

**FINANCIAL POLICES: GENERAL STATEMENTS
CITY OF ROCKFORD, ILLINOIS**

1. The City of Rockford shall prepare a five year financial plan that is updated and approved annually by the City Council by March 31. An ad hoc advisory committee of community representatives will assist the City by reviewing the five-year expense and revenue projections and by making recommendations for changes in financial policy.
2. The City of Rockford shall intensify its efforts to retain and create jobs as well as expand the property tax base by providing Industrial Development Bonds, obtaining Urban Development Action Grants, providing low interest loans, and offering other such assistance to businesses and industries.
3. Recognizing that short-term borrowing is an acceptable fiscal procedure to be used when the fiscal needs of the City dictate, the City shall reduce or eliminate its dependence on short-term borrowing by maintaining adequate fund and cash balances.

The City will maintain a general fund balance at a level sufficient to provide for:

- A. The reduction or elimination of short-term borrowing for operating expenses.
- B. Meeting cash flow requirements, temporary short falls in revenue or emergency expenditure demands.

The minimum level of the General Fund balance shall be:

- A. Fifty percent of the property tax levy of the current fiscal year, and;
- B. Six percent of the elastic tax revenue sources (sales, income, and replacement taxes).

The City's cash balances policy is:

4. To ensure that adequate cash balances are available to meet the City's anticipated disbursements, prior to budget deliberations, the Finance Department will annually develop cash flow analysis and recommend cash balance goals at specific points in time to meet those disbursements.
5. For 1988 and years thereafter, a minimum cash balance equal to 70% of those levies that support the General Fund is recommended to be in effect at the beginning of the City's fiscal year, January 1. In addition, necessary cash balances will be maintained for unusual, non-budgeted encumbrances, and balances accrued for the extra payroll occurring every eleven years.

6. Investment of City funds shall be made in accordance with written policies adopted by the City Council on February 18, 1985.
7. The City of Rockford shall plan, develop, and adopt a Five-Year Capital Improvement Program (CIP) annually in conjunction with the five-year operating budget. Citizen input shall be obtained in the development of the program, and after adoption by the City Council, the five-year plans shall be communicated to the public.