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THE CITY OF ROCKFORD ILLINOIS, USA

Lawrence J. Morrissey
Mayor
Office of the Mayor

June 1, 2013

Dear Citizens of the City of Rockford,

On behalf of the Rockford City Council and our dedicated staff, I am proud to present the 2013 City of Rockford budget. This budget, as proposed and approved, sets forth the City's commitment to provide the best value and best service to our residents, our businesses, and our visitors.

Through responsible fiscal management, we are working each day to provide for our citizens the opportunity to reside and do business in a strong and healthy community, which means we provide safe neighborhoods, a community which supports its schools, and a sound infrastructure that supports economic development and expansion.

As a City organization, we continue the difficult work of navigating through a very challenging local and global economy. As we continue our work with several new members of our Rockford City Council, we are reaching out throughout the community to support cooperation and partnerships to achieve our goals by working well together. We appreciate the support of our citizens as we pursue our shared vision and dreams for our future. We look forward to the comments and suggestions from our community members as you review the work of our 2013 budget and beyond.

Very truly yours,

Lawrence J. Morrissey
Mayor, City of Rockford, Illinois

LJM/ss

425 East State Street Rockford, Illinois 61104-1068 USA
(815) 987-5590 (815) 967-6952 fax **www.rockfordil.gov**

Lawrence J. Morrissey
Mayor

Executive Summary

The planning for the 2013 budget began with a retreat for elected officials and department heads in September. Elected officials were updated regularly on the status of the City's finances, specifically in regards to elastic revenues. The budget was prepared with the following goals in mind: maintain current staffing and service levels. With the above principles, we were able to strategically prioritize resources and approve a balanced budget.

Issues and Priorities in 2013

The services provided by the City are made possible by the resources entrusted to it by the citizens and businesses of Rockford. Elected officials and City staffs are dedicated to using these resources to provide the community with the most efficient and effective services possible. The budget details how resources will be used to maintain and enhance the quality of existing services. Several principles have been established to guide the City during the budget process, including:

- Planning for the future, setting long-term goals, and providing a sense of direction to the community.
- Providing economic development efforts in order to retain and expand jobs and investment in the community.
- Renovating and improving City infrastructure to meet the needs and encouraging development of the commercial, industrial, and residential areas within the City.
- Providing efficient and effective City services with the resources allocated by the community.
- Actively search for additional sources of revenue to help fund the redevelopment of neighborhoods in the City of Rockford.

City officials use these objectives to guide their internal organizational decision making process. However, officials must also consider opportunities and challenges presented by the external environment during the development of the budget. Some of the issues the City will focus on in the forthcoming budget year include:

- Improving the quality of life for residents of the City's older neighborhoods.
- Investing in the downtown area and encouraging others to develop commercial and residential projects.
- Assessing City services for efficiency and possible cost saving measures.
- Continuing investments in information technology to provide improvements in the effectiveness and efficiency of City services.

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815-987-5560 800-380-7175 **www.rockfordil.gov**

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- Maintaining the City's solid financial condition.
- Maintaining a stable tax rate.
- Making incremental service adjustments to reflect changing community needs.

Challenges for the Community

While the national economy is showing signs of recovery, the local economic environment and the impact it has on the City's available revenue continues to present a challenge. The City must continue to carefully balance its priorities in order to maintain the quality of services and public infrastructure. Further stagnation in revenues will require the City to reassess the services it provides and make adjustments to maintain a balanced budget.

Financial challenges in upcoming years include fully funding capital equipment as part of the City's annual budget. After not purchasing capital equipment in 2002 and 2003, the City issued $3.2 million in bonds to cover capital equipment purchases for 2004 and 2005. The 2007 and 2008 budget addressed capital equipment through various fund revenues and capital project needs through an approved 1% sales tax referendum. The 2009 and 2010 budgets did not include any capital equipment purchases. The 2011 and 2012 budgets required capital equipment purchases due to equipment reaching its life expectancy. The City Council approved a Vehicle Leasing Policy that will implement the replacement of vehicles over a four-year period for all City departments to meet the needs of the aging fleet, which is included in capital expenses for 2013.

The 2013 General Fund

The City of Rockford, like many other communities in Illinois and across the United States, has seen moderate growth in its sales, use, income, and replacement taxes, commonly referred to as elastic revenues. These revenue sources increased just over $3 million, or about 5%, in 2011.

The 2013 budget process began with the City projecting a small deficit. A status-quo budget was presented in August followed by recommendations to reduce the deficit to work towards a balanced budget that would be approved by the end of 2012. The local economic environment and the impact it has on the City's available revenue continues to present a challenge. The City must continue to carefully balance its priorities in order to maintain the quality of services and public infrastructure. Further stagnation in revenues will require the City to reassess the services it provides and make adjustments to maintain a balanced budget.

2013 employee contracts, pensions and health insurance costs make up the largest increases in the budget.

The City Council passed the 2013 budget in February 2013. This budget allows the City to maintain the necessary fund and cash balances as well as allowing the 2014 budget process to begin on a sound financial footing.

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Overview of the 2013 Budget

The City of Rockford is similar to many municipalities because it has limited resources to devote to the various challenges facing it. However, because Rockford is a non-home rule municipality, we have fewer options than all other cities in Illinois of any size. This was particularly apparent when preparing the budget for 2013. Resource constraints forced City officials to assess the external environment and utilize the budget development principles described above to prioritize among competing needs. The overall goal of this budget is to maintain existing services; however, City officials prioritized several projects to address the issues discussed above. Consistent with a maintenance budget, many of these priorities are a continuation of initiatives from previous years.

The Community Development Department will manage the many TIF districts the City has and their associated development projects. The Construction and Development Services Division continues to address violation of ordinances, zoning regulations, and public safety concerns.

The Human Services Department continues to support programs from other areas of the City, including Drug Free, Shelter Care, and Supportive Housing.

The Police Department will address continue efforts towards geographic community policing programs, using their records management system to better deploy resources and respond to potential problems while continuing to reduce overtime costs. The Police Department will also address recruit testing in 2013 to bring staffing levels to the full authorized strength.

The Fire Department will continue to maintain certifications and accreditation requirements and expand public education activities.

The Legal Department will be the lead department in labor negotiations, code enforcement, annexation efforts, and City projects.

The Public Works Department will be aggressive in repairing and improving bridges and roads in the City, expanding forestry service, and maintaining the city-wide vehicle leasing program.

Financial Summary

With the 2013 budget, the City was able to continue its goal of maintaining a stable operating property tax rate for citizens with declining debt service rate as a result of the 1% tax referendum. The 2013 budget adopted an estimated property tax rate of $2.86.

In addition to financing capital improvements through sales tax revenues, the City will continue to utilize dedicated revenue streams for specific purpose projects. Examples of these projects include sanitary sewers, parking facilities, and water improvements. This allows the City to maintain a competitive tax rate, while capturing contributions from those in the community who live outside of the City but use its resources on a regular basis. Dedicated revenue streams also ensure that users pay for the services they receive.

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Operational Highlights

The City's service provision efforts are divided into five program areas including Legislative and Management, Community Development, Human Services, Public Safety, and Public Works. Each of these areas encompasses multiple departments performing specialized activities that collectively compose the functions associated with the program area.

The Legislative and Management departments provide policy direction and administrative services for the rest of the municipal organization. The departments in this area will be engaged in many projects to enhance the operational effectiveness and efficiency of the City. The Mayor's Office will continue to provide leadership and direction to City staff and policy makers. The Legal Department will be the lead department in labor negotiations, code enforcement, annexation efforts, acquisition of properties for the federal courthouse, and City projects. The Information Technology Department will handle a number of large projects, including implementation of a business intelligence system. The Finance Department will continue to manage the customer service center and the city-wide vehicle leasing program.

Several activities and projects will be occurring in the Community Development program area. The department will assist in the development of a comprehensive economic development strategy for the City and Winnebago County. The Weed and Seed program will also be continued in 2013.

The City's Human Services Department will remain an important resource to City residents in the coming year. The Head Start program serves approximately 685 children in four different programs which include home base schooling, part day classes, students in full day classes, and family plus. The Department plans to continue this service despite federal funding challenges.

There are a variety of programs that provide assistance to economically disadvantaged families. The energy program focuses on replacing furnaces, cleaning and tuning older systems, and repairs to electrical, plumbing, and roofing. The department operates the energy assistance program that assists low-income families and individuals with their heating bills.

Public Safety services provided by the City include police and fire protection. The Police Department is utilizing their new records management system to better analyze crime data and allocate resources. The Fire Department continues to upgrade equipment and train its firefighters to better serve the citizens of Rockford. The two departments will continue to develop their role at the airport. The City is maintaining an Insurance Services Organization (ISO) fire protection rating of two, which places the City in the top one percent of the nation. A lower rating benefits residents and businesses through better rates for fire insurance.

The Public Works Department will remain proactive in meeting the needs of our citizens through the planned maintenance of our roads, right of ways, and public assets. The department will continue to implement a Capital Improvements program which will focus on improving our infrastructure through the investment and leverage of the 1% sales tax.

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Conclusion

On February 11, 2013, the City Council adopted the 2013 budget after the Finance and Personnel Committee had finished its review of the proposal. This budget is the result of considerable, careful discussion and deliberation by the City Council, the Finance and Personnel Committee, the Finance Department, and various staff members from every department who contributed to the development of departmental budget requests. I would like to thank them, as well as department heads and staff members, for participating in this important process. This budget serves the public interest in describing and providing the resources for the provision of City services and products to its customers.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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City of Rockford

Illinois

For the Fiscal Year Beginning

January 1, 2012

Christopher P Morrill

President

Jeffrey R. Esser

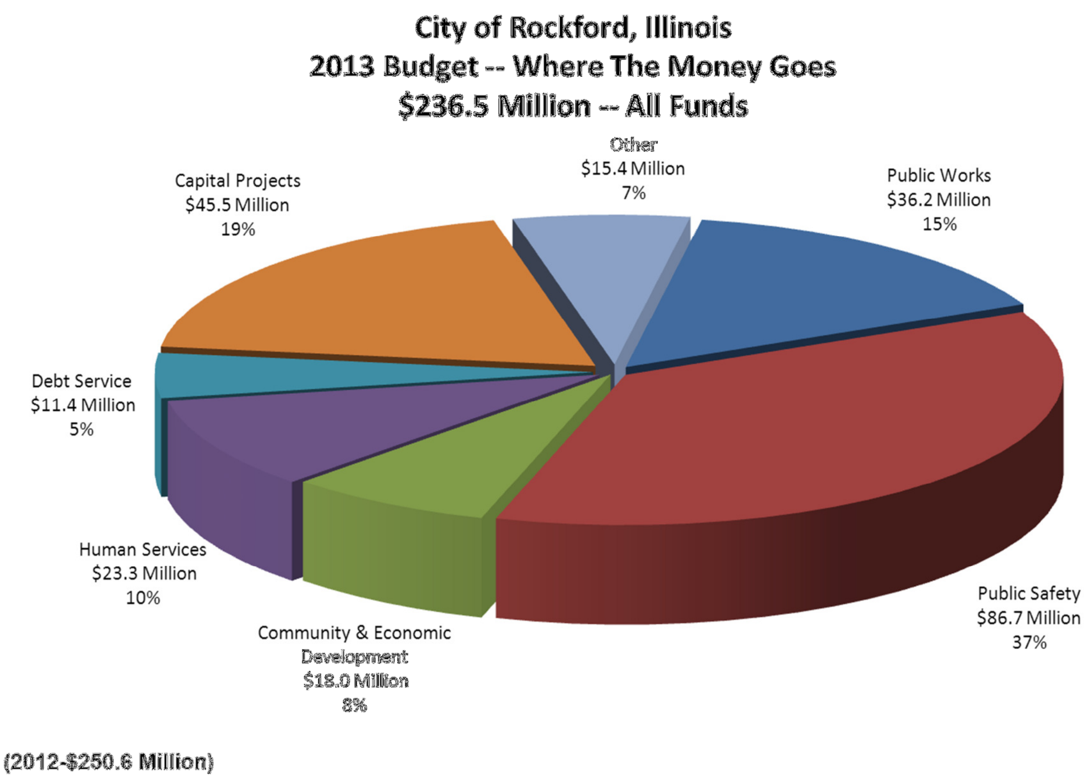
Executive Director

CITIZEN'S BUDGET HIGHLIGHTS

The City's goal in developing the 2013 budget was to continue offering citizens basic services, economic development efforts, a continuing capital improvements program, and fiscal stability. Development and adoption of this budget was premised on maintaining a level of service equivalent to 2012, making incremental improvements where possible, and continuing to comply with the limitations of the Property Tax Extension Limitation Law (Tax caps).

PROGRAM EXPENDITURES

The budget appropriation in 2013 is $236.5 million for all funds, a decrease of $14.1 million from the 2012 appropriation of $250.6 million. Major program changes for 2013 include:



Community Development's appropriation decreases $81,200 due to staff reductions.

Public Safety's appropriation decreases $459,500. Decreases are due to a decrease in overtime expenses offset by increases resulting from contract increases, pension costs, and an increase in capital expenses in Police, Fire, and 911 Communications budgets.

Human Services' appropriation increased $1.1 million from 2012. Increases for Human Services are due to an increase in Head Start personnel. Increases in contractual expenses occurred due adjustments to internal services charges.

The Public Works budget increases $739,200 from the previous year's budget. Personnel costs increased and as a result, IMRF and health insurance expense also increased.

The budget for Debt Service decreases $23,400 from 2012 to 2013.

The Capital Projects Fund budget for 2013 decreased $16.9 million from the previous year. Projects that will begin in 2013 include construction of Main and Auburn Roundabout and the reconstruction of West State Street and South Main Street.

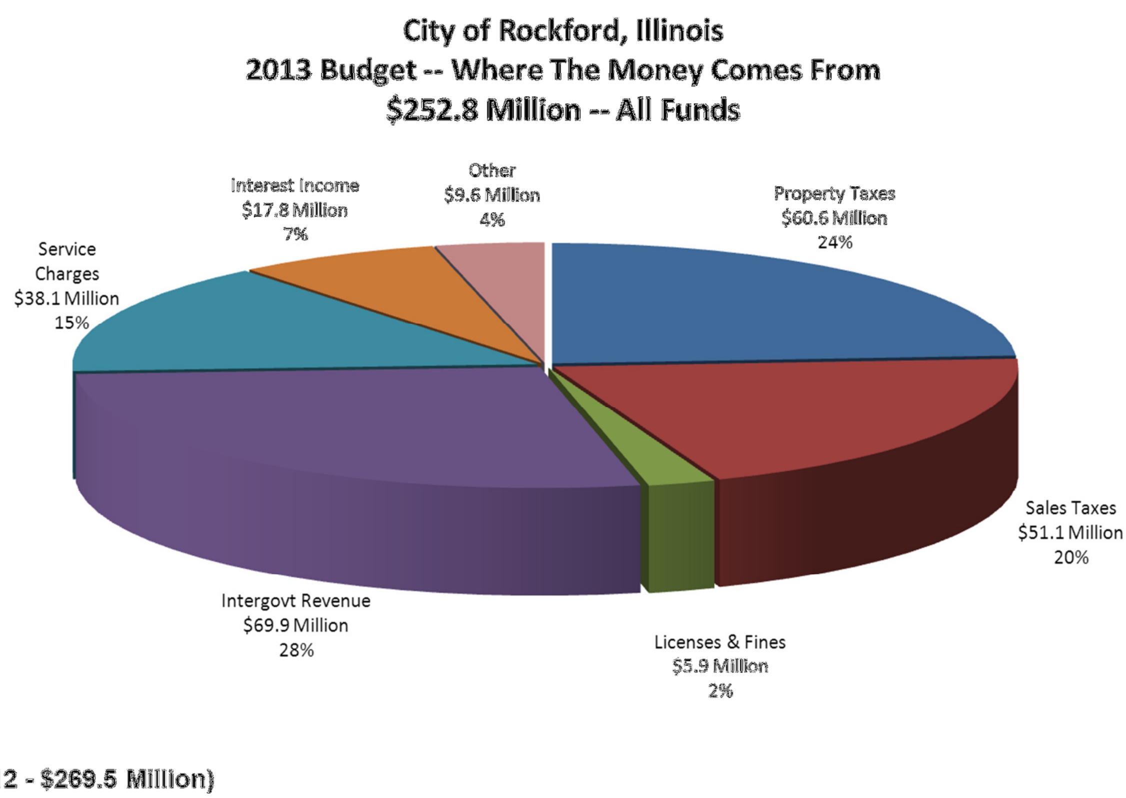
In the Other category, the increase of $1.5 million is due to an increase in permanent salaries and pension expenses offset by a decrease in contractual services in the Health Insurance Fund, Workers' Compensation Fund, Risk Management Fund, and the Legislative and Management departments within the General Fund.

REVENUES
For 2013, the revenue budget is $252.8 million for all funds, a decrease of $16.7 million from 2012's $269.5 million.

The 2013 revenue budget emphasizes:

- A stable property tax levy.
- Continued emphasis on user fees including systematically updating the rates to keep pace with costs.
- Ongoing efforts to aggressively capture federal and state revenues.

Major revenue changes for 2013 include:



Sales tax increased $818,700 due to improvement in the current economic conditions.

Intergovernmental revenues from federal, state, and local governments are projected to decrease $14.1 million from 2012, as major construction project funding is complete.

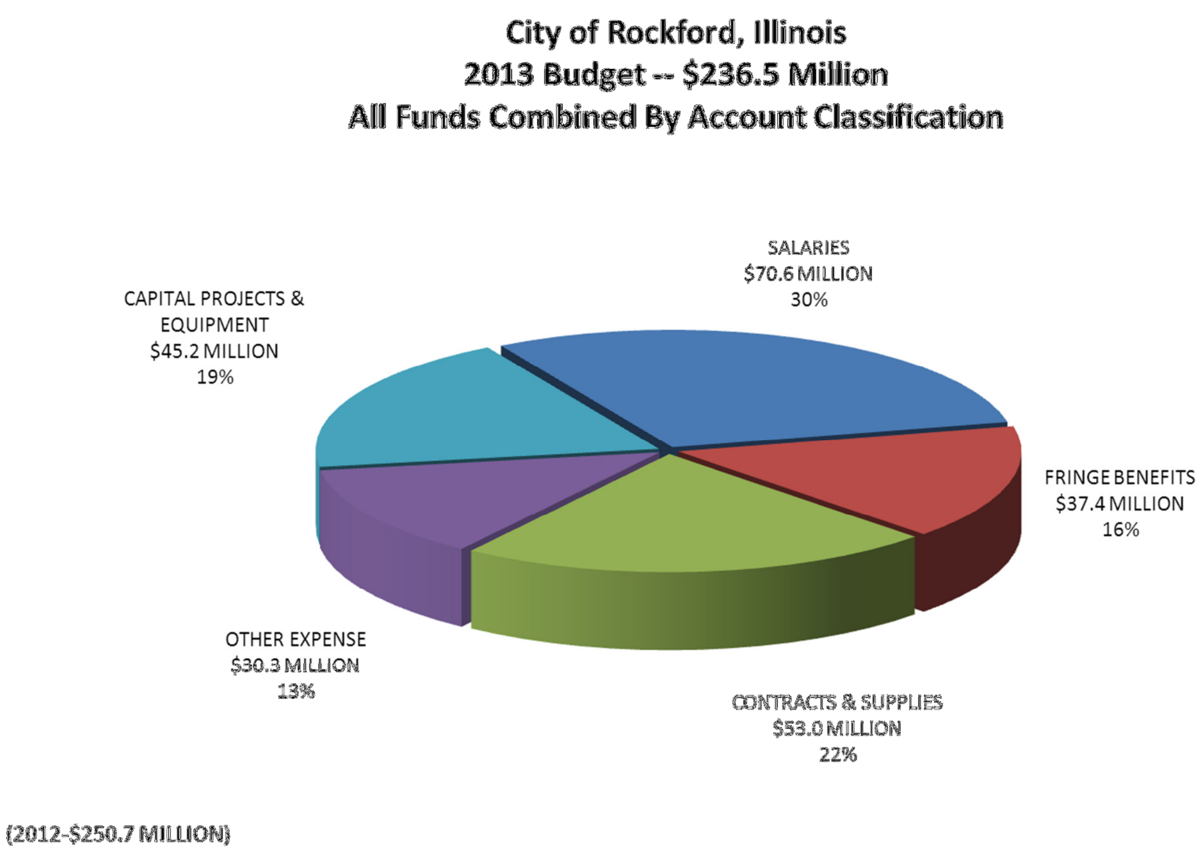
Property taxes increased $2.1 million from the 2012 total due to an increase in the consumer price index.

Interest income decreased $1.2 million from the 2012 total of $19.0 million due to the decreased revenue from police and fire pension investments.

ACCOUNT EXPENDITURES

The 2013 City Budget, when viewed from a line item rather than a program perspective, illustrates the fact that over sixty-five percent of the budget is attributable to personnel and infrastructure improvements. This reflects the fact that the City is a labor intensive service organization with 1,100 employees and has a considerable investment in streets, bridges, buildings, and water and sewer systems that must be maintained and renewed.

Major spending changes by account type for 2013 are:



Salaries increased $1.6 million as a result of contract increases and a 2% nonunion wage increase.

Fringe benefits decreased $2.2 million as a result of stagnant health insurance premiums and coverage changes by employees.

Contractual and supply accounts increased $1.5 million. Slight increases across various departments contributed to this increase.

Capital projects and equipment decrease $15.6 million from the 2012 budget, with available funding for transportation and economic development initiatives offset by increases for funding vehicle purchases under the City's vehicle leasing program. Projects scheduled to begin in 2013 include total reconstruction of W. State Street and South Main Street and the Main and Auburn Roundabout.

Other expenses are projected to increase $510,900.

COUNCIL CHANGES TO THE BUDGET
The Council received the budget on August 27, 2012 and referred it to the Finance Committee. The Committee, after holding three budget hearings with departments, approved the budget on February 11, 2013.

WHAT THE 2013 BUDGET WILL COST THE TAXPAYER
The 2013 budget continues stability for the Rockford homeowner. For a homeowner with a $100,000 home, the rate and cost for 2009 – 2013 are shown below.

Property Tax Bill (City Portion Only)
For Home With $100,000 Market Value
2008-2013 Levy Years

Year	Rate	Bill
2009	2.23	610
2010	2.36	645
2011	2.52	689
2012	2.66	727
2013	2.86	782

While the rates are anticipated to increase for 2013, the increase is a reflection of decreasing equalized assessed valuations (EAV). The levies, as always under non-home rule tax rates and the property tax extension limitation law (tax caps), are limited as to increases. If EAV decreases, the tax rates will rise to maintain the status quo.

The City continues to use and to selectively adjust user fees so that those who use certain services pay for them rather than passing the costs on to all taxpayers through property taxes. Through a combination of property taxes and user charges, quality city services will be offered at a reasonable cost to the residents of Rockford.

HOW TO USE THIS DOCUMENT

This budget document is intended to provide Rockford Citizens with information about 2013 City government and services.

The Table of Contents lists every subject covered in this document and its' page number. The document is organized under three major headings composed of a total of eight divider sections (Roman Numerals).

INTRODUCTORY SECTION

I. Executive Summary
- Citizen's Budget Highlights
- How To Use This Document
- The Budget Process and Document
- Significant Budget Issues

PROGRAM SUMMARIES

II. Legislative and Management Services
III. Community Development Services
IV. Human Services
V. Public Safety Services
VI. Public Works Services
VII. Non-Operating Funds

SUPPORTING INFORMATION

VIII. Supplemental Section
- Summary Schedules
- Financial Policies

This budget is a financial plan relating proposed City services for the year with the estimated means of financing them. The budget is prepared on a basis sufficient to accommodate accounting, legal and management requirements.

The 2013 budget is comprised of sixty-six (66) budgetary units. A budgetary unit can be defined as either a department, such as the Police Department, or a division of a department, such as the Street Division of the Public Works Department. A department, utilized in a managerial fashion by the City, can be by fund, such as the Library Fund or can be part of a fund, like the Fire Department in the General Fund. It also can consist of parts of the General Fund as well as other funds, such as the Community Development and Public Works Departments. An accounting fund(s) can be a department, like the 911 Communications Fund, or a division of a department, such as the Water Fund in Public Works.

Each city budgetary unit, regardless of accounting fund, is assigned to a program category, i.e., Police to Public Safety. For those readers interested in the City budget from a purely fund accounting point of view, the summary schedules in the appendix address that need as does the Revenue and Financing Changes section in the summary's Significant Budget Issues. Revenues from a program perspective are discussed under each department.

The description of each budgetary unit and its programs is structured as follows:

Budgetary Unit Summary

- Mission Statement
- Primary Functions
- Objectives for Fiscal Year 2013
- Budget Summary (2011-2013 Expenditure and 2010-2013 Funding Analysis)
- Authorized Personnel
- Budget Highlights
- Five Year Financial Forecast
- Capital Equipment
- Performance Measures
- Operational Information

The City utilizes a cost center budget with a cost center defined as the budget for a specific service being delivered. The primary advantage of cost center budgeting is that it gives policy makers and management exact information concerning a service and its associated costs for the decision making process. The cost center provides a description of the service being provided, how it is being provided and the service unit being delivered. For example, cost centers in the Fire Department budget are categorized by function such as Ambulance or Arson Investigation. The budget for a cost center includes all costs associated with providing the particular service, labor, fringe benefit, contractual, supply, interest and capital expenditures.

Additional information on the City's fiscal affairs is available in the following documents at City Hall:

City Financial Statements
City Annual Report
City Capital Improvements Program

The Finance Department staff is also available to answer any questions citizens may have on the City's financial affairs:

City of Rockford - Finance Department
425 East State Street
Rockford, Illinois 61104
(815) 987-5643

BASIS OF BUDGETING

The City's budget is prepared on the gross, rather than net budgetary basis. In order to associate costs with services, revenues and expenditures for pensions and certain other fringe benefits are budgeted by premium or unit/percentage allocation in departments providing services and are then transferred to funds that provide for the actual expenditures.

All revenues and expenditures that result from transfers between funds are adjusted to eliminate overstatements when all funds are consolidated.

The 2012 audit is not yet completed, this document provides estimates of 2012 expenditures and revenues.

The budget for the City of Rockford general government funds (these include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds) is prepared on a modified accrual basis consistent with Generally Accepted Accounting Principles. This means that expenditures are recorded when the related fund liability (such as an outstanding purchase order) is incurred and revenue is recognized when measurable and available. Expendable trust and agency funds are also prepared on the modified accrual basis.

Enterprise Funds, Internal Service Funds, Non-expendable Trust Funds, Pension Trust Funds, and Component Units are budgeted according to accrual accounting. These funds recognize revenues in the accounting period in which they are earned and become measurable while expenses are recognized in the period they are incurred. Budgeting for these funds is also consistent with Generally Accepted Accounting Principles.

The City attempts to use Generally Accepted Accounting Principles when preparing the budget, one exception is noted: for budget purposes, Proprietary Funds expense compensated absence liabilities when paid to employees as opposed to GAAP statements which require these liabilities to be accrued as earned.

THE PROCESS, PUBLIC INVOLVEMENT, AMENDING THE BUDGET

The City's fiscal year is the calendar year and its budget cycle is an annual one. By Illinois State Statutes, the Council must pass a budget prior to the end of the first quarter of the proposed budget year. During the first quarter of the proposed budget year, if the Council has not yet adopted a new budget, departments operate under the prior year's budget. Typically, the process begins sometime in March/April and ends at some point before the beginning of the budget year.

THE 2013 PROCESS

The 2013 process began early in 2012 due to projected General Fund deficit. Three Saturday hearings were held in September and one in December to achieve budget approval. The schedule of events is shown in the Budget Timeline on the following page.

PUBLIC INVOLVEMENT

It is the City's policy to keep citizens informed during the budget process and to seek public input. In addition to holding public hearings, the City also makes available, before and after adoption, other summary and detail information. The City's efforts are assisted by extensive media coverage (daily newspaper, four television stations and a number of radio stations).

AMENDING THE BUDGET

The State of Illinois provides two avenues for budget (Appropriation Ordinance) amendment.

The City Council, at any time after the first half of each fiscal year, by a two-thirds vote of all members, may make transfers within any department of funds appropriated for one corporate purpose to another.

During any part of the fiscal year, the Council may adopt a supplemental Appropriation Ordinance in an amount not in excess of the aggregate of any additional revenue available to the City, or estimated to be received, subsequent to the adoption of the Appropriation Ordinance for that fiscal year. Such a supplemental Appropriation Ordinance shall affect only revenue that was not available for appropriation when the annual Appropriation Ordinance was adopted.

BUDGET TIMELINE
THE 2013 PROCESS

March 2012	Finance Department prepares preliminary budget estimates and discusses budget policies for the forthcoming year with the Mayor.
May – June 2012	Public Works Department begins work on updating the five-year Capital Improvement Program.
June 2012	Finance Department determines budgetary allocations. Departments receive budget packages.
July 2012	Departments complete and return budget packages to Finance Department for review.
July – August 2012	Finance Department reviews Department budgets and prepares a budget draft.
August 2012	Mayor’s Office reviews budget and presents budget to Council.
September – December 2012	Finance Committee and Council, as Committee of Whole, hold budget hearings (September 8th, September 15th, December 1st) with City Departments.
December 17, 2012	Council holds State Budget Act public hearing for citizen input.
January 2013	Mayor submits 2013-2017 Capital Improvements Program to Council for Committee review and approval.
January 22, 2013	Council adopts 2013-2017 Capital Improvements Program.
January 22, 2013	Finance Committee approves budget and submits to Council (Committee Report).
February 11, 2013	Appropriation Ordinance and 2013 Budget Committee report adopted by Council.

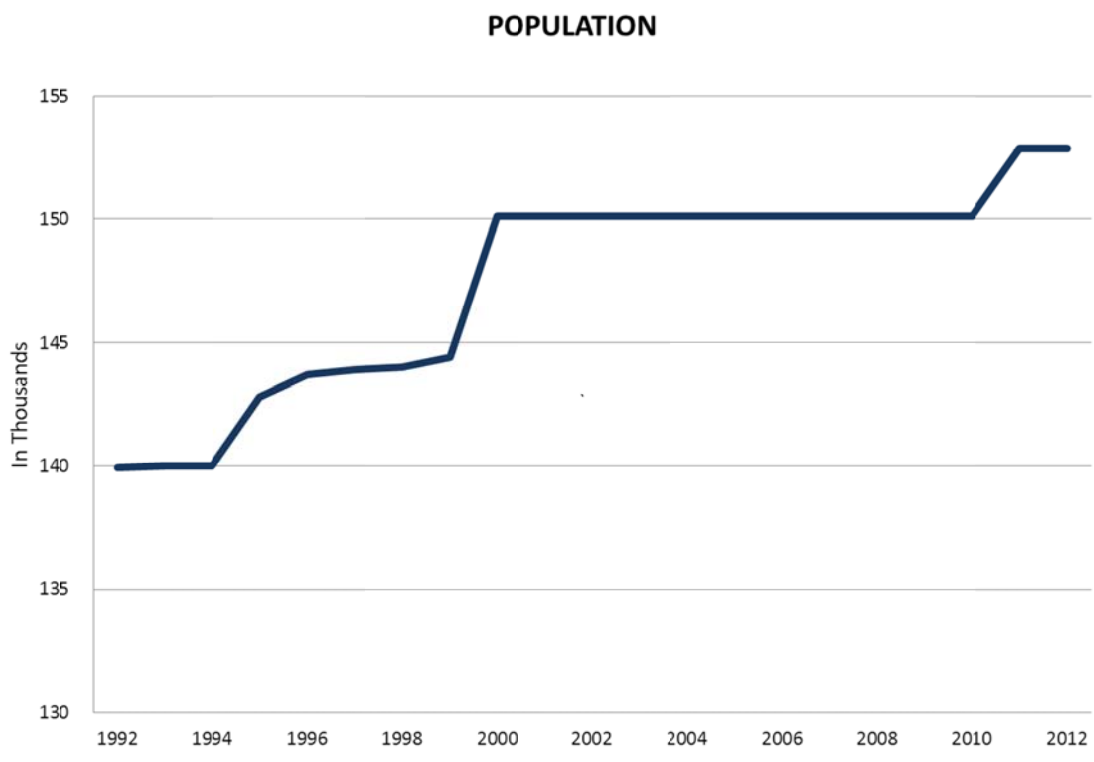
FINANCIAL PLANNING — THE KEY TO THE FUTURE

Beginning in 1984 with the General Fund, the City incorporated long-term financial planning into its budget cycle. In 1989, the planning process was expanded to incorporate the balance of the City's budget. Each year the budget staff updates selected trends and the five-year forecast. In conjunction with this, the City has from time to time used a financial task force of business and financial executives who review and discuss the trends, assumptions, and proposed forecasts. In addition, the group reviews financial policy proposals that the staff develops for Council approval.

