



# OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

## PERSONNEL AND FINANCE COMMITTEE

JUNE 27, 2022, 4:10 P.M.

Committee Members Present: Committee Chair Sheila Niezgodski, Committee Vice Chair Eli Wax, Troy Warner\*, Tomas Morgan, Henry Davis Jr.

Committee Members Absent: Aaron Steiner,

Others Present: Dawn Jones, Victoria Trujillo, Bob Palmer, Justin LePla

Presenters: Dan Parker, Aaron Peri, Denise Riedl, Caleb Bauer, Erik Horvath

Agenda: Bill No. 25-22 — Budget Transfers for Various Departments within the City of South Bend

Bill No. 26-22 — Appropriating Additional Funds for Certain Departmental and City Services Operations for the Year 2023

Bill No. 27-22 – Amending Ordinance No. 10816-21, Which Fixed Income Wages of Teamster Employees for Calendar Years 2022, 2023, and 2024

Bill No. 28-22 – Amending Ordinance No. 10817-17m Which Fixed Maximum Salaries and Wages of Appointed Officers and Non-Bargaining Employees

Bill No. 29-22 – Amending System Development Charges Within Various Sections of Chapter 17, Article 10 of the South Bend Municipal Code

Members marked with an asterisk (\*) are present digitally

Please note the attached link for the meeting recording:

<https://docs.southbendin.gov/WebLink/browse.aspx?dbid=0&mediaid=355563>

Committee Chair Sheila Niezgodski called to order the Personnel and Finance Committee meeting at 4:10 p.m.

**Bill No. 25-22 — Budget Transfers for Various Departments within the City of South Bend**

Committee Member Wax motioned to approve forwarding Bill No. 27-22 to the Committee of the Whole with a favorable recommendation, which was seconded by Committee Member Tomas Morgan and carried by a vote of four (4) ayes.

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| Committee Chair Niezgodski– <i>Aye</i>    | Committee Member Wax– <i>Aye</i>             |
| Committee Member Morgan – <i>Aye</i>      | Committee Member Warner– <i>Aye</i>          |
| Committee Member Davis Jr.– <i>Absent</i> | Citizen Member Aaron Steiner – <i>Absent</i> |

**Bill No. 28-22 – Amending Ordinance No. 10817-17m Which Fixed Maximum Salaries and Wages of Appointed Officers and Non-Bargaining Employees**

Dan Parker advised that the bill would increase the salary caps for Application Developer One (1) and Two (2), and the Assistant Director of Applications by twelve percent (12%), the Director of Applications cap by eight percent (8%), and the Neighborhood Program Specialist and Neighborhood Program Specialist- Lead by eleven percent (11%).

Denise Riedl, Chief Innovation Officer, with offices on the twelfth (12) floor of the City County building, advised that the increases do not bring salaries up to the lower twentieth (20%) percentile market rates. Sixty-eight thousand dollars (\$68,000) is being proposed for an Application Developer, who is difficult to recruit and has an average salary of seventy thousand dollars (\$70,000). The twentieth-percentile (20%) director positions are around ninety thousand dollars (\$90,000), and the cap increase proposes eighty-five thousand dollars (\$85,000).

Three (3) developers resigned from the city in 2021, two (2) for higher paying jobs, and a vacancy has remained unfilled for over a year. The aim is to retrain employees for one (1) to two (2) years.

Keyla Bower, Acting Executive Director of Community Investment, with offices on the fourteenth (14) floor of the County City building, advised of retention issues with the Neighborhood Program Specialist roles. The roles have traditionally managed home repair and the homebuyer programs but have been tasked with additional responsibilities. Specific expertise is required for the roles.

Committee Chair Niezgodski requested questions from the Committee.

Committee Member Tomas Morgan asked about the impact of not filling the roles.

Denise Riedl responded that project timelines would be impacted, and professional fees would increase, which might cost more than retaining full-time employees.

Committee Member Davis Jr. asked why projects are not outsourced if talent cannot be retained. The 2014 salary increases proved ineffective once technology advanced. Employees utilize the city opportunity to gain experience for the private sector.

Denise Riedl responded that outsourcing has increased, which is beneficial to local vendors. For security reasons, it would be ideal for city staff to have knowledge of processes and procedures. Many new systems have been implemented since 2013, and there is a lot of hardware and technology to maintain. The number of employees retained is on par with comparable cities.

Councilmember Hamann noted that the bill only mentions salary as a retention strategy, but other factors are at play. A year ago, the Council requested an employee engagement survey, which has not been completed.



Dan Parker responded that employees work for the city not only for the salary, but for the positive environment and passion for civil service. The Human Resources department has endured high turnover and has not had the capacity to develop an employee engagement survey.

Committee Member Davis Jr. asked if he could ask Committee Chair Niezgodski a clarifying question.

Committee Chair Niezgodski responded that he could not as she did not present the bill.

Committee Member Davis Jr. asked Committee Chair Niezgodski if as a business owner, she could operate under such conditions.

