



CITY OF SOUTH BEND

EXCELLENCE | ACCOUNTABILITY | INNOVATION | INCLUSION | EMPOWERMENT

2017 Opening Budget Presentation
August 15, 2016

Context for the 2017 City Budget

- **Growth and strength** – South Bend’s economy and population continue to grow; civic energy is high, and financial reserves remain healthy.
- **Fiscal challenges ahead**– Despite economic growth, property tax revenues are flat while personnel costs are rising. Fiscal curb in 2020 will tighten city finances as programmed tax cut goes into effect. State gas revenues continue to fall farther behind as inflation and fuel economy increase.
- **Major initiatives on track** – e.g. GVI, Digital Inclusion, Workforce Development, Vacant and Abandoned Properties, and Quality of Place improvements including Smart Streets and Blueways Project.

Core Values





EXCELLENCE

For each major area of service delivery, establish South Bend as the best in the state, and/or in the top 25% nationally, measuring and reporting progress.



ACCOUNTABILITY

Put residents first always, offering services at the greatest value to the taxpayer, with clear and transparent indications of how the government is using public resources.



INNOVATION

Deliver better services more efficiently by introducing creative approaches to government operations, questioning habit and using evidence to continually improve.



INCLUSION

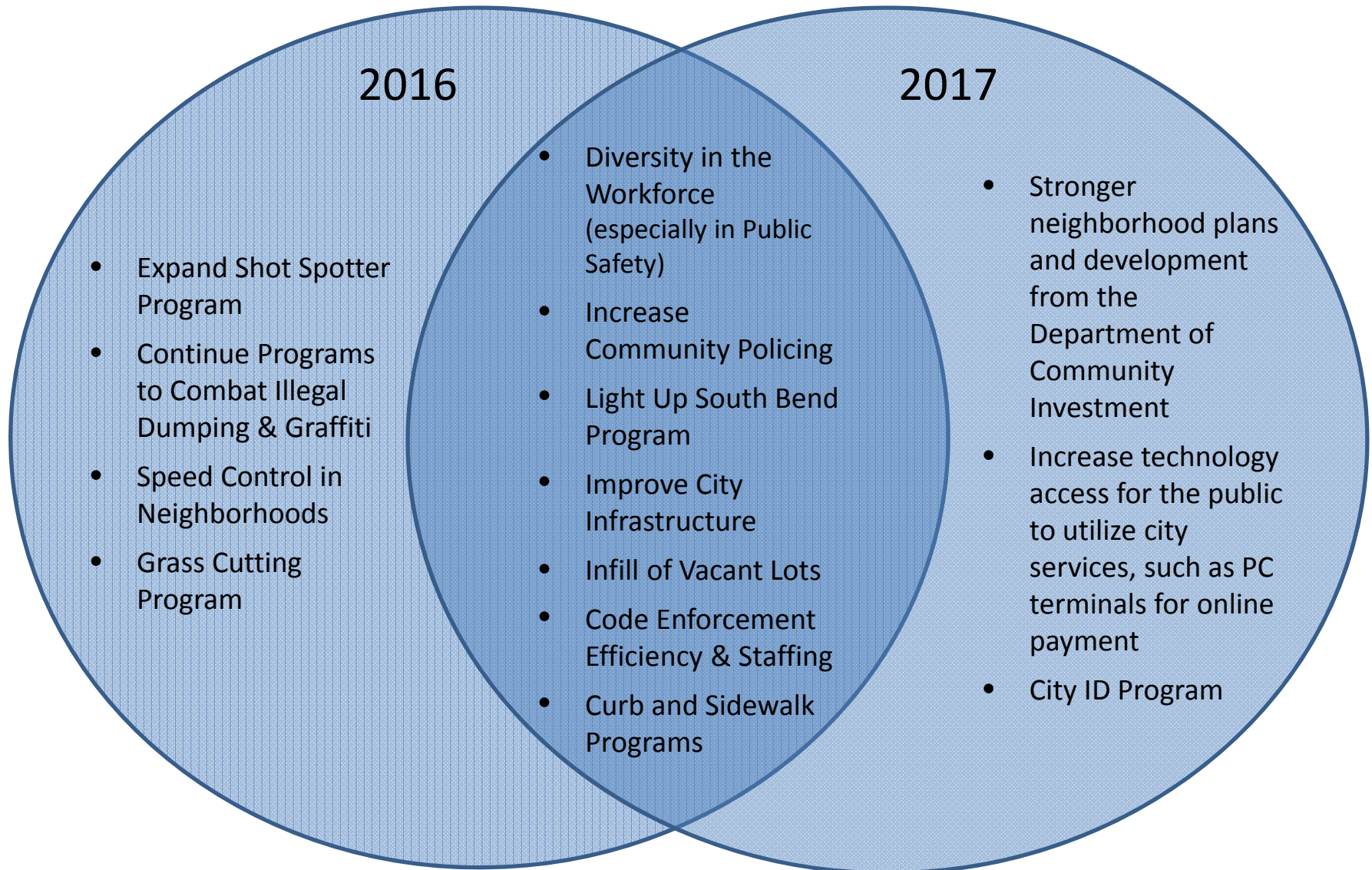
Ensure the City administration, as an employer and as a purchaser, reflects the community it serves and includes diverse voices in our decision-making and actions.



EMPOWERMENT

Establish a work environment that enables employees to contribute richly to the administration and the community, taking pride and ownership in our work.

South Bend Common Council's Priorities



2017 Budget Priorities

- ✓ Safe Community for Everyone
- ✓ Strong, Inclusive Economy
- ✓ Thriving Public Spaces
- ✓ Vibrant, Welcoming Neighborhoods
- ✓ Robust and Well-Planned Infrastructure
- ✓ All Residents Empowered with Education,
Mobility and Technology

2017 Budget Highlights

➤ **Safe Community for Everyone**

- Approximately \$70 million budgeted for Police and Fire, 20% of overall City budget, 82% of the General+ funds
- SBPD currently reorganizing for efficiencies, effectiveness, and community-oriented policing efforts
- \$992,000 investments in water capital projects and \$4,442,000 in wastewater projects
- \$1,512,000 in EMS and Fire Capital investments

➤ **Strong, Inclusive Economy**

- \$63 million (inclusive of TIF and Enterprise Funds) for Community Investment
- \$320,000 for workforce development programming
- \$246,000 on Made Youth Mentoring Program
- Extended Access to free wireless providing & education and training to underrepresented population

➤ **Thriving Public Spaces**

- Major upgrades planned for Charles Black Center using 2015 EDIT Park Bond Funds.
- New Howard Park Ice Rink budgeted with funding from the TIF.
- A new department, *Venues, Parks and Arts*, is being established to better and more efficiently serve the community and will encompass the Morris, Palais, Century Center and Parks.
- Currently reimagining our entire system of riverfront parks and trails -- funded in part from a recent \$5 million Regional Cities Grant.

