

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.

	General Fund	Total City
Total Budget	\$116.2 Million	\$236.5 Million
Employees	740	1,099
Personnel Costs	\$87.3 Million	\$108.0 Million
Percentage		
Personnel	74.3	45.7
Salary	48.0	29.9
Fringe Benefits	26.3	15.8

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 2013 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 2011, 19.45 full-time equivalent positions have been eliminated, a decrease of 2.6%, across program lines in legislative and management, public safety, community development, public works, and human services.

**CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
PERSONNEL AUTHORIZATION
ALL FUNDS**

PROGRAMS AND AGENCIES	<u>2010</u>	<u>2011</u>	<u>2012</u>	2011-2012 INCREASE (DECREASE)	<u>2013</u>	2012-2013 INCREASE (DECREASE)
LEGISLATIVE & MANAGEMENT						
MAYOR	6.00	5.00	4.00	(1.00)	4.00	0.00
COUNCIL				0.00		0.00
LEGAL	17.00	12.00	12.00	0.00	12.00	0.00
FINANCE	32.00	32.00	32.00	0.00	36.00	4.00
INFORMATION SERVICES	6.00	6.00	6.00	0.00	4.00	(2.00)
HUMAN RESOURCES	<u>6.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>	<u>0.00</u>
LEGISLATIVE & MGMT TOTAL	<u>67.00</u>	<u>60.00</u>	<u>59.00</u>	<u>(1.00)</u>	<u>61.00</u>	<u>2.00</u>
COMMUNITY DEVELOPMENT						
CD ADMINISTRATION	1.50	1.50	1.50	0.00	1.50	0.00
CD CODE ENFORCEMENT	12.20	10.20	10.20	0.00	0.00	(10.20)
CD PLANNING	5.30	4.30	4.30	0.00	4.30	0.00
CD CONSTRUCTION SERVICES	18.00	15.00	15.00	0.00	25.20	10.20
CD SANITATION	0.00	0.00	0.00	0.00	0.00	0.00
CD DEVELOPMENT	<u>7.00</u>	<u>8.00</u>	<u>8.00</u>	<u>0.00</u>	<u>7.00</u>	<u>(1.00)</u>
COMM DEVELOPMENT TOTAL	<u>44.00</u>	<u>39.00</u>	<u>39.00</u>	<u>0.00</u>	<u>38.00</u>	<u>(1.00)</u>
HUMAN SERVICES						
HUMAN SERVICES	97.85	99.00	90.58	(8.42)	96.35	5.77
TUBERCULOSIS SANITARIUM	0.00	0.00	0.00	0.00	0.00	0.00
LIBRARY	<u>82.00</u>	<u>84.50</u>	<u>86.00</u>	<u>1.50</u>	<u>86.25</u>	<u>0.25</u>
HUMAN SERVICES TOTAL	<u>179.85</u>	<u>183.50</u>	<u>176.58</u>	<u>(6.92)</u>	<u>182.60</u>	<u>6.02</u>
PUBLIC SAFETY						
POLICE	318.00	318.00	318.00	0.00	319.00	1.00
FIRE	282.00	278.00	280.00	2.00	280.00	0.00
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>653.00</u>	<u>649.00</u>	<u>651.00</u>	<u>2.00</u>	<u>652.00</u>	<u>1.00</u>
PUBLIC WORKS						
ADMINISTRATION	3.50	2.00	2.00	0.00	2.00	0.00
ENGINEERING	7.45	5.50	10.00	4.50	9.50	(0.50)
STREETS & SEWERS	38.00	32.00	31.00	(1.00)	31.00	0.00
TRAFFIC	13.00	11.00	11.00	0.00	11.00	0.00
CAPITAL PROJECT	17.05	18.50	17.00	(1.50)	16.50	(0.50)
PARKING SYSTEM	8.50	8.50	8.50	0.00	8.50	0.00
BUILDING MAINTENANCE	12.00	10.00	10.00	0.00	10.00	0.00
EQUIPMENT MAINTENANCE	11.00	10.00	10.00	0.00	9.00	(1.00)
CENTRAL STORES	4.00	4.00	4.00	0.00	4.00	0.00
WATER	<u>77.00</u>	<u>72.00</u>	<u>72.00</u>	<u>0.00</u>	<u>64.00</u>	<u>(8.00)</u>
PUBLIC WORKS TOTAL	<u>191.50</u>	<u>173.50</u>	<u>175.50</u>	<u>2.00</u>	<u>165.50</u>	<u>(10.00)</u>
TOTAL	<u>1,135.35</u>	<u>1,105.00</u>	<u>1,101.08</u>	<u>(3.92)</u>	<u>1,099.10</u>	<u>(1.98)</u>

Staffing for 2012 was 1,101.08 positions, a decrease of 5.90 FTE over 2011. 1 position was eliminated from Legislative and Management, 8.42 eliminated from Human Services while Library increased 1.5. 2 positions were increased for both Fire and Public Works.