Since their inception, the planning process and the financial advisory group have guided the development of financial policies for budgeting, cash flow management, infrastructure improvement, and investment guidelines. In addition, the planning process has provided policy makers with the opportunity to view the possible future and temper today's decisions accordingly.

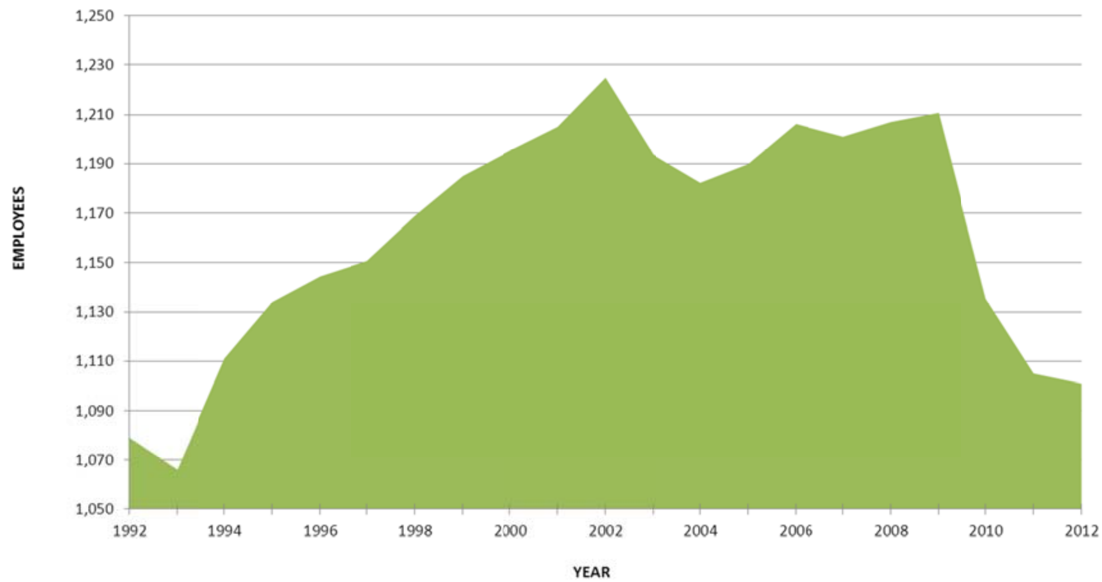
SELECTED TRENDS

One key to the financial planning process is gathering information about trends that affect the City's financial future. One set of trends the City continually examines is demographics such as population, jobs, and unemployment. The 2010 census of 152,871 was 2,756 (1.8%) greater than the 2000 census of 150,115. The population is expected to increase gradually over the next few years.



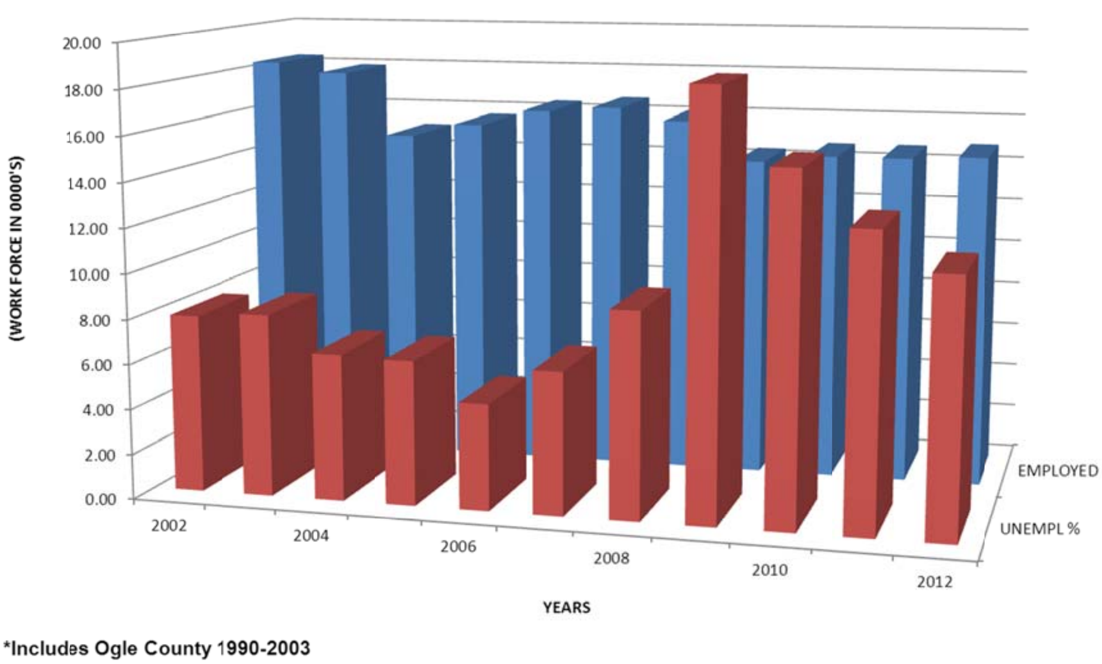
During the 1980's, the City took steps to keep the ratio of its employees and population in proportion. Since then, the City has maintained a constant ratio of employees per thousand residents. This ratio should continue to remain stable in the future as both the population and the City work force incrementally increase.

MUNICIPAL EMPLOYMENT 1992-2012



Although the City continues to attain an increasing population, the last few years have been difficult for the manufacturing industry. Unemployment in the City and County in general has been higher than state and national averages. Strong local economic development efforts by organizations such as the Chamber of Commerce, the Rockford Area Economic Development Council, and the City of Rockford continue to recruit additional employers to help reduce the unemployment rate in the City and surrounding area.

JOBS AND UNEMPLOYMENT SINCE 2002 IN THE ROCKFORD MSA*

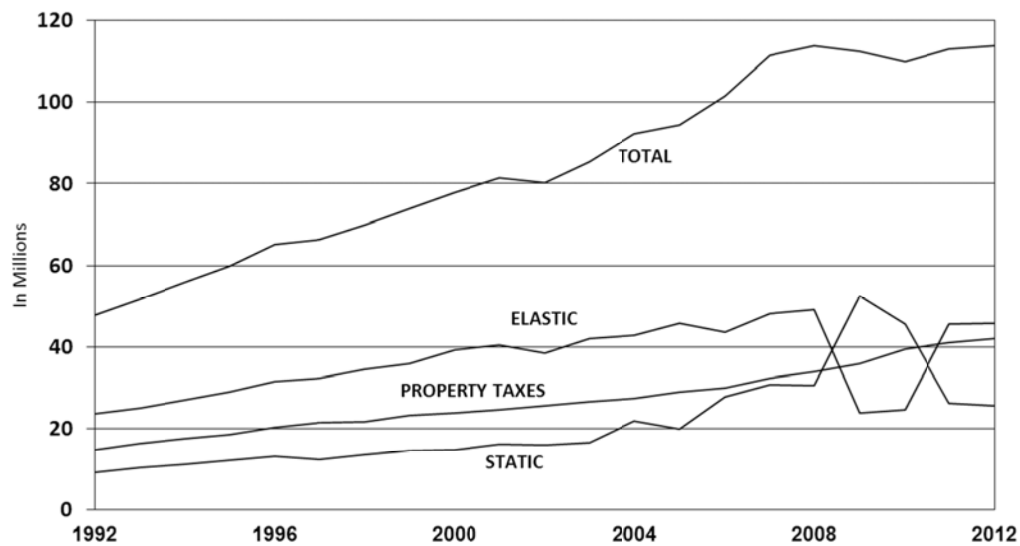


*Includes Ogle County 1990-2003

Employment in the Rockford MSA for December 2012 was approximately 147,806, an increase of 1,339 from 2011. Overall, total employment has decreased 12.8% from 1992 to 2012.

In addition to demographic trends, the City also follows revenue trends for its General Fund. All City revenues can be classified as property taxes, elastic revenues, and static revenues. Property taxes are a tax levied on real property. Elastic revenues are defined as those revenues that tend to change with economic conditions, such as sales taxes and income taxes. Static revenues, the balance, are revenues that change only by increased population and/or legislative change. Examples of these are building permits, liquor licenses and magistrate fines.

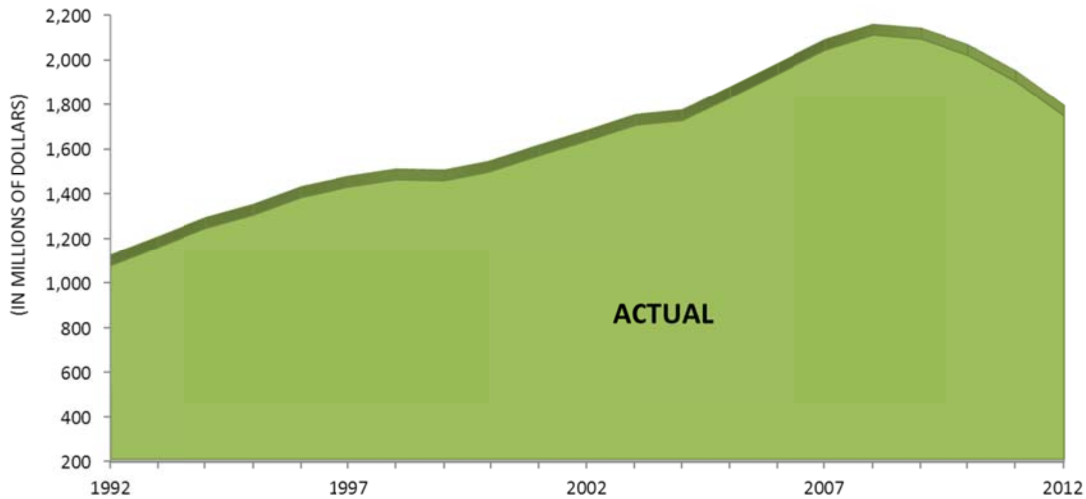
GENERAL FUND REVENUE SOURCE COMPOSITION



An economic expansion or recession would have a greater effect on elastic revenues than on the other two types. The above graph illustrates this point well. Property tax rates, controlled by elected officials, were flat until the early 1980's when they were increased for several years. After a home rule referendum in 1984 in which voters imposed certain tax rate limitations, property tax rates have decreased and remained relatively stable ever since. Increases in property tax revenue are a result of growth in the tax base, the consumer price index factor in the PTELL law, and debt service expenditures approved by referendum.

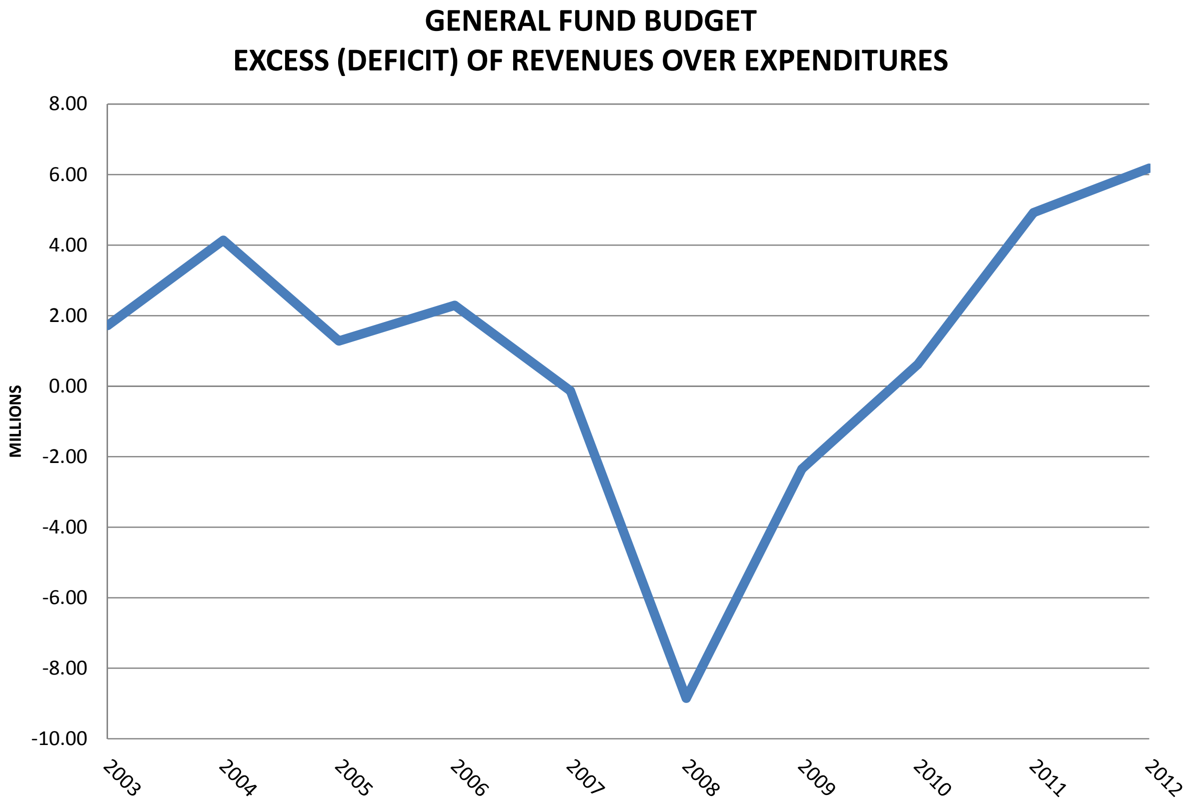
Elastic revenues increase throughout the period illustrating their ability to grow with the economy. In order to maintain a well-balanced mix of revenue sources, the City needs to continue to emphasize the growth of elastic revenues as well as static revenue sources through economic maintenance and development.

EQUALIZED ASSESSED VALUATION



For 2013, Rockford's equalized assessed valuation (EAV) is estimated to decrease 7.0% to $1.737 billion. 2012 EAV decreased $154 million (8.2%).

The City has been successfully achieving fiscal management goals since 1981, following the development and implementation of responsive and proactive financial policies. However, the last few years have been more challenging because of lower than anticipated elastic revenues as a result of the slowing economy. After planned and actual budget deficits in the late 1970's, the City has adopted balanced General Fund budgets for 28 of the last 30 years. As a result of current economic conditions, City operations and expenses have been curtailed to avoid deficit spending.



Added together, these year-end surpluses have improved the cash and fund balances of the General Fund from negative to positive. 2013 is a balanced budget year. It is the City's intention to maintain a positive cash and fund balance by limiting the short-term borrowing of funds and to continue past practices of balancing budgets, avoiding deficits, and maintaining adequate cash in the future.

The financial trends discussed in this section provide the City policy makers with a sense of direction as they make decisions that affect the City's future. Examining these past trends and extrapolating them into the future gives decision-makers information that allows them to chart a direction for the City.

ASSUMPTIONS

The City's five-year forecast for the General Fund (one-half of the City budget and the one with the most flexibility as to revenues and services) is based on certain assumptions. Certain important assumptions include:

REVENUES	ASSUMPTION	PERCENT BUDGET SHARE
Assessed Valuation (Percent)	(-5.0) – 0	31.3
Uncollectible Factor	0 – 1.0	
Sales and Other Taxes	0 – 3.2	26.8
Cable TV, Gas Licenses	-8.7	1.5
State Income Tax	-0.5	10.5
State Replacement Tax	0.0	5.2
Inspections	0 – 3.0	1.0
Federal/State/County	0.0	4.9
All Other	0.0	8.4
Service Reimbursements	0 – 5.0	5.7
Tax Levy Reimbursements	0 – 3.0	4.7

EXPENDITURES	
All Salary & Wage Compensation (Percent)	0 – 2.0
Fringe Benefits	10.0 – 15.0
Contracts, Supplies, and Other Expense	0 – 3.0
Interest Expense	0 – 3.0
Capital Expense	0 – 80.0*

* Capital expense assumption is based on the implementation of the City's vehicle leasing program. This percentage will decrease as vehicles are replaced and the expense amount stabilizes.

2014-2018 PLAN

These assumptions, when applied to General Fund budget estimates for future years, produce the following excesses or deficits of revenues over expenditures.

Year	Excess (Deficit) (In 000's)	Percent of Total Budget	Cash Policy Test (70% Minimum)
2014	(2,939)	-2.4%	54.3%
2015	(5,506)	-4.3%	36.9%
2016	(8,509)	-6.0%	13.1%
2017	(2,744)	-7.0%	12.1%
2018	(4,541)	-8.0%	8.4%

NOTE: For the revenue and expenditure detail supporting these, refer to the General Fund summary schedule in the Supplemental Section.

Property taxes in Illinois are levied during a budget year but are not collected until the following year after the money has already been spent. At that time, they are collected in two payments, June and September. As will be discussed in the next section, Cash Management, this tax timing issue and the timing issue with State shared revenues require sufficient cash to be on hand to finance operations. If the City does not have sufficient cash reserves, it will have to borrow from outside sources.

While home rule cities simply have one levy for all purposes, non-home rule cities such as Rockford have specific purpose levies. Some of these levies, for example, for retirement purposes, are unlimited; others have specific rate limitations that apply, i.e., corporate (43.75 cents/$100 EAV), police protection (60), fire protection (60), street (10), sanitation (10), library (60), and library maintenance (2), for specific levies. If a levy divided by the final EAV exceeds the rate limitation, then the County Clerk will reduce that specific levy.

For budget years 1997 and thereafter, voters in Winnebago County approved tax caps for all units of government including the City of Rockford. The tax cap law (Property Tax Extension Limitation Law) can be defined as limiting the proposed budget year's property tax extension increase to the lesser of the consumer price index (CPI) or five percent plus the new money generated by new construction and annexations. While rate limitations are specific to individual levies, tax caps are applied to the overall tax levy extension, excepting referendum approved debt service. Thus, an individual levy could be affected by its rate limitation and the overall City extension could be impacted by tax caps.

The 2013 operating tax rate is expected to increase marginally while the debt service rate will decrease. The increase is due to decreasing assessments and marginal CPI while the debt service decrease is due to the City ending its use of bonding to fund its infrastructure program. Property tax dollar growth will occur due to new construction and annexations as well as from the dollars generated from the CPI formula. Property tax revenue will increase moderately due to statutes, local economic conditions, and increased annexations into the City. The long term will see the City begin to rely more on user fees and other taxes as well as making certain service reductions.

Future assumptions are set to insure that revenue production will be maximized; however, expenditures will be planned to match expected revenues.

This five-year budget forecast indicates annual deficits for nearly the entire period. Since the City has operated with a surplus for most of the last two decades, it may be that actual revenues will again exceed budgets and departments will under expend their budgets. This scenario may eliminate these initial deficits.

If this does not occur, then the City's cash policy test, required to be 70% of the General Fund tax levies and tax reimbursements in order for the City to avoid borrowing, will decrease. This would require the City to find alternative cash flow sources either from other city funds or the outside. This has been the case as the 2008 – 2010 losses have required external borrowing to finance non General Fund cash flow needs.

While the City faces potential deficits in its newest five-year plan, the history of its past experience illustrates that, by calling attention early to possible problems, solutions are sought and, as the deficit years get nearer, the size of the problem diminishes.

The City will review operations to seek solutions to the growing deficit by addressing efficiency and effectiveness of City services. The City has implemented a capital leasing plan that will allow for the replacement of the aging fleet and is projected to save the City $1 million in maintenance expenses. The City will continue to review the health insurance plan and the employee premiums to look for cost savings.

CASH MANAGEMENT — MAXIMIZING RESOURCES

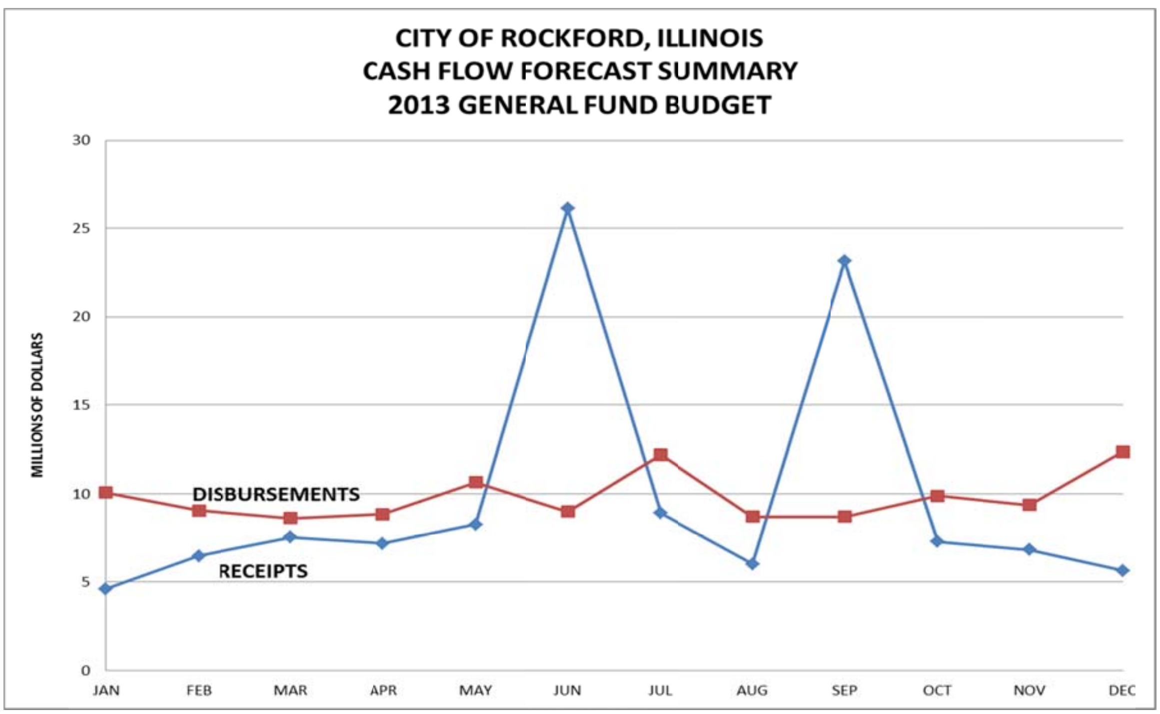
Each year the City adopts a budget. At the same time, this budget is converted into a cash budget internally to determine the cash flow for the budget year. Two revenue issues require consideration, property taxes and timing issues with shared revenues from the State. This requires the City to provide interim financing, internal or external, for certain operating funds. These funds and their percentage of revenue that is property tax are as follows.

PROPERTY TAXES AS A PERCENTAGE OF REVENUE FOR CERTAIN FUNDS

	GENERAL	LIBRARY
2009	32.1	82.8
2010	36.0	78.6
2011	36.4	85.9
2012	37.0	87.1
2013	37.5	85.6

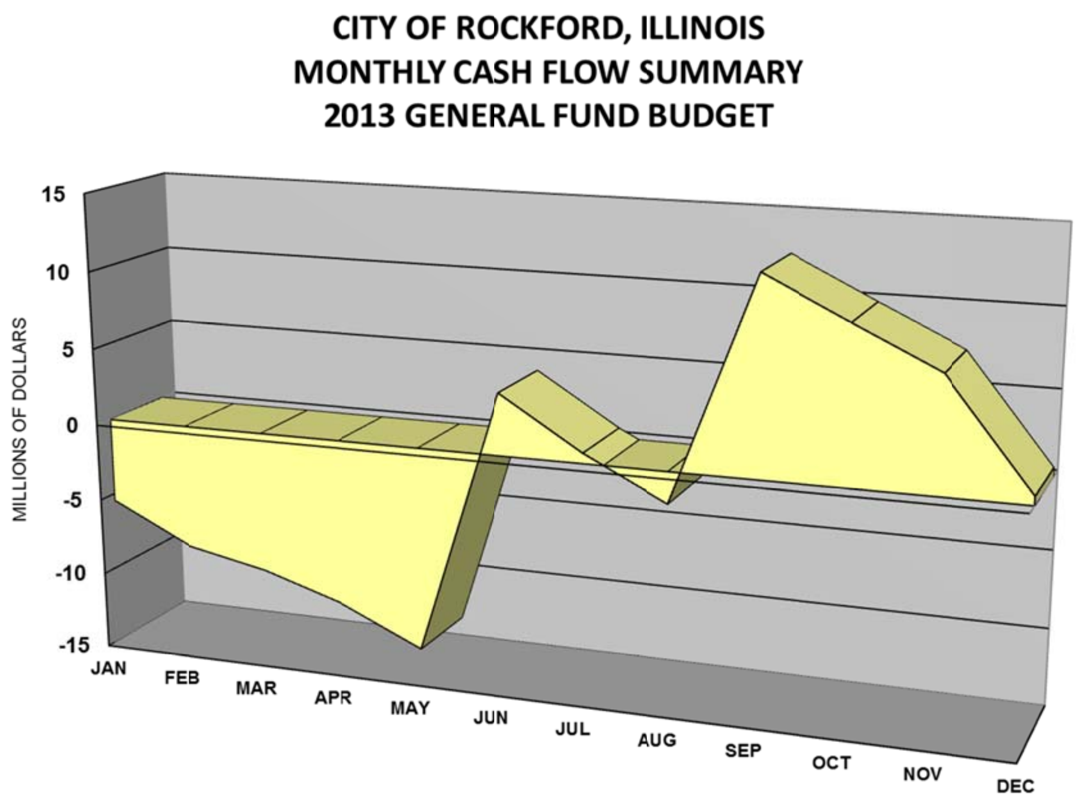
UNDERSTANDING CASH FLOW

To completely understand the importance that property tax revenues have in cash management, the 2013 cash flow forecast summary for the General Fund graph is useful in illustrating the timing problem.



Illinois property taxes are collected the year after the budget for which they were authorized in two payments: June and September. As noted above, the collection of over a quarter of the fund's revenues distorts any semblance of an orderly flow of revenue that matches expenditures.

This produces a cash draw down for the first five months of a fiscal year as the monthly cumulative summary illustrates.



For the General Fund, the 30% range for property taxes as a percentage of total fund revenues and the elastic revenue surpluses have generated sufficient cash for internal financing. Due to its heavy reliance on property taxes, the Library Fund utilized short term financing internally until 2005.

CASH POLICY REVIEW

The first City Financial Task Force recommended that the City develop balances that would allow it to accomplish two objectives:

- Reduce or eliminate the need to obtain short-term borrowing to cover operating expenses, and;
- Offset fluctuations caused by yearly excesses (deficits) of revenues over expenditures.

The current cash balance policy is:

Assure 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.

For 1987, 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.

The Council policy for the use of above 70% excess funds is:

> Those funds available in excess of the minimum cash balance may be re-appropriated for other municipal purposes by the City Council. The use of these funds should be limited to non-recurring expenditures outside of the City's operating budget. Funds may also be used for abating taxes if the City Council so approves.

In the past, excess funds have been used for capital construction needs. Due to increasing cash flow requirements and decreasing surpluses, excess funds have not been available since 1989. 2013 cash flow demands will absorb all available funds.

CASH MANAGEMENT IN 2013

As in 2012, the City will utilize $6 million of a $15 million line of credit during the first five months of the fiscal year. The line of credit will be repaid in June and September from the receipt of property taxes. While the General Fund almost has adequate cash to deal with its beginning year mismatch, common cash pool loans to other funds will have to be financed externally.

With General Fund levies increasing $1.4 million in 2012 and $1.8 million in 2013, cash needs have increased.

It is anticipated that excess funds, should they materialize during future years, will be used exclusively to maintain the cash policy percentage of 70%. Management of the necessary cash flow will be the primary concern in the next few years for the City as property tax caps and binding arbitration continue to affect City operations.

The City will continue to exert strong budget control and place importance on financial planning in 2013 in order to restore and maintain its cash position.

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	2010	2011	2012	2011-2012 INCREASE (DECREASE)	2013	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	6.00	5.00	5.00	0.00	5.00	0.00
LEGISLATIVE & MGMT TOTAL	67.00	60.00	59.00	(1.00)	61.00	2.00
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	7.00	8.00	8.00	0.00	7.00	(1.00)
COMM DEVELOPMENT TOTAL	44.00	39.00	39.00	0.00	38.00	(1.00)
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	82.00	84.50	86.00	1.50	86.25	0.25
HUMAN SERVICES TOTAL	179.85	183.50	176.58	(6.92)	182.60	6.02
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	53.00	53.00	53.00	0.00	53.00	0.00
PUBLIC SAFETY TOTAL	653.00	649.00	651.00	2.00	652.00	1.00
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	77.00	72.00	72.00	0.00	64.00	(8.00)
PUBLIC WORKS TOTAL	191.50	173.50	175.50	2.00	165.50	(10.00)
TOTAL	1,135.35	1,105.00	1,101.08	(3.92)	1,099.10	(1.98)

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.

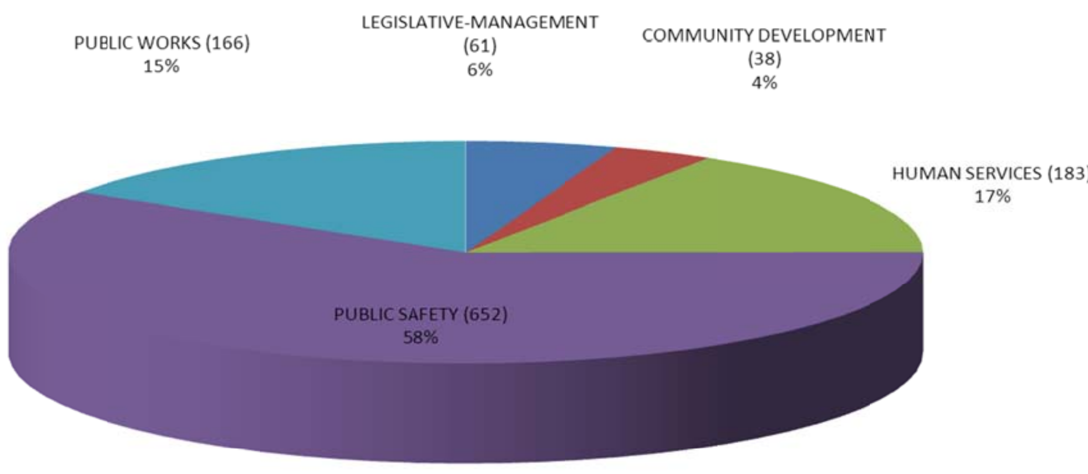
In the Legislative and Management group, there is an increase of 2.00 FTE as a result of the elimination of 2.00 FTE in Information Services, offset by 4.00 FTE increase in Finance for the creation of the Customer Service Center.