2017 Budget Highlights (cont.)

➤ **Vibrant, Welcoming Neighborhoods**

- \$200,000 on Light Up South Bend
- \$221,000 in Grants & Subsidies for neighborhood improvement opportunities
- \$625,000 to address Vacant & Abandoned Properties

➤ **Robust, Well-Planned Infrastructure**

- \$4,800,000 for Paving, Curb & Sidewalk Program
 - \$3,620,000 in federal reimbursements anticipated
- \$1,000,000 to be used for road improvements from the Special LOIT Distribution received in 2016.

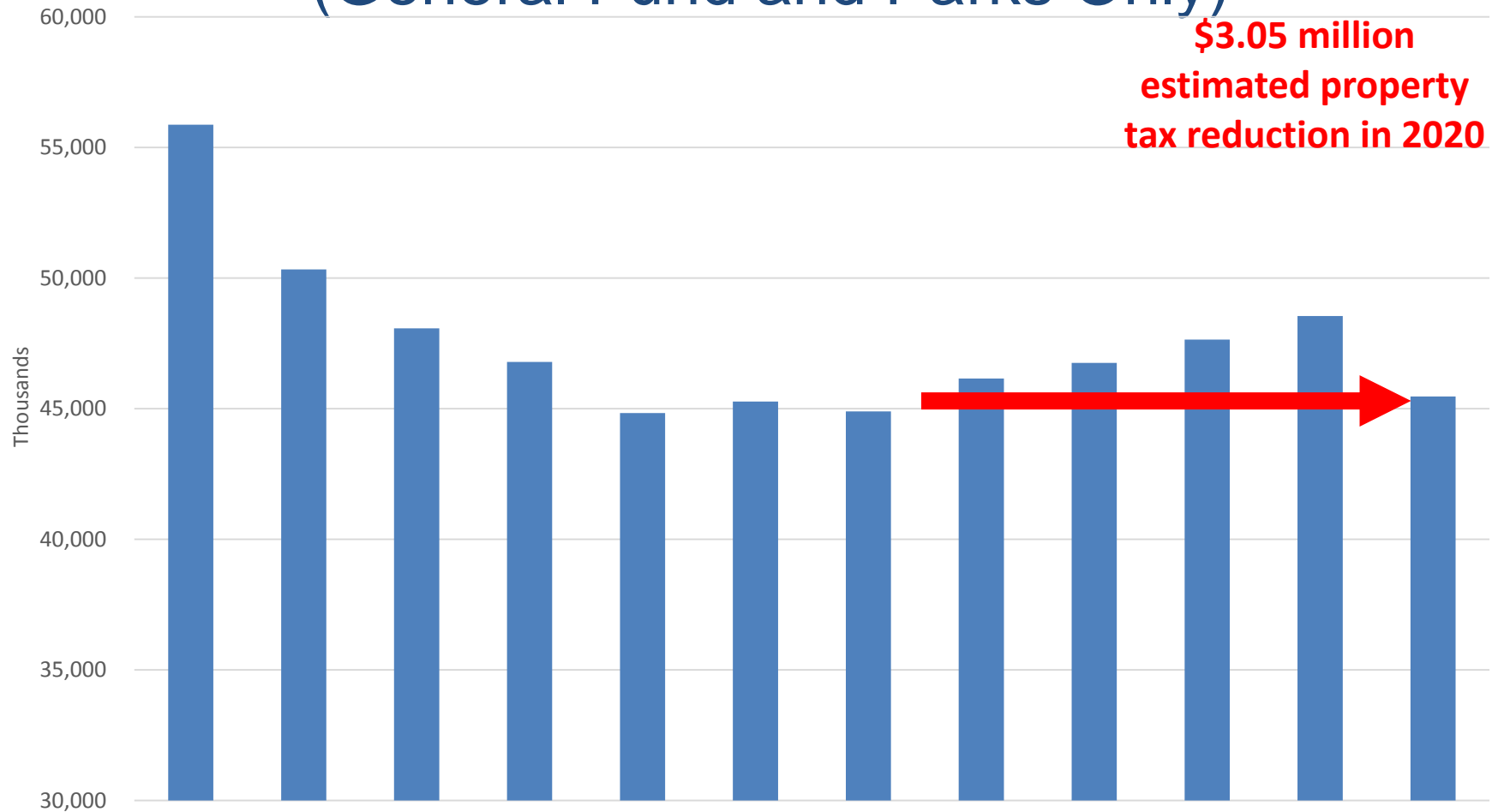
➤ **All Residents Empowered with Education, Mobility and Technology**

- Wireless downtown and in neighborhood centers
- Partnerships with the Schools and Community for Technology Education
- \$659,000 budgeted for School Resource Officers (50% reimbursement expected from the SBCSC)
- \$125,000 budgeted for School Crossing Guards
- \$180,000 to be spent on bus shelters/bike share program throughout the community

