

South Bend

2016 Civil City Budget – proposed

Items of Inquiry needing more information:

Department of Administration of Finance

1. Summary of 2016 Budget Estimates Based on State Formulas

Provide a listing of estimates based on the State Auditor’s formulas of June 17, 2015 (estimates based on review of historical trends and State Auditor information):

	2015	2016
• Cigarette Tax – General Fund	\$70,818	\$71,000
• ABC Gallonage Tax	\$200,000	\$200,000
• Motor Vehicle Highway (MVH) (gas tax)	\$3,647,000	\$3,050,000
• Motor Vehicle Highway (wheel tax)	\$2,050,000	\$2,050,000
• Local Road & Streets (LRS)	\$1,045,000	\$1,068,000
• Riverboat Wagering Tax Sharing	\$600,000	\$600,000

2. Summary of County LOIT Estimates

• CEDIT .4%	\$8,981,877	\$9,364,830
• COIT .6%	\$8,859,912	\$9,037,110
• Public Safety LOIT .25%	\$6,466,190	\$6,595,513
• COIT Property Tax Relief .5%	No direct city revenue. Is used to reduce circuit breaker property tax losses. Already factored into the property tax revenue estimate.	

- On page 61 EDIT Fund # 408 it is noted that “EDIT is used to assist in the funding of Community Investment operating expenses (\$1,967,638)”. What other funds are used to fund such expenses? **This money is used in direct support of the DCI operating budget which covers salaries and other expenses of the department. Other revenues within fund 211 include a service grant, staff contracts (funded from TIF) and a small amount of interest. No other city funds are used to support the operations of the Community Investment office and staff.**

- Page 83 Cumulative Capital Improvement Fund # 407: How much revenue is from Hotel/Motel tax [provide both 2015 and 2016 amounts] and how much revenue is from SBSC contracts [provide both 2015 and 2016 amounts] **Hotel/Motel contributes \$150,000 annually (2015 and 2016). SCSC contributes \$25,000 annually (2015 and 2016). The cigarette tax revenue was \$247,000 for 2015 and is \$260,000 for 2016.**

- Page 145 Liability Insurance Fund # 226: Claims Adjuster currently paid out of the Legal Department is proposed to be paid out of the Liability Insurance Fund. Is the Claims Adjuster under the supervision of the Corporation Counsel? Where is Claims Adjuster’s office located? **The claims adjuster is currently being paid from the liability insurance fund. This change was**

made with the 2015 budget. The Claims Adjuster is under the legal department's supervision and his office is within the legal department.

3. Additional Data needed from the May 28, 2015 Budget Kick-Off Meeting

- The 2015, health care costs increased by 19%. The 2016 Health Insurance Costs are proposed to increase from \$12,000 to \$14,400 per employee representing a 20% increase. How much of this increase is the result of the Affordable Care Act; the employee claims experience rates; the proposed employee clinic; other? **This amount is calculated annually by our third party administrator, Wakely. Many factors go into determining the costs to charge per employee, but the main driver is the actual cost of health care, which was projected to rise before implementation of the Affordable Care Act. The overall costs and savings from the Affordable Care Act are impossible to estimate, but the fees for Transitional Reinsurance and PCORI (Patient-Centered Outcomes Research Institute) are budgeted at \$83,000 for 2016. The 29-hour rule for benefits required many departments to shift between part-time and full-time employees. The cost of the clinic will be approximately \$1.0 million dollars per year but it is anticipated that these costs will be offset by reduced claims. The clinic is designed to save the city money over time but probably not very much during the first year of operations.**
- Unemployment compensation rates are being reduced from 0.50% to 0.25%. What is the total dollar amount reflected in that reduction? **We are reducing the costs to the various departments by a total of approx. \$120,000 due to continued low unemployment claims.**
- Were those dollar savings used by each department to pay for the increase costs of health insurance? **Departments were required to cover the costs of the health insurance increases by managing their budgets more closely. Therefore, many departments cut costs they weren't using already such as travel and supply costs.**
- How many city employees [excluding police & fire] have city-owned or leased take home vehicles? What is total cost per cost center & overall grand total? **Approx. 25 employees have take-home vehicles. The cost will be slightly reduced in 2016.**
 - **Approx. Annual Cost per Cost Center (based on daily commute miles)**