In the Community Development group, there is an overall decrease of 1.00 FTE. 10.20 FTE where 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.

Unit	Employees	Percentage Of Total
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)	62.5	7.2
	871.6	100.0%

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

Year	Police Sworn	Fire Sworn	AFSCME	AFSCME B	Exempt
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

	Sworn		Non-Sworn	
Benefits	Police	Fire	Office	Field
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	1.0	0.4	1.2	0.2
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	39,930	46,440	28,369	23,590
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.

CAPITAL EQUIPMENT AND PROJECTS

Capital equipment and projects, slated at $45.9 million for 2013, are important elements of the City's service delivery system. Capital equipment, over $5,000, is used by employees to deliver services such as police and fire protection to the public. Capital projects, whether streets, bridges, wells, sewers, or water mains, serve community residents by providing basic necessities for industrial, commercial, and residential needs and development.

It is City policy to avoid balancing the budget by deferring capital equipment purchases. Doing so may serve an immediate purpose but it becomes a costly deferral in the long run. Drawbacks to deferring capital equipment purchases results in acquiring assets whose lives do not match the repayment schedule, accentuating an extremely cyclical equipment replacement schedule, and sharply higher maintenance costs.

Since the early 1980's, capital equipment for operating departments was funded on a level basis with a goal of minimizing erratic annual spending patterns. With balanced spending patterns, equipment replacement is ideally sought when maintenance and the accompanying loss of employee productivity become greater than the depreciation of the equipment.

With the 2002 economic downturn, $3.0 million in annual capital equipment spending was eliminated. Police vehicle spending of $500,000 was augmented by a $3.2 million 2004 bond issue for fire trucks, ambulances, and a fifteen truck snow fleet. Spending since then has been sporadic from 2004 through 2009 for Police, Fire, and Public Works was $8.9 million or about $1.7 million annually. Police spent $2.7 million for cars and specialized equipment. The Fire Department spent $3.4 million for fire trucks, specialized fire equipment, and buildings. Public Works spent $2.8 million for vehicles and specialized equipment, with no capital expenditures for these functions from 2005 through 2007.

In late 2011, City Council approved a policy to begin replacing capital equipment with a municipal lease program. Staff formulated a four-year plan to downsize and replace the entire City fleet. 2012 saw the purchase of approximately $9 million in capital equipment, with a 2013 lease obligation of $1,134,340. Staff estimates that, once fully implemented, the leasing program will cost the City $5 million annually in payments and reduce maintenance expenses by at least $1 million.

In 2013, 25.0% of the budget is allocated to capital items. Capital items for the City can be divided into equipment and projects. The former can be further divided into the following categories: office equipment, which is primarily office equipment and furniture, building improvements, vehicles and operating equipment, and computer hardware and software.

The $45,935,000 budgeted for capital equipment and projects in 2013 can be divided into five components: office equipment - $52,498; building improvements - $125,000; vehicles and operating equipment - $1,134,340 computer software and hardware - $87,500; and for capital projects - $60,517,267.

Equipment Fund	2006	2007	2008	2009	2010	2011	2012
Actual Expenditures	3,407,340	3,878,913	4,634,799	3,784,746	3,774,495	4,080,237	3,953,045

The Equipment Fund has shown historical growth in repair expenses over the past several years as a result of the elimination of capital equipment purchases.

The CIP Sales Tax has given the City a higher level of capital project investment than ever. As a result of the increased investment in road resurfacing and reconstruction, the Street Division has experienced a reduction in pothole complaints and pothole patching.

POTHOLE SUMMARY					
Statistics	**2009**	**2010**	**2011**	**2012**	**TOTAL**
Potholes Patched	152,358	88,442	188,378	72,494	501,672
Material Cost	$202,810.48	$126,216.72	$164,580.35	$ 98,027.08	$591,634.63
Number Pothole Requests	2,792	1,808	3,503	3,298	11,401

Office equipment of $25,000 is allocated to the Election Commission. The Election Commission's capital dollars will go toward future election equipment.

Building improvements of $203,806 are allocated to the Main Library and various branches. The Library also has $20,000 in office equipment as well as $30,000 in computer software and $37,500 in computer hardware. The Water Division's $669,020 includes a variety of vehicles, operating equipment, and building improvements.

The anticipated capital purchases will replace equipment and vehicles in the existing fleet. The City expects to realize a significant reduction in service and repair costs related to maintaining aging City vehicles. With new vehicle purchases, it is expected that vehicle down time will drop significantly. This will allow for an overall fleet downsizing and increases in employee productivity.

The capital project portion, $45.9 million ($43.3 million capital) includes $47.6 million for transportation, $7.8 million for economic development, $4.5 million for water for new projects, and $0.4 million for Flood Control Storm Water Management. Ongoing projects, already funded in previous years, will continue and incur expenses in 2013 as well.

The proposed water system improvements, $4.5 million in 2013 work, include water system operation upgrades and construction of trunk line water main.

The current program revenues for 2013 are at $45.9 million. A new local sales tax of one percent (1%) was approved for a five year period starting July 2007 and was extended by referendum for an additional five year period April 5, 2011. The local sales tax replaces the annual street bond referendum and provides $14.9 million in revenue. State motor fuel tax revenues of $4.1 million increase $605,600 over 2012.

The $47.6 million budgeted in the capital improvements program supports the traditional transportation and drainage programs funded by sales tax, motor fuel taxes and grants. 2013 is the first year of the 2013-2017 five-year capital improvement program becoming part of the current year's budget. The capital improvements program is City Council approved and funded by a mix of revenues including bond proceeds, state taxes, local taxes, interfund transfers, and grant funds.

REVENUE AND FINANCING CHARGES

The 2013 budget estimates revenue of $266.5 million net of inter-fund charges and transfers for all funds. As discussed in the selected trends section of Financial Planning earlier, the City classifies revenues as property taxes, elastic revenues and static revenues.

For 2013, the City assumes (-3.5%) - 0% growth in assessed valuation (the basis for property tax revenue), a 0-4% growth in elastic revenues, and a 0-2% increase in static revenues.

For accounting purposes, the City classifies programs and operations into the fund structure used for local governments. These funds and how they are financed are shown below.

FUND	FINANCED BY
General Fund	1,2,3,4,5,6,8
Special Revenue	1,2,3,4,5,6,8
Debt Service	1,6,8
Capital Projects	6,7,8
Enterprises	3,4,6
Internal Service	1,3,5,6,8
Pension Trust	1,5,6

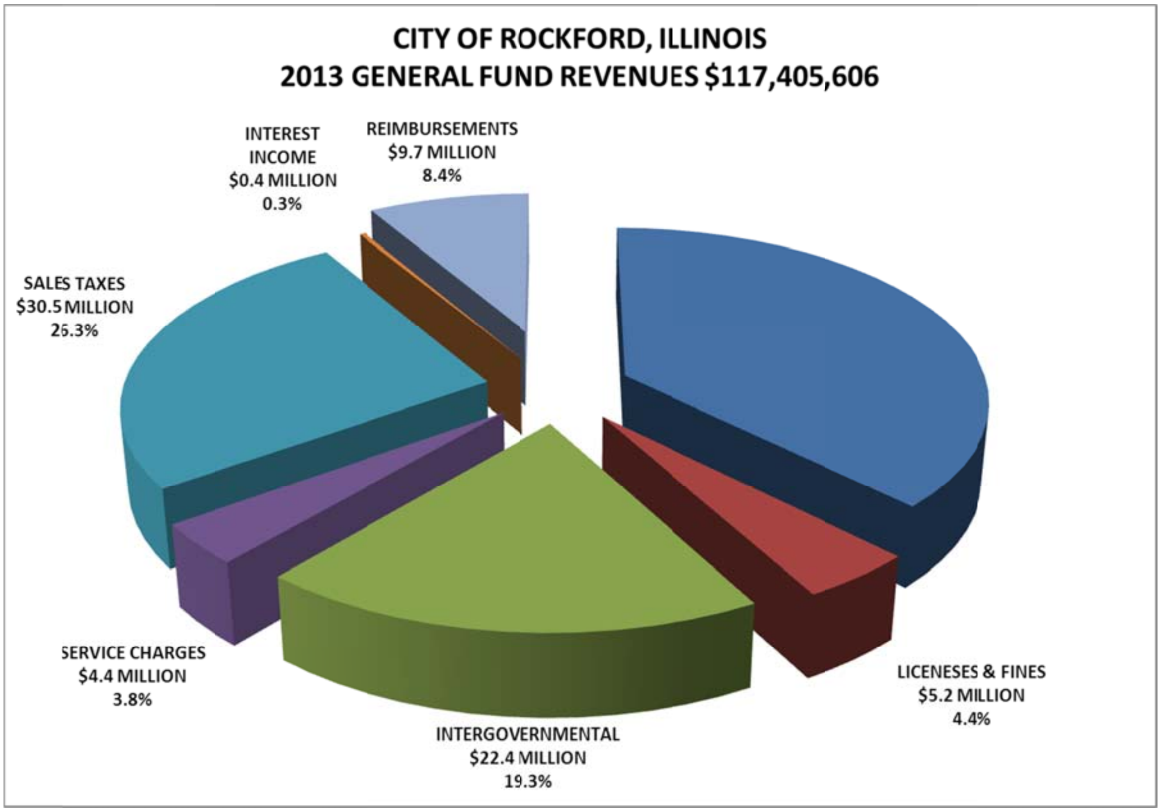
1 Property Taxes
2 Sales Taxes
3 Service Charges
4 Licenses/Fines
5 Intergovernmental Revenue
6 Interest Income
7 Bond Proceeds
8 Other/Transfers

Most of these are self-explanatory. Intergovernmental revenue is income from federal, state, and other local governments. Other income and transfers are miscellaneous items, restricted receipts and transfers. Property taxes are net of accounting adjustments and projected tax cap losses.

GENERAL FUND REVENUE - ($117,405,606)

General Fund revenues are derived from eight major sources: taxes, licenses, intergovernmental revenues, service charges, fines, interest income, transfers and other miscellaneous income.

Elastic revenues, sales and intergovernmental taxes, account for more than one-half of the fund. With property taxes included, these three sources comprise 80% of the total. The total dollar amount collected for most of these sources has increased from 2012 to 2013. The percentage of the total that each, property taxes, elastic revenues and static revenues, represents has also slightly increased from the prior year.



THE PROPERTY TAX

Property tax revenues are generated by multiplying equalized assessed valuation (EAV), in Illinois one-third of market value less any exemptions, by a tax rate.

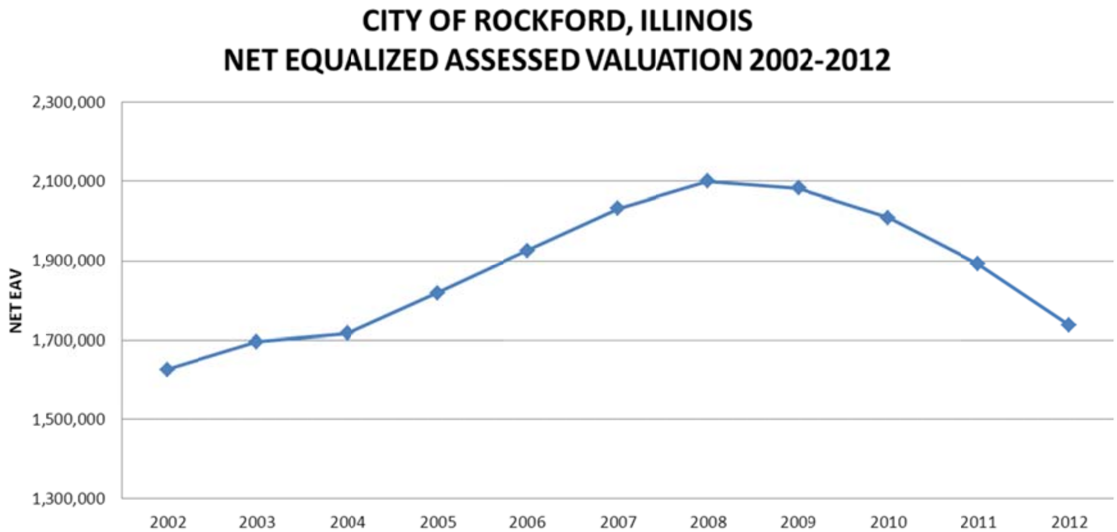
Estimated 2012 EAV of $1,737,227 is yet to be certified by the County compared to the previous year's $1,891,523. The drop in existing valuation was offset by estimated new construction of $3.2 and no annexations.

Increases in EAV due to annexation of new areas were $3.4 million for 2008, $0.2 million for 2009, $0.1 million for 2010, $0.5 million for 2011, and $0.2 million in 2012. EAV change estimates will be -5.0% for 2011,-8.0% for 2012, and -3.0% for 2013-2016. In previous years, zero percent was used for 1999-2000, one percent was used for 2005-2009, and five percent was used for the 1991-1998 period.

Exemptions (2009 - $367.9, 2010 - $352.0, 2011 - $333.6, 2012 - $309.4) represent one out of seven dollars of valuation. The exemption process, an unfunded mandate from the State Legislature, singles out certain elements for special treatment.

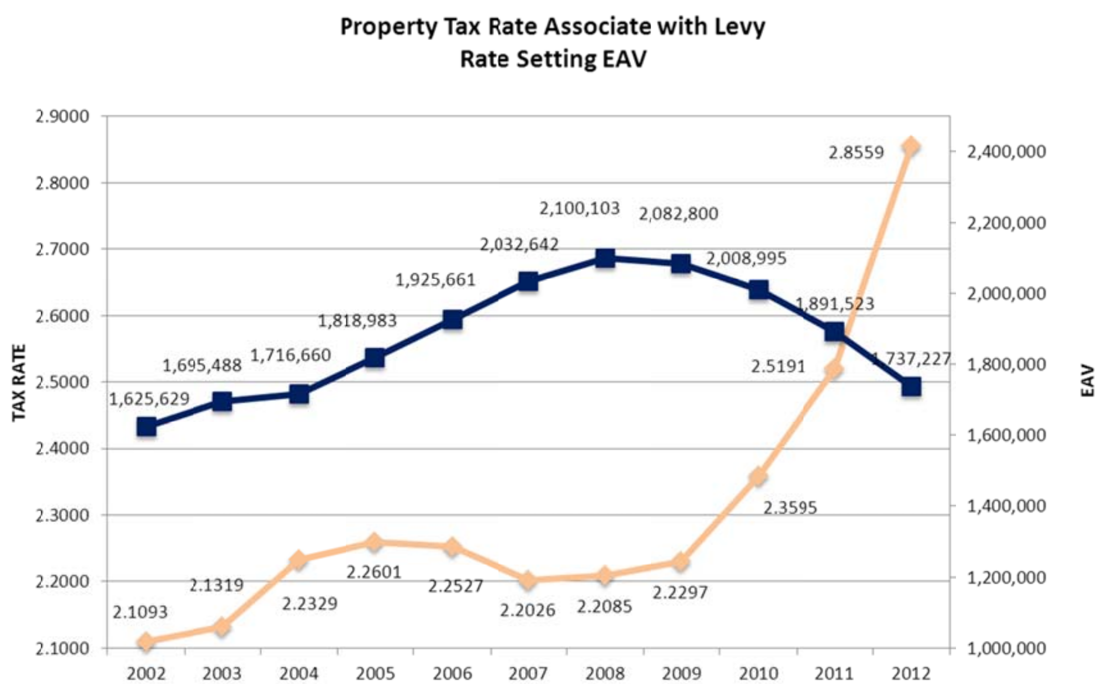
The State allows homeowner exemptions at $6,000 and the senior citizen exemption at $4,000. Exemptions decreased $15.9 million from 2009-2010; decreased $14.9 million from 2010-2011.

Of the exemptions, only one, the tax increment district ($31.7 million), serves a common community purpose and benefit by stimulating older commercial areas and producing future economic benefits. The new tax dollars exempted and diverted from other governmental units go towards paying for infrastructure and economic development efforts in the district. At the end of the district's life all tax revenues are once again distributed normally to all taxing districts.

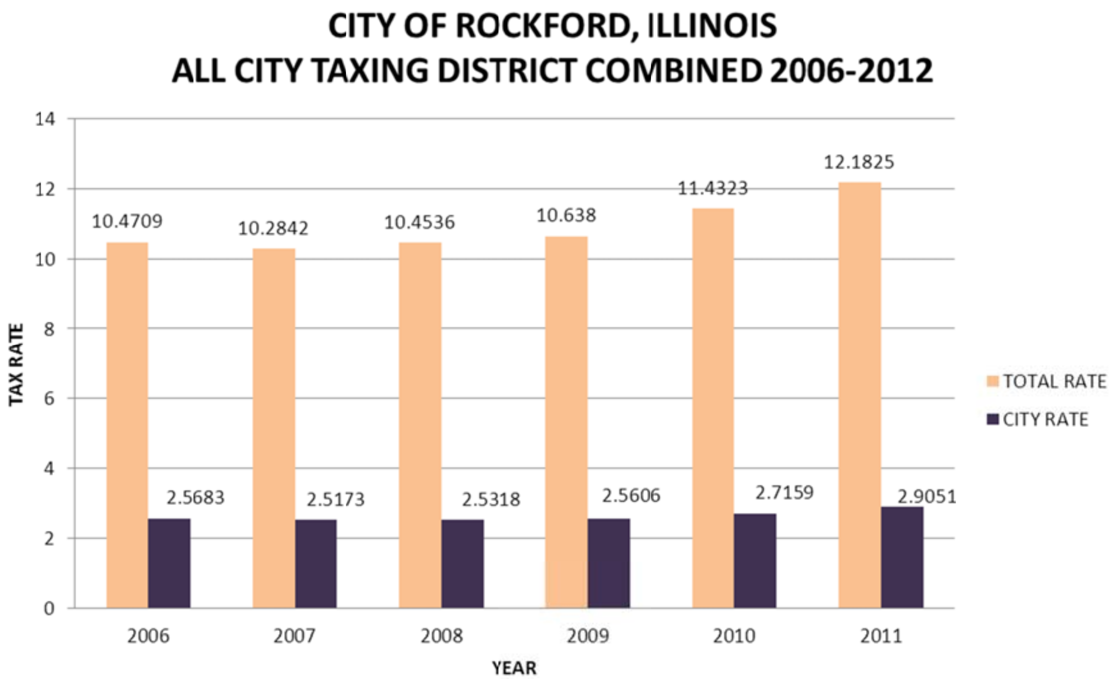


The other exemptions, homeowner ($213.0 million), senior citizen ($41.9 million), and all other ($19.2 million), cause economic distortions in forcing commercial and industrial properties to pay a larger share of the total. In reality, the senior citizen exemptions are shouldered by all other assessment classes. The net effect of this is to force property tax rates up as taxing bodies attempt to recover this lost revenue. In some cases where rates are at statutory limits or tax caps are applicable, the result may be a change to other revenue sources and/or a reduction in services.

The graph below illustrates the relationships. Poor EAV performance puts pressure on the rate if levies are increased to raise revenue. Given the fact that rates are fixed for a number of levies and that the City is at the maximum for many limited levies, this has implications for future budgets.



As the All City Tax Rate Graph illustrates, tax rates for both the City and all taxing districts decreased a total of 75.0 cents in 2011. The City tax rate increased 15.9 cents. Tax rate changes for the remaining six taxing districts ranged from an increase of 43.9 cents for the school district to an increase of 0.4 cents for the township; overall, there was an increase of 56.1 cents for these units. 2012 rates are not yet finalized by the County.

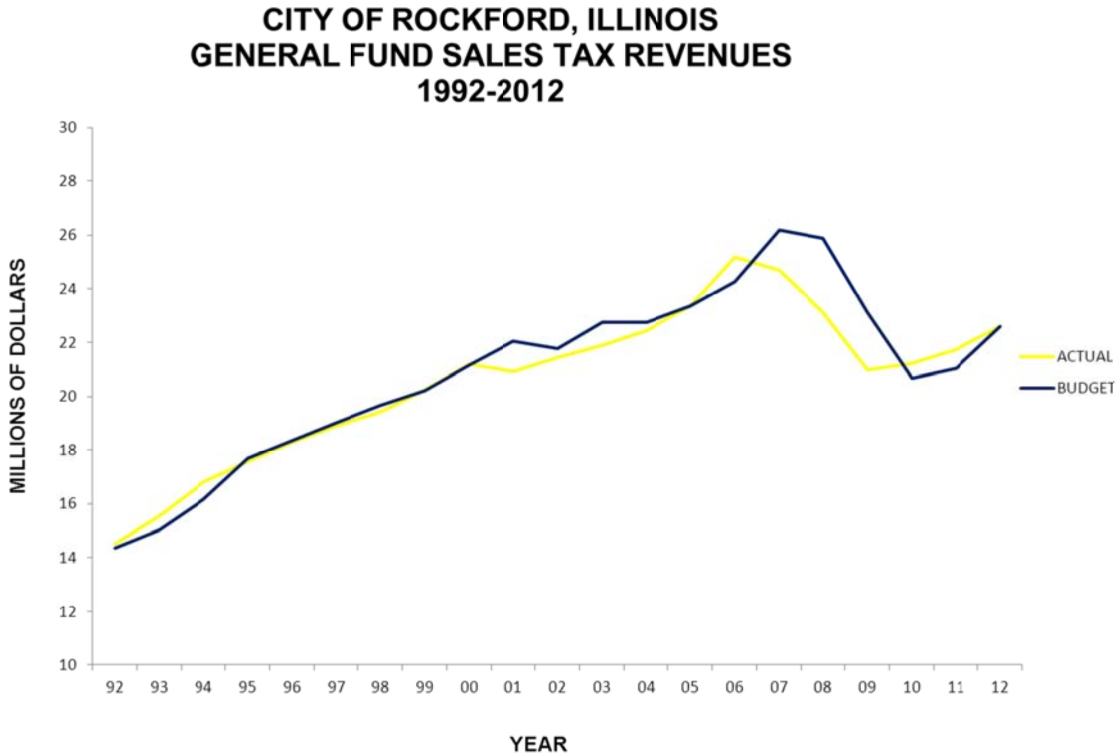


The City rate is 23.8% of the total rate of $12.18. It is the City's goal to maintain a stable tax rate in order to remain competitive with surrounding communities and unincorporated areas in economic development and annexation efforts.

The 2012 City rate estimate, is $3.29. For property taxes, the City's five year planning process takes into account the impact of both tax rate and tax cap limitation rules. With conservative budgeting and adequate reserves, these regulations can be adhered to.

THE GENERAL FUND SALES TAX

Sales tax, retailer's occupation tax, is assessed at one percent on all sales in the municipality and is collected and distributed by the State of Illinois on a monthly basis. The 2013 budget estimates $22,603,900 which is 4.0% ($869,400) more than the 2012 budget ($21,721,000). As the following graph illustrates, this elastic revenue source tends to fluctuate depending on the national and local economies as well as on local economic growth. This tax graph tends to pinpoint economic ups and downs rather well. While sales tax has increased at an average rate of better than five percent in the past, if the increase is adjusted for inflation, then this revenue source has not always held its own for the City. For the future, the City estimates three percent for both the growth and inflation rate.



The City began receiving local use tax on a statewide formula basis during 1990. This is a sales tax collected by the State on sales to Illinois residents by out of state companies. Revenues for 2010, 2011, and 2012 are $2,030,553, $2,179,292, and $1,890,000 respectively. 2013 budgeted revenue is $2,173,500.

The City receives a 6% phone tax. Revenue, $5,629,622 for 2011 and $5,430,116 for 2012, is budgeted at $5,126,000 for 2013. The 5% water utility tax, implemented in 2003, $1,066,441 in 2011 and $1,004,938 for 2012; $1,020,000 is budgeted for 2013.

OTHER GENERAL FUND REVENUE

License and inspection estimates have increased $291,400 from $3,490,200 in 2012 to $3,781,600 in 2013. Building inspection fees in excess of $100,000 per project are considered unusual and are not budgeted.

The 2012 actual of $4,518,069 is $736,469 over budget, reflecting both increases and decreases in licenses issued. Primary increases occurred in building inspection fees ($546,990), CATV Franchise fees ($195,772), other licenses ($77,026), and liquor license fees ($55,616).

The 2013 intergovernmental revenue budget estimate is $22,300,058, a increase of $154,270 from 2012's $22,225,790. The most significant decrease was the Federal Government revenue ($1,210,000), offset by increase in replacement tax ($645,788) and State Income ($542,000). Due to the volatile nature of replacement taxes, a fixed growth assumption is not used; rather, annual results are analyzed.

The 2012 intergovernmental actual exceeded the original budget by $3,206,654. Replacement taxes, a state revenue source distinguished by its instability since its inception in 1978, came in $1,088,606 over estimates. This revenue source is allocated by state law to pensions as well as the Library and General Fund. The latter two Funds absorb all annual gains and losses. This is perhaps the most volatile elastic revenue source the City has and, consequently, the most difficult one to forecast. State Income Tax exceeded estimates by $2,595,270.

Service charges, budgeted at $4,295,000 for 2012, have increased $119,300 to $4,414,300 for 2013. This is primarily due to a decrease in ambulance fee revenues.

The 2012 service charges actual of $4,650,405 was $355,405 over budget. Decreased income from police record fees ($18,605) was offset by increases in zoning ($12,300) and ambulance fees ($317,060).

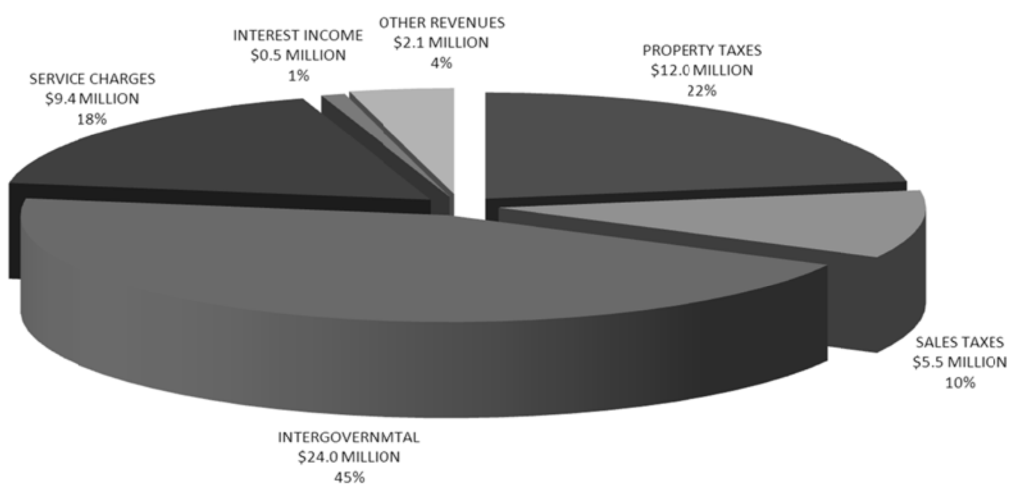
General Fund fine revenue can vary depending on economic conditions. $1,400,000 is the 2013 estimate (2012 budget - $1,481,000); the 2012 actual collected was $1,546,143. A increase in magistrate fines, $94,428, offset by decrease in code hearing fines, $14,885, and control substance, $30,000.

Interest income, budgeted at $100,000 for 2012, is estimated at $350,000 for 2013. $296,730 was recorded for 2012.

Other income for the General Fund consists of purchase of service reimbursements (indirect cost allocation) from various funds for administrative, legal, financial, and personnel services provided, various damage, abandoned property, and miscellaneous accounts. The amounts charged to other funds are increased annually to insure that they reflect actual costs. The 2012 budget and receipts were $8,581,940 and $8,520,391 respectively. 2013's budgeted $9,717,332 is $1,135,392 more than the prior year's budget and $1,196,941 more than the actual. Purchase of service reimbursements are increased annually to reflect increased costs.

Transfers total $1,200,000 this year. The $1,200,000 transfer from the Motor Fuel Tax Fund is designed to pay for street lighting. The General Fund, in turn, transfers $1,200,000 to the Capital Projects Fund to pay for designated projects.

CITY OF ROCKFORD, ILLINOIS
2013 SPECIAL REVENUE FUNDS' REVENUE
$53,419,918



(2012- $49,161,123)

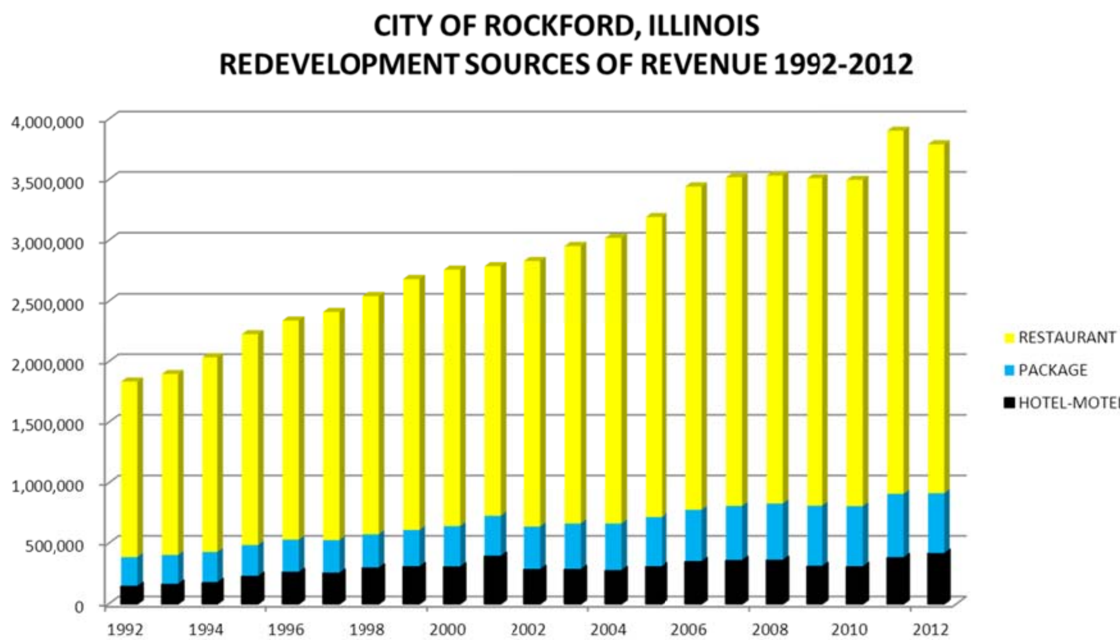
The City utilizes thirty-one special revenue funds. Although financing for this fund group has increased slightly from 2012's $49.1, the revenue mix has been essentially unchanged since 1985.

Motor Fuel Tax Fund - This fund is financed by shared revenue payments ($4,300,000) from the State of Illinois on motor fuel (19 cents per gallon) for road building and maintenance purposes. 2013 interest earnings are estimated at $229,000.