2017 Budget Highlights (cont.)

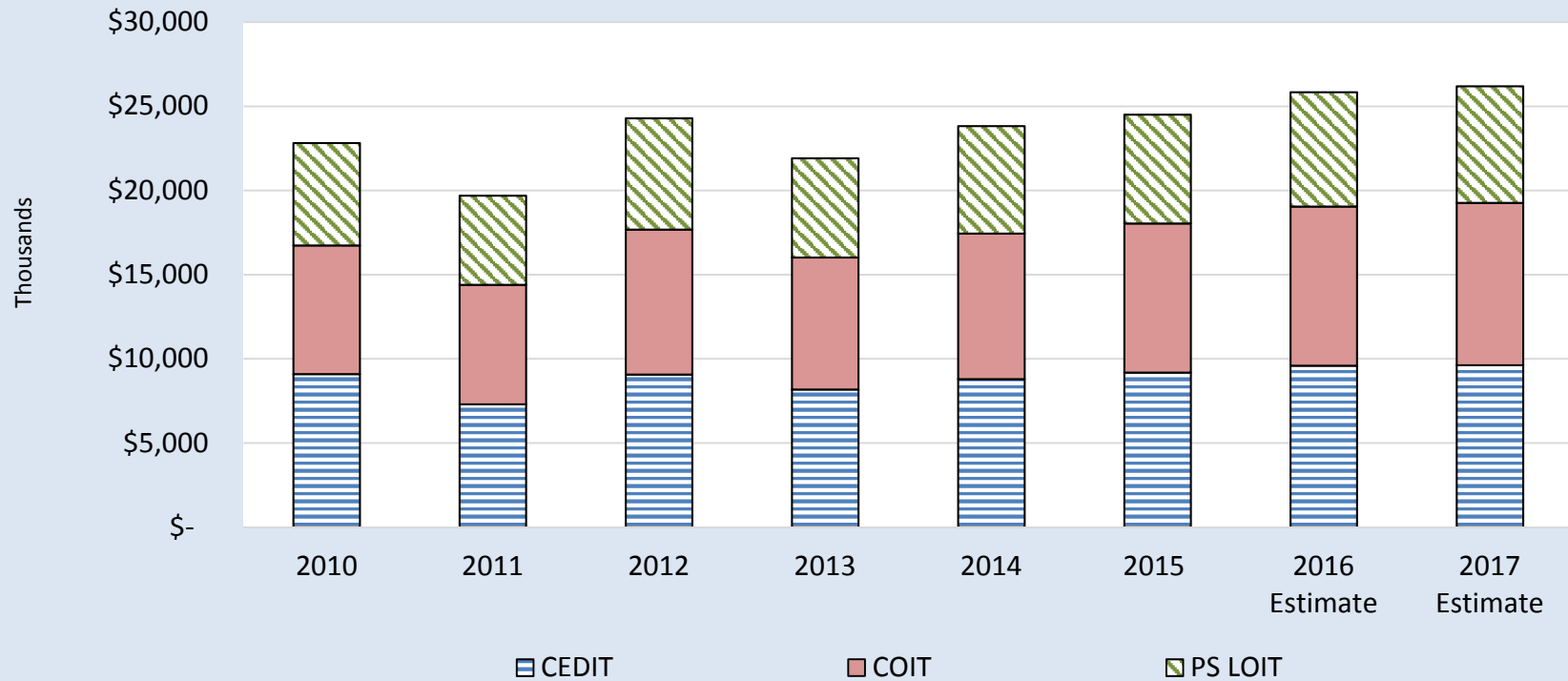
- **Great Employer with Great Employees**
 - Raising minimum wage for city employees to \$10.10 over three years. For 2017, minimum wage is set at \$9.15 for all positions
 - Addressing largest salary disparities with market to retain and attract talent
 - Accommodating an 8% increase in health insurance charged to all departments
- **Enduring Financial Strength**
 - Balanced budget for General Fund, PS LOIT, EDIT, and COIT
 - Keeping other funds on track for long term balance
- **Excellent Services and Efficient Processes**
 - Funding for Business Analysts to improve processes and technology to improve services and efficiency
- **Modeling our Values (Excellence, Accountability, Innovation, Inclusion and Empowerment)**
 - Employee Recognition Program
 - Employee Performance Management Based on Values
 - Implementation of Diversity and Inclusion Plan
- **Robust Physical and Technological Capital Assets**
 - Approx. \$1 million budget for assets which will allow us to continue to keep up with technological changes
- **Reliable Compliance with Regulations and Well-Managed Risk**
 - Budgeting for full allocations for potential liability claims while maintaining a fiscally responsible budget
 - Proactive claims investigation and evaluation leading to lower claims being paid out by the City
 - 48 hour average turn around time for APRA requests in 2016
- **Effective, Responsive Leadership and Communication**
 - Continuing to promote transparent and responsiveness with residents and business owners
 - Further integrating improvements based on 311 data
 - Simpler, easier-to-navigate digital interfaces

Flat Projected Property Tax Revenues Due to State Circuit Breakers Tax Cut (General Fund and Parks Only)



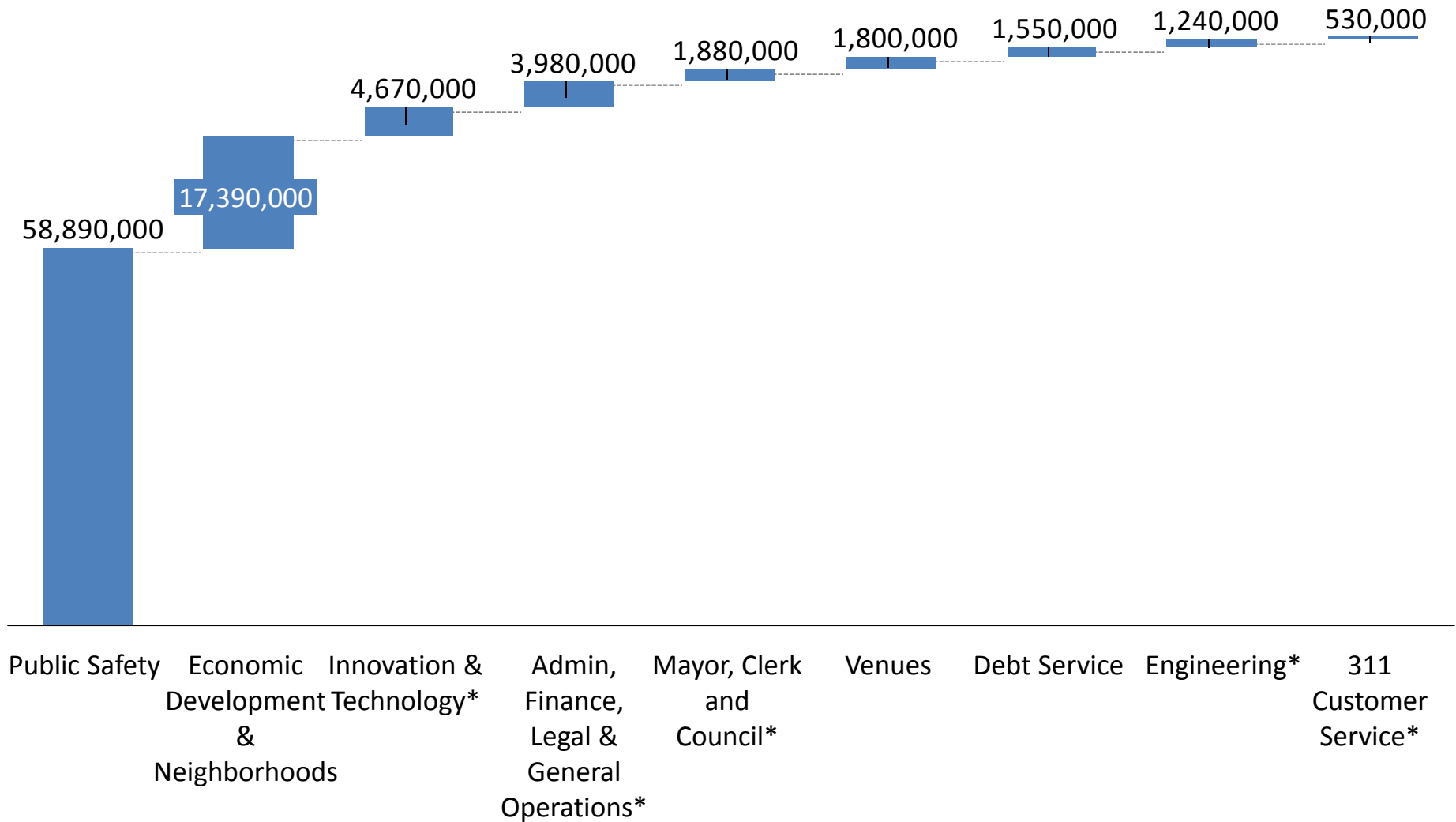
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Estimated	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
Net Levy	55,869,000	50,333,000	48,076,000	46,791,000	44,831,000	45,274,000	44,897,000	46,156,000	46,753,000	47,644,000	48,548,000	45,469,000

