



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

PERSONNEL AND FINANCE

AUGUST 17, 2022, 5:00 P.M.

Committee Members Present: Sheila Niezgodski, Eli Wax, Troy Warner, Henry Davis Jr.

Committee Members Absent: Rachel Tomas Morgan

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

Presenters: James Mueller, Dan Parker

Agenda: 2023 City-Wide Budget Overview
Council Questions and Feedback
Public Input

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=356495>

Committee Chair Sheila Niezgodski called to order the Budget meeting at 5:00 p.m.

2023 City-Wide Budget Overview

Committee Chair Sheila Niezgodski advised that the budget is based on input from department heads and that the controller submits the budget draft to the mayor, who may then revise it. The process starts yearly in May and is finalized in August. It is based on baseline and strategic spending and investments beneficial for residents. The spending is broken down into strategic operations and strategic initiatives, which include grants and capital projects, services outside of the core government, and city-wide initiatives. The Council cannot increase the budget, although it may decrease it, or fund programs.

Mayor James Mueller, with offices on the fourteenth (14) floor of the City-Council building, advised that unemployment has decreased but has not reached pre-pandemic levels. Federal and state initiatives to support South Bend include the Endless Frontier Act, the Regional Economic Acceleration and Development Initiative (READI), the Job-Plan Infrastructure Bill, the American Rescue Plan (ARP), and the Inflation Reduction Act. The READI application deadline was August 15, 2022, and more than forty (\$40,000,000) million dollars were requested for South Bend. The funds require one-to-one (1:1) matching by local authorities and three-to-one (3:1) by the private sector. Projects funded would include the Memorial Tower and Beacon Lifestyle District, Morris 100, Dream Center, Career Center, and the Housing Authority.

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All projects covered by the ARP are in progress. Due to rising gas prices, funds may need to be transferred to the solid waste budget. Ongoing neighborhood plans include the west side main street, the southeast neighborhood, NNN, and the near west side. Plans for LaSalle Park, River Park, and a comprehensive plan, will be developed in 2023. Spending highlights for 2023 include an additional eight (8) staff, fully funding the Rebuilding our Streets Plan, a three-hundred (\$300,000) thousand dollar investment in mental health, new neighborhood plans, additional alley maintenance, tree planting, doubling traffic calming funding, major water and sewer capital projects, athletic court repairs, Dream Center creation, Ethnic Fest funding, new inspectors for code programs, Climate Action Plan investment, revamped Venue, Parks, and Arts structure, and targeted wage increases for difficult to recruit positions.

Dan Parker, City Controller, with offices on the fourteenth (14) floor of the City-County building, advised that South Bend continues to be in a strong cash position. There is a projected cash balance for the year-end 2022 of two-hundred-thirty-one (\$231,000,000) million dollars. Property taxes and local income taxes comprise most of the revenue, with a seven (7) to eight (8) percent increase for the first (1st) due to growth and net assessed value. There are seventeen (\$17,000,000) million dollars budgeted from the gas and wheel tax, which specifically funds street projects. Other revenue sources include donations, sewer and water service charges, interest earnings, and debt proceeds.

The four hundred twenty-five (425) million-dollar budget is divided as follows: strategic initiatives make up twenty (20) percent, inter-fund transfers nineteen (19) percent, debt service seven (7) percent, essential operations thirty-six (36) percent, self-insurance five (5) percent, capital maintenance seven (7) percent, and strategic operations six (6) percent.

A nineteen (\$19,000,000) million-dollar deficit was budgeted for 2023, divided as follows: two point three (\$2,300,000) million dollars are driven by internal service funds, three point five (\$3,500,000) million dollars by the streets fund, and thirteen point two (\$13,200,000) million dollars by the general plus fund which covers the Dream Center, streets, the zoo contribution, and asphalt court repairs. The chemicals and fuel increases also affect the budget.

The budgeted deficit does not equal the actual as observed by the previous years' surpluses. Higher revenue is expected from income and property taxes and personnel cost savings. A three (3) percent salary increase was included for non-bargaining personnel, a two-point-five (2.5) increase for firefighters, two (2) for Teamsters, and three (3) for the police, although negotiations for the last are ongoing. Department presentations will occur over the next two (2) weeks. The public hearing is scheduled for September 26 and the Council vote for October 10, 2022.

Council Questions and Feedback

Committee Chair Niezgodski requested questions from the Committee.

Committee Member Warner noted that most questions received from residents pertain to the streets.

Committee Vice Chair Wax asked if a plan was drafted for tree planting, as the city struggles with overgrowth and maintenance of existing trees.



Dan Parker responded that the administration shares the concern and that details will be provided during the departmental presentations.

Committee Chair Niezgodski requested questions from the Council.

Councilmember Lee requested additional details on the alley restorations and the crisis center funding.

Dan Parker responded that the crew and equipment capacity for vegetation and roadways was doubled. Regarding the crisis center, partnerships were formed with the health departments, and funding was procured for the first two (2) years. The details are being sorted.

Councilmember White asked if the pool closure would be addressed.

Mayor Mueller responded that the pool, which is sixty (60) years old, requires structural repairs. The assessment report has not been received but the goal is to extend the pool's lifespan.

Committee Member Davis Jr. asked if the Committee and administration set expectations for the department presentations and if budget metrics were applied.

Committee Chair Niezgodski responded that the departments will present their overall budget and that she is unsure if metrics were applied.

Councilmember Hamann requested that an overview of the oversight plan be included in the presentations, asked if the BPA program would be included, noted that residents in lower-income neighborhoods would be unable to match the tree-planting contributions, and advised that she wishes to continue the mental health pilot program conversations.

Mayor Mueller responded that residents are not required to match tree-planting funds.

Dan Parker responded that the BPA program would be included in the presentations.

Public Input

Committee Chair Niezgodski requested questions or comments from the public.

Patricia Smith, 817 Obrien Street, South Bend, Indiana, 46616, asked when the PSP Drewry building would be addressed, noting that the Lincoln Way property was quickly demolished, and advised that she prefers the garbage in the alleyways and not the building fronts.

Mayor Mueller advised that the Lincoln Way property was an emergency demolition. The city is attaining ownership of Drewry's and will release a plan and timeline in the next few weeks.

Jordan Giger, 616-424 South Michigan Street, South Bend, Indiana, 46601, asked if the ARP funds would be allocated to home repair programs or financing and if the three hundred (\$300,000) thousand dollars in mental health supports would be allocated to the mobile health unit pilot program.

Mayor Mueller responded that he would verify if the ARP funds could be allocated to renovations. The mental health allocations would fund crisis centers and mobile health units.



Partnerships were formed, making the process slower and more complex. The crisis center pro forma was recently received.

With no further business, Committee Chair Sheila Niezgodski adjourned the Budget meeting at 6:26 p.m.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sheila Niezgodski". The signature is written in a cursive, flowing style.

Committee Chair Sheila Niezgodski

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