▪ Building Department (8 vehicles)	\$2,675
▪ Code Enforcement/ACC (2 vehicles)	\$1,642
▪ DCI (1 vehicle)	\$ 724
▪ Parks (5 vehicles)	\$7,510
▪ Safety & Risk (1 vehicle)	\$1,606
▪ Sewer Dept (1 vehicle)	\$5,197
▪ Street Dept (4 vehicles)	\$5,097
▪ Solid Waste (1 vehicle)	\$1,726
▪ Traffic & Lighting (1 vehicle)	\$ 203
▪ Water Works (1 vehicle)	<u>\$ 281</u>
▪ Est Grand Total	<u>\$26,662</u>

- How many city employees city-wide receive auto allowance? [See note on page 111 for 311 Call Center] **Currently, 14 employees receive auto allowances.** What is minimum & maximum allowance paid & what is the overall grand total? **Auto allowances vary from position to position. The range is between \$1,200 and \$6,000 annually. The total cost for 2015 will be approx. \$28,000. It will be slightly less in amount in 2016.**

4. Cost of Increasing “White Collar” Employee Overtime – if federally mandated

The U.S. Department of Labor published a “Notice of Proposed Rulemaking (NPRM) on July 6, 2015 to change the salary threshold for overtime from \$23,660 to \$50,440 in 2016.

- What is the anticipated additional total cost if this is approved? **Approximately \$230,000 per year. The Parks & Recreation Department is the hardest hit by this change with an estimated cost of approximately \$88,000 per year and the Morris Performing Arts Center also has estimated increased costs of approximately \$42,000.**
- Do any of the cost centers have the additional cost included? **Since the rule has not been finalized, at this time, no cost center has included the cost of this change in their budget but there is an expectation that departments will absorb the costs within their existing budgets. The departments are asked to manage this cost by scheduling less overtime for certain employees and by the re-assignment of duties to other employees as needed.**

5. Finance & Purchasing [From the August 17, 2015 Personnel & Finance Committee meeting]

- How was the Municipal ID program cost of \$18,000 calculated? [Listed on page 101 under Operating & Capital Budget]
1,200 cards x \$15 dollars per card = \$18,000. The program is still early in the preliminary planning stage and the city has been contacted by a vendor that desires to underwrite the program at no cost to the city.
- Is there a job description for the “Diversity Inclusion Officer” proposed at \$104,000? Please provide a copy. [Listed on page 101 under Operating & Capital Budget] **As a proposed position for 2016, the job description is still being worked on. To clarify, the salary is set at \$75,000. The benefits (FICA-7.65%, PERF-11.2% and all Insurance-\$15,000) increase the TOTAL COST of the position to \$104,000. While the position will have a strong focus on public safety, the Diversity & Inclusion Officer will work across all city departments and report to the Mayor’s Office.**
- Is there a job description for the “Sr. Human Resource Generalist (public safety focus)?” Please provide a copy. Why is it “Sr”? Describe what “public safety focus” means. **As a proposed position for 2016, this job description is being worked on. The “Sr.” designation is due to the higher level of HR background needed to be successful in working directly with the public safety group. This position will be dedicated to public safety to address the many HR needs there and to assist the Diversity & Inclusion Officer with police and fire departments.**

6. Safety & Risk Management [From the August 17, 2015 Personnel & Finance Committee meeting]

- The current 2015 Safety & Risk budget was increased 11.2% over the 2014. In light of that, with the workers' compensation claims being reduced, how much was the dollar cost saving and how is that money proposed to be used? **The total cost of worker's compensation and related insurance increased from \$865,282 in 2014 to a budget of \$917,500 in 2015, an increase of 6%. The costs of worker's compensation benchmarks has been low in recent years as compared to historical averages and industry peers but can vary significantly from one year to the next.**
- With the provider contract for workers compensation treatment being reduced, how much was the dollar cost savings and how is that money proposed to be used? **The budget for worker's compensation costs and related insurance has decreased from \$917,500 in 2015 to \$852,000 for 2016. The difference has been included in the account for liability claims.**

7. Information Technology [From the August 17, 2015 Personnel & Finance Committee meeting]

- Is there a timetable to eliminate the blue, brown, etc. card systems in the Police Department? **There are ongoing discussions with the Police Department. Several options are being considered for automated time and attendance systems. The issue is being discussed internally between the Office of Innovation, Police Department, Finance Department and the Mayor's Office.**
- Has the City considered partnering with St. Joseph County on using pictometry in the interest of enhancing enforcement? **The City has started working more closely with the County on several IT and GIS projects. We have been automatically updating Parcel and Ownership information since the two entities established a server connection. We are continuously studying and adding data that helps with enforcement including LIDAR and pictometry. Thank you for the suggestion. (Innovation and IT)**
- What is the short-term and long-term schedule for updating the Ordinance Violations Bureau (OBV) software, especially with regard to easily tracking quality of life ordinance violations? **Due to the large number of entities that enforce municipal violations this transition will likely be gradual, by type of violation. We are currently working on coordinating between Code and OVB. We are exploring on the requirements to transfer more violation types into Accela. Once a decision is made, an implementation timeline will follow. (Innovation)**