Sanitation Fund - This fund is financed by a $186.00 annual user fee collected on the monthly water bill. In addition, the fund receives a small amount in rental income and, interest earnings.

Community Development Block Grant Fund - This fund, primarily involved with economic development and neighborhood rehabilitation, is financed by federal grants ($2,974,515). Program income is estimated at $116,500. The 2012 carryover of prior year funds and grant authorizations is $718,416.

Redevelopment Fund - This fund, for redevelopment purposes and Metro Center Authority subsidy payments, has four revenue sources: motel/hotel tax (1%) - $320,600; restaurant/lounge (1%) - $2,850,000; package liquor (1%) - $540,000. For 2012, receipts are $3,790,123, $168,623 above the estimate; with motel taxes coming in above estimates. This tax, authorized in 1978 and originally designed to expire in 1998, was extended to 2008 in 1990, as a result of the Coronado Theater renovation project, extended to 2018 in 1998, and, as a result of the 2007 Metro Center renovation project, extended to 2028.



Tourism-Promotion Fund - This tax, five percent on motels and hotels, was instituted in 1985 to promote tourism. It was increased from one to two percent in 1991, from two to four percent June 1997, and, for the Coronado Theater renovation project, from four to five percent July 1999.

Tax Increment Financing Districts - TIF districts receive revenues from property taxes, state and local sales taxes, and interest income. In TIF districts, assessment values are frozen at a certain date and the increase, and the increment in assessed values and consequently, property taxes since that date, is to be used for redevelopment purposes in the districts. Property taxes for all districts continue to grow at an incremental pace. For the East and West Side Districts, new state legislation adopted in 1986 allows new sales tax revenue that is generated within the district after a certain date to be used only for district redevelopment purposes just as the property tax increment. The East and West Side TIF's began receiving State and City sales tax revenues in 1987. Due to businesses leaving both Districts, 1992 was the last year for sales tax increments. The City did not apply this sales tax increment provision to the 7th Street District due to its strong economic condition.

East River TIF - The East River tax increment district, created in 2008, was established to aid in retail and residential development within the district.

Westside II TIF - The Westside II tax increment district, created in 2007, was established to aid in redevelopment within the district.

Lincolnwood Housing TIF - Created in 2001, this west side housing tax increment district will utilize property taxes to pay for certain improvements in order to generate affordable housing.

Lincolnwood II TIF - The Lincolnwood II tax increment district was established in 2005 to assist affordable residential development on the City's west-side.

Springfield Corners TIF - This west side housing tax increment district was established in 2002 to utilize property taxes to pay for improvements to generate affordable housing.

North Main TIF - This tax increment district was created in 2004 to aid in redevelopment within the district.

Rockford Global Trade Park TIF - The Rockford Global Trade Park tax increment district was established in 2004 to develop 6,600 acres of land surrounding the Rockford Airport.

Rockford Global Trade Park 2 TIF - The Rockford Global Trade Park tax increment district was established in 2007 to develop land surrounding the Rockford Airport.

Rockford Global Trade Park 3 TIF - The Rockford Global Trade Park tax increment district was established in 2008 to develop land surrounding the Rockford Airport.

Rockford Global Trade Park South TIF - The Rockford Global Trade Park tax increment district was established in 2012 to develop land surrounding the Rockford Airport.

Garrison TIF - The Garrison tax increment district was established in 2005 to develop the area surrounding the old Garrison school. Residential development is planned for the area.

River Oaks TIF - The River Oaks tax increment district was created in 2005 to assist river front residential development.

Hope Six TIF - The Hope Six tax increment district, created in 2006, was established to assist with residential development.

Kishwaukee Harrison 1 TIF - The Kishwaukee Harrison tax increment district, created in 2006, was established to aid in redevelopment within the district.

Kishwaukee Harrison 2 TIF - The Kishwaukee Harrison 2 tax increment district, created in 2009, was established to aid in redevelopment within the district.

Main Auburn TIF - The Main and Auburn tax increment district, created in 2006, was established to aid in redevelopment within the district.

Jackson School TIF - The Jackson School tax increment district, created in 2006, was established to aid in redevelopment within the district.

State Mulford TIF - The State and Mulford tax increment district, created in 2012, was established to aid in redevelopment within the district.

State Kilburn TIF - The State and Kilburn tax increment district, created in 2006, was established to aid in redevelopment within the district.

State Central TIF - The State and Central tax increment district, created in 2006, was established to aid in redevelopment within the district.

Preston Central TIF - The Preston and Central tax increment district, created in 2006, was established to aid in redevelopment within the district.

State Alpine TIF - The State and Alpine tax increment district, created in 2006, was established to aid in redevelopment within the district.

River North TIF - The River North tax increment district, created in 2008, was established to aid in redevelopment within the district.

Main Whitman TIF - The Main Whitman tax increment district, created in 2008, was established to aid in redevelopment within the district.

Assisted Living TIF - The Assisted Living tax increment district, created in 2008, was established to aid in redevelopment within the district.

Broadway TIF - The Broadway tax increment district, created in 2008, was established to aid in development within the district.

Jefferson North 3rd TIF - The Jefferson/North 3rd tax increment district, created in 2012, was established to aid in development within the district.

Midtown TIF - The Midtown tax increment district, created in 2008, was established to aid in redevelopment within the district.

Human Services - This fund is financed by two federal ($5,641,765) and four state agencies ($7,989,119) provide services in Community Services, Headstart Preschool, Drug Free, Weatherization and Energy Assistance. Revenues tend to fluctuate based on grants and federal philosophy.

Tuberculosis Sanitarium - Revenues are received from property taxes, user fees, and interest income. The property tax limit is $970,000; currently the fund is at $168,300.

Library Fund - This fund is financed by property taxes ($7,200,000), state replacement taxes ($755,000) fines ($135,180), service charges and non-resident fees ($47,500), grants ($155,000), interest and rental income ($35,000) and miscellaneous income ($80,750). Of any City operating fund, the Library is most heavily dependent on the property tax as the largest source of revenue, 84.0%.

OTB Special Projects Fund - This fund, used for special projects, receives one percent of the handle from the local off-track betting parlor.

DEBT SERVICE REVENUE FUNDS - ($17,188,481)

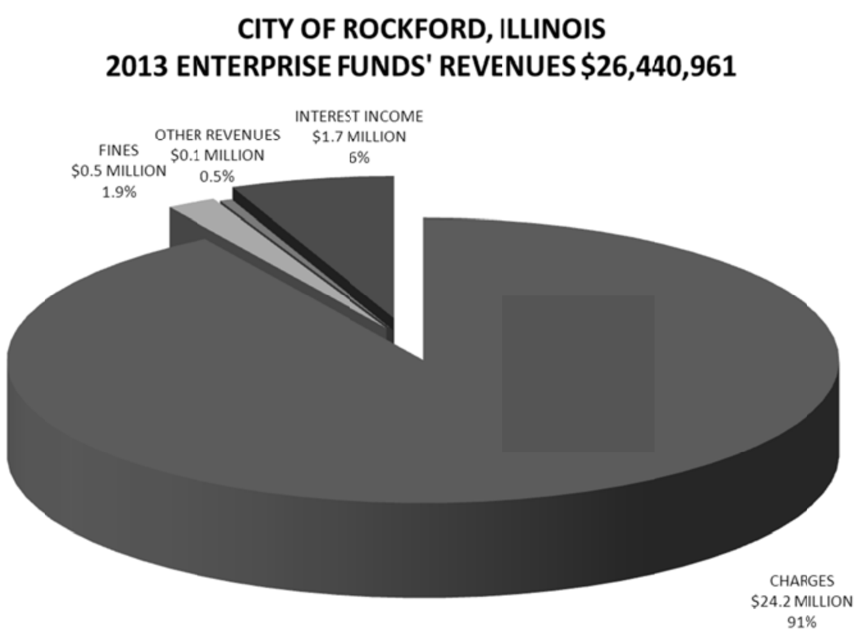
Debt Service Funds - These funds are funded by property taxes ($4,849,256), tax abatements from TIF Districts, development funds, and OTB Special Projects Fund ($5,437,594), the parking and water utilities ($6,000,965), and sales tax ($900,667). For further information, see Debt Service under Non-Operating Fund section.

CAPITAL PROJECTS FUNDS REVENUE - ($45,935,000)

Capital Project Funds - These funds are financed transfers from Sales Tax, Motor Fuel Tax, General, and Water Funds. For further information, see Capital Projects under the Public Works section.

ENTERPRISE FUNDS REVENUES - ($26,440,961)

The City utilizes two enterprise funds, Water and Parking in the Public Works Department. The revenue mix has changed little from the previous year.

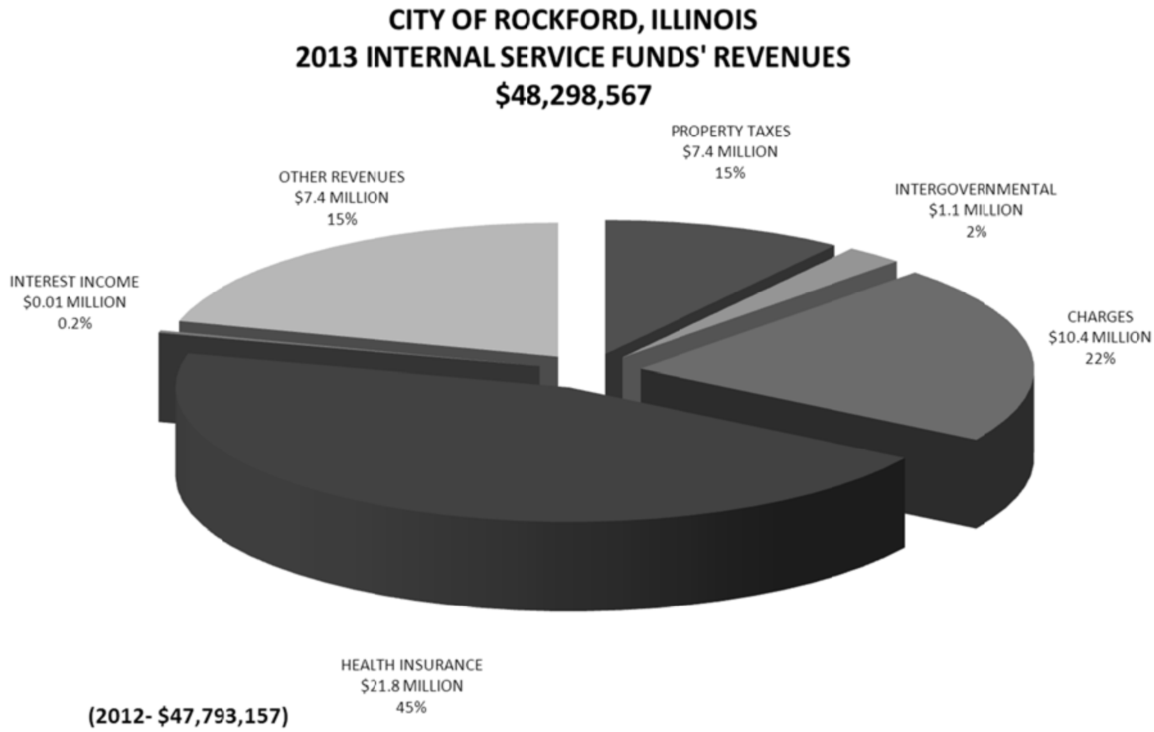


(2012- $26,304,520)

Water Fund - This fund is financed by user fees ($23,564,000), installations and connections ($636,000); interest income ($200,000), and service charges to other funds and governmental agencies ($214,000).

Parking Fund - The Parking System is financed by fines ($516,000), permits and fees ($1,367,900), purchase of services ($25,100), and interest income ($116,700).

INTERNAL SERVICE FUNDS REVENUES - ($48,298,567)
The City uses eleven internal service funds. While financing for this fund group has increased from 2012's $47,793,157 budget, the revenue mix is unchanged.



Property Fund - This fund, part of the Public Works Property and Equipment Division, provides building maintenance for City Hall, the City Yards and other City facilities.

Equipment Fund - The Public Works Department operates garage facilities for vehicle maintenance for City departments and some County agencies at several locations.

Central Stores Fund - This fund, part of the Public Works Property and Equipment Division, provides centralized inventory services for the Property and Equipment Units and the Water Division.

Information Technology Fund - This fund finances the Information Technology department, which provides mainframe and microcomputer services to user departments.

911 Communications Fund - Providing 911 communication services to public safety departments, this fund is financed by County and City General Fund purchase of services.

Illinois Municipal Retirement Fund - The revenues for this fund finance the City pension as well as Social Security contributions. Property taxes are estimated at $3,219,787; replacement taxes at $328,700; interfund transfers from non-property tax funds at $3,449,710 and interest income at $10,000 for 2013. The property tax rate is unlimited.

Unemployment Insurance Fund - The budget includes $135,297 in property taxes and $37,760 in interfund transfers from non-property tax funds. The property tax rate is unlimited.

Worker's Compensation Fund - Income for 2013 includes $2,401,743 in property taxes, $277,378 in interfund transfers from non-property tax funds, and $15,000 in interest income. The property tax rate is unlimited for this purpose.

Auditing Fund - This fund is financed by property taxes ($180,900) and interfund transfers from non-property tax funds ($59,010). The property tax rate is unlimited for this purpose.

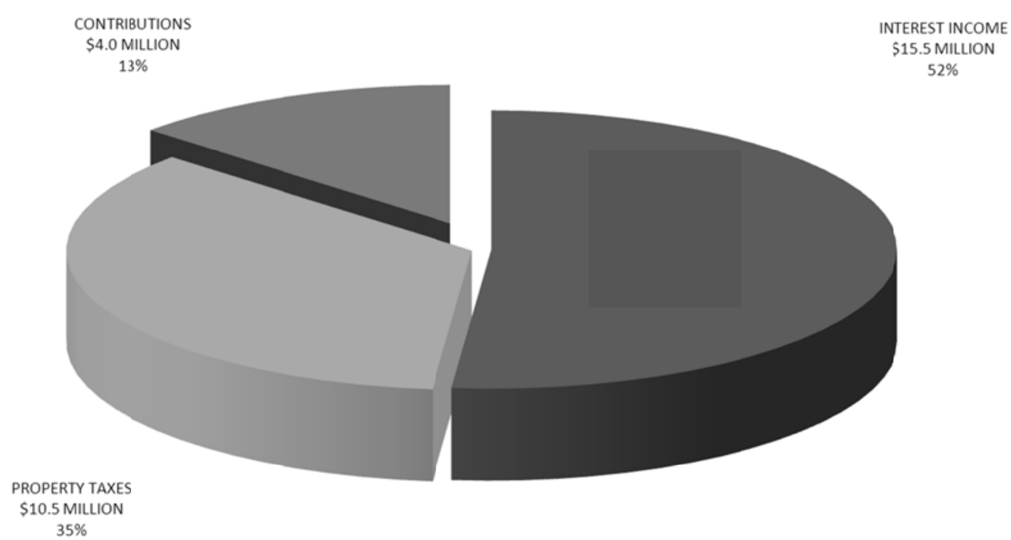
Health Insurance Fund - The City operates a self-insured plan for active employees, retirees, and several outside groups. The City's share of $18,839,081 is supplemented by employees, retired employees, and outside agency contributions of $3,066,755.

Risk Management Fund - This fund, used for the payment of claims, judgments and general self-insured losses, is financed by an unlimited levy ($1,386,000), departmental charges ($953,840), and insurance reimbursements ($115,000).

PENSION FUNDS REVENUES – ($29,966,033)

The City operates local pension plans for sworn police and fire officers.

CITY OF ROCKFORD, ILLINOIS
2013 PENSION TRUST FUNDS' REVENUES
$29,966,033



(2012-$30,439,299)

Police Pension Fund - This fund is financed by a contribution from the General Fund (property taxes, $3,673,220 and state replacement taxes, $1,096,852), member contributions ($2,000,800), investment income ($3,450,000), and fair value appreciation ($4,000,000). The interest rate assumption for 2013 is 7% (2012 Actual 9.5% earnings).

Fire Pension Fund - This fund is financed by a contribution from the General Fund (property taxes, $4,133,879 and state replacement taxes, $1,642,182), member contributions ($1,969,100) and investment income ($4,000,000), and fair value appreciation ($4,000,000). The interest rate assumption for 2013 is 7% (2012 Actual 8.7% earnings).

DEPARTMENT FUNDING MATRIX

The table on the following two pages shows the funds listed in the preceding pages and the City departments that they fund. This matrix helps to illustrate how the financial structure of the City relates to the budgetary units that will be described in more detail in the rest of the budget book.

DEPARTMENT FUNDING

Funds

City Departments	General Fund	Motor Fuel Tax Fund	Sanitation Fund	CD Block Grant Fund	Redevelopment Fund	Tourism-Promotion Fund	TIF Funds	Human Services Fund	Tuberculosis Sanitarium	Library Fund	OTB Fund	Debt Service Funds	Capital Project Funds	Water Fund
Mayor's Office	x					x							x	
City Council	x													
Legal Department	x			x									x	
Finance Department	x		x		x	x							x	x
Information Technology Department														
Human Resources Department	x													
Board of Elections	x													
CD Administration	x													
CD Business Group				x	x									
CD Redevelopment					x									
CD Tourism Promotion						x								
TIF Funds							x							
Planning Division	x						x							
Sanitation Division			x											
Code Enforcement Division	x		x	x										
Building Department	x													
Human Services Department	x							x						
Tuberculosis Sanitarium									x					
Rockford Public Library										x				
Rockford Mass Transit District	x													
Police Department	x													
Fire Department	x													
911 Division	x													
Fire & Police Commissioners	x													
Public Works Administration	x		x											x
Public Works Engineering	x													x
Capital Project Fund	x	x											x	x
Motor Fuel Tax Fund		x												
Street Maintenance Division	x		x											
Traffic Division	x	x												
Parking Division	x													
Property & Equipment Division														
Water Division	x				x									x
Police Pension														
Fire Pension														
IMRF Pension														
Health Insurance														
Unemployment														
Worker's Compensation														
Auditing														
Debt Management												x		
OTB Special Projects											x			
Risk Management														
Workforce Investment Board	x													

DEPARTMENT FUNDING

City Departments	Parking Fund	Property Fund	Equipment Fund	Central Stores Fund	Information Tech Fund	911 Fund	IMRF Fund	Unemployment Fund	Worker's Comp Fund	Auditing Fund	Health Insurance Fund	Risk Management Fund	Police Pension Fund	Fire Pension Fund
Mayor's Office														
City Council														
Legal Department												x		
Finance Department	x											x	x	x
Information Technology Department					x									
Human Resources Department									x		x			
Board of Elections														
CD Administration														
CD Business Group														
CD Redevelopment														
CD Tourism Promotion														
TIF Funds														
Planning Division														
Sanitation Division														
Code Enforcement Division														
Building Department														
Human Services Department														
Tuberculosis Sanitarium														
Rockford Public Library														
Rockford Mass Transit District														
Police Department	x													
Fire Department														
911 Division						x								
Fire & Police Commissioners														
Public Works Administration	x	x	x	x										
Public Works Engineering														
Capital Project Fund														
Motor Fuel Tax Fund														
Street Maintenance Division														
Traffic Division	x													
Parking Division	x													
Property & Equipment Division		x	x	x										
Water Division														
Police Pension													x	
Fire Pension														x
IMRF Pension							x							
Health Insurance											x			
Unemployment								x						
Worker's Compensation									x					
Auditing										x				
Debt Management														
OTB Special Projects														
Risk Management												x		
Workforce Investment Board														

YEAR END FINANCIAL CONDITION

Fund balances for the 2013 budget year ending December 31, 2013 are deemed to be sufficient to insure a healthy financial condition for the City. Of the eighteen funds projected to have year-end deficits, none are considered to be of concern.

Certain funds are project, rather than service oriented. In these funds, the practice can be to appropriate all available funds, current plus certain future amounts, for one or more potential projects. The ten TIF districts with deficits are examples of this. The Redevelopment fund can also be included. All of these project funds should turn positive before their current legal authority ends.

The Risk Management, Unemployment Compensation, and Workers' Compensation Funds carry deficits due to incurred claim estimates that are adjusted annually. The City has a long term funding plan in place to fund future claims.

The RMAP fund has a temporary deficit due to startup costs. This will be corrected over several years. The Human Services, 911 Communications, and Purchase of Service have short term deficits which will correct.

With these actions, these funds should again be in good condition.

CITY OF ROCKFORD, ILLINOIS
SCHEDULE OF ANTICIPATED ENDING FUND BALANCES
2013 BUDGET

FUND	BEGINNING BALANCE 01/01/13	REVENUES	APPROPRIATION	EXCESS (DEFICIT)	ADJUSTMENTS	ENDING BALANCE 12/31/13
GENERAL-OPERATING	$31,949,056	113,675,150	$113,651,818	$23,332		$31,972,388
SPECIAL REVENUE						
MOTOR FUEL TAX	12,792,786	4,529,000	4,200,000	329,000		13,121,786
SANITATION	5,042,515	9,435,800	9,690,746	(254,946)		4,787,569
COMMUNITY DEVELOPMENT	(351,721)	3,692,931	3,684,848	8,083		(343,638)
REDEVELOPMENT TAX	(83,019)	4,649,800	3,333,039	1,316,761		1,233,742
TOURISM PROMOTION TAX	404,993	1,790,000	1,790,000	0		404,993
TAX INCREMENT DISTRICTS	(2,400,761)	5,411,164	5,971,250	(560,086)		(2,960,847)
HUMAN SERVICES	1,155,711	13,630,884	13,707,475	(76,591)		1,079,120
TUBERCULOSIS SANITARIUM	191,895	166,617	148,200	18,417		210,312
LIBRARY	7,974,976	8,408,430	8,408,430	0		7,974,976
OTB SPECIAL PROJECTS	75,668	95,700	75,000	20,700		96,368
RMAP PLANNING	(592,044)	1,609,592	890,310	719,282		127,238
DEBT SERVICE	8,487,807	10,713,441	17,188,481	(6,475,040)	6,475,040	8,487,807
CAPITAL PROJECT	9,427,027	45,935,000	45,935,000	0		9,427,027
ENTERPRISE						
WATER SYSTEM	132,544,893	24,614,000	24,022,766	591,234		133,136,127
PARKING SYSTEM	17,070,093	2,025,100	2,418,195	(393,095)		16,676,998
INTERNAL SERVICE						
PUBLIC WORKS PROPERTY	996,385	2,418,583	2,272,102	146,481		1,142,866
PUBLIC WORKS EQUIPMENT	740,240	3,960,970	3,910,699	50,271		790,511
PUBLIC WORKS CENTRAL STORES	256,512	420,000	411,970	8,030		264,542
911 COMMUNICATIONS	0	5,345,966	5,345,966	0		0
IMRF PENSION	(155,044)	7,008,447	6,998,198	10,249		(144,795)
UNEMPLOYMENT INSURANCE	114,001	168,957	168,307	650		114,651
WORKER'S COMPENSATION	866,383	2,694,121	2,679,371	14,750		881,133
AUDITING	0	239,982	240,000	(18)		(18)
RISK MANAGEMENT	(4,844,356)	2,454,840	2,188,650	266,190		(4,578,166)
INFORMATION TECHNOLOGY	1,182,167	2,942,130	2,706,421	235,709		1,417,876
HEALTH INSURANCE	8,571,075	21,905,836	21,806,975	98,861		8,669,936
PENSION						
POLICE PENSION	162,463,775	14,220,872	22,702,932	(8,482,060)	(8,725,000)	145,256,715
FIRE PENSION	144,625,386	15,745,161	24,952,736	(9,207,575)	(9,275,000)	126,142,811
ELIMINATIONS & ADJUSTMENTS	0	(80,256,882)	(80,256,882)	0	0	0
		$249,651,592	$271,243,003	($21,591,411)	($11,524,960)	$505,390,028

Mayor's Office

MISSION STATEMENT

It is the mission of the Mayor's Office to provide the leadership, initiative, and direction that is necessary to provide quality services to the citizens of Rockford.

PRIMARY FUNCTIONS

The primary function of the Mayor's Office is to provide administrative and policy making functions, as well as to oversee the day-to-day operations for the City of Rockford.

OBJECTIVES FOR FISCAL YEAR 2013

- Continue efforts to cut operational costs through organizational efficiencies to limit need for short-term borrowing.
- Aggressively pursue development opportunities to grow Rockford economy.
- Develop multi-year parking system plan to improve condition and operational effectiveness.
- Implement $8 million in River Edge grants in the downtown area.
- Continue health and wellness initiatives for our City employees and community at large through the creation of the "Healthy Rockford Network."
- Partner with local educational institutions and civic and economic development groups on developing coordinated networks to grow major industry clusters, including healthcare, aerospace, the arts, and the tourism and hospitality industries, arts professionals, and arts supporters to determine how we can leverage our resources to build a world class arts education network.
- Engage and support citizen involvement in City planning and activities.
- Implement the Rockford Area Prisoner Re-entry Network.
- Establish a Multi-family Crime Free Initiative to reduce crime and improve property standards.
- Build and support intergovernmental relationships, collaboration, and advocacy.
- Continue work in establishing opportunities for international trade and economic growth.
- Develop a new and improved solid waste and recycling collection contract for Rockford residents.
- Vacate Public Safety Building to establish geographic-based police facilities City-wide.
- Consolidate public-sector housing programs under one-stop shop for better outcomes and customer service.
- Continue to pursue state legislative agenda focusing on pension reform, collective bargaining reform, protection of state-disbursed municipal revenues, other pro municipal government legislation, and a new casino for Rockford.

MAYOR'S OFFICE BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$432,388	$471,240	$458,987	$471,432	$192
CONTRACTUAL	127,422	141,045	120,812	145,945	4,900
SUPPLIES	6,855	12,350	13,320	12,350	0
	$566,665	$624,635	$593,119	$629,727	$5,092

Mayor's Office

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	$86,457	$93,341	$66,403	$72,147	$5,744
GENERAL REVENUES	718,166	473,324	551,961	557,580	5,619
TOTAL	$804,623	$473,324	$618,364	$629,727	$11,363

MAYOR'S OFFICE AUTHORIZED POSTITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
MAYOR	ELECTED	1.00	1.00	0.00
CITY ADMINISTRATOR	E-16	1.00	1.00	0.00
ASSISTANT CITY ADMINISTRATOR	E-10	0.00	0.00	0.00
EXECUTIVE COORDINATOR TO THE MAYOR	E-8	1.00	1.00	0.00
SR. ADMINISTRATIVE ASSISTANT	E-6	0.00	0.00	0.00
ADMINISTRATIVE ASSISTANT	E-5	1.00	1.00	0.00
TOTAL PERSONNEL		**4.00**	**4.00**	**0.00**

BUDGET HIGHLIGHTS

- A 2% wage increase is budgeted for all department staff for a total of $4,308.
- Health insurance decreased $29,380, primarily due to changes in coverage.
- Contractual expenses increase due to increases in purchase of services.

CAPITAL EQUIPMENT

There are no capital items budgeted for the Mayor's Office in 2013.

City Council

MISSION STATEMENT

It is the mission of the City Council, in conjunction with the Mayor, to serve as the legislative and policymaking body of the City of Rockford.

PRIMARY FUNCTIONS

The primary function of the City Council is to act as the legislative body for the City of Rockford.

OBJECTIVES FOR FISCAL YEAR 2013

- Use the City-level strategies - create a livable community, engage citizens in improving education and reducing crime, investing in infrastructure, and becoming a more customer-focused, productive organization - to work towards achieving the Council's five community objectives: increase economic activity, reduce crime, increase living wage jobs, create a qualified, educated workforce, and create vibrant neighborhoods.

CITY COUNCIL BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$355,446	$372,937	$367,180	$374,342	$1,405
CONTRACTUAL	158,382	198,950	167,412	201,460	2,510
SUPPLIES	1,151	900	1,589	900	0
OTHER	0	0	0	0	0
TOTAL	$514,979	$572,787	$536,181	$576,702	$3,915

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMB	$32,769	$33,222	$33,883	$34,664	$781
GENERAL REVENUES	501,229	549,748	538,904	542,038	$3,134
TOTAL	$533,998	$582,970	$572,787	$576,702	$3,915

CITY COUNCIL AUTHORIZED POSITIONS

	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
POSITION TITLE	ELECTED	14.00	14.00	0.00
TOTAL PERSONNEL		**14.00**	**14.00**	**0.00**

BUDGET HIGHLIGHTS

- Budget increases occurred due to changes in fringe benefit rates and internal purchase of service changes.

Legal Department

MISSION STATEMENT

It is the mission of the Legal Department to act as the legal representative for the City of Rockford, its officers, and its employees.

PRIMARY FUNCTIONS

The primary function of the Legal Department is to provide a variety of legal services for administrative issues, legislative issues, land acquisition programs, and support the City's EEO and diversity procurement functions.

OBJECTIVES FOR FISCAL YEAR 2013

- Increase economic activity by supporting development projects.
- Pursue right of way acquisition for North Main, Churchill Park storm water management, West State, South Main and other infrastructure improvement projects.
- Support Community Development Department through effective drafting and review of development and incentive agreements.
- Reduce crime by effective ordinance adoption and enforcement and support of Weed and Seed and Parolee and Probationer Re-entry initiatives.
- Support transition to geographic policing.
- Increase living wage jobs by continuing expansion of Minority Procurement Policy to include workforce data.
- Create a qualified and educated workforce by supporting Community Education Partnership Initiatives.
- Create vibrant neighborhoods by supporting Code Enforcement, Weed and Seed Programs and Neighborhood Associations.
- Continue annual negotiation of animal control services intergovernmental agreement and reduction of City costs for animal services.
- Maintain efficient services and control costs through support of labor negotiations.
- Explore outsourcing opportunities within the Legal Department and support outsourcing activities throughout the organization.
- Stewardship of the Elected and Appointed Officials Open Meetings Act Training, Open Meetings Act compliance and Freedom of Information Act compliance.
- Manage internal and external litigation matters and continue integration of third party claims processes.
- Promote and support the planning for the automation of the City Council agenda and docketing system.
- Support the City's direct lobbying efforts and the Illinois Municipal League legislative initiatives.

Legal Department

LEGAL DEPARTMENT BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$1,362,464	$1,249,744	$1,248,557	$1,273,526	$23,782
CONTRACTUAL	197,916	364,220	289,721	295,350	(68,870)
SUPPLIES	14,777	23,700	16,869	23,700	0
TOTAL	$1,575,157	$1,637,664	$1,555,147	$1,592,576	($45,088)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	$229,451	$179,846	$169,365	$184,370	$15,005
MAGISTRATE FINES	650,000	665,000	665,000	650,000	($15,000)
PURCHASE OF SERVICES	497,100	534,100	666,100	701,700	$35,600
GENERAL REVENUES	461,849	252,229	108,420	56,506	($51,914)
TOTAL	$1,838,400	$1,631,175	$1,608,885	$1,592,576	($16,309)

LEGAL DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
LEGAL DIRECTOR	E-14	1.00	1.00	0.00
CITY ATTORNEY	E-11	3.00	3.00	0.00
LAND TRANSACTIONS OFFICER	E-7	1.00	1.00	0.00
ASSISTANT CITY ATTORNEY I	E-8	1.00	1.00	0.00
DIVERSITY PROCUREMENT OFFICER	E-8	1.00	1.00	0.00
SR. ADMINISTRATIVE ASSISTANT	E-6	0.00	0.00	0.00
ADMINISTRATIVE ASSISTANT	E-5	4.00	4.00	0.00
OFFICE ASSISTANT	E-2	1.00	1.00	0.00
PERSONNEL ADJUSTMENT		0.00	0.00	0.00
TOTAL PERSONNEL		**12.00**	**12.00**	**0.00**

BUDGET HIGHLIGHTS

- A 2% wage increase is budgeted for all department staff for a total of $16,533.
- Overtime increased $6,000 as a result of council meetings attended by staff.
- Health Insurance decreased $15,550 primarily due to changes in coverage.
- Contractual expenses decreased $59,470 in risk management purchase of service.