Local Income Tax Revenue - 2010 to 2017



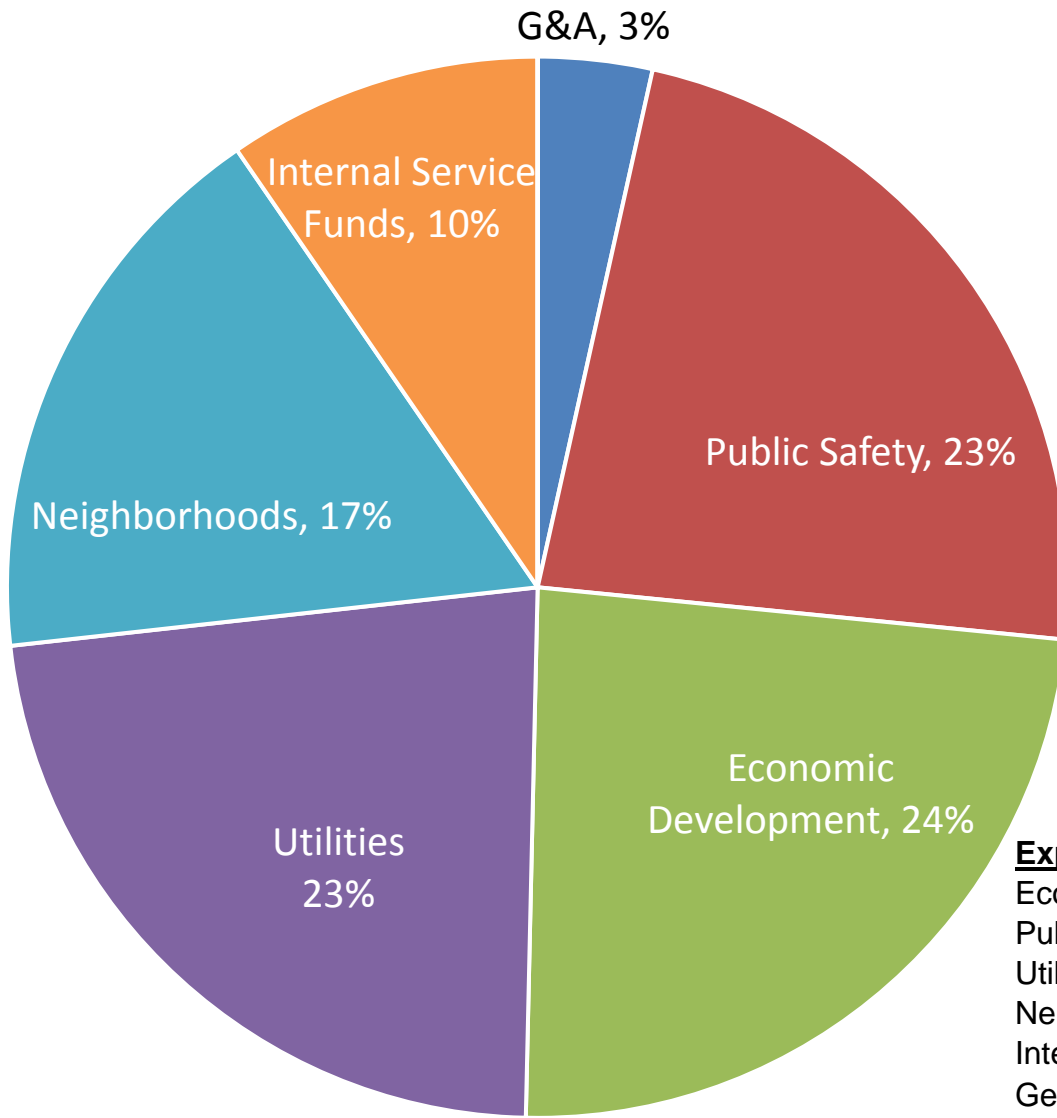
Year	CEDIT	COIT	PS LOIT	Total	Percent Change
2010	\$ 9,090,415	\$ 7,648,824	\$ 6,078,454	\$ 22,817,693	---
2011	7,300,866	7,097,462	5,293,619	19,691,947	-13.70%
2012	9,068,785	8,610,742	6,605,601	24,285,128	23.33%
2013	8,177,352	7,846,939	5,892,386	21,916,677	-9.75%
2014	8,796,821	8,645,811	6,380,029	23,822,661	8.70%
2015	9,181,206	8,859,912	6,466,190	24,507,308	2.87%
2016 Estimate	9,594,602	9,454,023	6,791,160	25,839,785	5.44%
2017 Estimate	9,619,239	9,643,103	6,926,000	26,188,342	1.35%

General Fund, Innovation/Technology/311, PS LOIT, COIT & EDIT 2017 Proposed Expenditures By Department



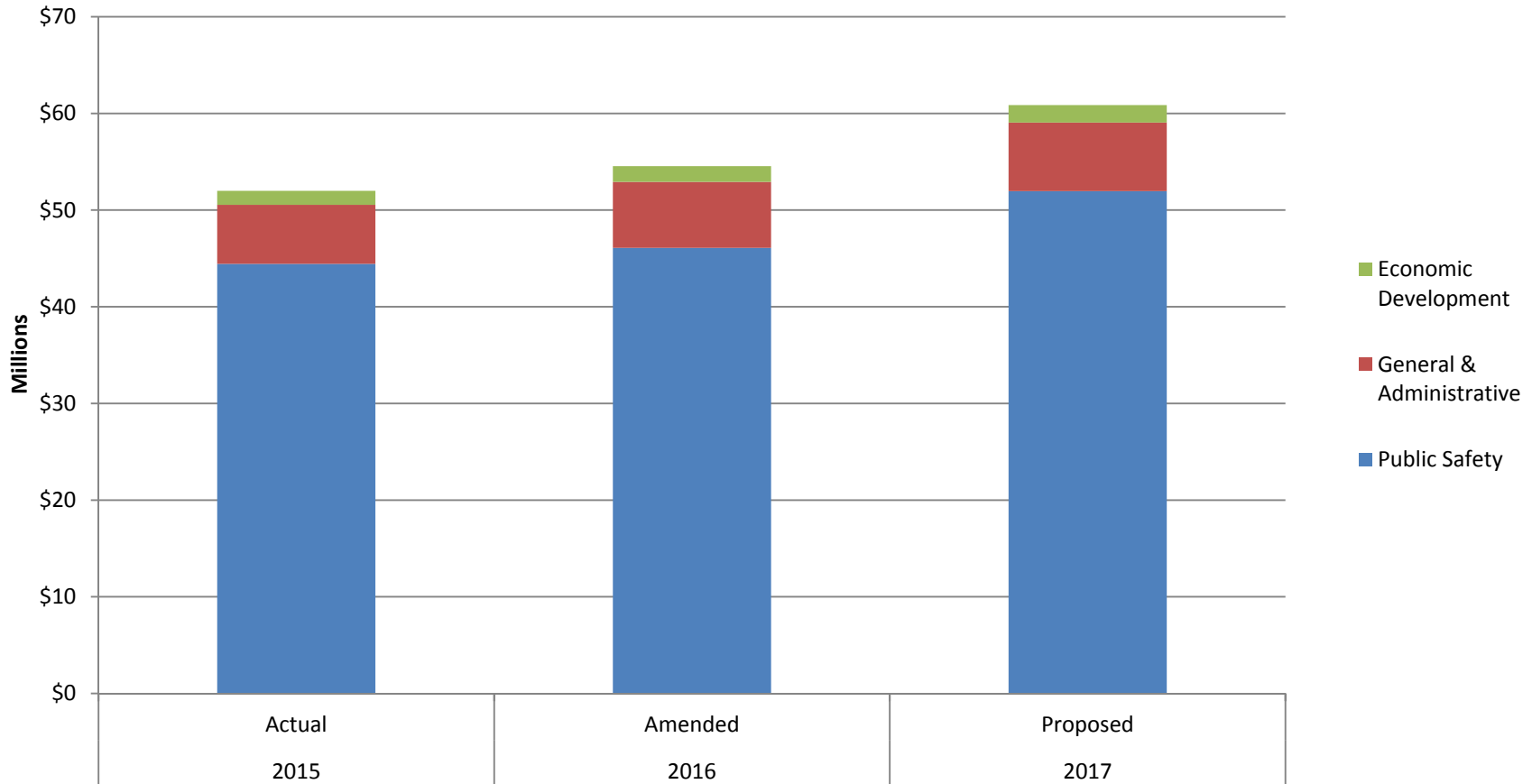
*Inclusive of costs for Parks and enterprise funds