Committee Member Warner called a point of order.

Committee Chair Niezgodski responded that she retired and is no longer a business owner and noted the high turnover and retention issues across all industries.

Committee Chair Niezgodski asked if the public wishes to speak in favor or against Bill *No. 28-22*.

Dawn Jones, City Clerk, with offices on the fourth (4<sup>th</sup>) floor of the City County building, expressed support for the bill and recommended non-salary incentives be considered for the retention strategy.

Committee member Davis Jr. called a point of order as the public session had not closed.

Committee Chair Niezgodski responded that she could run the meeting as she wished as she is the Chair.

Clerk Jones responded that no one (1) from the public wished to speak in favor or against the bill.

Dan Parker advised that total compensation packages are considered.

Committee Chair Niezgodski requested comments from the Committee.

Committee Member Tomas Morgan advised that salaries and other factors, such as continuing education, play a role in retention and that the aim should be to retain employees for more than two (2) years.

Councilmember White reminded the audience that many city employees have not reached the salary caps.

Committee Member Eli Wax opened that the aim is retention and not outsourcing.

Committee Member Davis Jr. noted that he does not support replacing permanent employees with external vendors, but increasing salaries is not the solution.

Committee Chair Niezgodski entertained a motion to forward Bill *No. 28-22* to the Committee of the Whole with a favorable recommendation.

Committee Member Tomas Morgan motioned to approve forwarding Bill *No. 28-22* to the Committee of the Whole with a favorable recommendation, which was seconded by Committee Member Niezgodski and carried by a vote of four (4) ayes.



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| Committee Chair Niezgodski– <i>Aye</i> | Committee Member Wax– <i>Aye</i>             |
| Committee Member Morgan – <i>Aye</i>   | Committee Member Warner– <i>Aye</i>          |
| Committee Member Davis Jr.– <i>Nay</i> | Citizen Member Aaron Steiner – <i>Absent</i> |

**Bill No. 29-22 – Amending System Development Charges Within Various Sections of Chapter 17, Article 10 of the South Bend Municipal Code**

Erik Horvath, Public Works Director, with offices on the thirteenth (13<sup>th</sup>) floor of the County City building, advised that the water and sewer system development charges are charged when new units are built based on a formula considering previous contributions and the number of water meters. The bill proposes changes supporting infill development and waiving fees for developments of five (5) units or less or five (5) or more units built by non-profits or supported by low-income tax credits. Water meter size would also be considered in determining charges.

Committee Chair Niezgodski requested questions from the Committee.

Committee Member Wax noted some inconsistencies. The aim is for everyone to contribute to the system costs, but the bill calls for exceptions.

Erik Horvath responded that the bill attempts to encourage infill development, as lower density is a burden on the city.

Committee Chair Niezgodski requested questions from the Council.

Councilmember Hamann expressed support for the bill and advised of questions received by small-scale developers, including how it would impact a six (6) to eight (8) unit development with three (3) or four (4) units on separate lots. Furthermore, if a fifteen (15) unit development builds five (5) units over two (2) to three (3) years but still holds less than ten (10) units, would it be ineligible for the discount and tax abatement. There is a housing crisis in South Bend.

Erik Horvath responded that the bill would cover all properties unless six (6) units are built on one (1) lot.

Caleb Bauer, Executive Director of Community Investment, responded that low-income properties do not require abatement to be selected. The score criteria for selection include a ten percent (10%) local contribution.

Councilmember Canneth Lee advised that developers express concern at the cost to connect to city water and sewer services.

Committee Chair Niezgodski asked if the public wishes to speak in favor or against Bill No. 29-22.

Clerk Jones responded that no one (1) from the public wished to speak in favor or against the bill.

Erik Horvath noted a script error on Page Three (3), which should read ten (10) gallons per day and not three hundred (300). A substitution bill is not required.



Committee Member Davis Jr. expressed support for the bill as the second (2) district has lost seven hundred (700) homes in the last few years.

Councilmember Hamann requested that the bill’s language be revised as it is confusing and being misinterpreted by developers.

Committee Member Wax expressed concern over hand-picking recipients and noted he cannot support the bill.

Committee Member Tomas Morgan motioned to approve forwarding Bill No. 29-22 to the Committee of the Whole with a favorable recommendation, which was seconded by Committee Member Davis Jr. and carried by a vote of four (4) ayes.

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| Committee Chair Niezgodski– <i>Aye</i> | Committee Member Wax– <i>Nay</i>             |
| Committee Member Morgan – <i>Aye</i>   | Committee Member Warner– <i>Aye</i>          |
| Committee Member Davis Jr.– <i>Aye</i> | Citizen Member Aaron Steiner – <i>Absent</i> |

With no further business, Committee Chair Sheila Niezgodski adjourned the Personnel and Finance Committee meeting at 5:14 p.m.

Respectfully Submitted,

Sheila Niezgodski, Committee Chair

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Auxiliary Aid or Other Services may be Available upon Request at No Charge.  
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