Legal Department

LEGAL DEPARTMENT PERFOMANCE MEASUREMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
CLAIMS FILED	257	250	81	150
CLAIMS APPROVED	37	35	17	20
$ VALUE OF APPROVED CLAIMS	38,003	35,000	29,087	35,000
AVG DAYS TO APPROVE CLAIMS	32.75	30.00	36.25	35.00
CLAIMS DENIED	220	200	61	150
AVG DAYS TO DENY CLAIMS	13.50	14.00	13.50	14.00
AVG DAYS TO INVESTIGATE CLAIMS	7.75	13.00	18.25	13.00

Finance Department

MISSION STATEMENT
It is the mission of the Finance Department to account for all municipal resources and to apply such resources in a manner that is most beneficial to the citizens of Rockford.

PRIMARY FUNCTIONS
There are four primary operating functions within the Finance Department:

- **Administration -** The Administration division is responsible for the management of the financial affairs of the city and the supervision of personnel operations within the Finance Department.
- **Central Services** - The Central Services division is responsible for financial planning, risk management, centralized purchasing, and mail/printing services for the City.
- **Accounting -** The purpose of the Accounting division is to provide financial reporting, payroll processing, accounts payable and receivable, fixed asset reporting, special tax collections, billing, and auditing functions.
- **Revenue -** The purpose of the Revenue Division is to manage the police and fire pension funds, ensure payment to retirees is processed, and invest idle City funds.
- **Customer Service Center -** The purpose of the Customer Service Division is to collect various revenues, perform meter reading services, and handle customer calls for City Departments.

OBJECTIVES FOR FISCAL YEAR 2013

- Achieving the Distinguished Budget Presentation Award for the 29th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 33rd consecutive year from the Government Finance Officer's Association.
- Implement applicable GASB statements in order to stay in compliance with Generally Accepted Accounting Practices.
- Implement a single log in to access multiple billing accounts with the same owner and make one payment for all accounts.
- Complete 2012 Pension Fund Audit and transmit the audited information to the Actuary by April 30th.
- Begin the process of bringing Police, Fire, and Human Services Departments, and the Library on to the NOVATime timekeeping system.

Finance Department

FINANCE DEPARTMENT BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$2,461,514	$2,961,010	$2,835,945	$2,975,548	$14,538
CONTRACTUAL	963,435	1,161,119	1,249,527	1,167,750	6,631
SUPPLIES	16,945	27,369	13,468	30,244	2,875
OTHER	4,377,423	3,200,980	3,122,505	2,812,267	(388,713)
TOTAL	$7,819,317	$7,350,478	$7,221,445	$6,985,809	($364,669)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	$236,608	$240,843	$240,660	$266,316	$25,656
PURCHASE OF SERVICES	2,153,600	2,149,800	2,492,200	2,846,572	354,372
FROM OTHER GOVERNMENTS	250,000	250,000	250,000	0	(250,000)
GENERAL REVENUES	4,299,922	5,329,079	4,021,428	3,872,921	(148,507)
TOTAL	$6,940,130	$7,969,722	$7,004,288	$6,985,809	($18,479)

FINANCE DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	**POSTION RANGE**	**2012 EMPLOYEES**	**2013 EMPLOYEES**	**INCREASE/ (DECREASE)**
FINANCE DIRECTOR	E-14	1.00	1.00	0.00
MANAGER	E-11	3.00	3.00	0.00
FINANCIAL ANALYST	E-8	2.00	3.00	1.00
SENIOR ACCOUNTANT	E-8	3.00	2.00	(1.00)
CUSTOMER SERVICE COORD	E-8	0.00	1.00	1.00
ACCOUNTANT	E-7	4.00	3.00	(1.00)
SENIOR ADMIN. ASSISTANT	E-6	1.00	1.00	0.00
ACCOUNTING TECHNICIAN	E-5	1.00	1.00	0.00
PURCHASING TECHNICIAN	A-23	2.00	2.00	0.00
SENIOR ACCOUNT CLERK	A-21	6.00	4.00	(2.00)
CSC TEAM LEAD	A-21	0.00	4.00	4.00
CUSTOMER SERVICE REP	A-20	0.00	8.00	8.00
METER READER	A-19	0.00	2.00	2.00
ACCOUNT CLERK	A-19	9.00	1.00	(8.00)
TOTAL PERSONNEL		**32.00**	**36.00**	**4.00**

BUDGET HIGHLIGHTS

- Salaries increase $396,000 due to general step and longevity increases, staff movements due to consolidation of four positions from Water, and a 3% wage increase for non-union employees.
- A 2% wage increase is budgeted for all department staff for a total cost of $38,200.
- Internal purchase of service charges increase with staff shift from water.
- Credit card fees increased $15,000 due to increased utilization of credit cards by customers.
- Sales Tax rebate decreased $100,000 as a result of reduction in Pella rebate agreement.
- Debt Services decreased $207,700 as a result of credit for accrued interest.

Finance Department

- Other expenses decreased $88,400 due to the elimination of RMAP payment that was transferred to CIP.
- Of the 36 staff assigned to Finance Department, 24.9 are direct reimbursements.

FINANCE DEPARTMENT PERFORMANCE MEASUREMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
TOTAL BILLS	648,648	640,000	627,639	625,000
PAPER	574,715	570,000	537,650	535,000
EBILL	73,933	75,000	89,989	90,000
CITY HALL PAYMENTS	102,203	100,000	95,707	93,000
WALK IN	73,081	70,000	69,839	68,000
MAIL	29,122	30,000	25,868	25,000
CUSTOMER SERVICE CENTER CALLS	47,794	50,000	79,712	80,000
ABANDONED CALLS	4.4%	4%	10.0%	4.0%
AVG TIME TO ANSWER CALLS (SECO	10.8	12	45.7	30
AVG CALL LENGTH (SECONDS)	109	110	140	140
NUMBER OF PURCHASE ORDERS ISS	8,608	7,000	5,140	5,000
NUMBER OF BIDS/RFPS ISSUED	134	150	172	150

Information Technology Department

MISSION STATEMENT

The Mission of Information Technology is to support the objectives of the Mayor, City Council, and Department Heads by providing technical leadership in Information Technology planning, implementation, and support.

PRIMARY FUNCTIONS

- Provide technical service and support to City employees, enabling them to work efficiently and effectively.
- Ensure the safety and integrity of the City's data and network.
- Provide technical leadership and direction for projects requiring Information Technology support.

OBJECTIVES FOR FISCAL YEAR 2013

- Implement new electronic agenda system.
- Continue implementation of nine-county ARRA Broadband project.
- Implement new Parking Ticket system.
- Implement new False Alarm system.
- Implement new Munis modules as recommended in the alternate service delivery study conducted in 2011.
- Replace City's multiple phone systems with a single system.

INFORMATION TECHNOLOGY BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$570,011	$627,712	$456,084	$435,118	($192,594)
CONTRACTUAL	1,528,441	1,623,299	1,773,837	1,731,030	107,731
SUPPLIES	47,078	36,500	70,198	36,200	(300)
OTHER	462,430	495,235	380,291	504,073	8,838
TOTAL	$2,607,960	$2,782,746	$2,680,410	$2,706,421	($76,325)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
GENERAL FUND TRANSFERS	$1,995,978	$1,967,310	$2,047,300	$2,140,940	$93,640
OTHER FUND TRANSFERS	651,670	655,840	793,760	801,190	7,430
TOTAL	$2,647,648	$2,623,150	$2,841,060	$2,942,130	$101,070

INFORMATION TECHNOLOGY AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
IT DIRECTOR	E-14	1.00	1.00	0.00
SENIOR IT SPECIALIST	E-9	4.00	2.00	(2.00)
IT SPECIALIST	E-8	1.00	1.00	0.00
COMPUTER TECHNICIAN	A-21	0.00	0.00	0.00
TOTAL PERSONNEL		**6.00**	**4.00**	**(2.00)**

BUDGET HIGHLIGHTS

- Salaries decrease $102,800 as a result of the elimination of two Senior IT Specialists.
- Fringe benefits decreased $53,121 due to the reduction in salaries.

Information Technology Department

- A 2% wage increase is budgeted for all department staff for a total cost of $5,900.
- Consulting fees increase $167,432 due to increases in ATS contract fees. Retiring staff were replaced with contract staff through ATS.
- Depreciation increased $48,113, due to planned fixed asset purchases.

INFORMATION TECHNOLOGY FIVE YEAR FORECAST

The 2014-2018 forecasts assume operations will continue as they are programmed for 2012 and that costs will increase annually. Budgets are developed so funds are annually available for fixed assets. Since this is an internal service fund, charges will recover expenditures.

INFORMATION TECHNOLOGY FUND FIVE YEAR FINANCIAL FORECAST (In 000s)

	2014	2015	2016	2017	2018
Revenues	$3,060	$3,182	$3,309	$3,441	$3,579
Expenditures	2,815	2,928	3,045	3,167	3,294
Excess (Deficit)	245	254	264	274	285
Beginning Balance	0	245	499	763	1,037
Ending Balance	$245	$499	$763	$1,037	$1,322

INFORMATION TECHNOLOGY FIXED ASSETS

Planned fixed assets include the Network Upgrades, Document Retention Site, and set up of paperless process for 2013 include:

DESCRIPTION	ACCOUNT	TOTAL BUDGET
DR Site	79928	400,000
Paperless Agenda	79928	100,000
TOTAL		$500,000

Human Resources Department

MISSION STATEMENT

The mission of the Human Resources Department is to support the goals and challenges of The City of Rockford by providing services which promote a work environment that is characterized by fair treatment of employees, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimize the operating principles of The City of Rockford.

PRIMARY FUNCTIONS

The primary function of the Human Resources Department is to proactively manage employee relations, to work cooperatively with management and staff to develop a strong leadership team, administer the City's benefit program, recruit and interview job applicants, develop and implement employee training programs, coordinate employee activities and maintain personnel files.

OBJECTIVES FOR FISCAL YEAR 2013

- Modernize compensation policy to reflect a total compensation package that rewards for high performance and remains competitive with the external market.
- Continue to systematize Illinois Department of Employment Security responses to allow for lower unemployment insurance premiums.
- Work collectively with the AFSCME unions to resolve labor issues before we reach arbitration.
- Implement new employee orientation to foster a better understanding of organizational values and goals.
- Continue to partner with the Legal Department in the proactive management of personnel legal issues.
- Resurrect training program to bring City managers and supervisors the skills needed to effectively manage our workforce.
- Update employee signature sheets for workplace policies.
- Implement an electronic employee self-service system for better management of the hiring process, employee records, and benefit registration.
- Develop concrete performance measurement as it pertains to the expectations for the successful management of all leave and worker's compensation programs.
- Implement the return to work program, enabling departments to better manage their workforce.
- Develop and implement quarterly reviews for each department of attendance, leaves, and worker's compensation issues.
- Train managers, supervisors, and timekeepers on the skills required to successfully manage their leave programs.
- Develop a more comprehensive approach to the pre-employment screening process including updating the process for background checks and reviewing skill based testing.
- Develop a recruitment process which will encourage more minority and woman applicants.
- Analyze best practices in the hiring arena to insure that we are delivering the most effective and efficient level of customer service to our managers.
- Continue to responsibly manage benefit costs to allow for continued positive cash balances in the health fund.
- Partner with regional partners in the public sector for better pricing on health benefit products such as prescriptions.

Human Resources Department

- Develop and implement a robust Wellness Clinic which will afford City employees and their families an opportunity to manage their whole health and wellness.
- Proactively manage the changes that may be driven as a result of federal and state mandates as it relates to health insurance.
- Grow employee-based wellness program to allow for more opportunities for participation.

HUMAN RESOURCES DEPARTMENT BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$525,692	$542,876	$533,233	$560,672	$17,796
CONTRACTUAL	113,358	134,525	128,531	141,875	7,350
SUPPLIES	3,502	6,800	6,479	6,800	0
TOTAL	$642,552	$684,201	$668,243	$709,347	$25,146

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	$86,548	$72,485	$73,942	$81,345	$7,403
TRANFERSFROM HEALTH FUND	188,400	194,200	152,726	174,020	21,294
TRANSFER FROM WC FUND	0	0	83,600	92,400	8,800
GENERAL REVENUES	451,721	375,867	349,260	361,582	12,322
TOTAL	$726,669	$642,552	$659,528	$709,347	$49,819

HUMAN RESOURCES DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
HUMAN RESOURCES DIRECTOR	E-14	1.00	1.00	0.00
ASSOCIATE DIRECTOR	E-10	0.00	1.00	1.00
COMPENSATION & BENEFITS MGR.	E-10	1.00	0.00	(1.00)
PERSONNEL GENERALIST	E-8	0.00	1.00	1.00
HUMAN RESOURCES SPECIALIST	E-7	2.00	0.00	(2.00)
PERSONNEL SPECIALIST	E-7	0.00	1.00	1.00
PERSONNEL COORDINATOR	E-7	0.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	E-5	1.00	0.00	(1.00)
TOTAL PERSONNEL		**5.00**	**5.00**	**0.00**

BUDGET HIGHLIGHTS

- Salaries increased $18,950 as a result of reclassification of job titles.
- A 2% wage increase is budgeted for all department staff for a total cost of $7,300

Human Resources Department

HUMAN RESOURCES DEPARTMENT PERFOMANCE MEASURMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
APPLICATIONS	1,870	2,100	4,525	2,981
VACANCIES FILLED	51	50	66	56
WORKER'S COMP CLAIMS	233	234	198	230
WORKER'S COMP LOST DAYS	1,380	1,380	934	1,330
TRAINING SESSIONS	22	50	20	24
HEALTH INSURANCE PARTICIPANTS	1,200	1,200	1,167	1,202
FLEX SPENDING PARTICIPANTS	338	321	330	351

Board of Election Commissioners

MISSION STATEMENT

It is the mission of the Board of Election Commissioners to conduct elections and voter registration in the most efficient and accessible manner possible to the public.

PRIMARY FUNCTIONS

The primary function of the Board of Election Commissioners is to conduct all elections held within the City of Rockford, to provide registration opportunities for City residents, and to maintain a system of permanent registration of voters.

	FEBRUARY/ MARCH PRIMARIES	APRIL CONSOLI-DATED	GENERAL/ NON-PARTISAN
2007			
Registered Voters		83,070	
Cast Ballots		22,142	
Participation Rate		26.65%	
2008			
Registered Voters	76,371		85,871
Cast Ballots	29,478		59,609
Participation Rate	38.60%		69.42%
2009			
Registered Voters	86,954	87,357	
Cast Ballots	3,530	22,408	
Participation Rate	4.06%	25.65%	
2010			
Registered Voters	87,357		
Cast Ballots	12,508		
Participation Rate	14.32%		
2011			
Registered Voters		86,110	
Cast Ballots		12,536	
Participation Rate		14.56%	
2012			
Registered Voters	89,005		
Cast Ballots	20,244		
Participation Rate	22.74%		

OBJECTIVES FOR FISCAL YEAR 2013

- Conduct a Consolidated General Election in April.
- Perform training and deputy registrars as appointment.

Board of Election Commissioners

BOARD OF ELECTIONS BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$253,797	452,218	$263,038	$561,011	$108,793
CONTRACTUAL	356,758	376,110	606,854	343,869	(32,241)
SUPPLIES	0	37,784	0	51,400	13,616
CAPITAL	0	25,000	0	25,000	0
TOTAL	$610,555	$891,112	$869,892	$981,280	$90,168

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
COUNTY PROP TAX TRANSFER	921,147	610,555	891,112	981,280	90,168
TOTAL	$921,147	$610,555	$891,112	$981,280	$90,168

BUDGET HIGHLIGHTS

- Permanent staff increased $109,310 as a result of two positions added that were left out in 2012 budget.
- Contractual and supply budgets adjust to reflect one election in 2013, down from two in 2012.

CAPITAL EQUIPMENT

Planned capital purchases for 2013 include:

DESCRIPTION	TOTAL BUDGET
Election Equipment Fund	25,000
TOTAL	$25,000

Community and Economic Development Administration

MISSION STATEMENT

It is the mission of Community and Economic Development Administration to provide leadership, foster partnerships, and provide balanced growth to enhance life in all neighborhoods.

PRIMARY FUNCTIONS

The primary function of the Administration Division is to provide direction and administrative support to the Department of Community and Economic Development.

OBJECTIVES FOR FISCAL YEAR 2013

- Continue process improvements to enhance department performance.
- Continue the City's pursuit of grant dollars.
- Continue to attract and retain jobs.
- Continue to encourage investment in City of Rockford.
- Encourage the use of state and federal historic tax credits in City of Rockford.

COMMUNITY AND ECONOMIC DEVELOPMENT ADMINISTRATION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$193,507	$201,625	$203,583	$212,067	$10,442
CONTRACTUAL	27,466	27,200	26,765	27,930	730
SUPPLIES	1,568	2,020	88	1,420	(600)
TOTAL	$222,541	$230,845	$230,436	$241,417	$10,572

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	$31,286	$31,916	$31,705	$33,700	$1,995
GENERAL REVENUES	148,659	190,625	193,867	207,717	13,850
TOTAL	$179,945	$222,541	$225,572	$241,417	$15,845

COMMUNITY AND ECONOMIC DEVELOPMENT ADMINISTRATION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
DIRECTOR	E-14	1.00	1.00	0.00
SENIOR ADMIN ASSISTANT	E-6	0.50	0.50	0.00
TOTAL PERSONNEL		**1.50**	**1.50**	**0.00**

BUDGET HIGHLIGHTS

- Permanent salaries increased $2,910 as a result of a 3% wage increase in 2012.
- A 2% wage increase is budgeted for all department staff for a total of $2,961.

CAPITAL EQUIPEMENT

There are no capital items budgeted for 2013.

Planning Division

MISSION STATEMENT

It is the mission of the Long-Range Planning Division is to encourage the redevelopment of underutilized industrial and commercial sites by preparing these sites for redevelopment and reuse, thereby enhancing the quality of life in nearby neighborhoods. The Long-Range Planning Division also strives to improve quality of life by providing quality neighborhood planning, corridor planning, and redevelopment planning services, especially the implementation of those plans.

PRIMARY FUNCTIONS

The primary functions of the Long-Range Planning Division are administering environmental assessment, cleanup and redevelopment of City-owned Brownfield sites, assisting with the adaptive reuse of existing City-owned structures by preparing comprehensive Request for Proposal documents and securing environmental cleanup funding through various brownfield funding programs. In addition to these redevelopment efforts, the Planning Division is responsible for developing various long-range planning implementation programs which include the River Edge initiative, focus area/neighborhood plans, corridor plans and the implementation of the recommendations of the 20/20 Plan. The Planning Division also manages, coordinates, or assists with numerous major projects occurring within the City of Rockford.

OBJECTIVES FOR FISCAL YEAR 2013

- Prepare grant applications for the Illinois River Edge Grant, USEPA Grant Applications for Assessment and Cleanup Grants.
- Assist in the removal and or reuse of blighted and underutilized properties, including procuring funding sources.
- Compile an Action Plan and Implementation Schedule to be derived from the South Main Street Revitalization Strategy and prepare a Progress Report.
- Prepare a Progress Report for the Kishwaukee Corridor Study Action Plan.
- Provide demographics from the 2010 Census Data for clients and colleagues.
- Implement the USEPA & IEPA Cleanup Grants for the South Main Rail Yard sites.
- Continue to prepare the South Main Rail Yard Site for the Amtrak Station by implementing the soil cleanup through the USEPA and IEPA Brownfield Programs.
- Prepare quarterly reports for the USEPA Grants and IEPA River Edge Grant.
- Provide assistance in the development of an Auburn Street TIF District.
- Complete the major evaluation and revisions to the 2020 Plan to develop the 2030 Plan.
- Complete and closeout the Cleanup Grant for the Tapco Project, Ingersoll Project and the Site Specific Assessment Grant for the South Main Rail yards.

PLANNING DIVISION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$422,847	$439,936	$381,862	$452,412	$12,476
CONTRACTUAL	86,575	74,050	73,424	74,135	85
SUPPLIES	972	1,970	823	910	(1,060)
OTHER	13,037	0	0	0	0
TOTAL	$523,431	$515,956	$456,109	$527,457	$11,501

Planning Division

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
REIMBURSEMENTS	$86,376	$72,923	$64,128	$67,523	$3,395
CDBG FUND	134,200	136,880	117,300	120,510	3,210
TIF FUNDS	209,300	210,300	211,400	217,200	5,800
ZONING FEES	145,743	121,270	121,270	120,000	(1,270)
OTHER GOVERNMENTS(RATS)	15,000	15,000	15,000	10,000	(5,000)
GENERAL REVENUES	51,558	0	0	0	0
TOTAL	$642,177	$556,373	$548,678	$535,233	$6,135

PLANNING DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
PLAN & ZONING PROGRAMS MANAGER	E-11	1.00	1.00	0.00
INDUSTRIAL DEVELOPMENT MANAGER	E-10	1.00	1.00	0.00
PLANNER II	E-8	1.00	1.00	0.00
DEVELOPMENT SPECIALIST	E-8	1.00	1.00	0.00
SR ADMINISTRATIVE ASSISTANT	E-6	0.30	0.30	0.00
TOTAL PERSONNEL		**4.30**	**4.30**	**0.00**

BUDGET HIGHLIGHTS

- Salaries increased $6,378 due to a 3% wage increase.
- A 2% wage increase is budgeted for all department staff for a total cost of $5,900.
- Contractual expenses increase due to purchase of service increases.

CAPITAL EQUIPMENT

No capital equipment is planned for 2013.

Construction & Development Services Division

MISSION STATEMENT

It is the mission of the Construction and Development Services Division to provide consolidated services to our customers while promoting economic development and protecting the public health, safety, and welfare of the citizens of Rockford through balanced growth initiatives, the review of land use, subdivisions, issuance of permits, performance of inspections, and the enforcement of various codes and ordinances.

PRIMARY FUNCTIONS

The primary function of the Construction and Development Services Division is to provide building, mechanical, plumbing, and electrical inspections for all existing and new construction, as well as administering land use planning and zoning policies, annexation, historic preservation, building and property maintenance code enforcement.

OBJECTIVES FOR FISCAL YEAR 2013

- Continue to streamline the development process by facilitating one stop permitting.
- Manage and implement cost recovery for Building and Planning Section of Construction and Development Services Division.
- Facilitate development activities through positive customer service.
- Incorporate the Property Standards Section and Neighborhood Standards Section into the Construction and Development Services Division.
- Fully integrate Property Standards into the Rockstat reporting and accountability process.
- Evaluate and modify as necessary the business and reporting practices of Neighborhood Standards and Property Standards.
- Complete proactive sweeps of neighborhoods in support of Neighborhood Development and other activities.
- Develop permit process for Property Standard complaints to help recover costs associated with inspection protocol.
- Maintain and improve advanced energy code program though documentation, education, and enforcement including implementation of the 2012 Energy Code upon adoption by the State.
- Modify and advance online permitting system to make customer friendly improvements and integrate with work process.
- Improve and implement neighborhood standards, property standards and building code policies and procedures.
- Increase proactive public education including press releases, brochures and through Construction and Development Service website.

CONSTRUCTION SERVICES & CODE ENFORCEMENT BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$1,189,726	$2,151,769	$2,068,683	$2,210,644	$58,875
CONTRACTUAL	252,332	833,585	907,721	827,700	(5,885)
SUPPLIES	7,722	9,755	8,963	9,755	0
CAPITAL	0	0	0	23,417	23,417
TOTAL	$1,449,780	$2,995,109	$2,985,367	$3,071,516	$76,407

Construction & Development Services Division

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMB	$240,044	$180,265	$219,004	$353,761	$134,757
FEES					
BUILDING	636,836	1,061,360	654,400	732,000	77,600
ELECTRICAL	46,362	49,138	50,000	75,000	25,000
PLUMBING/HEATING	143,904	226,490	150,000	175,000	25,000
CODE VIOLATION FEES	0	0	0	20,000	20,000
ALL OTHER	182,979	265,887	240,800	240,600	(200)
TOTAL FEES	1,010,081	1,602,875	1,095,200	1,242,600	147,400
CDBG FUND REIMB	0	0	0	570,260	570,260
SANITATION REIMB	0	0	0	293,782	293,782
GENERAL REVENUES	503,988	(333,360)	371,103	611,113	240,010
TOTAL	$1,754,113	$1,449,780	$1,685,307	$3,071,516	$1,386,209

CONSTRUCTION & DEVELOPMENT SERVICES AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
DEPUTY DIRECTOR - CONST SERVICES	E-13	1.00	1.00	0.00
MANAGER BUILDING CODE SECTION	E-10	1.00	1.00	0.00
BUILDING PLANS EXAMINER	E-9	0.00	0.00	0.00
PROP IMPROVEMENT PROGRAM MGR	E-9	1.00	1.00	0.00
PLANNER II	E-8	1.00	1.00	0.00
NHOOD ZONE COORDINATOR	E-7	1.00	1.00	0.00
SENIOR ADMINISTRATIVE ASSISTANT	E-6	1.20	1.20	0.00
ADMINISTRATIVE ASSISTANT	E-5	1.00	1.00	0.00
SENIOR INSPECTION OFFICER	CD-28	4.00	3.00	(1.00)
INSPECTION OFFICER	CD-26	4.00	4.00	0.00
LAND USE PLANNER	CD-16	2.00	2.00	0.00
NHOOD ENFORCEMENT SPECIALIST	CD-15	5.00	5.00	0.00
SENIOR CLERK	A-19	3.00	4.00	1.00
TOTAL PERSONNEL		**25.20**	**25.20**	**0.00**

BUDGET HIGHLIGHTS

- A 2% wage increase is budgeted for all department staff for a total cost of $26,700.
- Health insurance rates increased $20,400.
- $23,417 in capital was budgeted for the lease of vehicles.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2013 include:

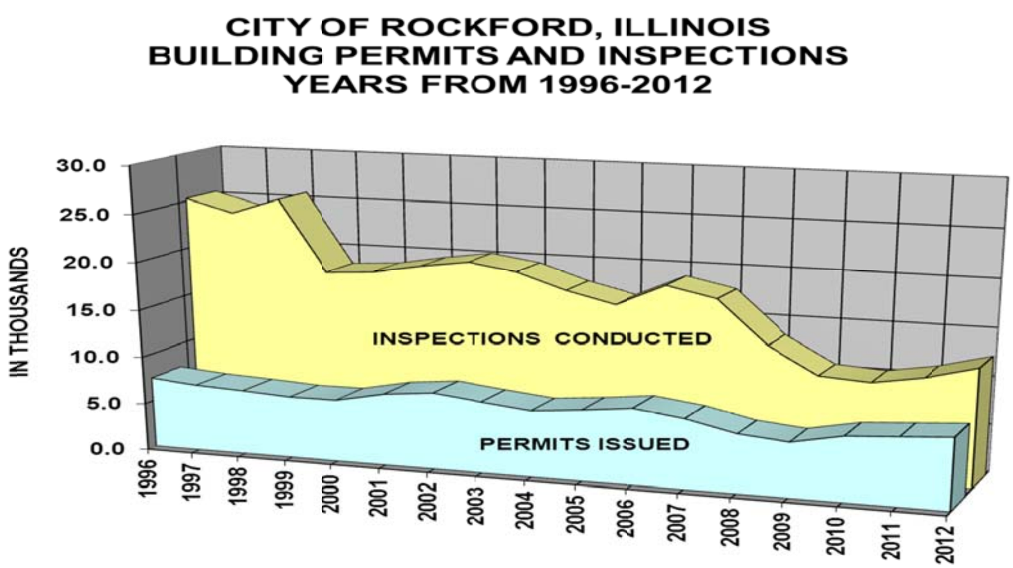
Vehicle	Quantity	Budget Each	Total Budget
Passenger Cars	2	15,000	30,000
Pickup Truck	1	20,000	20,000
Total	3		$ 50,000

Construction & Development Services Division

CONSTRUCTION & DEVELOPMENT SERVICES PERFORMANCE MEASUREMENTS

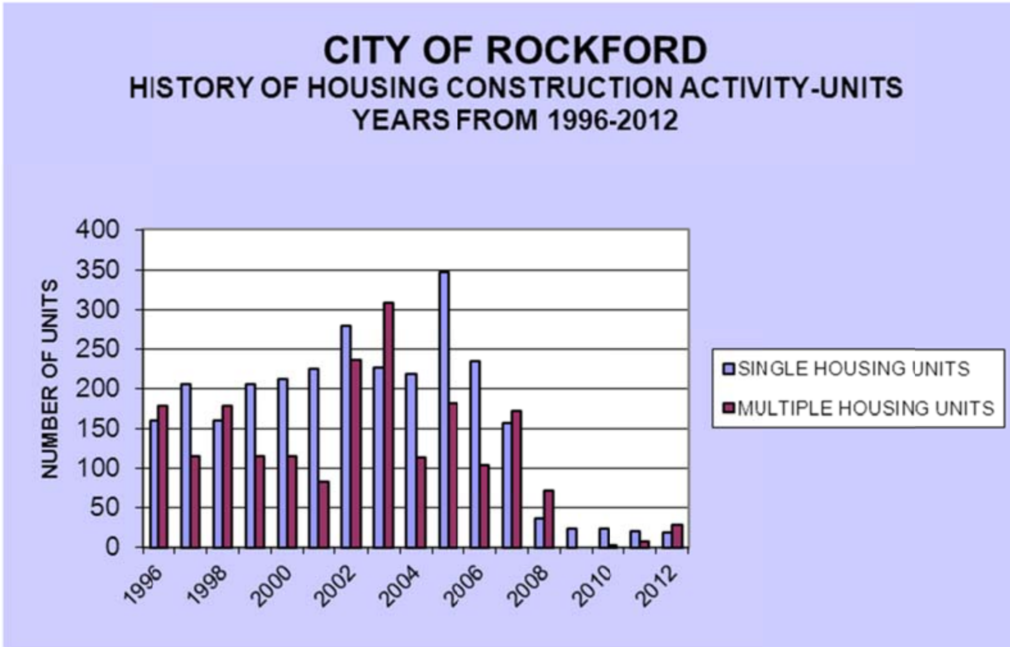
	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
# OF DEMOLITION PERMITS	135	132	121	132
% OF DEMOLITION PERMITS IN 2 DAY	94%	95%	88%	95%
TOTAL # OF PLUMBING PERMITS	1,214	1,212	1,195	1,248
% OF PLUMBING PERMITS IN 1 DAY	97%	95%	99%	95%
TOTAL # OF MECHANICAL PERMITS	1,735	1,740	1,571	1,680
% OF MECHANICAL PERMITS IN 1 DAY	98%	95%	99%	95%
TOTAL # OF ELECTRICAL PERMITS	877	876	845	924
% OF ELECTRICAL PERMITS IN 1 DAY	93%	95%	97%	95%
# OF ROOFING PERMITS	2,856	2,856	1,914	1,968
% OF ROOFING PERMITS IN 1 DAY	98%	95%	99%	95%
# OF CONDEMNATIONS	102	NA	235	240
% OF CONDEMNATION LETTERS IN 1 DAY	0	NA	0	1
# OF EMERGENCY DEMOS	2	NA	12	12
# OF FAST TRACK DEMOS	28	NA	21	25
CODE ENFORCEMENT COMPLAINTS	5,328	5,448	4,720	5,000
NUISANCE/ZONING COMPLAINTS	4,531	4,668	3,901	1,500
AVG NUISANCE/ZONING CASES PER INSPECTOR	84	82	95	80
AVG DAYS FROM COMPLAINT TO FIRST INSPECTION	4	4	3	2
OPEN REQUESTS AT END OF MONTH	15	15	15	10

CONSTRUCTION & DEVELOPMENT SERVICES OPERATIONAL INFORMATION



During the past seventeen years, total permits issued by the Construction & Development Services Division have been relatively flat. Permits issued in 1994 were 7,090 while 2012 was 7,411.