2017 Budgeted Expenditures Across All Funds



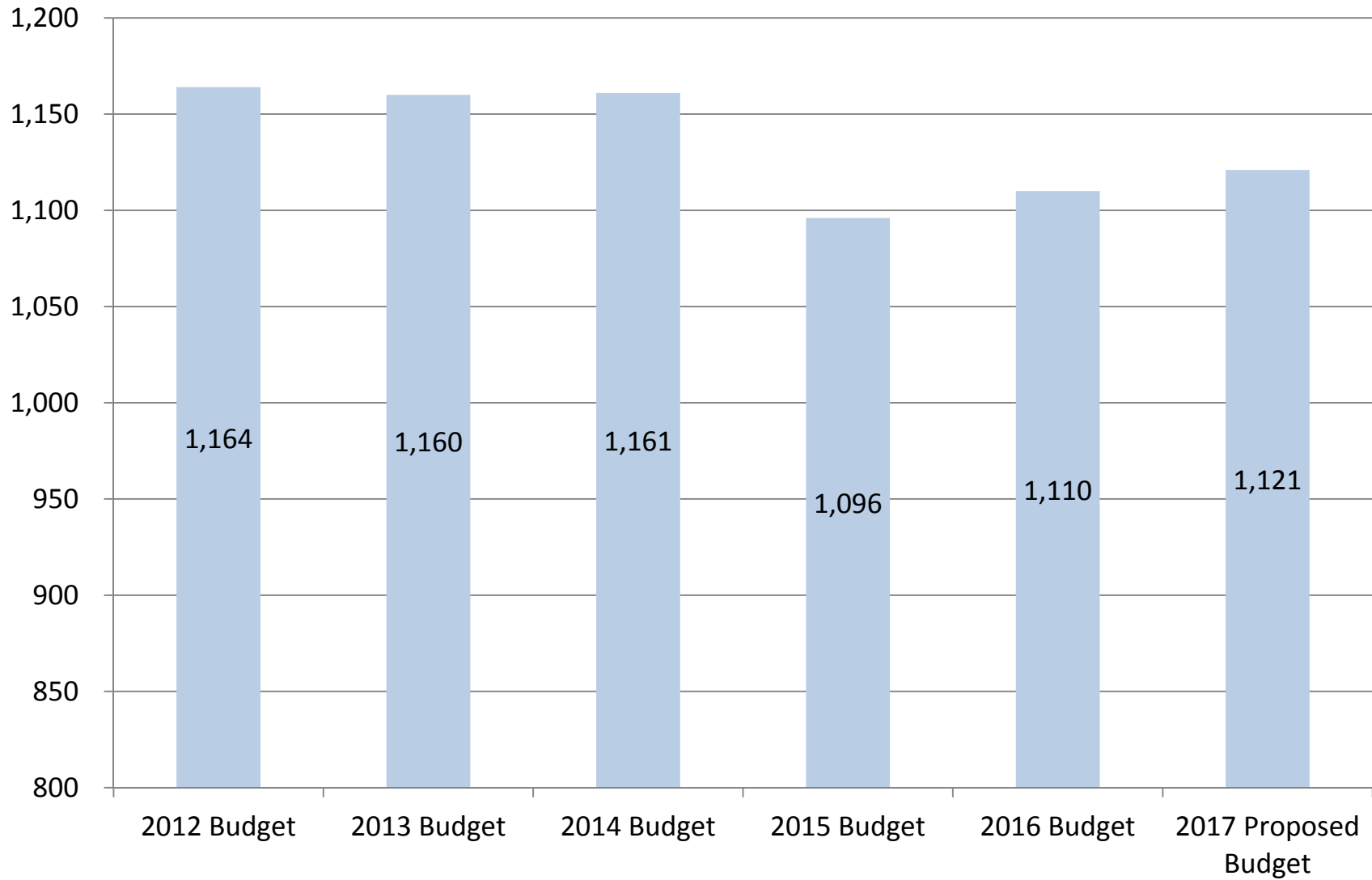
<u>Expenditures by Activity</u>	2017 Proposed Budget	2017 Percent of Total
Economic Development	\$ 87,650,000	24%
Public Safety	85,130,000	23%
Utilities	84,340,000	23%
Neighborhoods	63,300,000	17%
Internal Service Funds	35,340,000	10%
General & Administrative (G&A)	12,830,000	3%
Other Costs	10,000	0%
Total Expenditures by Activity	\$ 368,600,000	100%

