

EMPLOYEES — THE CITY’S MOST IMPORTANT ASSET

The City, like most local governmental units, provides services and can therefore be classified as a labor-intensive organization. Any organization that provides services can expect a substantial portion of its budget to be allocated for personnel costs. The following chart illustrates the City’s personnel costs.

	Key Personnel Statistics	
	General <u>Fund</u>	Total <u>City</u>
Total Budget	\$113.7 Million	\$249.5 Million
Employees	736	1,101
Personnel Costs	\$85.1 Million	\$108.6 Million
Percentage		
Personnel	74.9	43.6
Salary	49.0	27.7
Fringe Benefits	25.9	15.9

To help contain personnel costs, the City has taken several steps in the past to economize its use of personnel while maintaining service quality. These steps include:

- eliminating inefficient or ineffective services;
- improving the method of delivery for certain services;
- contracting certain specialized and/or seasonal services to private contractors; and
- adding certain key positions.

As part of the City’s budget preparation process, departments consider the aforementioned means of reducing personnel costs while maintaining service levels and quality. When departments prepare their personnel and dollar budgets, they give consideration to current and future practices in the context of the above factors. The 2012 budget was developed using these steps as guideposts to ensure that quality services are being delivered with the lowest possible personnel costs. All departments and agencies prepared budgets by analyzing their operations in light of the above factors.

EMPLOYMENT TRENDS

Since 2010, 34.27 full-time equivalent positions have been eliminated, a decrease of 3.1%, across program lines in legislative and management, public safety, community development, public works, and human services.

CITY OF ROCKFORD, ILLINOIS 2012 BUDGET PERSONNEL AUTHORIZATION ALL FUNDS

PROGRAMS AND AGENCIES	<u>2009</u>	<u>2010</u>	<u>2011</u>	2010-2011 INCREASE (DECREASE)	<u>2012</u>	2011-2012 INCREASE (DECREASE)
LEGISLATIVE & MANAGEMENT						
MAYOR	8.00	6.00	5.00	(1.00)	4.00	(1.00)
COUNCIL				0.00		0.00
LEGAL	20.00	17.00	12.00	(5.00)	12.00	0.00
FINANCE	34.00	32.00	32.00	0.00	32.00	0.00
INFORMATION SERVICES	8.00	6.00	6.00	0.00	6.00	0.00
HUMAN RESOURCES	<u>7.00</u>	<u>6.00</u>	<u>5.00</u>	<u>(1.00)</u>	<u>5.00</u>	<u>0.00</u>
LEGISLATIVE & MGMT TOTAL	<u>77.00</u>	<u>67.00</u>	<u>60.00</u>	<u>(7.00)</u>	<u>59.00</u>	<u>(1.00)</u>
COMMUNITY DEVELOPMENT						
CD ADMINISTRATION	2.00	1.50	1.50	0.00	1.50	0.00
CD CODE ENFORCEMENT	14.20	12.20	10.20	(2.00)	10.20	0.00
CD PLANNING	6.30	5.30	4.30	(1.00)	4.30	0.00
CD CONSTRUCTION SERVICES	25.00	18.00	15.00	(3.00)	15.00	0.00
CD SANITATION	0.00	0.00	0.00	0.00	0.00	0.00
CD DEVELOPMENT	<u>7.50</u>	<u>7.00</u>	<u>8.00</u>	<u>1.00</u>	<u>8.00</u>	<u>0.00</u>
COMM DEVELOPMENT TOTAL	<u>55.00</u>	<u>44.00</u>	<u>39.00</u>	<u>(5.00)</u>	<u>39.00</u>	<u>0.00</u>
HUMAN SERVICES						
HUMAN SERVICES	90.75	97.85	99.00	1.15	90.58	(8.42)
DRUG FREE INITIATIVE	0.00	0.00	0.00	0.00	0.00	0.00
TUBERCULOSIS SANITARIUM	0.00	0.00	0.00	0.00	0.00	0.00
LIBRARY	<u>115.10</u>	<u>82.00</u>	<u>84.50</u>	<u>2.50</u>	<u>86.00</u>	<u>1.50</u>
HUMAN SERVICES TOTAL	<u>205.85</u>	<u>179.85</u>	<u>183.50</u>	<u>3.65</u>	<u>176.58</u>	<u>(6.92)</u>
PUBLIC SAFETY						
POLICE	345.00	318.00	318.00	0.00	318.00	0.00
FIRE	282.00	282.00	278.00	(4.00)	280.00	2.00
911 COMMUNICATIONS	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>	<u>0.00</u>	<u>53.00</u>	<u>0.00</u>
PUBLIC SAFETY TOTAL	<u>680.00</u>	<u>653.00</u>	<u>649.00</u>	<u>(4.00)</u>	<u>651.00</u>	<u>2.00</u>
PUBLIC WORKS						
ADMINISTRATION	4.50	3.50	2.00	(1.50)	2.00	0.00
ENGINEERING	10.00	7.45	5.50	(1.95)	10.00	4.50
STREETS & SEWERS	40.00	38.00	32.00	(6.00)	31.00	(1.00)
TRAFFIC	12.40	13.00	11.00	(2.00)	11.00	0.00
CAPITAL PROJECT	16.30	17.05	18.50	1.45	17.00	(1.50)
PARKING SYSTEM	9.00	8.50	8.50	0.00	8.50	0.00
SANITATION	0.00	0.00	0.00	0.00	0.00	0.00
PROPERTY & EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
BUILDING MAINTENANCE	12.00	12.00	10.00	(2.00)	10.00	0.00
EQUIPMENT MAINTENANCE	11.00	11.00	10.00	(1.00)	10.00	0.00
CENTRAL STORES	4.00	4.00	4.00	0.00	4.00	0.00
WATER	<u>75.00</u>	<u>77.00</u>	<u>72.00</u>	<u>(5.00)</u>	<u>72.00</u>	<u>0.00</u>
PUBLIC WORKS TOTAL	<u>194.20</u>	<u>191.50</u>	<u>173.50</u>	<u>(18.00)</u>	<u>175.50</u>	<u>2.00</u>
NON OPERATING						
CITY HALL REHAB MGMT	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>1,212.05</u>	<u>1,135.35</u>	<u>1,105.00</u>	<u>(30.35)</u>	<u>1,101.08</u>	<u>(3.92)</u>