Construction & Development Services Division



Housing construction for single and multifamily units in 2011 was 20 and 8 for a total of 28. 2012 had altered levels of activity, with 18 single family units and 29 multifamily.

Community Development Business Group

MISSION STATEMENT

It is the mission of the Community Development Business Group to formulate and implement programs designed to improve the quality of the City's neighborhoods, to create and retain jobs, and to expand and protect the tax base.

PRIMARY FUNCTIONS

The services provided in this Division are organized around four different areas of focus:

- **Community Development Block Grant (CDBG) Administration -** Staff performs the day to day administration required for overall program management, coordination, monitoring, reporting, and evaluation of programs and activities. In addition, staff provides assistance to various groups including the Citizen Participation Committee, the Homestead Board, and non-profit development corporations.
- **Economic Development -** Provide technical and financial assistance to the City's industrial and commercial businesses.
- **Neighborhood Development -** Administer all City housing rehabilitation and new construction programs, housing acquisitions, demolitions, community public services and facilities assistance projects, and coordinate the efforts of others to bring about economic, physical, and social improvements in selected neighborhoods.
    - **Home Investments Partnership Program (HOME) -** Annual Federal housing grant program designed to fund operating, project expenses, and provide for homebuyer's assistance to Community Housing Development Organizations (CHDO) and other housing developers that provide affordable housing; offer direct homebuyers assistance; and fund housing rehabilitation for existing low-income homeowners.
    - **CDBG -** Annual Federal housing grant program designed to fund operating and project expenses, rehabilitation, the demolition of substandard property, public services and facilities, and code enforcement.

OBJECTIVES FOR FISCAL YEAR 2013

- Administer multi-year projects, such as Discovery Center and its 21st Century after school program, and other new public service and facilities improvements projects.
- Continue existing housing owner occupied rehab, new construction programs and strategic rental projects.
- Code Enforcement will continue to provide needed services to CDBG areas.
- Homebuyer assistance will be provided to purchasers through the Tax Incentive Program. It will also be provided through the 2013 Homebuyer Advantage program, which will be administered directly by NW HomeStart (merger between the Rockford Area Affordable Housing Coalition and NHS of Freeport) agency. Homebuyer's assistance will also be available to past and possibly new redeveloped projects.
- Continue work towards the build out of the subdivision at Springfield Corners, Garrison Lofts/Townhomes and redevelopment within the Jackson School TIF by Swedish American Foundation or other TIF eligible projects.
- Plan, develop, and administer programs according to CDBG and HOME Federal requirements and monitor sub-recipient activity.
- Seek proposals from eligible Community Housing Development Organizations (CHDOs) for operating, administer and monitor use of funds. Also provide funds to eligible CHDO rehabilitation and new construction projects once they meet the pre-qualification and financing requirements.
- Provide grant assistance and technical assistance to NW HomeStart and their administration of the 2013 Homebuyer Advantage program and CHDOs so that they can become certified.

Community Development Business Group

- Continue partnerships with the Winnebago County Health Department and the Human Services Department to address lead based paint hazards in homes and leveraging our federal funds when feasible.
- Continue to administer the Federal Home Loan Bank's Affordable Housing Program grant. The grant will be closed out in 2013.
- Demolish blighted properties through the fast track demolition process.
- Continue to seek proposals for the redevelopment of Church School (1419 Furman) and 21xx Reed Avenue. Work with potential developers on strategic properties such as the Valencia at 500-518 Fisher Street.
- Apply for funds through sources other than entitlement grants, such as the State of Illinois, for housing related activity.
- Continue to lend our support to various committees throughout the community.
- Continue to administer and report on the status of the Neighborhood Stabilization Program1 grant, complete the program activities, and use program income when available.
- Continue to sell excess properties acquired with Community Development Block Grant funds.
- Complete the 2014 Annual Plan for CDBG and HOME funds and the 2013 CAPER (annual report).
- Begin the Request for Proposals process for developing the 2015-2019 CAPER.

COMMUNITY DEVELOPMENT BUSINESS GROUP BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$603,556	$616,884	$596,811	$649,988	$33,104
CONTRACTUAL	702,751	233,556	366,205	171,440	(62,116)
SUPPLIES	2,707	5,050	1,415	5,050	0
OTHER	2,989,112	3,028,204	2,893,479	2,858,370	(169,834)
TOTAL	$4,298,126	$3,883,694	$3,857,910	$3,684,848	($198,846)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
CURRENT FUNDS					
COMMUNITY DEVELOPMENT GRA	$1,997,829	$1,997,830	$1,997,830	$1,999,811	$1,981
HOME PROGRAM	903,029	903,029	903,029	691,632	(211,397)
OTHER FEDERAL/STATE	92,558	92,558	92,558	166,572	74,014
PROGRAM INCOME	123,500	123,500	123,500	116,500	(7,000)
	3,116,916	3,116,917	3,116,917	2,974,515	(142,402)
REPROGRAMMED FUNDS-PRIOR YEARS					
COMMUNITY DEVELOPMENT GRA	410,418	410,418	410,418	213,225	(197,193)
HOME PROGRAM	445,026	445,026	445,026	505,191	60,165
	855,444	855,444	855,444	718,416	(137,028)
TOTAL	$3,972,360	$3,972,361	$3,972,361	$3,692,931	($274,056)

Community Development Business Group

COMMUNITY DEVELOPMENT BUSINESS GROUP AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
DEVELOPMENT PROGRAMS MANAGER	E-10	1.00	1.00	0.00
GRANTS COMPLIANCE SPECIALIST II	E-7	1.00	1.00	0.00
GRANTS COMPLIANCE SPECIALIST I	E-6	1.00	1.00	0.00
HOUSING REHAB SPECIALIST II	E-6	1.00	1.00	0.00
HOUSING REHAB SPECIALIST I	E-5	1.00	1.00	0.00
REHAB CONST SPECIALIST I	CD-15	2.00	1.00	(1.00)
SENIOR ADMINISTRATIVE ASSISTANT	E-6	1.00	1.00	0.00
TOTAL PERSONNEL		**8.00**	**7.00**	**(1.00)**

BUDGET HIGHLIGHTS

- Permanent Salaries decreased $16,111 as a result of the elimination of one rehab specialist offset by a 3% wage increase.
- A 2% wage adjustment is budgeted for all department staff for a total of $8,230.
- Consultant fees decreased by $166,861 based on actual expenses.

CAPITAL EQUIPMENT

For 2013, the Division will not have any capital purchases.

COMMUNITY DEVELOPMENT BUSINESS GROUP FIVE YEAR FORECAST

The 2014-2018 five-year forecast assumes that both Federal and local funding sources will stagnate and expenditures will not exceed revenue limits. It is further assumed that the Division will spend its annual budget. No assumptions are made for new programs.

	2014	2015	2016	2017	2018
Revenues	$3,609	$3,717	$3,829	$3,944	$4,062
Expenditures	3,609	3,717	3,829	3,944	4,062
Excess(Deficit)	0	0	0	0	0
Beginning Balance	0	0	0	0	0
Ending Balance	$0	$0	$0	$0	$0

Community Development Business Group

COMMUNITY DEVELOPMENT BUSINESS GROUP PERFORMANCE MEASUREMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
HOMEOWNER REHAB PROGRAM	4	6	6	6
DISCOVERY CENTER-CHILDREN ASSISTED	261	240	243	240
HEALTHY NEIGHBORHOODS	2	3	2	0
CODE ENFORCEMENT	8,710	3,455	6,740	3,455
HOME-HOMEOWNER REHAB PROGRAM	29	37	12	33
HOME-HOMEBUYER ASSISTANCE	4	14	2	39
CHDO OPERATING SUBSIDY	0	1	0	2
CHDO REHAB & NEW CONSTRUCTION UNITS	4	3	1	3
NSP REDEVELOPED UNITS COMMITTED	N/A	7	7	N/A
NSP HOMEBUYER ASSISTANCE	2	1	0	N/A
CDBG DEMOLITIONS	30	16	20	19
GENERAL FUND/TIF DEMOLITIONS	0	0	12	0
NSP DEMOLITIONS	0	2	2	N/A
WATER HOOK UP PROGRAM	9	11	9	10
TAX INCENTIVE PROGRAM	1	3	0	3

Redevelopment Fund

MISSION STATEMENT

It is the mission of the Community Development Redevelopment Fund to finance Metro Center Authority operating deficits, provide funds for redevelopment of the central city, and generate economic development.

PRIMARY FUNCTIONS

The fund is financed by a one-percent tax adopted in 1978 for a period of 20 years on motel and room charges, restaurant, lounge charges for food and liquor, and package liquor sales. This was renewed for additional ten-year periods in 1990, 1999, and 2007 with the tax to end in 2028. In addition to financing a portion of the Metro Center Authority's deficits, the Fund provides the necessary capital for development opportunities, public improvements, and economic development efforts.

OBJECTIVES FOR FISCAL YEAR 2013

- The Redevelopment Fund will finance the Metro Center Authority operating deficits, provide funds for redevelopment activities, and assist in financing economic development efforts.

REDEVELOPMENT FUND BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATE	BUDGET	(DECREASE)
CONTRACTUAL	$3,936	$850	$3,936	$880	$30
OTHER	3,208,333	3,139,943	3,208,333	3,332,159	192,216
TOTAL	$3,212,269	$3,140,793	$3,212,269	$3,333,039	$192,246

FUNDING SOURCE	2010	2011	2012	2013	INCREASE
REDEVELOPMENT SALES TAX	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
MOTEL	$308,266	$377,969	$311,300	$320,600	9,300
PACKAGE	492,768	526,815	$525,200	$540,000	14,800
RESTAURANT	2,756,254	2,997,842	$2,815,000	$2,850,000	35,000
SUBTOTAL	$3,557,288	$3,902,626	$3,651,500	$3,710,600	59,100
INTEREST INCOME	0	0	0	425,000	425,000
TOTAL	$3,557,288	$3,902,626	$3,651,500	$4,135,600	484,100

BUDGET HIGHLIGHTS

- The budgeted subsidy for RAVE is $1,345,000. With approval of a new operating agreement with RAVE in 2012, the City's public support for the BMO Harris Center, Coronado, and Davis Park decreases $410,100.
- Debt service payments total $1,582,100, an increase of $113,700 from the prior year's budget. Debt service is budgeted for four bond issues. Bonds issued in 2000 associated with the construction of a 33,000 square foot supermarket in the South Rockford Tax Increment Finance District are budgeted at $214,300. For the Coronado Theatre restoration, debt service is $800,800. City support for the debt service for remodeling the BMO Harris Center and acquiring an AHL franchise totals $5,800 for 2013, with much of the total payment of $1.84 million payment being funded by a taxable refunding bond issue and Winnebago County. Finally, $441,900 is budgeted for the 2009 $8.065 million BMO Harris Center taxable refunding issue.
- The budgeted amount for the Rockford Area Economic Development Council (RAEDC) is $200,000, the same as the prior year.

Redevelopment Fund

- The $150,000 budgeted last year for Coronado Performing Art's Center operating assistance has been eliminated since RAVE operates the facility.
- The amount transferred to the Public Works Property Division for staff services and other building related expenses declines $326,800 to $274,400. The purchase of service charge declines for the Coronado ($343,000) and Festival Park ($53,500) since RAVE operates these facilities.
- Tax revenue is budgeted at $3,710,600 for 2013, an increase of 1.6% from the prior year's budget.
- Other revenue includes a $514,200 transfer from the Tourism Fund to support debt service payments and $425,000 in repayments for structured debt from RAVE.

REDEVELOPMENT FUND FIVE YEAR FORECAST

The 2014-2018 five-year forecast assumes growth in taxes – one percent for motels, three percent for packaged liquor, and two percent for restaurants – reflecting the past history. The refinancing and the structural changes made in 2009 and the change in the operating agreement with RAVE should insure the long term viability of this fund.

REDEVELOPMENT FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2013	2014	2015	2016	2017
Revenues	$4,650	$4,743	$4,838	$4,935	$5,034
Expenses	3,333	$3,600	$3,672	$3,745	$3,820
Excess (Deficit)	1,317	1,143	728	1,190	1,214
Beginning Balance	(646)	34	1,177	1,905	3,095
Ending Balance	$671	$1,177	$1,905	$3,095	$4,309

Tourism Promotion Fund

MISSION STATEMENT

It is the mission of the Community Development Tourism Promotion Fund to finance tourism promotion for the City.

PRIMARY FUNCTIONS

The primary function of the Tourism Promotion Fund is to provide funding to the Rockford Area Convention & Visitor's Bureau (RACVB). The City currently has a five- percent tax on motel and hotel room receipts. This tax, along with a similar one enacted by Winnebago County, is used to fund the Rockford Area Convention & Visitor's Bureau with which the City has a contract for tourism promotion efforts.

OBJECTIVES FOR FISCAL YEAR 2013

- Increase non-local visitation to top sites and attractions.
- Increase RACVB influenced group sales bookings (number of meetings, conventions, and tournaments).
- Increase RACVB influenced off-season (October-April) business room night (actual rooms sold at hotels).

TOURISM FUND BUDGET SUMMARY

APPROPRIATION	2010 ACTUAL	2011 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
TRANSFER TO RACVB	$1,235,223	$943,260	$1,185,747	$1,274,000	$330,740
RAVE SUBSIDY	$450,000	600,000	450,000	0	(600,000)
TRANSFER TO REDEVELOPMENT	$0	0	0	514,200	514,200
PURCHASE OF SERVICES	1,800	1,800	1,800	1,800	0
TOTAL	$1,687,023	$1,545,060	$1,637,547	$1,790,000	$244,940

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 AMOUNT	2013 AMOUNT	INCREASE (DECREASE)
TOURISM PROMOTION SALES TAX	$1,541,578	$1,889,174	$1,572,100	$1,790,000	$217,900
TOTAL	$1,541,578	$1,889,174	$1,572,100	$1,790,000	$217,900

BUDGET HIGHLIGHTS

- Tax revenue is budgeted at $1,790,000, an increase of $217,900 (13.9%) from the 2012 budget. Total revenues for 2011 were $1,889,200.
- The transfer to the Rockford Area Convention & Visitor's Bureau increases $330,740 to $1,274,000. This consists of revenue equal to 60% of the Tourism Promotion Sales Tax proceeds ($1,074,000) and funding from the 1% challenge grant ($200,000).
- Funds transferred to the Redevelopment Fund to support debt service payments for the BMO Harris Bank Center are budgeted at $514,200, a reduction of $112,840 from 2012. Less dollars are available for the transfer since the RACVB has been able to obtain funds under the 1% challenge grant.

Tourism Promotion Fund

TOURISM FUND FIVE YEAR FORECAST

The 2014-2018 five year forecast assumes motel revenue growth at two percent annually and appropriation of all income to the Visitors Bureau except for City reimbursements.

TOURISM PROMOTION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$1,790	$1,808	$1,826	$1,844	$1,636
Expenses	1,790	1,808	1,826	1,844	1,636
Excess (Deficit)	0	0	0	0	0
Beginning Balance	76	76	76	76	76
Ending Balance	$76	$76	$76	$76	$76

Retail Tax Increment Financing Districts

MISSION STATEMENT

It is the mission of the Community Development Tax Increment Financing District to conserve or improve areas, especially sections of the City that are neglected, through economic investment from both private and public sectors.

PRIMARY FUNCTIONS

The primary function of the tax increment financing (TIF) district is to develop/redevelop the area in the TIF District in the City and to make the area more viable again. Such improvements (upon meeting qualifications) can be financed through TIF district revenues. Revenue for the districts is generated by the collection of property taxes each year at an increment based on the increase in assessed valuation of properties within the area since the districts are created. The excess tax revenue collected can only be used to fund projects located within the TIF District.

There are 19 Commercial Retail TIF Districts, East Side, East River, West Side #1 and #2, River District North, South Rockford, Assisted Living, West State and Kilburn, State and Central, Springfield Corners, North Main and Eddy Ave, North Main and Auburn, Main and Whitman, Seventh Street, Midtown, Broadway, State and Alpine, East State and Mulford, and Jefferson and North 3rd Street.

OBJECTIVES FOR FISCAL YEAR 2013

- Continue coordination with Midtown Organization for 7th Street improvement plans.
- Continue coordination with Miracle Mile Organization for East State improvement plans.
- Continue coordination with River District Organization for downtown improvement plans.
- Complete Annual Tax Increment Financing reporting.
- Eliminate three sources of blight in commercial TIFs.
- Attract four new companies to commercial TIFs.
- Assist four existing companies to expand in commercial TIFs.
- Provide assistance to six existing companies in and commercial TIFs.

BUDGET SUMMARIES

EAST SIDE TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$10,000	$20,000	$10,000	$0
OTHER	308,055	395,000	369,608	395,000	0
TOTAL	$308,055	$405,000	$389,608	$405,000	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$304,042	$354,391	$354,379	$350,103	($4,276)
INTEREST INCOME	2,033	6,227	1,800	600	(1,200)
TOTAL	$306,075	$360,618	$356,179	$350,703	($5,476)

Retail Tax Increment Financing Districts

WEST SIDE TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2010 ACTUAL	2011 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
OTHER	661,183	635,999	701,389	635,999	(0)
TOTAL	$661,183	$635,999	$701,389	$635,999	($0)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$404,387	$411,915	$417,297	$444,888	$27,591
TRANSFER FROM ES TIF	248,963	237,150	300,000	300,000	0
INTEREST INCOME	879	5,745	400	0	(400)
TOTAL	$654,229	$654,810	$717,697	$744,888	27,191

SEVENTH STREET TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$10,300	$0	$10,300	$0
OTHER	1,158,774	1,088,128	1,058,770	1,088,128	0
TOTAL	$1,158,774	$1,098,428	$1,058,770	$1,098,428	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$1,056,660	$1,068,082	$1,061,593	$986,094	($75,499)
TRANSFER FROM JACKSON TIF	150,000	50,000	50,000	50,000	0
INTEREST INCOME	7,774	10,192	100	0	(100)
TOTAL	$1,214,434	$1,128,274	$1,111,693	$1,036,094	(75,599)

SOUTH ROCKFORD TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$965	$0	$0	$0	$0
OTHER	173,900	135,399	130,011	135,399	0
TOTAL	$174,865	$135,399	$130,011	$135,399	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
TAX INCREMENT	$126,948	$132,144	$134,633	$133,370	($1,263)
TRANSFER FROM ERIVER TIF	0	0	100,000	100,000	0
INTEREST INCOME	1,071	767	0	0	0
TOTAL	$128,019	$132,911	$234,633	$233,370	(1,263)

Retail Tax Increment Financing Districts

ASSISTED LIVING TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$83	$60	$29	$29	$0
INTEREST INCOME	0	4	5	6	1
TOTAL	$83	$64	$34	$35	$1

EAST RIVER TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
OTHER	491,941	135,564	200,217	178,038	42,474
TOTAL	$491,941	$135,564	$200,217	$178,038	$42,474

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$45,983	$63,500	$90,909	$91,820	$911
TRANSFER FROM 7TH ST TII	250,000	250,000	150,000	150,000	0
INTEREST INCOME	376	1,599	0	0	0
TOTAL	$296,359	$315,099	$240,909	$241,820	$911

WEST SIDE 2 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$19	$0	$0	$0	$0
TOTAL	$19	$0	$0	$0	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$9,990	$8,926	$3,461	$3,500	$39
INTEREST INCOME	0	0	37	125	87
TOTAL	$9,990	$8,926	$3,498	$3,625	$126

Retail Tax Increment Financing Districts

RIVER NORTH TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$26,786	$26,296	$38,405	$75,803	$49,507
TOTAL	$26,786	$26,296	$38,405	$75,803	$49,507

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$78,859	$62,830	$56,895	$57,464	$569
INTEREST INCOME	2,000	2,868	2,705	3,538	833
TOTAL	$80,859	$65,698	$59,601	$61,002	$1,401

STATE KILBURN TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$21,198	$16,621	$14,662	$14,800	$138
INTEREST INCOME	0	191	376	752	376
TOTAL	$21,198	$16,812	$15,038	$15,552	$514

STATE CENTRAL TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$251,262	$202,072	$200,000	$200,000	($2,072)
TOTAL	$251,262	$202,072	$200,000	$200,000	($2,072)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2012 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$232,458	$199,094	$186,632	$188,500	$1,869
INTEREST INCOME	0	1,421	3,735	3,442	(293)
TOTAL	$232,458	$200,515	$190,366	$191,942	$1,576

Retail Tax Increment Financing Districts

SPRINGFIELD CORNERS TAX INCEMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$310,632	$438,158	$436,431	$462,839	$24,681
TOTAL	$310,632	$438,158	$436,431	$462,839	$24,681

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$163,871	$176,166	$186,377	$188,241	$1,864
TRANSFER FROM CIP	0	94,181	0	0	0
TRANSFER FROM TIF	250,000	200,000	200,000	200,000	0
TOTAL	$413,871	$470,347	$386,377	$388,241	$1,864

NORTH MAIN STREET TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$168,963	$174,715	$164,963	$173,262	$8,299
TOTAL	$168,963	$174,715	$164,963	$173,262	$8,299

FUNDING SOURCE	2012 ACTUAL	2012 ACTUAL	2013 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$76,679	$95,695	$74,935	$75,700	$765
TOTAL	$76,679	$95,695	$74,935	$75,700	$765

MAIN AUBURN TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$0	$10,000	$152	$20,000	$10,000
TOTAL	$0	$10,000	$152	$20,000	$10,000

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$20,031	$19,671	$18,354	$18,540	$18,357
INTEREST INCOME	72	1,332	1,375	1,618	1,361
TOTAL	$20,103	$21,003	$19,729	$20,158	$19,718

Retail Tax Increment Financing Districts

MAIN WHITMAN TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$99,564	$104,799	$97,742	$101,122	($3,677)
TOTAL	$99,564	$104,799	$97,742	$101,122	($3,677)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$41,577	$42,283	$40,449	$40,853	$404
INTEREST INCOME	0	0	0	0	0
TOTAL	$41,577	$42,283	$40,449	$40,853	$404

MIDTOWN TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$1,127	$22	$0	$0	($22)
TOTAL	$1,127	$22	$0	$0	($22)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$64,480	$46,252	$36,392	$36,760	$368
INTEREST INCOME	1,248	0	0	900	900
TOTAL	$65,728	$46,252	$36,392	$37,660	$1,269

BROADWAY TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2010 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$50,994	$41,064	$45,746	$46,204	$458
INTEREST INCOME	0	0	0	1,124	1,124
TOTAL	$50,994	$41,064	$45,746	$47,328	$1,581

Retail Tax Increment Financing Districts

STATE ALPINE TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$170,000	$285,429	$158,173	$285,429	$0
TOTAL	$170,000	$285,429	$158,173	$285,429	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$262,536	$245,613	$200,541	$202,500	$1,959
INTEREST INCOME	$2,142	9,420	9,046	7,150	(1,896)
TOTAL	$264,678	$255,033	$209,588	$209,650	$63

MULFORD/STATE TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$0	$0	$0	$40,048	$40,048
TOTAL	$0	$0	$0	$40,048	$40,048

JEFFERSON/NORTH 3RD TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$0	$0	$0	$70,455	$70,455
TOTAL	$0	$0	$0	$70,455	$70,455

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	$0	$0	$0	$27,750	$27,750
TOTAL	$0	$0	$0	$27,750	$27,750

Retail Tax Increment Financing Districts

BUDGET HIGHLIGHTS

- This 19 district group collectively runs a deficit from 2018 through 2027. The deficit generators are North Main, a high deficit year (2022) of $1,204,400 and an estimated ending deficit of $691,200 in 2026, and Main Whitman, a high deficit year of $790,900 (2028) and an estimated ending deficit of $521,850 in 2031.
- $300,000 was transferred from the State and Central district to Springfield Corners.
- $3.2 million will need to be transferred from 2013 through 2016 for Seventh Street and East River.
- No long term financing is planned for 2013.

RETAIL TAX INCREMENT FIVE YEAR FORECAST

The 2014-2018 five-year forecasts assume no growth for property taxes and that state and local sales tax will not be received. These funds are project, rather than service, oriented and are susceptible to considerable variance in direction and dollars. An ending balance schedule for all TIF districts for all years is also included.

EAST SIDE TIF FUND 2014-2016 FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016
Revenues	$354	$357	$1,061
Expenditures	405	405	0
Excess (Deficit)	(51)	(48)	1,061
Beginning Balance	64	13	(35)
Ending Balance	$13	($35)	$1,026

WEST SIDE TIF FUND 2014-2016 FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016
Revenues	$749	$754	$1,308
Expenditures	737	739	1,523
Excess (Deficit)	12	15	(215)
Beginning Balance	188	200	215
Ending Balance	$200	$215	($0)

7TH STREET TIF FUND 2014-2016 FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016
Revenues	$1,046	$1,046	$1,056
Expenditures	1,045	1,045	1,159
Excess (Deficit)	1	1	(103)
Beginning Balance	80	80	80
Ending Balance	$80	$80	($23)

SOUTH ROCKFORD TIF FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$235	$986	$637	$139	$140
Expenditures	390	394	397	400	402
Excess (Deficit)	(155)	592	240	(261)	(262)
Beginning Balance	(94)	(249)	343	583	322
Ending Balance	($249)	$343	$583	$322	$60

Retail Tax Increment Financing Districts

ASSISTED LIVING TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2013	2014	2015	2016	2017
Revenues	$0	$0	$0	$0	$0
Expenditures	0	0	0	0	0
Excess (Deficit)	0	0	0	0	0
Beginning Balance	0	0	0	0	0
Ending Balance	$0	$0	$0	$0	$0

EAST RIVER TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$244	$947	$1,298	$100	$101
Expenditures	176	925	1,273	72	71
Excess (Deficit)	68	22	25	28	30
Beginning Balance	50	118	140	165	192
Ending Balance	$118	$140	$165	$193	$222

WEST SIDE 2 TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$4	$4	$4	$4	$4
Expenditures	0	0	5	5	5
Excess (Deficit)	4	4	(1)	(1)	(1)
Beginning Balance	9	12	16	15	14
Ending Balance	$13	$16	$15	$14	$13

RIVER NORTH TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$61	$61	$62	$62	$62
Expenditures	75	80	79	79	78
Excess (Deficit)	(14)	(19)	(17)	(17)	(16)
Beginning Balance	127	113	94	76	59
Ending Balance	$113	$94	$77	$59	$43

STATE KILBURN TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$16	$17	$17	$18	$18
Expenditures	0	0	0	25	25
Excess (Deficit)	16	17	17	(7)	(7)
Beginning Balance	46	62	78	96	88
Ending Balance	$62	$79	$95	$89	$81

Retail Tax Increment Financing Districts

STATE CENTRAL TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$194	$195	$197	$199	$201
Expenditures	200	200	200	200	200
Excess (Deficit)	(6)	(5)	(3)	(1)	1
Beginning Balance	130	123	119	116	115
Ending Balance	$124	$118	$116	$115	$116

SPRINGFIELD CORNERS TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$390	$392	$394	$396	$398
Expenditures	458	477	471	463	525
Excess (Deficit)	(68)	(85)	(77)	(67)	(127)
Beginning Balance	(345)	(413)	(498)	(575)	(643)
Ending Balance	($413)	($498)	($575)	($642)	($770)

NORTH MAIN STREET TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2013	2014	2015	2016	2017
Revenues	$76	$77	$140	$141	$143
Expenditures	173	222	219	215	211
Excess (Deficit)	(98)	(145)	(79)	(74)	(68)
Beginning Balance	(492)	(590)	(735)	(814)	(888)
Ending Balance	($590)	($735)	($814)	($888)	($957)

MAIN AUBURN TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$20	$21	$21	$21	$21
Expenditures	20	25	25	25	25
Excess (Deficit)	0	(4)	(4)	(4)	(4)
Beginning Balance	65	65	61	56	52
Ending Balance	$65	$61	$57	$52	$48

MAIN WHITMAN TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$41	$42	$42	$43	$43
Expenditures	100	119	117	116	114
Excess (Deficit)	(59)	(77)	(75)	(73)	(71)
Beginning Balance	(408)	(467)	(544)	(619)	(692)
Ending Balance	($467)	($544)	($619)	($692)	($763)

Retail Tax Increment Financing Districts

MIDTOWN TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$39	$39	$39	$39	$39
Expenditures	50	50	50	50	50
Excess (Deficit)	(11)	(11)	(11)	(11)	(11)
Beginning Balance	74	63	52	41	30
Ending Balance	$63	$52	$41	$30	$19

BROADWAY TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$49	$49	$50	$50	$51
Expenditures	50	50	50	50	50
Excess (Deficit)	(1)	(1)	0	0	1
Beginning Balance	92	91	91	91	91
Ending Balance	$91	$90	$91	$91	$92

STATE ALPINE TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$210	$210	$211	$212	$213
Expenditures	260	270	257	240	240
Excess (Deficit)	(50)	(60)	(46)	(28)	(27)
Beginning Balance	210	160	100	53	25
Ending Balance	$160	$100	$54	$25	($2)

MULFORD/STATE TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$46	$47	$48	$49	$50
Expenditures	0	0	0	0	0
Excess (Deficit)	46	47	48	49	50
Beginning Balance	298	344	391	439	487
Ending Balance	$344	$391	$439	$488	$537

JEFFERSON/NORTH 3RD TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$43	$44	$45	$46	$47
Expenditures	43	43	44	45	46
Excess (Deficit)	0	1	1	1	1
Beginning Balance	(38)	(37)	(36)	(35)	(35)
Ending Balance	($38)	($36)	($35)	($34)	($34)

Industrial Tax Increment Financing Districts

MISSION STATEMENT

It is the mission of the Community Development Tax Increment Financing District to conserve or improve areas, especially sections of the City that are neglected, through economic investment from both private and public sectors.

PRIMARY FUNCTIONS

The primary function of the tax increment financing (TIF) district is to develop/redevelop the area in the TIF District and to make the area more viable. Improvements (upon meeting qualifications) can be financed through TIF district revenues. The collection of property taxes is on an increment basis and increases are based on increases in the assessed valuation of properties within the TIF District. The excess tax revenue collected can only be used to fund projects located within the TIF District.

There are seven industrial TIF Districts, Kishwaukee-Harrison #1 and #2, Preston and Central, Rockford Global Trade Park #1, #2, #3, and Global Trade Park South.