2017 Proposed Expenditures General Fund

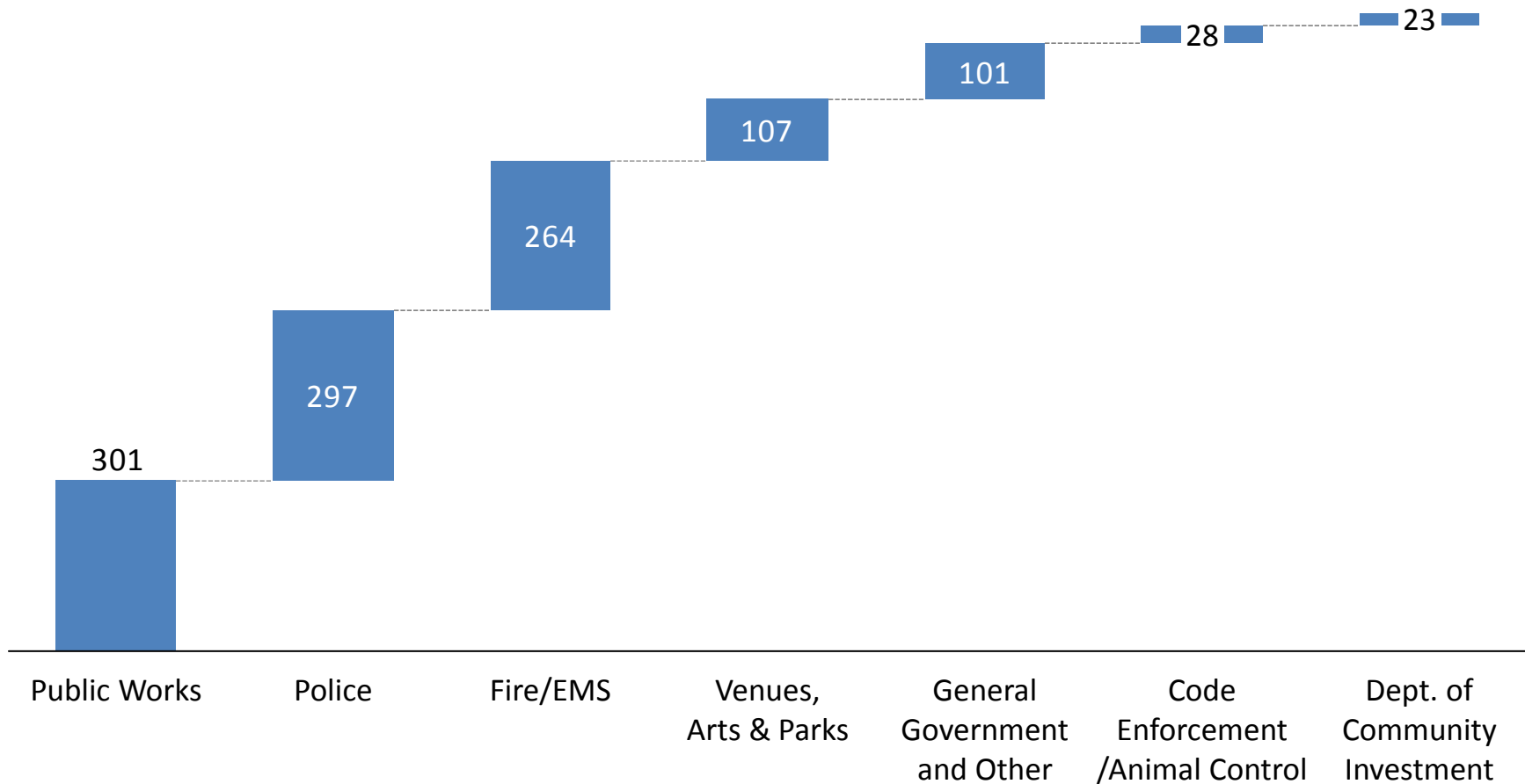


	2015 Actual Expenditures	2016 Amended Budget	2017 Proposed Budget	2017 Percent of Total
Public Safety	\$ 44,400,000	\$ 46,100,000	\$ 52,000,000	85%
General & Administrative	6,100,000	6,800,000	7,100,000	12%
Economic Development	1,400,000	1,600,000	1,800,000	3%
Total Expenditures	\$ 51,900,000	\$ 54,500,000	\$ 60,900,000	100%

Budgeted Full-Time Positions



2017 Budgeted Full-Time Headcount Summary



City of South Bend 2017 Proposed Budget Concluding Thoughts

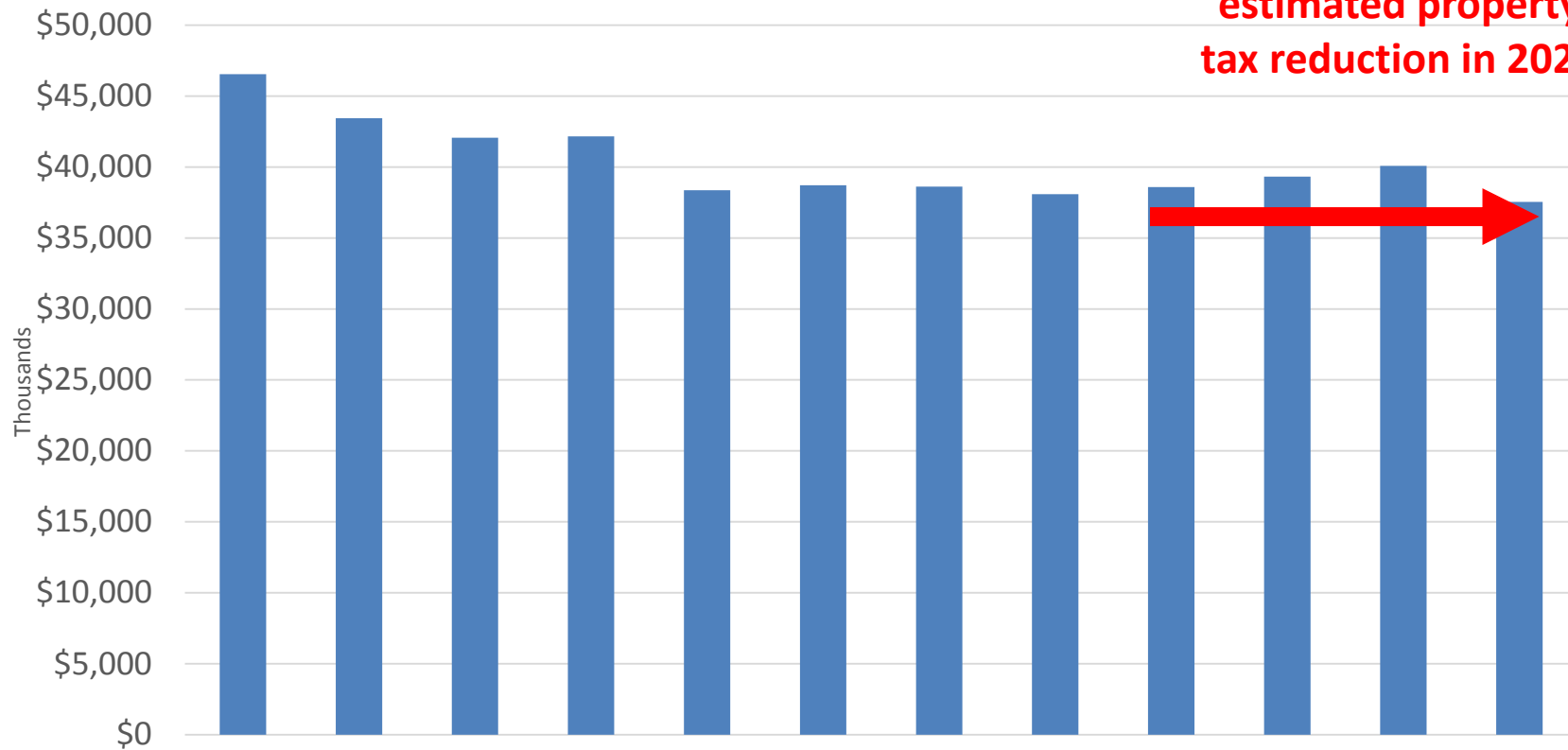
- Working diligently to get ahead of the 2020 tax cut/fiscal curb
- Overall City budget of \$368 million
 - reduced overall expenditure from 2015 due to lower capital spend
 - expenditures higher than revenue mostly due to timing of bond proceed usage for infrastructure investments
- General Fund, EDIT and COIT budget of \$85.5 million is currently a balanced overall budget
- Moving towards long-term balance while relying on modest reserves in certain other funds to sustain key expenditures
- City budget maintains our city's comeback through:
 - continued investment in our neighborhoods, city center, and people
 - use of technology and efficiency to drive results
 - maintaining resources needed to keep high levels of service
 - measuring our performance for continuous improvement
- We respectfully ask Council to approve our 2017 budget request