8. Office of Innovation [From the August 17, 2015 Personnel & Finance Committee meeting]

- Is this office involved in the discussions with proposed updates to OVB? If yes, what is the short-term and long-term cost for implementation? **Innovation has been working closely with Clerk John Voorde, Deputy Clerk Kareemah Fowler, and Code Enforcement Director Randy Wilkerson on the proposed changes to OBV. At this point we have established procedures in invoicing and reporting that will allow OBV and code to use Accela for grass tickets, reconciling the General Ledger with Accela's Fees and Fines. We expect the nuances to be resolved within a month, while saving taxpayers money by avoiding an unnecessary integration.**

9. Human Resources [From the August 17, 2015 Personnel & Finance Committee meeting]

- HR website talks about internships which are city-wide. Would you list by cost center the number of paid and unpaid interns the City had in calendar year 2014 and this year thru August 15, 2015. **Refer to page 6 for detail.**
- Need more information on the comment “approved to add a Sr. HR Generalist position with a Public Safety focus for 2016” **The Public Safety focused HR Generalist will have the following key job responsibilities: recruitment, hiring and promotions, training, employee relations, absence management (FMLA, ADA, Lite Duty), performance management. There is a huge need, especially in the Police Department, to provide guidance and assist in managing these crucial areas.**
- Need more information on the comment “Approved to add a Diversity Inclusion Officer position to include the duties of the former Diversity Compliance Office as well as other duties as assigned for 2016”. **Currently being reviewed and discussed in the Mayor’s office.**
- Why does the City’s Website “Policies” Policy/Procedure still have listed: “4 Human Resources In Draft”? Will the new personnel policies/procedures be posted on line at this location? **The City’s website will be updated with the new handbook immediately. However, in the future, it is my preference to put all such policies on the intranet – which will be geared specifically for employees. The intranet will contain information regarding each benefit program, events and activities occurring within the city, etc.**
- What ongoing training is proposed so that employees are aware of the personnel policy regs? **When we rolled out the handbook this year, HR visited each department, in some cases multiple times, and for each shift, to discuss the handbook in detail with employees. Each employee was given their own copy of the handbook and informed it was their responsibility to read and understand the content, along with the offer of assistance from HR if there were any questions or issues with interpretation. We also spent additional time reviewing the handbook with payroll clerks, supervisors and managers. A binder has also been given to each department/division to maintain for easy reference by all employees. All disciplinary actions must be submitted to HR for review and no suspensions or terminations can happen without HR’s review and approval. Later this fall we will be conducting supervisory training to discuss more in depth topics of interest such as performance management. As the current handbook is the first one in over 20 years, we do expect revisions will be necessary in 2016. When that occurs, we will go through the same process as above to ensure employees at all levels understand expectations.**
- Is the ID badge program being coordinated at all with Emergency Mgt Agency (EMA)? **The Municipal ID program is still being reviewed and is in the preliminary planning stages. Efforts will be taken to keep the costs to a minimum.**
- Provide a listing of employment contracts in place with former city employees by department or individual cost center. **We are unaware of any employment contracts in place with former employees at this time. Employment contracts are not typically done within the City due to guidance from Legal. Full and part time employees are under at at-will employment arrangement when they begin.**

City of South Bend
Intern Listing - 2014 and 2015 (To Date)

Department	2014			2015		
	Paid	Unpaid	Total Interns - 2014	Paid	Unpaid	Total Interns - 2015
A&F	1	0	1	1	0	1
Animal Control	0	3	3	0	2	2
Code	1	2	3	0	1	1
DCI	0	4	4	0	2	2
Engineering	6	1	7	8	1	9
Fire	0	2	2	0	0	0
HR	2	1	3	2	1	3
Innovation	0	0	0	0	8	8
IT	2	0	2	1	0	1
Legal	0	10	10	0	4	4
Mayor's Office	1	15	16	1	26	27
Mayor's Office - (EnFocus) - Shared Cost *	6	0	6	0	0	0
Parks-Recreation (Incl Summer Youth Program)	16	31	47		8	8
Police Dept	0	0	0	2	0	2
Safety & Risk	0	0	0	1	0	1
Streets	0	0	0	5	0	5
Sustainability	0	0	0	4	0	4
Water Works-Customer Service/Billing	0	1	1		0	0
Total Interns	35	70	105	25	53	78