OBJECTIVES FOR FISCAL YEAR 2013

- Initiate implementation of Economic Development Agreement for Public Works Program Grant for Airport Drive and Airport entrance reconstruction (Anderson Packaging, Ring Container, etc).
- Initiate Falcon Road reconstruction (Anderson Packaging) with Economic Development Program funds from IDOT.
- Initiate Seminary Street & Blackhawk Park Ave reconstruction (Gunite) with Economic Development Program funds from IDOT.
- Complete sanitary sewer and water extensions to Gensler Property.
- Initiate development plan for Global Trade Park South Redevelopment Planning Area and TIF.
- Construct new Rockford Global Trade Park sign.
- Continue cooperative marketing plan for industrial TIFs with RAEDC.
- Complete Annual Tax Increment Financing Report.
- Eliminate three sources of blight in industrial TIFs.
- Attract four new companies to industrial TIFs.
- Assist four existing companies to expand in industrial TIFs.
- Provide assistance to six existing companies in industrial TIFs.

Industrial Tax Increment Financing Districts

BUDGET SUMMARIES

KISHWAUKEE HARRISON #1 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$35,618	$45,562	$35,618	$46,018	$456
TOTAL	$35,618	$45,562	$35,618	$46,018	$456

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$53,852	$54,958	$53,603	$54,139	$536
INTEREST INCOME	142	1,407	1,220	1,451	232
TOTAL	$53,994	$56,365	$54,823	$55,590	$768

KISHWAUKEE HARRISON #2 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	0	100	0	50	(50)
TOTAL	$0	$100	$0	$50	($50)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$249	$215	$103	$104	$1
INTEREST INCOME	0	10	0	13	13
TOTAL	$249	$225	$103	$117	$14

PRESTON CENTRAL TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$10,807	$0	$0	$0	$0
OTHER	125,190	122,881	108,305	124,642	1,761
TOTAL	$135,997	$122,881	$108,305	$124,642	$1,761

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$31,518	$33,941	$81,531	$82,300	$769
LIEBOVICH REIMBURSEMENT	220,103	0	0	0	0
TOTAL	$251,621	$33,941	$81,531	$82,300	$769

Industrial Tax Increment Financing Districts

GLOBAL TRADE PARK TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$35,553	$10,000	$1,955	$10,000	$0
OTHER	832,983	814,488	937,180	823,513	9,025
TOTAL	$868,536	$824,488	$939,135	$833,513	$9,025

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$758,836	$766,972	$758,483	$766,100	$7,617
TRANSFER FROM OTHER TIF	$150,000	$300,000	$300,000	$0	(300,000)
INTEREST INCOME	0	7,079	3,087	9,014	5,927
TOTAL	$908,836	$1,074,051	$1,061,569	$775,114	($286,456)

GLOBAL TRADE PARK 2 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$775	$0	$0	$0	$0
OTHER	233,044	233,400	296,422	130,569	(102,831)
TOTAL	$233,819	$233,400	$296,422	$130,569	($102,831)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$189,432	$188,598	$189,829	$191,700	$1,871
INTEREST INCOME	911	880	817	0	(817)
TOTAL	$190,343	$189,478	$190,647	$191,700	$1,053

GLOBAL TRADE PARK 3 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$100,000	$100,000	$100,000	$50,000	($50,000)
TOTAL	$100,000	$100,000	$100,000	$50,000	($50,000)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$117,690	$82,657	$55,707	$56,300	$593
INTEREST INCOME	252	1,656	1,643	576	(1,066)
TOTAL	$117,942	$84,313	$57,350	$56,876	($474)

Industrial Tax Increment Financing Districts

GLOBAL TRADE PARK SOUTH TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
TOTAL	$0	$0	$0	$0	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$0	$0	$2,452	$2,477	$25
INTEREST INCOME	0	0	248	316	68
TOTAL	$0	$0	$2,700	$2,793	$93

BUDGET HIGHLIGHTS

- This seven district group collectively runs a deficit for the entire period, a low of $0.9 million in 2013 and a high of $1.9 million in 2030. This is entirely due to the Preston and Central TIF District which not only had cost overruns during site preparation but also delays in the project being initiated. Trade Park South was created in 2012.
- No long term financing is planned for 2013.

INDUSTRIAL TAX INCREMENT FINANCING FIVE YEAR FORECAST

The 2014-2018 five-year forecasts assume no growth for property taxes and that state and local sales tax will not be received. These funds are project, rather than service, oriented and are susceptible to considerable variance in direction and dollars. An ending balance schedule for all TIF districts for all years is also included.

KISHWAUKEE HARRISON TIF #1 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$56	$57	$58	$59	$60
Expenditures	46	47	47	48	48
Excess (Deficit)	10	10	11	11	11
Beginning Balance	68	78	88	98	109
Ending Balance	$78	$88	$98	$109	$120

KISHWAUKEE HARRISON TIF #2 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$0	$0	$0	$0	$0
Expenditures	0	0	0	0	0
Excess (Deficit)	(0)	(0)	(0)	(0)	(0)
Beginning Balance	1	1	1	0	0
Ending Balance	$1	$1	$0	$0	$0

Industrial Tax Increment Financing Districts

PRESTON CENTRAL TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$83	$84	$85	$86	$86
Expenditures	123	122	121	120	118
Excess (Deficit)	(40)	(38)	(36)	(34)	(32)
Beginning Balance	(1,354)	(1,394)	(1,432)	(1,468)	(1,502)
Ending Balance	($1,394)	($1,432)	($1,468)	($1,502)	($1,534)

GLOBAL TRADE PARK TIF #1 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$781	$787	$796	$799	$805
Expenditures	857	748	983	1,018	643
Excess (Deficit)	(76)	39	(187)	(219)	162
Beginning Balance	302	227	266	78	(141)
Ending Balance	$226	$266	$79	($141)	$21

GLOBAL TRADE PARK TIF #2 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$195	$198	$201	$203	$206
Expenditures	131	181	181	182	182
Excess (Deficit)	64	17	20	21	24
Beginning Balance	54	119	136	156	177
Ending Balance	$118	$136	$156	$177	$201

GLOBAL TRADE PARK TIF #3 FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$58	$58	$59	$60	$61
Expenditures	50	50	50	50	50
Excess (Deficit)	8	8	9	10	11
Beginning Balance	30	38	46	55	65
Ending Balance	$38	$46	$55	$65	$76

GLOBAL TRADE PARK SOUTH TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$3	$3	$3	$3	$3
Expenditures	0	0	0	0	0
Excess (Deficit)	3	3	3	3	3
Beginning Balance	15	18	21	24	28
Ending Balance	$18	$21	$24	$27	$31

Residential Tax Increment Financing Districts

MISSION STATEMENT

It is the mission of the Community Development Tax Increment Financing District to conserve or improve areas, especially sections of the City that are neglected, through economic investment from both private and public sectors.

PRIMARY FUNCTIONS

The primary function of the tax increment financing (TIF) district is to develop/redevelop the area in the TIF District and to make the area more viable. Improvements (upon meeting qualifications) can be financed through TIF district revenues. The collection of property taxes is on an increment basis and increases are based on increases in the assessed valuation of properties within the TIF District. The excess tax revenue collected can only be used to fund projects located within the TIF District.

The six residential TIFs include Lincolnwood #1 and #2, Hope 6, Garrison School, River Oaks (Thatcher Blake River Walk), and Jackson School.

OBJECTIVES FOR FISCAL YEAR 2013

- Facilitate through marketing efforts and the provision of incentives, the continued build out of Garrison Lofts/Townhomes, Lincolnwood II, Springfield Corners Subdivision, and the Swedish American Foundation projects. Developers with lots and/or homes to sell are hopeful that the market will improve and they will sell additional units in the upcoming years. Additionally, staff support will be provided to encourage and review TIF proposals.
- Sell and/or redevelop excess property owned by the City or available within a TIF.
- The Tax Incentive Program will continue to be offered to those with substantial redevelopment (including new construction) costs in Tax Increment Financing areas.
- Complete the project in the TIF at North Main and Whitman.

BUDGET SUMMARIES

LINCOLNWOOD #1 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$44,688	$68,688	$68,688	$91,688	$23,000
TOTAL	$44,688	$68,688	$68,688	$91,688	$23,000

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$76,782	$79,066	$79,857	$80,656	$799
TRANSFER FROM CIP	0	8,082	0	0	0
INTEREST INCOME	809	4,292	3,766	4,140	373
TOTAL	$77,591	$91,440	$83,623	$84,796	$1,172

Residential Tax Increment Financing Districts

LINCOLNWOOD #2 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$48,631	$47,631	$47,631	$71,631	$24,000
TOTAL	$48,631	$47,631	$47,631	$71,631	$24,000

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$48,875	$51,294	$49,862	$50,361	$499
TRANSFER FROM CIP	0	19,596	0	0	0
INTEREST INCOME	307	2,591	1,883	1,986	103
TOTAL	$49,182	$73,481	$51,745	$52,347	$602

RIVER OAKS TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$290,588	$307,881	$282,587	$310,559	$2,678
TOTAL	$290,588	$307,881	$282,587	$310,559	$2,678

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$72,355	$58,704	$49,090	$49,581	$491
TRANSFER FROM CIP	0	173,318	0	0	0
TOTAL	$72,355	$232,022	$49,090	$49,581	$491

GARRISON TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$71,802	$71,505	$64,463	$170,987	$99,482
TOTAL	$71,802	$71,505	$64,463	$170,987	$99,482

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$52,766	$80,193	$92,890	$93,818	$929
INTEREST INCOME	0	0	0	0	0
TOTAL	$52,766	$80,193	$92,890	$93,818	$929

Residential Tax Increment Financing Districts

HOPE SIX TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
OTHER	$314,095	$260,865	$255,375	$254,101	($6,765)
TOTAL	$314,095	$260,865	$255,375	$254,101	($6,765)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$183,946	$174,636	$168,173	$174,892	$6,719
TRAMSFER FROM CIP	0	149,480	0	0	0
TOTAL	$183,946	$324,116	$168,173	$174,892	$6,719

JACKSON SCHOOL TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$0	$0	$0	$0	$0
OTHER	115,105	116,985	121,398	116,173	(812)
TOTAL	$115,105	$116,985	$121,398	$116,173	($812)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	$119,336	$105,861	$93,551	$94,500	$949
INTEREST INCOME	2,374	1,997	1,455	905	(549)
TOTAL	$121,710	$107,858	$95,006	$95,405	$399

BUDGET HIGHLIGHTS

- This six district group collectively has a deficit of $1,752,650 for 2013 and runs a deficit until 2026.
- The deficit generators are Hope 6, a high deficit year (2023) of $1,095,300 never turning positive, Garrison, a high deficit year (2023) of $899,300 never turning positive, and River Oaks, a high deficit year (2019) of $2.9 million never turning positive.
- No long term financing is planned for 2013.

Residential Tax Increment Financing Districts

RESIDENTIAL TAX INCREMENT FINANCING DISTRICT FIVE YEAR FORECAST

The 2014-2018 five-year forecasts assume no growth for property taxes and that state and local sales tax will not be received. These funds are project, rather than service, oriented and are susceptible to considerable variance in direction and dollars. An ending balance schedule for all TIF districts for all years is also included.

LINCOLNWOOD TIF FUND #1 FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$85	$86	$87	$88	$87
Expenditures	89	86	83	159	100
Excess (Deficit)	(4)	0	4	(71)	(13)
Beginning Balance	159	155	156	160	89
Ending Balance	$155	$155	$160	$89	$76

LINCOLNWOOD TIF FUND #2 FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	52	52	52	53	53
Expenditures	80	67	65	63	61
Excess (Deficit)	(28)	(15)	(13)	(10)	(8)
Beginning Balance	60	33	18	5	(6)
Ending Balance	32	18	5	(5)	(14)

HOPE SIX TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$178	$182	$186	$189	$193
Expenditures	275	269	263	282	276
Excess (Deficit)	(97)	(87)	(77)	(93)	(83)
Beginning Balance	(291)	(387)	(474)	(551)	(644)
Ending Balance	($387)	($474)	($551)	($644)	($727)

GARRISON TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$94	$95	$96	$97	$150
Expenditures	169	167	164	162	158
Excess (Deficit)	(75)	(72)	(68)	(65)	(8)
Beginning Balance	(338)	(412)	(483)	(551)	(563)
Ending Balance	($413)	($484)	($551)	($616)	($571)

Residential Tax Increment Financing Districts

RIVER OAKS TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$50	$51	$51	$52	$52
Expenditures	304	298	316	328	329
Excess (Deficit)	(254)	(247)	(265)	(276)	(277)
Beginning Balance	(1,358)	(1,612)	(1,859)	(2,124)	(2,401)
Ending Balance	(1,612)	(1,859)	(2,124)	(2,400)	(2,678)

JACKSON SCHOOL TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$96	$96	$97	$98	$99
Expenditures	115	115	114	63	137
Excess (Deficit)	(19)	(19)	(17)	35	(38)
Beginning Balance	15	(4)	(22)	(39)	(4)
Ending Balance	($4)	($23)	($39)	($4)	($42)

Sanitation Fund

MISSION STATEMENT

It is the mission of the Sanitation Division to provide for the collection and disposal of solid waste in a manner that is consistent with federal and state regulations, as well as to encourage the recycling efforts of the community.

PRIMARY FUNCTIONS

The four primary functions of the Sanitation Division include collection and disposal of refuse, composting and recycling. In addition, the fund provides purchase of service for contract monitoring, billing and collecting, and reimbursement for street cleaning and forestry services.

FUND AND RATE INFORMATION

- Contracts for collection and disposal of solid waste extend to 2013 with contract annual price changes tied to Consumer Price Index (CPI), both positive and negative, not to exceed 4% per year.
- The rate remained unchanged for 2013.

SANITATION FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	6,504,899	7,150,630	6,251,054	6,879,360	(271,270)
SUPPLIES	658	500	0	500	0
OTHER	1,389,339	2,204,550	2,204,550	2,810,886	606,336
TOTAL	$7,894,896	$9,355,680	$8,455,604	$9,690,746	$335,066

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
SANITATION	$21,000	$21,000	$21,000	$21,000	$0
FRINGE BENEFIT REIMBURSEMENT	700	700	700	700	0
USER FEE	8,463,800	8,571,100	9,169,800	9,355,800	186,000
LANDFILL RENT	15,400	15,400	15,400	15,400	0
INTEREST INCOME	41,400	39,000	47,300	42,900	(4,400)
TOTAL	$8,542,300	$8,647,200	$9,254,200	$9,435,800	$181,600

BUDGET HIGHLIGHTS

- The contractual budget for collection and disposal costs will decrease $271,270 or 3.8% from the previous year.
- Rate increases change by the CPI; 2013 CPI is 2.0%.
- The collection rate will increase from $67.26 to $68.61 per ton while the disposal rate will rise from $37.34 to $38.09 per ton.
- Actual 2012 tonnage is 68,493, 6,000 tons less than the budgeted 74,500 while 2013's projected 70,000 tons is 4,500 tons less than 2012's budget and 1,500 tons more than the 2012 actual.
- Customers are estimated at 50,300 for the year.
- Purchase of services increases $606,340 reflecting an increase to cover purchase of service cost of forestry service ($2,041,196).
- The user fee increased in 2012, from $170.40 to $186.00, but remains unchanged for 2013.

Sanitation Fund

SANITATION FUND FIVE YEAR FORECAST

The 2014-2018 five year forecast assumes that total tonnage will increase approximately 300 tons per year. Costs are expected to increase 3.0% (4% is the maximum) annually for collection, composting, and recycling, and disposal.

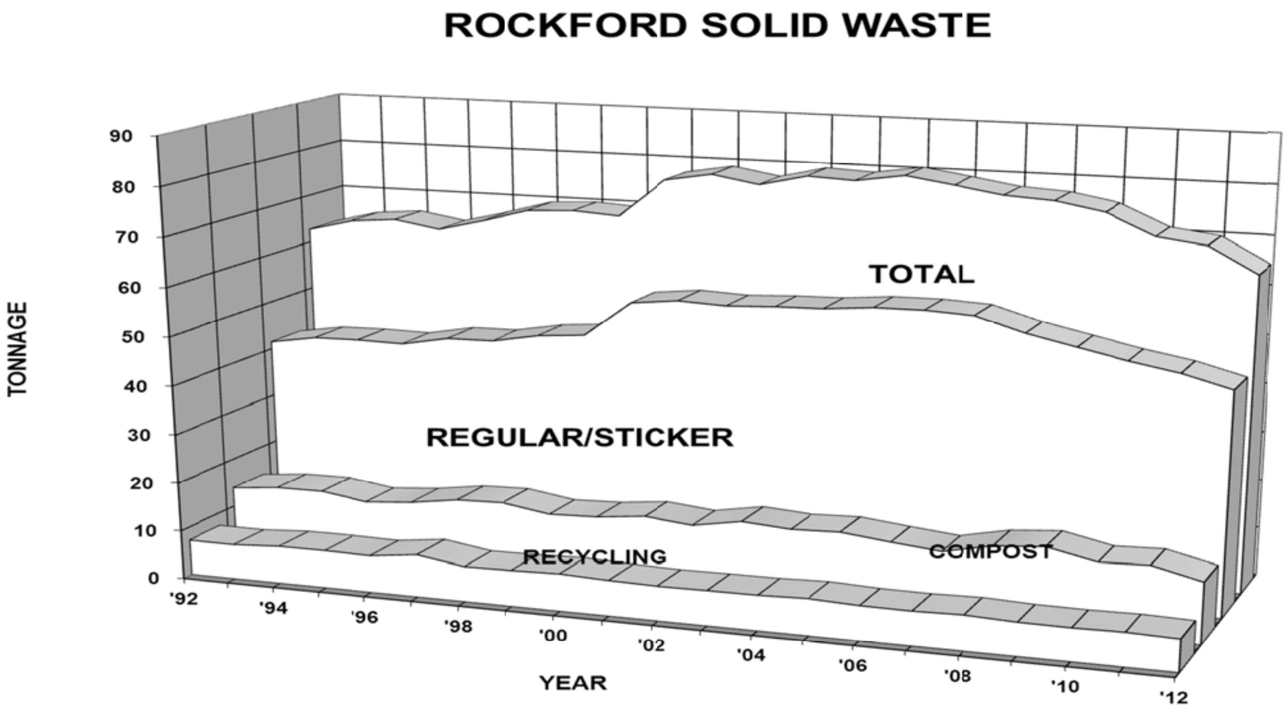
	2014	2015	2016	2017	2018
Recommended Rates	$192.00	$198.00	$204.00	$210.00	$216.00
Revenues	$9,968	$10,361	$10,759	$11,168	$11,582
Expenses	9,711	10,139	10,275	10,608	10,760
Excess(Deficit)	257	223	485	560	822
Beginning Balance	2,696	2,953	3,176	3,661	4,220
Ending Balance	$2,953	$3,176	$3,661	$4,220	$5,043
RESERVE	30.4	31.3	35.6	39.8	46.9

SANITATION FUND PERFORMANCE MEASUREMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
WASTE TONNAGE	48,038	53,000	45,497	50,000
COMPOST TONNAGE	14,812	14,000	12,440	14,100
RECYCLING TONNAGE	6,886	7,500	6,064	7,200
LANDFILL TONNAGE	48,038	53,000	45,497	50,000
DIVERTED TONNAGE	21,698	21,500	18,504	21,300
DIVERSION RATE	31.1%	28.9%	28.9%	29.9%

Sanitation Fund

SANITATION FUND OPERATIONAL INFORMATION



As the performance measurement schedule indicates, the introduction of alternative programs, composting and recycling, have kept wastes out of the landfill. It is anticipated 29.6% of the waste stream, or 19,100 tons, will be diverted for 2013.

Human Services

MISSION STATEMENT

It is the mission of the Human Services Department to mobilize community resources to change people's lives, offer hope to those in need, improve our community, and help people help themselves and others.

PRIMARY FUNCTIONS

The primary function of the Human Services Department is to provide funding, activities, and services for programs that include Head Start, Energy Services, Weatherization, and Community Services.

- **Head Start Program** - This program is aimed at meeting the educational, social, health, and emotional needs of low-income preschool children and their families in Winnebago County. Facilities are located at the former Henrietta School, near the Orton Keyes housing development, and near the Fairgrounds housing development. Activities are geared toward developing the cognitive, emotional, and social growth of the child. The program has four different service options that include home based parent and child instruction and part day, full day, and child care based classroom experiences for children ages 3-5 years old from income eligible households. A new Early Head Start program targets children younger than 3.
- **Energy Assistance Program** - The Department is the local administering agency for the Low Income Home Energy Assistance Program (LIHEAP) for Winnebago and Boone counties. LIHEAP assists those who pay their heating bills to a regulated fuel company or has heating included in their rent. The amount of assistance varies with household income, size, and fuel type. Priority eligibility is given to the elderly and handicapped. Over 90% of the recipients live in Rockford.
- **Weatherization** - The Weatherization program is responsible for lessening the impact of heating and cooling costs to low-income individuals by making homes more energy efficient. Homes are selected on a first come first serve basis following a completed and approved application. Homes that are not owner occupied require a landlord/owner contribution. Otherwise, household income and size information are used to determine eligibility. Serves Winnebago and Boone counties.
- **Community Services Program** - The primary goal of Community Services is to promote self-sufficiency among low-income individuals. Activities include outreach, advocacy, emergency assistance, summer food, self-sufficiency case management and training, consumer education, and economic development through small business loans, scholarships, and Individual Development Accounts.
- **The Get the Lead Out (GLO)** - Program targets homes occupied by families with one or more children ages 6 years or under who test with elevated lead levels placing them at risk of health and/or developmental consequences. The same eligibility rules apply to the GLO program as those used by the Weatherization program. Serves Winnebago and Boone counties.
- **Housing Assistance** - Services include emergency shelter, transitional housing, permanent supportive housing, rent and mortgage assistance and temporary and permanent crisis relocation assistance to residents of Winnebago and Boone Counties.

OBJECTIVES FOR FISCAL YEAR 2013

- Develop a formal agreement between the City and the Continuum of Care/Mayors' Task Force on Homelessness based on the City's Consolidated Plan and new HEARTH Act regulations.
- Weatherize approximately 250 homes based on the state and federal and 2013 and Urban Weatherization grant funding.
- Continue to participate in the Percentage of Income Payment Plan (PIPP) as an alternative to LIHEAP targeting at least 250 new participants/households.
- Serve approximately 685 Head Start/Early Head Start and MICHVP funding eligible familes.
- Reassess priorities for use of CSBG funds and staffing resources guided by local needs and 2013 funding levels.

Human Services

- Develop a formal Memorandum of Understanding and/or an Intergovernmental Agreement with the Rockford School District addressing common early learning goals and strategies.
- Continue to support early care and education system change through collaborative efforts with the Early Learning Council, Rockford Health Council, United Way and Alignment Rockford.
- Continue the use of community sites taking energy assistance applications and explore ways to expand the use of community resource sites.
- Continue social norms campaign and other prevention education efforts aimed at children/youth to reduce the use of ATOD (alcohol, tobacco, and other drugs) and expand community based health prevention and safety initiatives based on new resources and partnership efforts based on available resources.
- Explore ways to improve staff support, morale, retention and engagement, based on strategic planning priorities.
- Provide case management/case coordination support to the Parolee Reentry Program in partnership with the Rockford Police Department and R.A.V.E.N.
- Provide case coordination support to youth employment training services based on successful application for Workforce Investment Act funding.
- Work with the Community Action Agency (CAA) Board and other partners to improve public awareness, support and community engagement related to poverty issues as guided by the department's strategic plan.

HUMAN SERVICES BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$6,771,243	$6,177,394	$6,812,283	$6,715,736	$538,342
CONTRACTUAL	$2,287,737	1,769,244	1,936,597	1,957,564	188,320
SUPPLIES	$1,742,331	754,300	906,636	754,300	0
OTHER	$5,683,973	4,279,875	6,000,867	4,279,875	0
CAPITAL	$26,685	0	28,715	0	0
TOTAL	$16,511,969	$12,980,813	$15,685,098	$13,707,475	$726,662

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
FEDERAL	$7,337,933	$7,533,969	$5,607,679	$5,641,765	$34,086
STATE	13,848,362	9,749,611	7,022,968	7,989,119	966,151
GENERAL REVENUES	186,601	136,475	26,000	0	(26,000)
	$21,372,896	$17,420,055	$12,656,647	$13,630,884	$974,237

Human Services

HUMAN SERVICES DEPARTMENT PERSONNEL AUTHORIZATION

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
EXECUTIVE DIRECTOR OF HUMAN SERVICES	E-14	1.00	1.00	0.00
HEADSTART DIRECTOR	E-11	1.00	1.00	0.00
EARLY HEAD START MANAGER	E-9	1.00	1.00	0.00
ADMIN & SUPPORT SERVICES MGR	E-9	1.00	1.00	0.00
FAMILY & COMMUNITY PARTNERSHIP MGR	E-9	1.00	1.00	0.00
CHILD DEVELOPMENT MANAGER	E-9	1.00	1.00	0.00
CSBG DIRECTOR	E-9	1.00	1.00	0.00
ENERGY PROGRAMS MANAGER	E-9	0.75	0.87	0.12
SITE MANAGER	E-8	3.00	3.00	0.00
FISCAL OFFICER	E-7	1.00	1.00	0.00
HEALTH SERVICES MANAGER	E-7	1.00	1.00	0.00
SPECIAL NEEDS/MENTAL HEALTH CO EX	E-7	1.00	1.00	0.00
WEATHERIZATION SPECIALIST	E-6	2.00	2.00	0.00
FAMILY RESOURCE WORKER	AF	7.96	8.19	0.23
HOUSING ADVOCATE	E-6	2.00	1.00	(1.00)
CSBG PROGRAM COORDINATOR	E-6	1.00	1.00	0.00
RECRUITMENT/ENROLLMENT SPECIALIST	E-6	1.00	1.00	0.00
OUTREACH WORKER	E-6	5.00	5.00	0.00
ENERGY SPECIALIST	E-6	1.75	1.87	0.12
TRANSPORTATION SPECIALIST	E-6	1.00	1.00	0.00
CS DRUG FREE COORDINATOR	E-6	1.00	1.00	0.00
HEAD TEACHER	AF	12.45	12.63	0.18
HOME VISITOR TEACHER	AF	1.52	8.54	7.02
SENIOR ACCOUNT CLERK	E-5	3.00	3.00	0.00
TRAINING COORDINATOR	E-5	1.00	1.00	0.00
ADMINISTRATIVE ASSISTANT	E-5	3.00	3.00	0.00
SENIOR OFFICE ASSISTANT	E-4	3.00	3.00	0.00
HEALTH TECHNICIAN	AF	0.98	1.00	0.02
ASSISTANT TEACHER	AF	11.25	11.58	0.33
PREVENTION PROGRAM SPECIALIST	E-3	1.00	1.00	0.00
PROGRAM DATA SPECIALIST	E-3	1.00	1.00	0.00
MAINTENANCE/REPAIR TECHNICIAN	SAFETY	1.00	0.63	(0.37)
OFFICE ASSISTANT	AF	3.75	4.00	0.25
BUS DRIVER	AF	9.61	9.23	(0.38)
COOK AIDE	AF	1.56	0.81	(0.75)
TOTAL PERSONNEL		**90.58**	**96.35**	**5.77**

BUDGET HIGHLIGHTS

- Salaries increase $306,900 due to a staffing increase in the Head Start division.
- A 2% wage increase is budgeted for all department staff for a total cost of $81,900.
- Contractual expenses increase due to adjustments in internal service charges.

Human Services

HUMAN SERVICES DEPARTMENT FIVE YEAR FINANCIAL FORECAST (IN 000's)

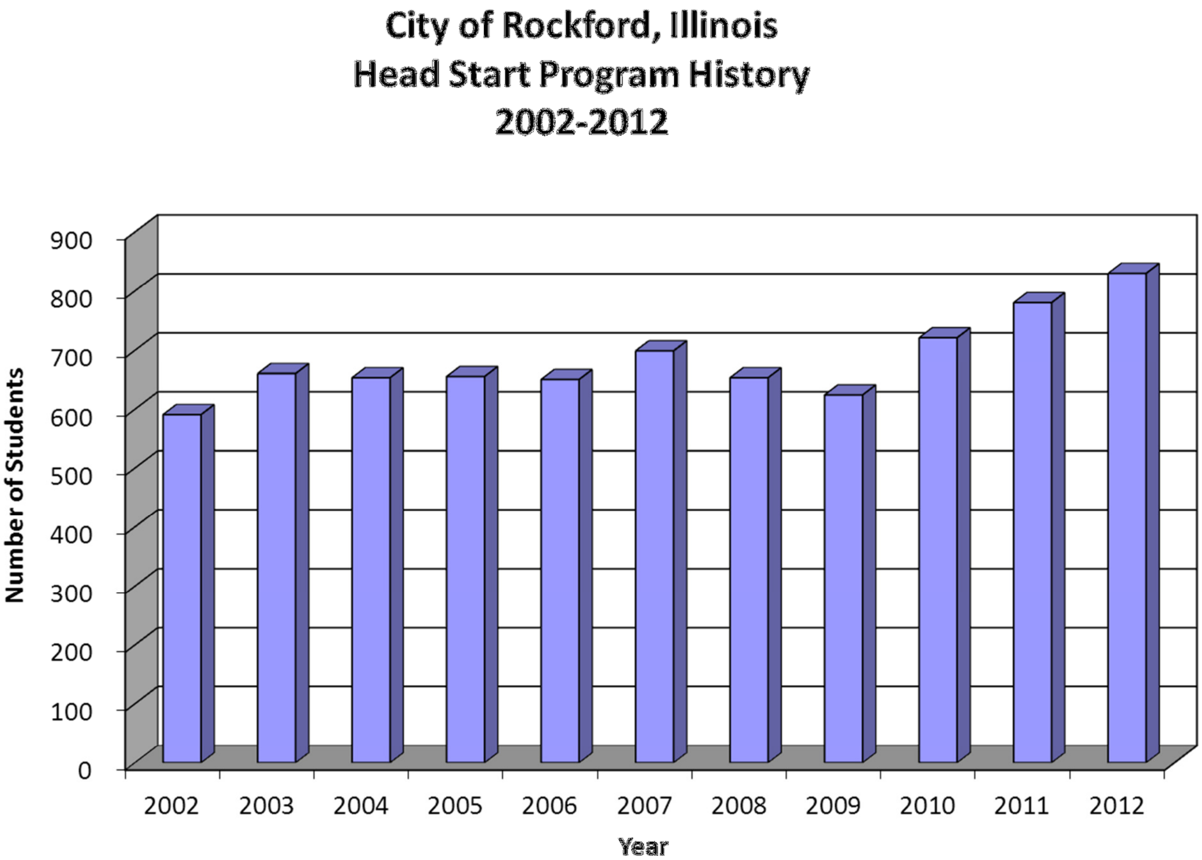
	2014	2015	2016	2017	2018
Revenues	$13,630,884	$13,630,884	$13,630,884	$13,630,884	$13,630,884
Expenditures	13,630,884	13,630,884	13,630,884	13,630,884	13,630,884
Excess (Deficit)	0	0	0	0	0
Beginning Balance	0	0	0	0	0
Ending Balance	$0	$0	$0	$0	$0

The 2014-2018 five year financial forecast assumes that all grants and other funding sources for Human Services will remain stable. From year to year, increases and decreases have fluctuated between five and 30 percent. The instability of year to year funding levels is due to the 100 percent dependence each year on state and federal funding. Since levels of expenditures are tied directly to the amount allocated by outside funding sources, both revenue and expenditures are projected at the same amount for five years.