Appendix



Projected Property Tax Levies Due to State Circuit Breaker Tax Credits General Fund

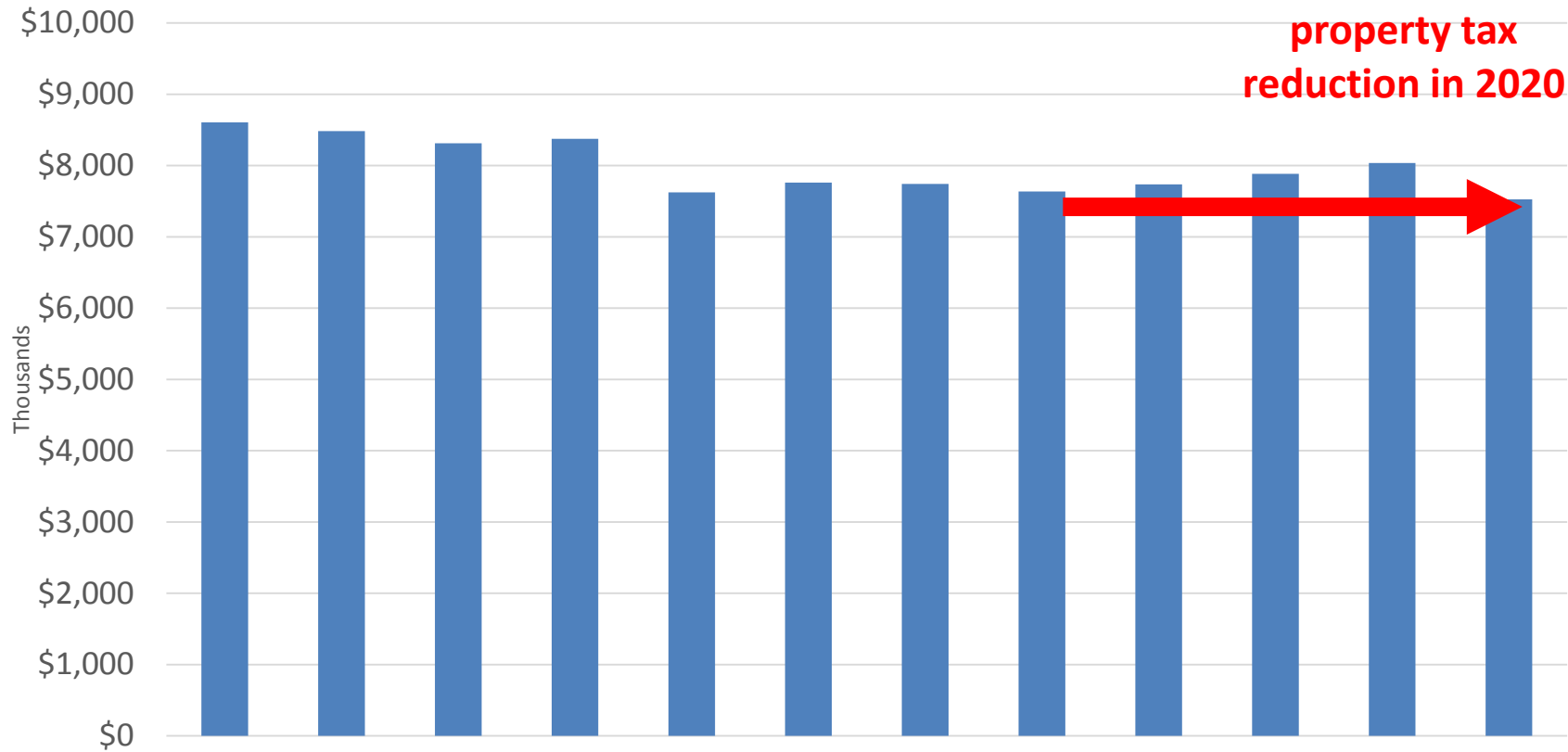
**\$2.54 million
estimated property
tax reduction in 2020**



	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Estimated	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
Net Levy (in thousands)	\$46,551	\$43,441	\$42,066	\$42,160	\$38,369	\$38,715	\$38,619	\$38,089	\$38,589	\$39,332	\$40,082	\$37,543

