

## **Controller's Office**

*Rebecca Miller, Controller*

The Controller's Office has a staff of nine full-time employees; the Controller, Deputy Controller, Purchasing Agent, Payroll Clerk, two Accountants and three Bookkeepers.

The Controller's Office is the center of finance and budgeting for the City of Mishawaka and Mishawaka Utilities. The financial situation of the City influences everything we do. We must have the resources to get the job done. Managing the resources of the City can be complicated but we do the best job possible with the taxpayer's funds.

Responsibilities include:

- Compiling the annual budget
- Processing and filing federal, state, and local financial reports
- Processing payroll
- Processing all accounts payable
- Receipting and reconciling of all deposits on a daily basis, and
- Issuing various City licenses and permits

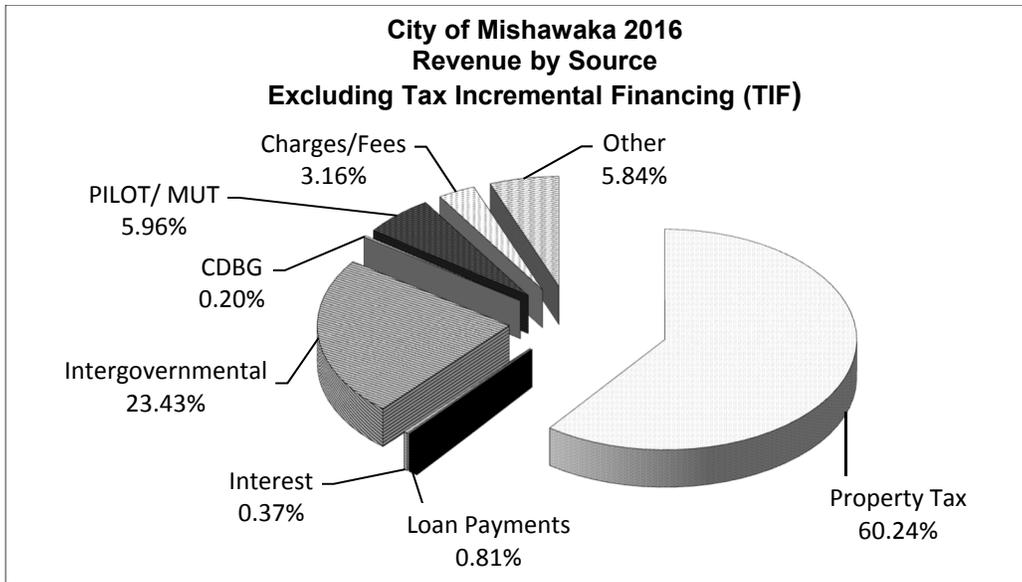
Though the City received almost a 100% tax collection in 2016, it was offset by \$4.5 million in property tax losses due to tax caps known as the Circuit Breaker. Even with this loss of revenue we must continue to plan and budget conservatively to deliver the exceptional services our citizens have become accustomed to receiving.

Making sure that funds are deposited and accounted for on a daily basis results in considerable savings to Mishawaka citizens. This cash handling procedure assures that the City's funds are available for any interest earnings in a timely manner. The Controller's Office prides itself on being good stewards of the taxpayer dollar.

The cash balance in the General Fund increased \$1.852 million from \$2,877,933 to \$4,730,384. Lower than budgeted fuel costs, revenues coming in over budget, and conservative spending contributed to this increase.

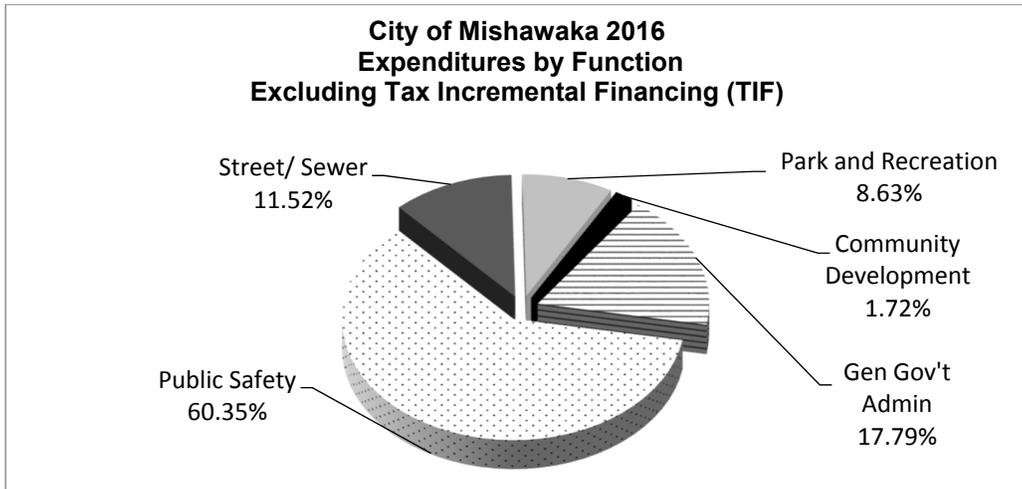
The total Civil City budget for 2016 increased 5.93% to \$52,926,916. The General Fund budget increased 9.4%, MVH 3.5% and Parks and Recreation 2.4%. Capital outlays and rising utility costs resulted in the increases. In 2016, the wage increase for employees was 1.0% for the second year in a row.