2013 EMPLOYMENT

Staffing for the 2013 budget by program is provided in the Personnel Authorization Schedule. Employment has decreased to 1,099.10 positions.

The Public Works group total FTE decreased by 10.00, for 8 Water positions that were eliminated or transferred to Finance for Customer Service Center. The Engineering and Capital Project Divisions total decrease of 1.00 FTE was a result of the elimination of Sr. Clerk position. The Equipment Division eliminated 1.00 FTE for mechanic position.

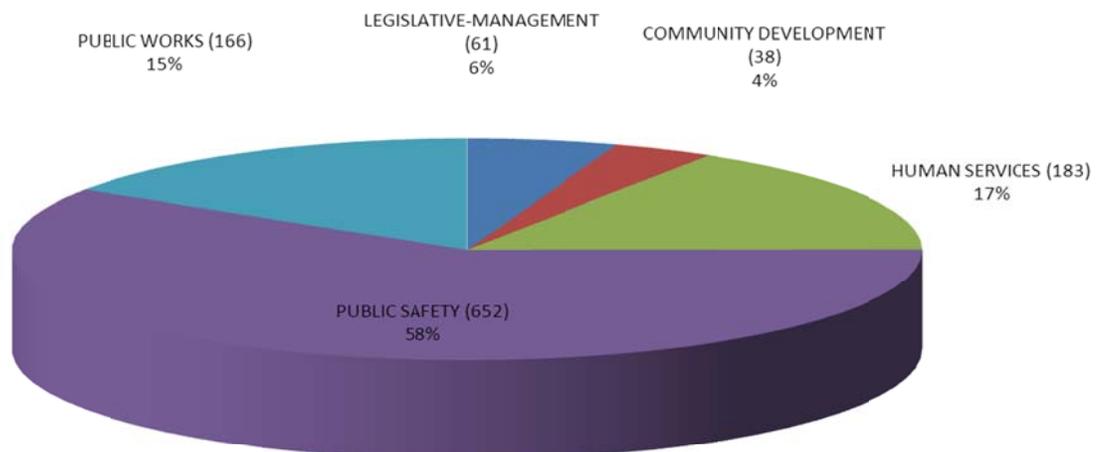
In the Legislative and Management group, there is an increase of 2.00 FTE as a result of the elimination of 2.00 FTE in Information Services, offset by 4.00 FTE increase in Finance for the creation of the Customer Service Center.

In the Community Development group, there is an overall decrease of 1.00 FTE. 10.20 FTE were transferred from Code Enforcement to Construction Services as a result of restructuring within Department. Decrease of 1.00 FTE was a result of the elimination of the Rehab Construction Specialist.

In the Public Safety group, there is an overall increase of 1.00 FTE. The Police Department created a Director of Administrative Services position.

In the Human Services group, there is an overall increase of 6.02 FTE. Increases include 5.77 FTE for Human Services and increase of .25 FTE for Library.

CITY OF ROCKFORD, ILLINOIS 2013 BUDGET PERSONNEL AUTHORIZATION



2012 - 1,101; 2011- 1,105; 2010-1,135

2013 CHANGES IN COMPENSATION

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

<u>Unit</u>	<u>Employees</u>	<u>Percentage Of Total</u>
Police Sworn	269.0	31.2%
Fire Sworn	264.0	30.5
Public Works/Clerical (AFSCME)	192.5	22.6
Community Development (AFSCME)	15.0	1.9
Human Services (AFSCME)	56.6	6.6
Library (AFSCME)	<u>62.5</u>	<u>7.2</u>
	871.6	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>
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	2.00	2.00	3.00
2013	Currently Bargaining	Currently Bargaining	2.00	2.00	2.00

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 2013 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 2013 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	23.6	28.3	21.3	21.0
Worker's Comp	3.8	6.5	0.3	4.6
Health	27.3	27.4	29.6	31.9
Other	<u>1.0</u>	<u>0.4</u>	<u>1.2</u>	<u>0.2</u>
Total	55.7	62.6	52.4	57.7

Average Costs Per Budgeted Position

Salary	\$71,596	\$74,330	\$54,105	\$40,919
Fringe Benefits	<u>39,930</u>	<u>46,440</u>	<u>28,369</u>	<u>23,590</u>
Total	\$111,526	\$120,769	\$82,474	\$64,509

As shown above, 2013 fringe benefits range from 52.4 percent for office personnel to 62.6 percent for fire personnel, while average costs per position range from \$64,509 for field personnel to \$120,769 for firefighters. Costs increase primarily because of salary adjustments and health insurance.

In 2012, the fringe benefit range was from 55.3 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, 2013 fringe benefits, except for 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.