Staffing for 2011 was 1,105.00 positions, a decrease of 30.35 FTE over 2010. 1 position was eliminated from Legislative and Management, 8.4 eliminated from Human Services while Library increased 1.5. 2 positions were increased for both Fire and Public Works.

2012 EMPLOYMENT

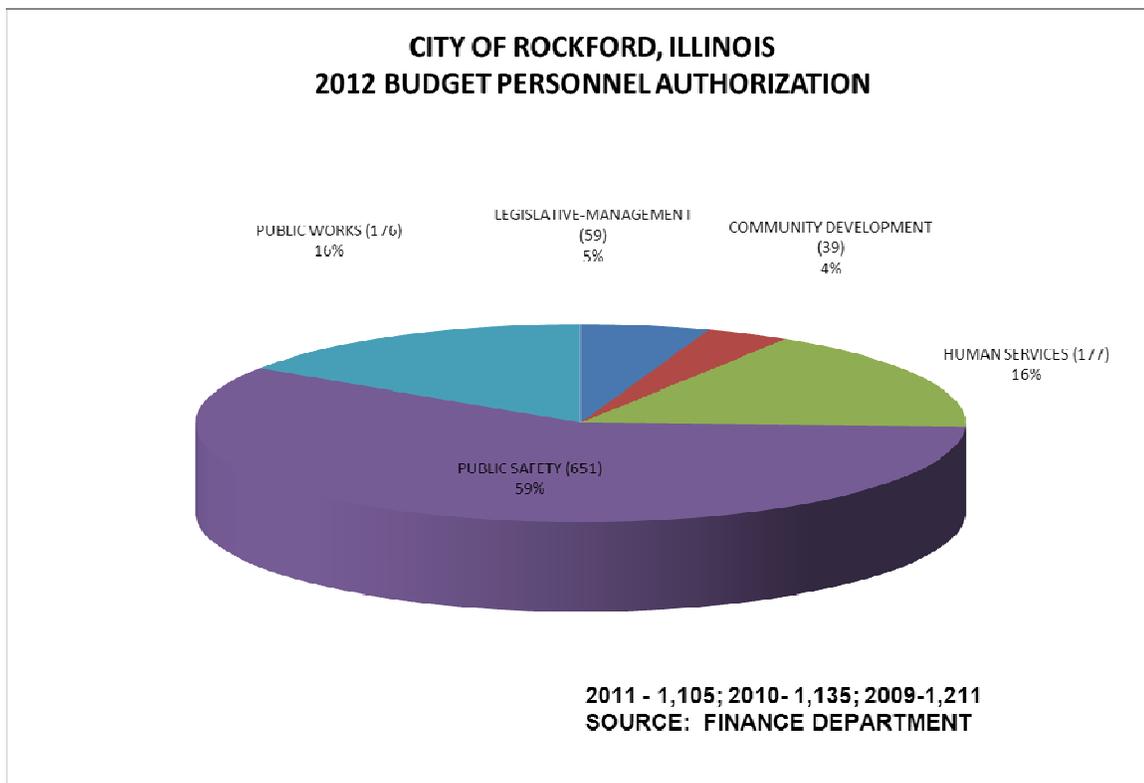
Staffing for the 2012 budget by program is provided in the Personnel Authorization Schedule. Employment has decreased to 1,101.08 positions.