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In 2016, approximately 60% of our revenue came from property tax. Another 29% came from other taxes and inter-governmental revenue. A few examples of other taxes and inter-governmental revenue are COIT, CEDIT, Auto Excise, Cigarette and ABC Excise. Finding new revenue sources and replacing lost revenue due to property tax caps will continue to challenge the administration in the years to come.

Over 60% of the City's expenditures were related to public safety, up 4% from last year. The next largest percentages were 18% for general government, and 12% for streets/sewers. An analysis of these expenditures shows 68% was spent on salaries and benefits, 19% on operating expenses, and 13% on capital in 2016.



Rising health insurance costs and employee wellness are two factors that influence the City's financial health. The City continues to provide affordable health care for our employees and sees a very high level of participation at the employee health clinic. Each year, together with the Human Resources department, benefits and plans are reviewed to provide quality health insurance while keeping expenses as low as possible.

The City of Mishawaka’s bond rating is A+. This rating is based on a steadily growing customer base within an economically stable area, good historical financial performance, and adequate legal provisions as the factors in the rating assessment. The expectation is that the debt service coverage and liquidity profile for all future issues will remain stable. With a favorable bond rating, bonds may be sold at a lower interest rate and buyer confidence is elevated. Again, this is a benefit to the citizens of Mishawaka by keeping interest rates lower, and having a positive effect on utility debt service and property tax rates.

2013	2014	2015	2016
<b>Year End General Fund Balance</b>			
\$4,393,024	\$2,075,521	\$2,877,933	\$4,730,384
<b>Tax Rate History</b>			
\$1.9086 +4.95%	\$2.0062 +5.11%	\$1.8795 -6.32%	\$1.997 +6.25%
<b>Assessed Value History</b>			
\$1,329,478,738 -4.7%	\$1,303,292,258 -1.97%	\$1,372,100,311 +5.28%	\$1,341,719,802 -2.21%
<b>Budget Book Totals</b>			
\$52,312,050 +9.63%	\$53,144,344 +1.59%	\$49,964,351 -5.98%	\$52,926,916 +5.93%
<b>Wage Increases</b>			
2.0%	1.5%	1.0%	1.0%

After three years of a decreasing cash balance in the General Fund, 2016 realized a 64% increase. This increase is due to conservative budgeting and spending. Revenue in the Building, Planning, Engineering, and EMS departments came in over their estimated budgets, while fuel and capital lines saw reductions in their expenditures. Circuit Breaker losses continue to affect our budget as illustrated in the General Fund losses over the past three years: 2016 (\$4.2 million), 2015 (\$3.8 million), and 2014 (\$3.4 million).

The Controller’s Office continues to work responsibly to manage expenses and find other sources of revenue without cutting back on City services to our citizens.

## **Law Department**

*Geoff Spiess, Corporation Counsel*

*John Roggeman, City Attorney*

*Robert C. Beutter, Assistant City Attorney*

*David V. Bent, Assistant City Attorney*

The Law Department provides legal assistance and counsel to 22 City departments, as well as the Board of Public Works and Safety, the Redevelopment and Community Development Commissions, the Board of Parks and Recreation, and Mishawaka Utilities and its divisions: Electric, Water and Wastewater Treatment.

In 2016, the Law Department worked with the Common Council on wage negotiations for Mishawaka Police and Fire Departments and led negotiations for all other collectively-bargained work groups. City attorneys continue to provide legal assistance on resolutions and ordinances brought before the Mishawaka Common Council.

The Law Department represents the City in code enforcement hearings, provides legal support to the efforts of the Police and Fire Departments, reviews matters in all departments to ensure compliance with state and federal laws and regulations, counsels department heads on employment issues, and reviews contracts.

The department's ongoing efforts to protect taxpayer dollars includes answering complaints and claims, responding to lawsuits and EEOC filings, working to minimize the City's exposure to future lawsuits, and managing ongoing litigation.