



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

PERSONNEL AND FINANCE COMMITTEE

AUGUST 8, 2022, 5:20 P.M.

Committee Members Present: Sheila Niezgodski, Eli Wax, Troy Warner, Rachel Thomas Morgan, Henry Davis jr.

Committee Members Absent: Aaron Steiner

Presenters: Dan Parker

Agenda: Bill No 37-22 – Appropriating Additional Funds of \$46,080,405 from the American Rescue

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=356598>

Committee Chair Sheila Niezgodski called to order the Personnel and Finance Committee at 5:20 p.m.

Bill No. 37-22 – Appropriating Additional Funds of \$46,040,405 from the American Rescue

Dan Parker noted that the appropriation of these funds is revenue replacement. This will free up funds from the general fund. Dan Parker showed the 2022 budget and the ARP allocations. Approximately thirteen million eight hundred thousand dollars (\$13,800,000) have been contracted or spent. Approximately twenty-three million eight hundred thousand dollars (\$23,800,000) are committed to capital projects. There is approximately thirty-seven million 600 hundred thousand dollars (\$37,600,000) of the funds that have been committed or spent. Bill No. 37-22 does not change this spending. This Bill allows the City to spend the money for revenue replacement via the general fund.

Dan Parker presented the steps to calculate the amount of revenue replacement for South Bend. This includes calculating base revenue, calculating counterfactual revenue, which includes growth adjustment; and identifying actual revenue, which includes adjustment for tax changes. This was done for 2020 and 2021, resulting in revenue replacement of approximately fifty-five million dollars (\$55,000,000). The forty-six million dollars (\$46,000,000) in discussion today is different than this because of money that has already been allocated.

Jeff Bauer, partner with Baker Tilly, noted that Baker Tilly has reviewed the proposed ARP plan. The majority of municipalities in the county are using the ARP funds for revenue loss, as this has the most flexibility. It also has a decreased reporting requirement. The funds have restrictions. For example, it cannot be used for debt repayment. It was noted that there has been interest generated on the ARP funds. It was noted that Council approves appropriation of funds but does not decide

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the appropriation. There is a gap of approximately nine hundred thousand dollars (\$900,000). There is the assumption that some of the programs will not be as expensive and that there will be a reallocation of funds at some point.

The floor was open for public comment. Charlotte Pfeifer noted that this Bill is still not clear, which makes citizens distrust government. She liked the flexibility of the allocation. She asked that the west side of town parks and recreation be addressed, especially areas that have violence. She had concern that the Harriet Tubman statute will be put on the east side when she is the west side communities here. The west side has been more impacted by COVID-19 than the east side, and this community should not have to cross the river to access programming. She also asked for there to be accountability regarding the spending.

Committee member Davis thanked Charlotte Pfeifer for her astute comments. He agreed that the financial aspects of this Bill are unclear. There was a comment that the program director salaries for these programs have not been approved, which is an outstanding consideration. Jeff Bauer noted that alternate staffing arrangements are being investigated. This will be outlined to the Council in the next month or two (2).

The floor was opened for public comment. There were no comments in favor or opposed to the resolution.

Committee Vice-Chair Wax motioned to send Bill No. 37-22 to full council with a favorable recommendation, seconded by Committee member Tomas Morgan, and carried by a vote of four (4) ayes.

Committee member Troy Warner - Aye	Committee member Rachel Tomas Morgan - Aye
Committee Chair Sheila Niezgodski - Aye	Committee Vice-Chair Eli Wax - Aye
Committee Member Henry Davis Jr. - Nay	

With no further business, Committee Chair Sheila Niezgodski adjourned the Personnel and Finance Committee meeting at 6:07 p.m.

Respectfully Submitted,

Sheila Niezgodski, Committee Chair

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