The Public Works group total FTE increased by 2.00, for 1 office assistant as well as an office assistant to Operating Manager for the Engineering Division.

In the Legislative and Management group, there is a decrease of 1.00 FTE as a result of the vacant Senior Administrative Assistant being eliminated in Mayor's Office.

In the Public Safety group, there is an overall increase of 2.00 FTE. Increases include two Fire Inspectors for the Fire Department, required to be filled by an arbitrators decision.

In the Human Services group, there is an overall decrease of 6.92 FTE. Decreases include 8.42 FTE for Human Services offset by an increase of 1.50 FTE for Library.



2012 CHANGES IN COMPENSATION

The majority of the City's work force is organized into five collective bargaining units.

CITY'S EMPLOYEE UNIONS

<u>Unit</u>	<u>Employees</u>	<u>Percentage Of Total</u>
Police Sworn	269.0	31.3%
Fire Sworn	264.0	30.7
Public Works/Clerical (AFSCME)	198.0	23.0
Community Development (AFSCME)	17.0	2.0
Human Services (AFSCME)	50.0	5.8
Library (AFSCME)	<u>62.5</u>	<u>7.2</u>
	860.5	100.0%

2008-2012 SALARY AND BENEFIT ADJUSTMENTS BY EMPLOYEE GROUP (Percentage)

<u>Year</u>	<u>Police Sworn</u>	<u>Fire Sworn</u>	<u>AFSCME</u>	<u>AFSCME B</u>	<u>Exempt</u>
2008	4.00	4.00	4.00	4.00	2.50
2009	0	0	4.00	4.00	-3.33
2010	2.00	2.00	0	0	0
2011	2.00	2.00/2.00/2.00	0	0	0
2012	Currently Bargaining	Currently Bargaining	Currently Bargaining	Currently Bargaining	0

From the late 1970's to the 1980's the City paid the total cost of health insurance premiums. In 1988, the Community Development AFSCME group and the exempt employees each began contributing to their health insurance costs. In 2004, employee contributions more than doubled as an effort to control rising health insurance costs. In 2007, the City introduced a new health savings (HSA) option in addition to the traditional PPO plan for health insurance premiums. Annual premium costs for the HSA in 2012 are \$7,202 for single, \$14,404 for single plus one, and \$21,606 for family. Annual premium costs for the traditional PPO plan in 2012 are \$7,774 for single, \$15,548 for single plus one, and \$23,322 for family.

EMPLOYEE FRINGE BENEFITS

Total employee compensation includes not only salaries but also all direct fringe benefits necessary to fund a position. Fringe benefits are often not considered during compensation review and the ramifications of this hidden cost are often not realized until later budget years.

For the City, direct dollar fringe benefits average from 50.7% to 65.2% of salaries. While fringe benefits vary by employee group, the selection of Police Sworn, Fire Sworn, Finance (office), and Public Works Streets Division (field) illustrates the four typical groups.

BENEFITS AS A SALARY PERCENTAGE

<u>Benefits</u>	<u>Sworn</u>		<u>Non-Sworn</u>	
	<u>Police</u>	<u>Fire</u>	<u>Office</u>	<u>Field</u>
Pension	22.3	25.7	20.8	20.5
Worker's Comp	4.3	6.3	0.3	4.4
Health	27.9	28.1	33.1	30.6
Other	0.9	0.4	1.1	0.2
Total	55.4	60.5	55.3	55.7
	<u>Average Costs Per Budgeted Position</u>			
Salary	\$70,896	\$72,265	\$51,784	\$40,167
Fringe Benefits	<u>39,265</u>	<u>43,729</u>	<u>28,647</u>	<u>22,356</u>
Total	\$110,161	\$115,994	\$80,431	\$62,522

As shown above, 2012 fringe benefits range from 55.3 percent for office personnel to 60.5 percent for fire personnel, while average costs per position range from \$62,522 for field personnel to \$115,994 for firefighters. Costs increase primarily because of salary adjustments, and health insurance.

In 2011, the fringe benefit range was from 50.7 percent for office personnel to 60.5 percent for fire personnel, while costs per position range from \$62,522 for field to \$115,994 for fire.

Overall, 2012 fringe benefits, except for health insurance and pension, continue to remain fairly stable. Direct fringe benefits are discussed individually in the Non-Operating Funds section of the budget.

In addition to direct fringe benefit costs, certain indirect fringe benefits, such as vacations and sick leave, may add approximately six to eight percent to the fringe benefit percentages. These costs are not, unless additional positions are budgeted to compensate for this lost time, an addition in dollars, rather they represent a loss in service units delivered. Employees, as this section illustrates, are a key component of the City's budget both in terms of delivering services to citizens and as the single largest expense.