, I respect the committee's decision to table the ordinance as circumstances changed rapidly from when the process began and the bill was filed. I hope that the committee can bring back this ordinance for consideration as soon as possible. To that end please find the attached answers to your questions and let me know if there are any additional questions from committee members.

In addition, I think your proposed procedure on conversations between the committee chair and bill sponsor before and after first reading is a good one. I believe these conversations occurred in the case of Bill 21-20, but please let me know if more needs to occur in the future. Also, the assigned committee for a bill is not always straightforward, so in the past a conversation with the Council President also has occurred before filing a bill to help identify the appropriate committee chair. Please let me know if you would like for this to continue.

The administration would appreciate similar communication on Council-initiated bills. Already this year there have been several resolutions, as well as an ordinance, filed for first reading without any prior notice or discussion with relevant department(s) or the Mayor's office.

Thank you again for your questions and suggestions. My team and I look forward to working with you on these important issues for our residents.

Sincerely,

A handwritten signature in blue ink that reads "James Mueller".

James Mueller, Mayor

## **General Questions:**

- *Why can't the 2.5 percent raise be placed in the upcoming budget?*

Changes to compensation could be adopted as part of the new contract and the 2021 budget process. Those changes, however, would not be adopted until October and would not go into effect until January 2021. I firmly believe we should act sooner as we face a double-digit shortage of officers, low morale and roughly a third of our officers eligible to retire.

- *What is the fiscal impact?*

The projected value of these compensation changes in the bill would have been \$315,710, if passed at the beginning of June. The amount will decrease as the implementation date is delayed.

These changes would fit easily within the current 2020 budget. Based on our current officer shortage, we expect between \$1.4 million and \$1.8 million of unused funds for officer compensation.

- *In light of COVID-19 impact on our income streams and projected decreases in property, sales and motel and hotel taxes how do you support a 2.5 percent raise increase at this time?*

There is a lot of uncertainty about our revenues in the wake of COVID-19, but adequately staffing our police department will be a priority regardless of what other cuts may need to be made.

- *What is the projected pay increases for city employees? Especially the essential workers?*

We are not facing significant staffing challenges in other positions, so there are no current plans to raise 2020 wages of other city employees. We are still toward the beginning of the 2021 budget process.

## **Collective Bargaining Agreement Questions:**

- *Does this breach the collective bargaining agreement?*

Our legal counsel determined that there was no need to amend the agreement. If Council's legal counsel disagrees, the counterparty (FOP) voted unanimously in support of this proposal and would be willing to agree to these changes within the agreement.

- *How would the 2.5 percent raise request impact upcoming negotiations with police, teamsters, city employees and fire fighters?*

My administration supports just and fair wages for all workers and will seek to negotiate and set compensation accordingly. We are not, however, facing shortages or the same challenges recruiting for other positions.

- *Has the city ever increased base salaries for employees outside of their negotiations?*

I'm not aware of a recent precedent, but we are facing unprecedented circumstances in terms of current shortages, difficulty recruiting, low morale, and a large number of potential retirements.

- *Should we separate the two aspects of the bill to move one along faster than the other? Or so both have a better chance of being passed. There are 2 aspects of 21-20 that are bundled into the one bill: a) 2.5% salary raises; and b) the \$2,500 residency incentive. We could separate them to move one along faster than the other or if we think that separately, one has a better chance of passing than the other.*

I do not see a great value in separating the two components. The 2.5% raise would have the larger impact on recruitment and retention and is more urgent since its value decreases as the implementation date is delayed. The residency incentive is important over the long term but can be implemented any time before the end of the year.

- *Need to know if similar support is being requested of our fire personnel, what their current salaries are, and if there are similar residency incentives in place.*

The fire contract expires at the end of 2021. There is no current staffing concern to warrant acting before the next contract. We will look to benchmark their salaries going into negotiations next year. We hope to implement residency incentives as widely as possible over time.

### **Incentive pay for police officers to live in the city and recruitment**

- *Any idea of approximately how many officers would move into the city?*

Anecdotal evidence from conversations suggests this incentive is significant enough to bring more officers into the city, but we won't have a good sense of its impact before implementation.

- *What is the demographics of officers that reside in the city?*

Here is the demographic breakdown for current recipients of the city residency incentive:

- M/W= 21
- M/B = 04

- F/W = 04
- M/H = 03
- F/H = 01
- M/A = 02
- M/Other = 01
- F/B = 00
- F/A = 00
- F/Other = 00

➤ *How many officers have been accepted into the academy at this time?*

We have six scheduled for the academy, of which four are black men and two are white men. A white woman is also in field training right now.

At the last Board of Public Safety meeting two lateral transfers joined the department, and one more is in queue for the July meeting.

➤ *How long does an officer have to reside in the city to get the City Residency Incentive?*

The current incentive applies to all city residents at the end of the year when it is distributed.

➤ *The issue of the recruitment and retention of police officers has been an issue for some time. At what point did this become a crisis this year?*

We started the year near historic lows with the real potential for many retirements or other departures. The urgency of the situation is why we started on this proposal early with the goal to turn the corner as quickly as possible. The situation has become even more urgent with increased challenges on the job and declining morale.

➤ ***Presentations:*** *We do not have to, but we could hold a series of public meetings and/or presentations to include the following:*

- *Presentations of the 21 CP findings and Recommendations*
- *Presentation by the Mayor's office to formally present the salary study done by the Dept of Innovation and Tech. stats and demographics of the police department currently (age, diversity, % eligible for retirement, % living in city, etc.).*
- *The first public budget hearing (July 8<sup>th</sup>) will be held. This will give the public an opportunity to speak to department budgets and priorities. We could combine some of the above points into one meeting/presentation or hold separately or not.*

We hope the Council will hold a public meeting on 21CPs findings and recommendations as soon as schedules permit.

We would be happy to provide available police department information in writing and as part of the upcoming budget meetings.