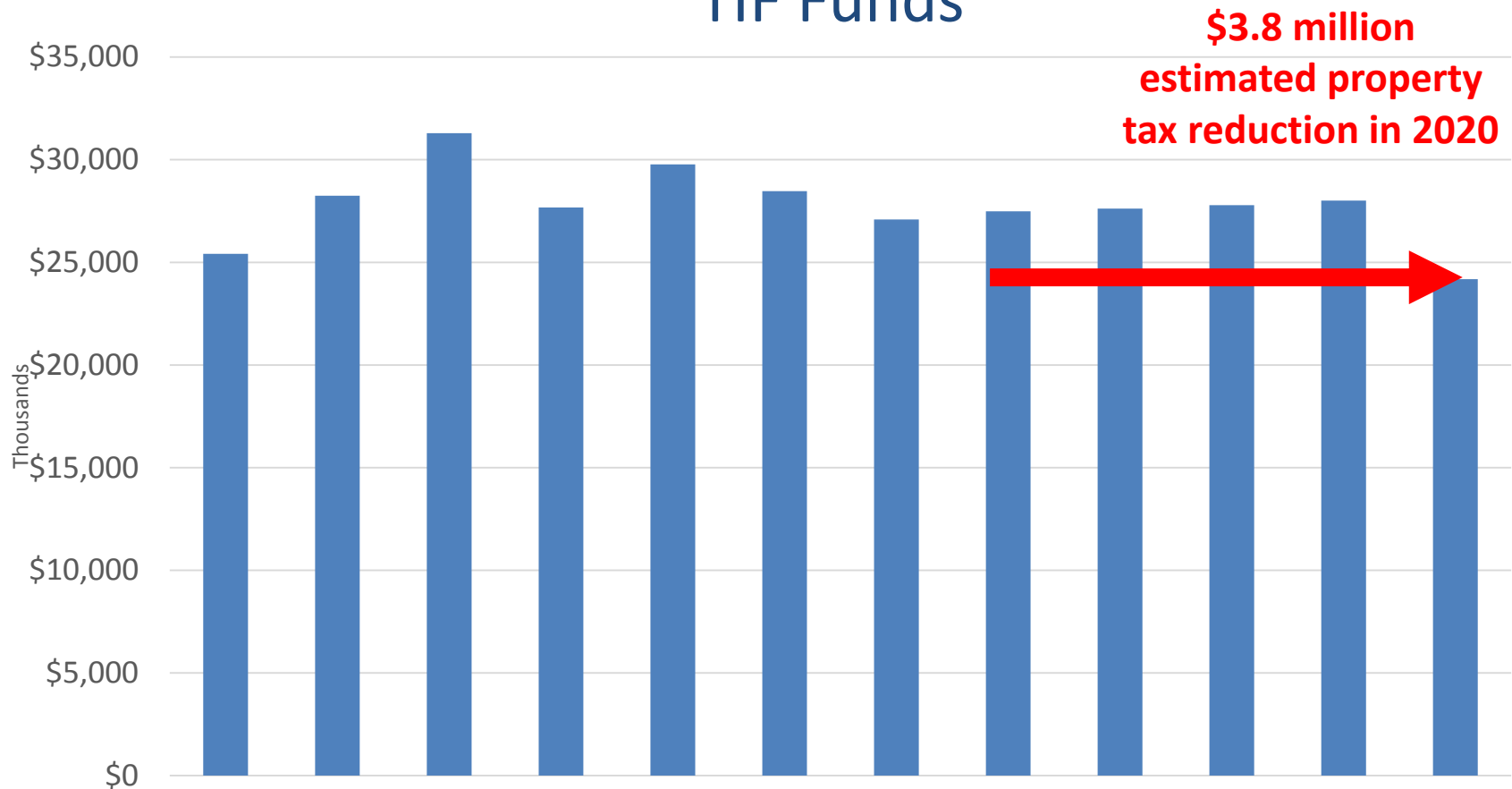
Projected Property Tax Levies Due to State Circuit Breaker Tax Credits

Parks & Recreation Fund **\$510,000 estimated property tax reduction in 2020**



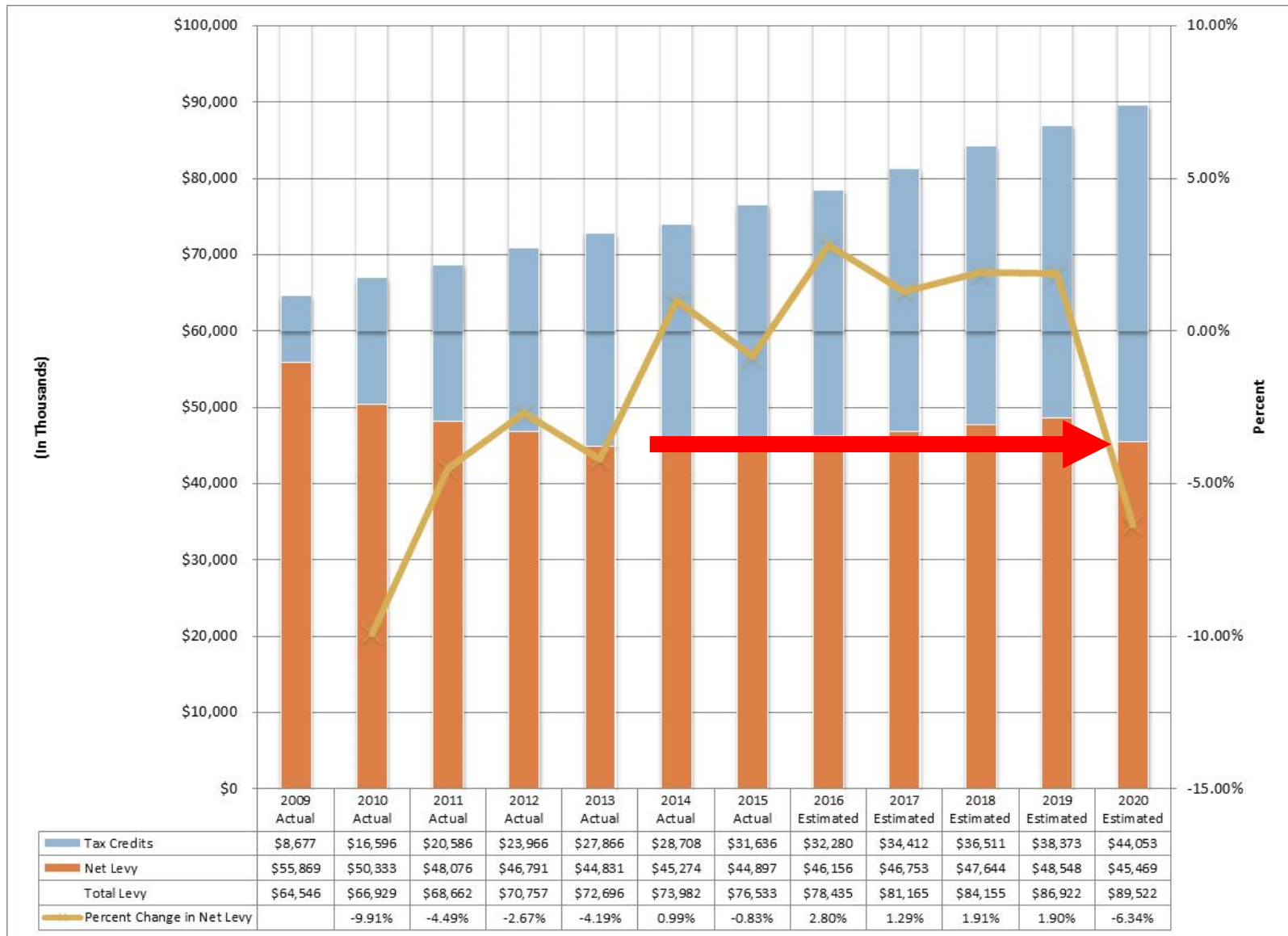
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Estimated	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
Net Levy (in thousands)	\$8,606	\$8,483	\$8,313	\$8,375	\$7,624	\$7,761	\$7,742	\$7,636	\$7,736	\$7,884	\$8,036	\$7,526

Projected Property Tax Levies Due to State Circuit Breaker Tax Credits TIF Funds



	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Estimated	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
Net Levy (in thousands)	\$25,418	\$28,248	\$31,296	\$27,673	\$29,772	\$28,469	\$27,091	\$27,486	\$27,615	\$27,784	\$28,007	\$24,184

Flat Projected Property Tax Revenues Due to State Circuit Breakers



Flat Projected Property Tax Revenues Due to State Circuit Breakers Levies for TIF

