

## **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

In 2015 we received our normal biannual property tax distributions from the county with collections coming in at 96.7%. This is down just slightly from the 97.8% we received the prior year. Due to the property tax caps (circuit breaker) the City was left short \$4.5 million dollars. 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”***

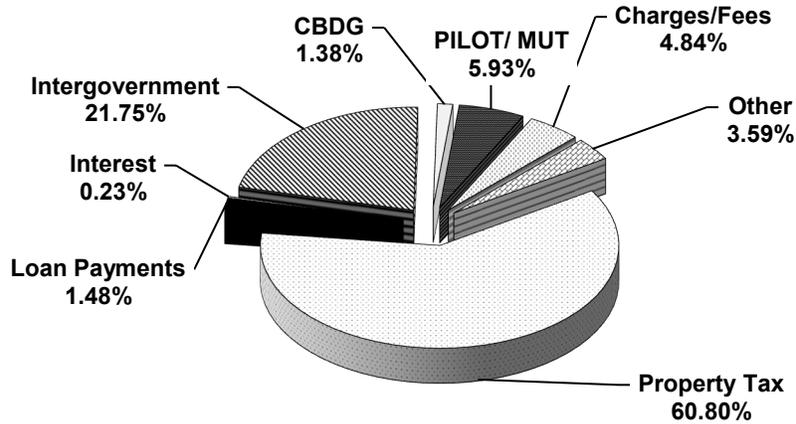
Making sure that funds are deposited and accounted for on a daily basis results in considerable savings to Mishawaka citizens. This cash handling procedure assures that the City's funds are available for any interest earnings in a timely manner. The Controller's Office prides itself on being good stewards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

The cash balance in the General Fund increased \$802,412 from \$2,075,521 to \$2,877,933. Lower fuel costs, the dispatchers changing to county employees, and conservative spending attributed to this increase. Unfortunately, a 14% increase in insurance costs eroded an even better outcome.

The total civil city budget for 2015 was \$49,964,351 which was a decrease of 5.98% (-\$3,179,993) from 2014 (\$53,144,344). The General Fund budget decreased -6.6%, MVH -19.3%, and Parks and Recreation -8.4%. In 2015 the wage increase for all employees was 1.0%.

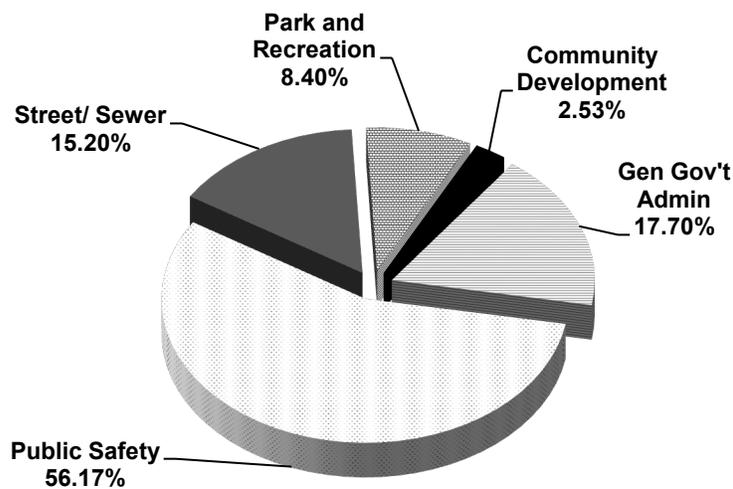
In 2015, approximately 61% of our revenue came from property tax. Another 22% came from other taxes and inter-governmental revenue. A few examples of other taxes and inter-governmental revenue are: COIT, CEDIT, Auto Excise, Cigarette, and ABC Excise. Finding new revenue sources and replacing lost revenue due to property tax caps will continue to challenge the administration in the future.

