

## **Controller's Office**

*Rebecca Miller, Controller*

The Controller's Office has a staff of seven full-time employees: The Controller, Deputy Controller, Purchasing Agent, Payroll Clerk, Accountant, Financial Analyst, and Bookkeeper.

We are the center of finance and budgeting for the City of Mishawaka and Mishawaka Utilities. The financial position of the City influences everything we do. Managing the resources of the City can be complicated, but we take great pride in managing taxpayer and ratepayer funds responsibly.

Internal controls are very important to provide oversight and checks and balances. Our office practices segregation of duties and has adopted cash handling and internal control policies that all City and Utility departments follow. Other responsibilities include:

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

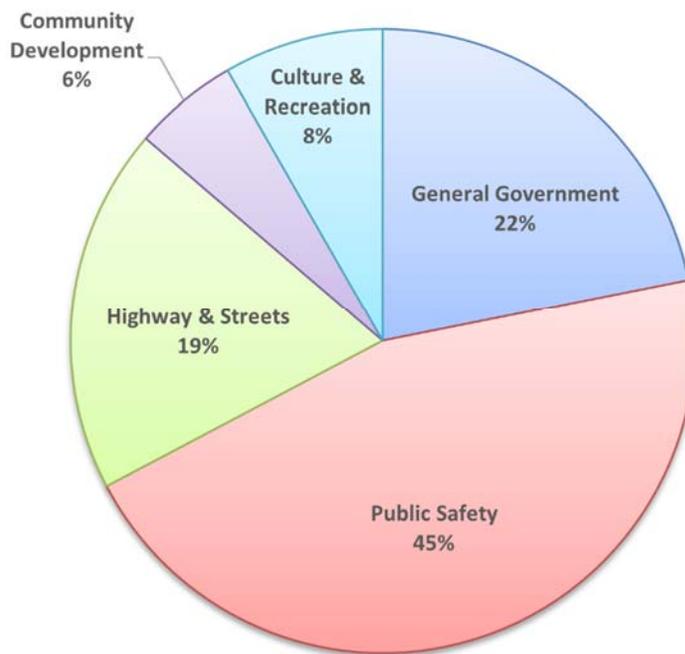
In 2020, our circuit breaker losses were their highest at \$7.7 million, an increase of \$1.9 million over the previous year. We were not surprised by the increase as state law required that in 2020 the property tax caps lower from 1.5% / 2.5% / 3.5% to 1% / 2% / 3%, also known as the fiscal cliff.

<b>General Fund Balance</b>			
2017	2018	2019	2020
\$6,392,197	\$9,851,063	\$13,715,625	\$16,060,792
<b>Tax Rate History</b>			
2017	2018	2019	2020
\$1.999 +.07%	\$2.0516 +.026%	\$2.0701 +.009%	\$2.0226 +.023%
<b>Assessed Value History</b>			
2017	2018	2019	2020
\$1,391,035,674 +3.68%	\$1,409,003,003 +1.30%	\$1,443,063,119 +2.4%	\$1,528,602,972 +5.9%
<b>Budget Book Totals – Civil City</b>			
2017	2018	2019	2020
\$50,545,983 -4.5%	\$52,847,785 +4.5%	\$55,749,918 +5.5%	\$56,284,765 +1%
<b>Wage Increases – Civilians</b>			
2018	2019	2020	2021
1.0% + \$500	1.5% + \$500	3.0%	1.5% + \$500

While we weathered those losses, the pandemic has brought a new set of obstacles in local government revenue and that involves income tax. Our capital project and public safety funds rely on income tax to support these funds.

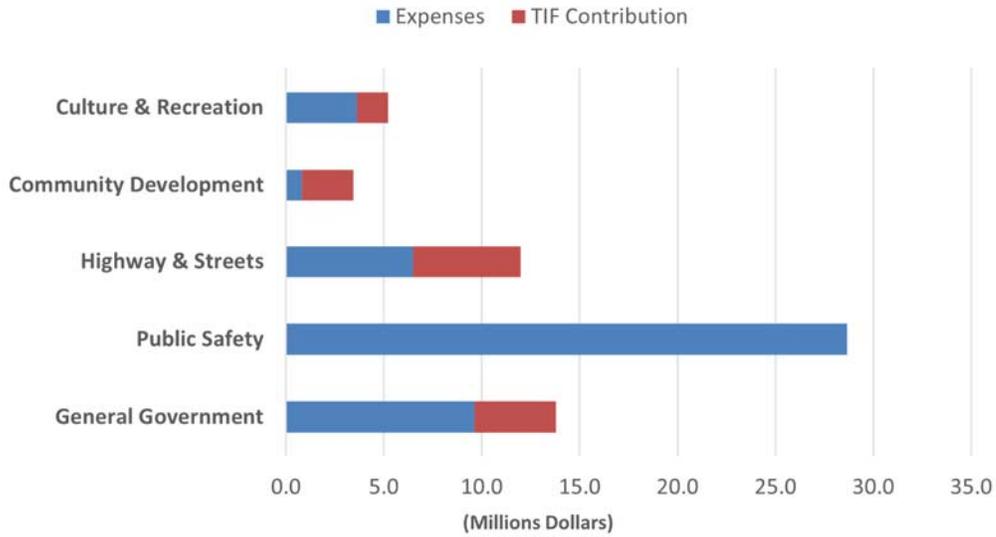
When people are out of work the City sees reductions in this revenue which are expected to impact the City in 2022 and 2023. While the pandemic created many challenges for local government there was a silver lining. Hiring and certain spending was slowed, and the City received \$1.6 million from the State for relief. These unexpected budget items helped increase our General Fund balance. This increase will be used to offset our expected income tax losses in the next few years.

### EXPENSES BY FUNCTION INCLUDING TIF



In addition to the challenges of the fiscal cliff and income tax losses, Dark Store legislation has allowed large box stores to appeal their assessed value based on like stores that are empty (dark). The county and township assessor offices have neither the staff nor budgets to fight the high-profile law firms reaching out to the corporate stores. Together the City, along with the City of South Bend and St. Joseph County, meet to discuss appeals and strategies to combat this growing trend.

### EXPENSES BY FUNCTION INCLUDING TIF



As a whole, the City continues to strive to keep budgets flat and payroll costs reasonable, reviews health insurance plans annually for savings and cost reductions, engages the Common Council in the budget process, and stays up-to-date on any legislative changes that would affect our fiscal health.

In conclusion, the City Controller's office has the job of keeping the City financially sound. This may be with earnings, or with savings on purchasing, but either way it is a benefit to all citizens of Mishawaka. Sound financial management is fundamental to keeping Mishawaka moving forward.