City of Mishawaka 2015  
Revenue by Source  
Excluding Tax Incremental Financing (TIF)

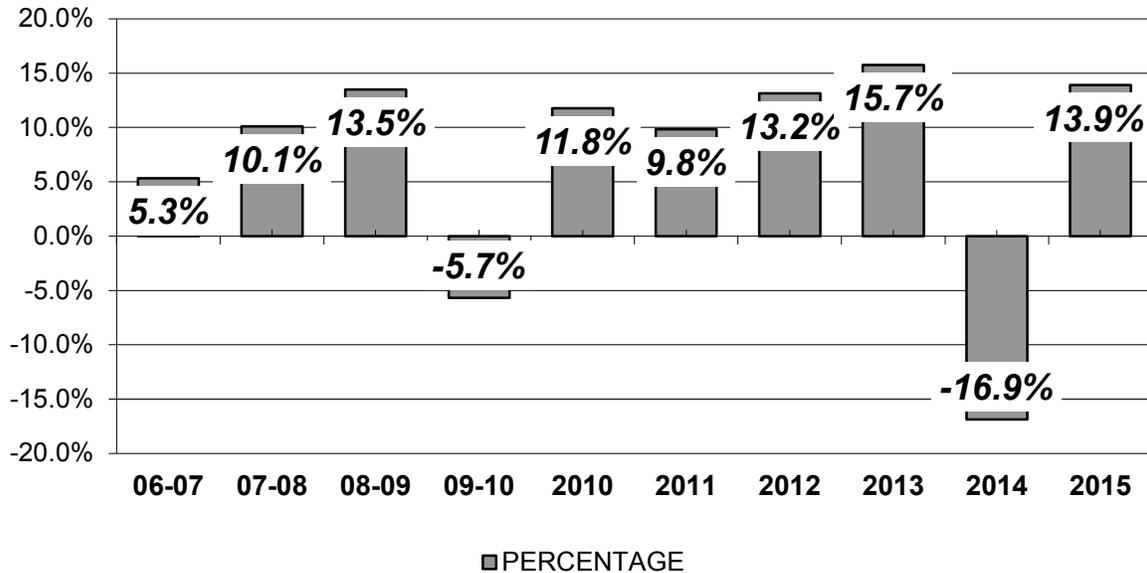


Over 56% of the City's expenditures were related to public safety. The next largest percentages were 18% for general government, and 15% for streets/sewers. An analysis of these expenditures shows 68% was spent on salaries and benefits, 19% on operating expenses, and 13% on capital in 2015.

City of Mishawaka 2015  
Expenditures by Function  
Excluding Tax Incremental Financing (TIF)



### City of Mishawaka Health Insurance Costs 10-Year Trend



Rising health insurance costs and employee wellness are two factors that impact the City’s financial health. The City continues to provide affordable health care for our employees and opened its first employee and dependents only clinic in August. Additionally, in 2016 a new third-party prescription benefit will be available. Together with the Human Resources Department our office works to provide the best possible benefits at the lowest costs.

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.

2012	2013	2014	2015
<b>General Fund Balance</b>			
\$8,067,200	\$4,393,024	\$2,075,521	\$2,877,933
<b>Tax Rate History</b>			
\$1.8186 +4.75%	\$1.9086 +4.95%	\$2.0062 +5.11%	\$1.8795 -6.32%
<b>Assessed Value History</b>			
\$1,395,330,853 -2.5%	\$1,329,478,738 -4.7%	\$1,303,292,258 -1.97%	\$1,372,100,311 +5.28%

2013	2014	2015	2016
<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%

As the charts above show, circuit breaker losses have eroded our General Fund balance. Losses for the past three years are: 2015(\$3.8 million), 2014 (\$3.4 million), and 2013 (\$2.8 million). We continue to work responsibly to manage expenses and find other sources of revenue, without cutting back on City services to our citizens.

All full-time employees use internal systems to access paperless paystubs and their W-2s. Employees are able to go online from work or home and print off their own payroll information. Along with the paper and storage savings, the time saved by not printing, sorting, passing out, and reproducing lost paystubs is a great benefit.

The Controller's Office will continue to look to streamline processes for further cost savings and efficiencies in 2016 and continue to keep the City in a financially sound position. This may be with earnings, or with savings on purchasing, but either way it's a benefit to all citizens of Mishawaka.