HUMAN SERVICES DEPARTMENT PERFORMANCE MEASURES	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
REDUCTION IN HOMELESSNESS	40%	-5%	77%	-5%
REDUCTION IN CHRONIC HOMELESSNESS	-36%	-6%	28%	-6%
# OF FOSTER YOUTH EXITING DCSF STABILIZED	NA	25	20	25
# OF DCFS REUNIFYING WITH KIDS DUE TO HOUSING RESOLUTION	NA	75	152	75
DOE/HHS WEATHERIZATION	56	200	581	120
LIHEAP/PiPP	9,593	6,000	6,873	6,000
PIPP- PAYMENTS ON TIME	95%	98%	96%	98%
SUMMER FOOD # OF MEALS SERVED	220,515	20,000	23,362	23,350
HEAD START FUNDED ENROLLMENT	591	591	591	591
EARLY HEAD START FUNDED ENROLLMENT	92	92	92	92
HEAD START CHILDREN SERVED	656	591	677	591
EARLY HEAD START CHILDREN SERVED	129	92	153	92
HEAD START FAMILIES SERVED	656	600	609	600
EARLY HEAD START FAMILIES SERVED	103	100	114	100
EARLY HEAD START PREGNANT WOMEN SERVED	8	8	11	8

Human Services

OPERATIONAL INFORMATION



Source: Human Services Department

The Head Start Program is aimed at meeting the educational, social, health, and emotional needs of low-income preschool children and their families in Winnebago County. The program has four different service options which consist of home base schooling, students in part day classes, students in a full-time day setting, and family plus. In 2012, the Human Services Department provided the program to over 830 children. The program estimates an enrollment of 683 in 2013.

Tuberculosis Sanitarium Fund

MISSION STATEMENT

It is the mission of the Tuberculosis Sanitarium fund to provide medical treatment for residents and non-residents that have tuberculosis.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the Tuberculosis Sanitarium fund is to provide active or preventative patients with oral medication on an outpatient basis.

Effective January 1, 1999, the City contracted with the Winnebago County Health Department for providing medical treatment for tuberculosis. The City levies property taxes to fund TB care with the actual provision of the service provided by the County Health Department. Patients receive tuberculosis screening, x-rays, medication and follow-up services. The City and the Tuberculosis Board provide all fiscal resources and policy oversight. In 2012, 1,511 city patients were served (2011 – 1,471, 2010 – 2,040). City patients have been 81% of the caseload for 2012 (2011 – 84%, 2010 – 88%).

TUBERCULOSIS SANITARIUM BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$132,190	$168,300	$124,235	168,300	0
TOTAL	$132,190	$168,300	$124,235	$168,300	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
TUBERCULOSIS SANITARIUM	$186,370	$153,966	$166,617	$166,617	$0
INTEREST INCOME	313	0	1,800	2,000	200
TOTAL	$186,683	$153,966	$168,417	$168,617	$200

TUBERCULOSIS SANITARIUM FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$178	$187	$196	$205	$215
Expenditures	177	186	195	205	215
Excess (Deficit)	1	1	1	0	0
Beginning Balance	80	71	62	51	40
Ending Balance	$81	$72	$63	$51	$40
Rate (Cents)	0.9	0.9	1.0	1.0	1.0

The 2014-2018 five-year forecast assumes marginal change in the contracted service cost and property tax levy. Under statutory authority, the tax rate for this purpose cannot exceed five cents. The five year plan calls for using nine-tenths of a cent to one cent during this time period.

Rockford Mass Transit District Subsidy

MISSION STATEMENT

The City, along with Federal and State governments, finance the operating deficits of the Rockford Mass Transit District (RMTD) so that it can provide public transit service to city residents.

PRIMARY FUNCTIONS

The primary function of the Rockford Mass Transit District is to provide city residents transit service from 5:00 a.m. to 12:00 a.m. Monday through Friday and 5:30 a.m. to 7:00 p.m. Saturday. Until 7:00 p.m., the service is provided through eleven routes; after that hour, the routes are combined into five to provide evening service with one-hour headways until 11:45 p.m. A final non-scheduled bus then takes all remaining passengers home from the Transfer Center. Special services are also offered on an as-need basis. In addition to offering wheelchair accessible service on all routes, the District also provides demand ride and subscription services to disabled and elderly residents. The District also provides service to Belvidere, Machesney Park and Loves Park, for which it is reimbursed.

ROCKFORD MASS TRANSIT DISTRICT SUBSIDY BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$1,524,000	$1,274,000	$1,274,000	$1,274,000	$0
TOTAL	$1,524,000	$1,274,000	$1,274,000	$1,274,000	$0

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
GENERAL REVENUES	$1,524,000	$1,524,000	$1,274,000	$1,274,000	$0
TOTAL	$1,524,000	$1,524,000	$1,274,000	$1,274,000	$0

BUDGET HIGHLIGHTS

- The 2013 RMTD budget, July 1, 2012, to June 30, 2013, proposes spending $15,103,110.
- Operating revenue from the District is estimated at $1,809,083. Overall, District revenues account for 12% of the necessary funding with the remaining $13,294,027 (88%) being provided by the Federal Government, the State of Illinois, and area municipalities.

ROCKFORD MASS TRANSIT CITY SUBSIDY FIVE YEAR FINANCIAL FORECAST (IN 000's) - CITY FISCAL YEAR

	2014	2015	2016	2017	2018
CITY SUBSIDY	$1,570	$1,617	$1,666	$1,716	$1,768

Rockford Mass Transit District Subsidy

ROCKFORD MASS TRANSIT CITY SUBSIDY FIVE YEAR FINANCIAL FORECAST (IN 000's) - RMTD FISCAL YEAR

REVENUES	2014	2015	2016	2017	2018
FEDERAL	$953	$1,060	$1,060	$1,065	$1,065
STATE	10,289	10,754	11,242	11,753	12,288
LOCAL	447	463	479	496	513
CITY	1,854	1,912	2,085	2,264	2,448
OTHER	110	114	118	122	126
	13,653	14,303	14,984	15,700	16,440
DISTRICT	1,748	1,800	1,854	1,909	1,967
	15,401	16,103	16,838	17,609	18,407
EXPENDITURES	15,829	16,545	17,295	18,081	18,904
EXCESS(DEFICIT)	(428)	(442)	(457)	(472)	(497)
BEGINNING BALANCE	1,405	1,098	780	336	(237)
ENDING BALANCE	$977	$656	$323	($136)	($734)

The City is committed to financing the operating deficit remaining after Federal and State subsidies have been received. Given the uncertainty of Federal funding, subsidy forecasts are hard to project. However, assuming expenditure increases, stagnant fare box income, decreasing Federal funding, State grants at 55% of expenditures, and that the City would assume the remaining deficits, the following forecast is projected.

The last fare increase was from $1.00 to $1.50 in 2009.

OPERATIONAL INFORMATION

ROCKFORD MASS TRANSIT DISTRICT
RIDERSHIP 2000-2012

RMTD FY	Daytime Ridership	Change	% Change	Evening Ridership	Change	%Change	Paratransit Ridership	Change	%Change
2000	1,392,464			94,123			39,938		
2001	1,442,332	49,868	3.6%	90,791	(3,332)	-3.5%	50,051	10,113	25.3%
2002	1,435,963	(6,369)	-0.4%	85,492	(5,299)	-5.8%	71,023	20,972	41.9%
2003	1,308,266	(127,697)	-8.9%	82,163	(3,329)	-3.9%	100,921	29,898	42.1%
2004	1,229,769	(78,497)	-6.0%	67,107	(15,056)	-18.3%	100,135	(786)	-0.8%
2005	1,188,764	(41,005)	-3.3%	70,871	3,764	5.6%	95,027	(5,108)	-5.1%
2006	1,311,275	122,511	10.3%	85,150	14,279	20.1%	76,371	(18,656)	-19.6%
2007	1,401,914	90,639	6.9%	96,276	11,126	13.1%	76,396	25	0.0%
2008	1,542,965	141,051	10.1%	111,421	15,145	15.7%	91,508	15,112	19.8%
2009	1,632,929	89,964	5.8%	115,074	3,653	3.3%	98,031	6,523	7.1%
2010	1,435,753	(197,176)	-12.1%	86,961	(28,113)	-24.4%	78,119	(19,912)	-20.3%
2011	1,642,264	206,511	14.4%	8,926	(78,035)	-89.7%	76,408	(1,711)	-2.2%
2012	1,670,444	28,180	1.7%	107,525	98,599	1104.6%	89,487	13,079	17.1%

Rockford Public Library

MISSION STATEMENT

The mission of Rockford Public Library is to enhance community life and development by informing, educating, entertaining, and providing cultural enrichment to all people of all ages and by continuously collecting information to address the diverse interests of our dynamic community.

PRIMARY FUNCTIONS

The primary function of the Library is to provide a variety of services to the public through the Main Downtown facility and its five branch extensions. There are six primary operating divisions throughout the library network.

- **Administrative** - The Administrative Division provides all administrative and support services in order to maintain library operations.
- **Adult Services** - The primary responsibility of the Adult Services Division is to provide information in the form of media and non-print media, as well as instructions for use. This division is also responsible for providing cultural event programs and instructions in utilizing computers for information purposes.
- **Youth Services** - Youth Services provides story programs, children's books, reference materials, periodicals, and non-print media to children, parents, and teachers. An introduction to computers, the Internet, and other electronic information is also available in this division.
- **Circulation** - The primary responsibility of the Circulation Division is to checkout and return library materials, perform borrower's registration, and process reserves and overdue loans.
- **Collection Management & Technical Services** - The primary responsibility of the Collection Management & Technical Services Division is to identify, order, receive, and catalog all library materials for use by the public. It is also responsible for identifying and withdrawing materials no longer needed in the collection.
- **Physical Facilities** - Physical Facilities is responsible for maintaining the appearance and physical operations of the Main Library and all branches.
- **Branch Services** - There are five branch divisions of the Rockford Public Library (Montague, Rock River, Northeast, Lewis Lemon, and Rockton). Each division is independent of each other and is supervised by a Manager. The branches provide a basic collection of print, media, and electronic database resources that are appropriate for the community. Each branch also provides circulation, library card registration, reference, programming, and Internet access services to the public.

OBJECTIVES FOR FISCAL YEAR 2013

- Successfully implement a new union contract.
- Install fiber optic connections to enhance Internet service to the Rockford community.
- Replace Montague Branch Library's boiler with a more energy efficient boiler.
- Replace voice over IP telephone system.
- Install new surveillance equipment at all locations for public safety.
- Continue to explore federated searching systems.
- Replace servers at various library locations.
- Purchase eReaders for circulation to the Rockford community.

Rockford Public Library

ROCKFORD PUBLIC LIBRARY BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$4,163,960	$4,576,034	$4,135,607	$4,703,270	$127,236
CONTRACTUAL	1,190,906	1,532,301	1,199,190	1,628,957	96,656
SUPPLIES	1,274,834	1,446,328	1,192,784	1,453,834	7,506
OTHER	57,063	88,875	73,616	91,670	2,795
INTEREST	239,519	239,394	234,400	239,394	0
CAPITAL	293,252	239,998	182,133	291,306	51,308
TOTAL	$7,219,534	$8,122,930	$7,017,730	$8,408,431	$285,501

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
LIBRARY OPERATIONS	$6,456,714	$6,825,276	$6,800,000	$6,900,000	$100,000
LIBRARY MAINTENANCE	414,206	300,064	300,000	300,000	0
REPLACEMENT TAXES	805,548	754,314	700,000	755,000	55,000
FINES	157,720	145,389	92,680	135,180	42,500
NON-RESIDENT FEES	16,209	18,148	17,500	17,500	0
SERVICE CHARGES	26,760	20,214	22,000	30,000	8,000
RENTS AND REIMBURSEMENTS	3,825	3,451	3,000	28,000	25,000
INTEREST INCOME/ENDOWMENTS	24,678	152,397	7,000	7,000	0
STATE OF ILLINOIS	159,440	180,193	150,000	155,000	5,000
MISCELLANEOUS	30,620	59,523	30,750	80,750	50,000
TOTAL	$8,095,720	$8,458,969	$8,122,930	$8,408,430	$285,500

Rockford Public Library

ROCKFORD PUBLIC LIBRARY AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2012 FTE	2012 EMPLOYEES	2013 FTE	2013 EMPLOYEES	FTE CHANGE	INCREASE/ (DECREASE)
LIBRARY DIRECTOR	E-41	1.00	1	1.00	1	0.00	0.00
ASSISTANT DIRECTOR	E-38	1.00	1	2.00	2	1.00	1.00
MANAGER-ADULT SERVICES	E-35	1.00	1	1.00	1	0.00	0.00
CHIEF FINANCIAL OFFICER	E-35	1.00	1	1.00	1	0.00	0.00
DEVELOPMENT OFFICER	E-35	1.00	1	1.00	1	0.00	0.00
ASSISTANT MANAGER-COLLECTIONS	E-32	1.00	1	1.00	1	0.00	0.00
PROGRAM OFFICER	E-32	1.00	1	1.00	1	0.00	0.00
ILS SPECIALIST	E-32	1.00	1	1.00	1	0.00	0.00
MANAGER-CIRCULATION	E-32	1.00	1	1.00	1	0.00	0.00
MANAGER-PHYSICAL FACILITIES	E-32	1.00	1	1.00	1	0.00	0.00
MANAGER-BRANCH	E-32	4.00	5	3.00	3	(1.00)	(2.00)
COMMUNITY RELATIONS OFFICER	E-29	1.00	1	1.00	1	0.00	0.00
MANAGER-INFORMATION TECHNOLOGY	E-29	1.00	1	1.00	1	0.00	0.00
ADMINISTRATIVE SECRETARY	E-26	1.00	1	1.00	1	0.00	0.00
PERSONNEL OFFICER	E-26	1.00	1	1.00	1	0.00	0.00
INFORMATION TECHNOLOGY ASST	E-26	2.00	2	2.00	2	0.00	0.00
FINANCE/PAYROLL ASSISTANT	E-25	1.00	1	1.00	1	0.00	0.00
ADMINISTRATIVE CLERK	E-21	0.50	1	0.50	1	0.00	0.00
COMMUNITY RELATIONS ASSISTANT	E-21	1.00	1	1.00	1	0.00	0.00
COMMUNITY RELATIONS CLERK	E-20	1.00	1	1.00	1	0.00	0.00
PROGRAM COORDINATOR		4.50	5	4.75	5	0.25	0.00
LIBRARIAN		9.00	9	7.00	7	(2.00)	(2.00)
LIBRARIAN ASSISTANT		16.00	18	16.00	18	0.00	0.00
SENIOR LIBRARY CLERK		1.00	1	1.00	1	0.00	0.00
LIBRARY CLERK		20.00	29	21.00	28	1.00	(1.00)
MAINTENANCE ASSISTANT		2.00	2	2.00	2	0.00	0.00
SENIOR PAGE		1.00	2	1.00	2	0.00	0.00
PAGES		9.00	18	10.00	15	1.00	(3.00)
TOTAL PERSONNEL		**86.00**	**109**	**86.25**	**102**	**0.25**	**(7.00)**

BUDGET HIGHLIGHTS

- Salaries increase $15,900 due to a 3% increase in salary.
- Service contracts increase $104,300 for a marketing campaign based on survey results.

LIBRARY FUND FIVE YEAR FINANCIAL FORECAST (IN 000's)

	2014	2015	2016	2017	2018
Revenues	$8,150	$8,960	$9,204	$9,445	$9,687
Expenses	8,507	8,875	9,261	9,664	10,085
Excess (Deficit)	(357)	85	(57)	(219)	(398)
Beginning Balance	2,566	2,209	2,294	2,237	2,018
Ending Balance	$2,209	$2,294	$2,237	$2,018	$1,620
Property Tax Rates (Cents)					
Operations	30.0	30.0	30.0	32.0	32.0
Maintenance	2.0	2.0	2.0	2.0	2.0
Fringe Benefits	0.1	0.1	0.0	0.0	0.0
Total Library Rate	35.1	32.1	32.0	34.0	34.0

Rockford Public Library

The five-year financial forecast assumes three percent assessed valuation growth and a 32-cent property tax rate for operations and maintenance tempered by the impact of tax caps. As can be seen in the schedule below, the tax cap erodes the library's fiscal base. Other forms of revenue increase approximately five percent each year. Expenditures for personnel and supply cost are assumed to increase 5% annually; contractual costs are expected to increase 3.5% each year. All other expenditure types (other, interest, capital) are budgeted at current levels.

Tax rate limits are 30 cents for operations and two cents for maintenance; fringe benefit reimbursement rates are unlimited.

CAPITAL EQUIPMENT

Planned capital expenditures for 2013 include:

EQUIPMENT	QUANTITY	BUDGET EACH	AMOUNT
Printers	1	15,000	$15,000
Cloud Services	1	15,000	15,000
Replacement Servers-Main, East, Rockton Centre & Montague	4	3,750	15,000
Technology Improvements	1	7,500	7,500
Smart Money Management Desk-Main/East/Rockton Centre	3	10,000	30,000
Building Improvements-Various Locations	1	156,184	156,184
Exterior Windows-Sullivan Center	1	31,500	31,500
Carpeting-Sullivan Center	1	10,122	10,122
ADA Doors-Sullivan Center	1	6,000	6,000
B&W Copier with Fax-Administration	1	5,000	5,000
TOTAL			$291,306

Police Department

MISSION STATEMENT

It is the mission of the Police Department to provide for the safety and welfare of the people of Rockford so they may enjoy the benefits of being secure in their person, property, and state of mind. The Department accomplishes this mission by enforcing the law, preserving peace, preventing crime, controlling traffic, and protecting civil rights and liberties.

PRIMARY FUNCTIONS

There are three primary operating bureaus within the Police Department.

- **Administrative Services** - Administrative Services is responsible for functions in divisions that include evidence and property control, administration, fiscal services, recruiting, research and development, personnel, and records.
- **Field Services** - Field Services is responsible for overseeing the patrol division and a variety of special and operational functions, which includes the K9, school liaison unit, traffic division, support services, M3 Team, and Community Services.
- **Investigative Service** - The Investigative Services Bureau is responsible for training, professional standards, and investigative services in divisions including youth investigations, victim/witness assistance, adult investigations, narcotics, and scientific services.

OBJECTIVES FOR FISCAL YEAR 2013

- Establish Assistant Deputy Chief/Commander for Geographic Policing initiative.
- Reduce violent crime by 5%.
- Reduce property crime by 5%.
- Maintain accreditation standards through Commission on Accreditation for Law Enforcement Agencies.
- Implement 1/3 of 3-year Strategic Plan objectives.
- Actively recruit officers to meet established authorized personnel level.
- Establish Prisoner Re-entry Network.

Police Department

POLICE DEPARTMENT BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$36,122,362	$36,547,506	$37,144,554	$36,661,092	$113,586
CONTRACTS	7,304,682	7,977,800	7,471,213	7,616,290	(361,510)
SUPPLIES	704,862	803,280	458,965	803,280	0
CAPITAL	0	124,900	124,818	752,689	627,789
TOTAL	$44,131,906	$45,453,486	$45,199,550	$45,833,351	$379,865

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
POLICE PROTECTION	$9,806,120	$10,047,794	$9,840,600	$9,999,000	$158,400
POLICE PENSION	2,766,826	4,316,216	3,710,300	3,673,220	(37,080)
SCHOOL CROSSING GUARD	10,344	10,001	10,000	11,349	1,349
FRINGE BENEFIT REIMBURSEMENTS	1,847,097	1,443,815	1,661,517	1,731,740	70,223
911 FRINGE BENEFIT REIMBURSEMENT	441,175	457,330	449,454	469,260	19,806
REPLACEMENT TAXES	978,600	862,600	790,300	922,800	132,500
MAGISTRATE FINES	631,455	586,269	640,000	600,000	(40,000)
FEES	361,955	341,474	351,000	856,000	505,000
PARKING SYSTEM PURCHASE SERVICES	123,310	129,500	124,600	123,700	(900)
FROM OTHER GOVERNMENTS	1,057,416	1,038,715	2,201,598	2,069,656	(131,942)
PROPERTY FORFEITURES	9,624	200,816	26,500	51,500	25,000
GENERAL REVENUES	26,097,984	26,018,956	25,647,617	25,325,126	(322,491)
TOTAL	$44,131,906	$45,453,486	$45,453,486	$45,833,351	$379,865

Police Department

POLICE DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
SWORN				
CHIEF	PS-4	1.00	1.00	0.00
DEPUTY CHIEF	PS-3	3.00	2.00	(1.00)
ASSISTANT DEPUTY CHIEF	PS-2	1.00	2.00	1.00
LIEUTENANT	PS-1	8.00	8.00	0.00
SERGEANT	P-3	32.00	32.00	0.00
INVESTIGATOR	P-2	81.00	70.00	(11.00)
PATROL OFFICER	P-1	156.00	167.00	11.00
CIVILIAN				
DIRECTOR OF ADMINISTRATION SERVICES	PS-2	0.00	1.00	1.00
CRIME ANALYST	E-8	2.00	2.00	0.00
FINANCIAL ANALYST	E-8	1.00	1.00	0.00
RECORDS SUPERVISOR	E-7	1.00	1.00	0.00
INFORMATION SYSTEMS TECH	E-7	2.00	2.00	0.00
FISCAL SERVICES SPECIALIST	E-6	1.00	1.00	0.00
SENIOR ADMINISTRATIVE ASST	E-6	2.00	2.00	0.00
ASSET SEIZURE ANALYST	E-6	1.00	1.00	0.00
ADMINISTRATIVE ASST	E-5	1.00	1.00	0.00
SENIOR OFFICE ASSISTANT	E-4	0.50	0.50	0.00
CITIZEN REPORTING ASSIST.	E-4	5.50	5.50	0.00
POLICE TECHNICIAN	A-22	5.00	5.00	0.00
PROPERTY & EVIDENCE TECHNICIAN	A-22	3.00	3.00	0.00
SENIOR CLERK	A-19	3.00	3.00	0.00
DATA ENTRY OPERATOR	A-18	8.00	8.00	0.00
REDUCTION IN FORCE				
TOTAL PERSONNEL		**318.00**	**319.00**	**1.00**

BUDGET HIGHLIGHTS

- Salaries increase $234,700 due to general step and longevity increases as well as adding a Director of Administrative Services position.
- A 2% wage increase is budgeted for all department staff for a total cost of $439,500.
- Overtime expense reduces $367,700 due to the filling of vacant patrol officer positions and the resultant reduction in hirebacks.
- Building improvements expense increase of $300,000 for expenses related to investigating and securing an alternate location(s) for the Police Department.
- Capital expenses of $452,600 cover lease payments for vehicles purchased in 2012.

Police Department

CAPITAL EQUIPMENT

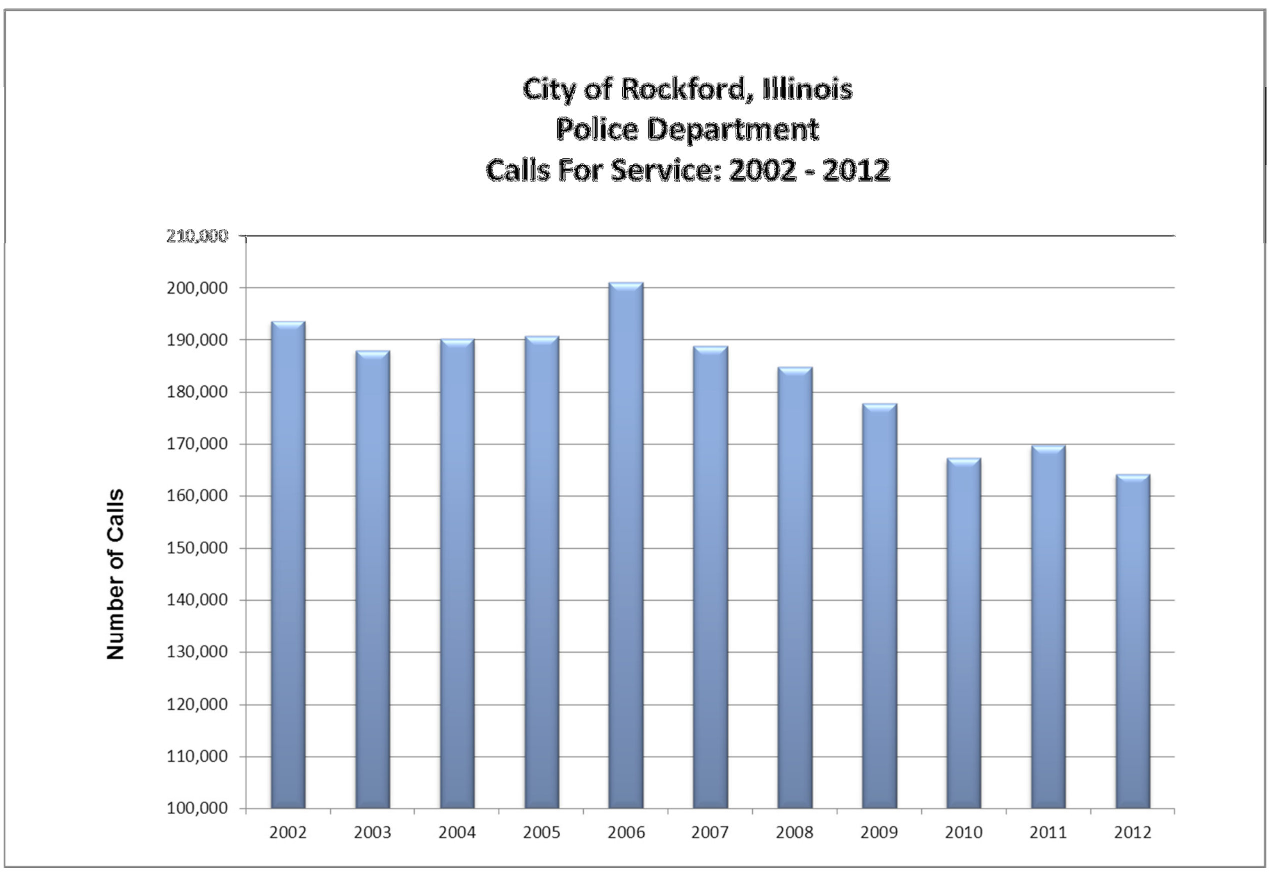
Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Squad Car	27	37,641	1,016,307
Unmarked Car	15	37,641	564,615
SUV	2	31,576	63,152
Squad Roll	2	23,915	47,830
ID Van	1	21,226	21,226
SWAT Van	1	21,898	21,898
TOTAL	48		$1,735,028

POLICE DEPARTMENT PERFORMANCE MEASURES

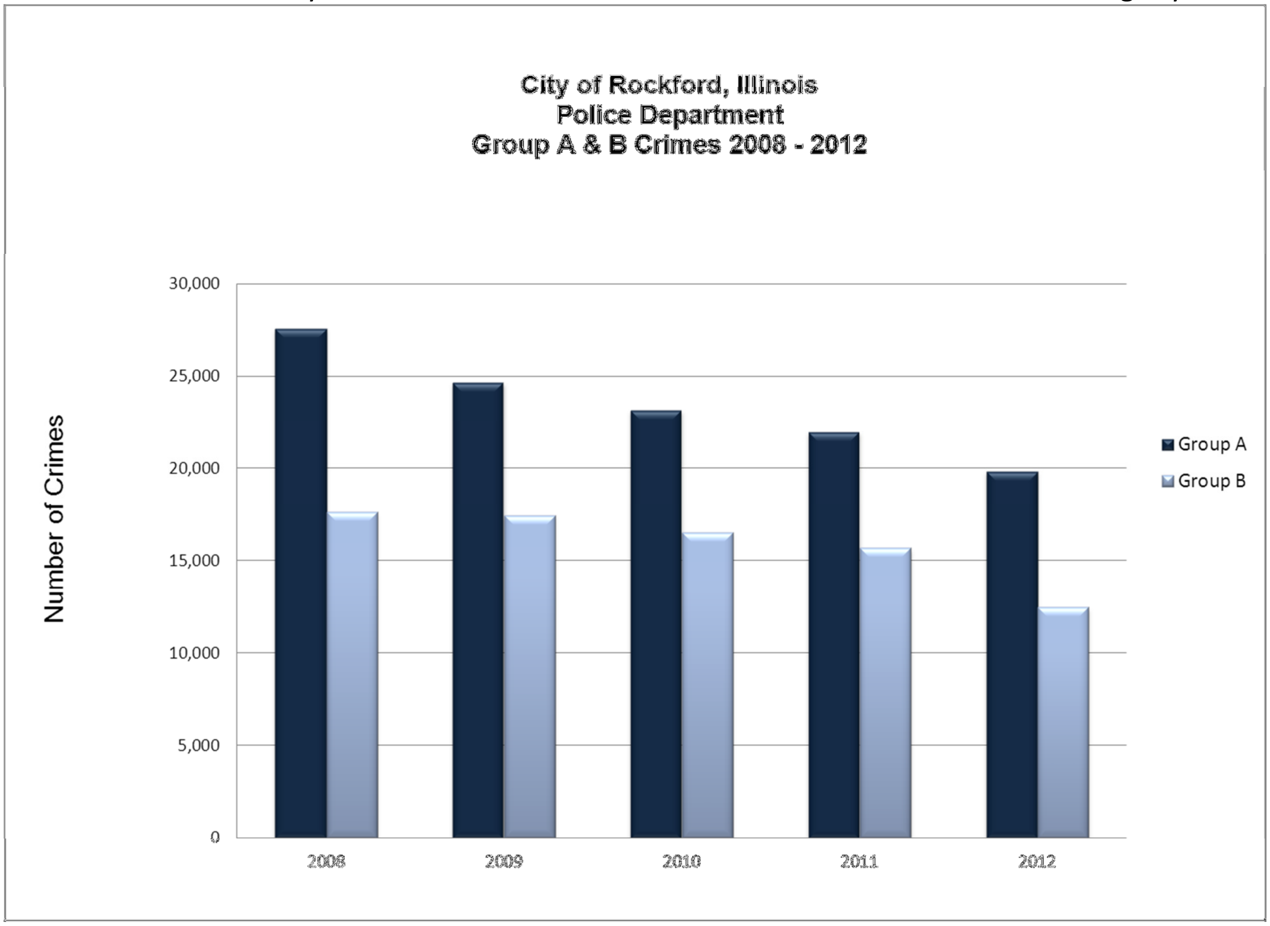
	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
GROUP A OFFENSES	19,876	21,485	19,854	20,428
GROUP B OFFENSES	14,715	15,617	12,447	14,284
% GROUP A OFFENSES CLEARED	35.40%	35.80%	34.80%	35.40%

OPERATIONAL INFORMATION



Police Department

The chart above demonstrates slight variations in calls over the past ten years with slight spikes in 2002 and 2006. Calls are down by 15.1% since 2002. Calls in 2013 are estimated to decrease slightly from 2012.



As of 2006, the Rockford Police Department records and reports data based on NIBRS (National Incident-Based Reporting System) guidelines. NIBRS criminal offenses are made up of Group A and Group B crimes that include homicide, robbery, assault, burglary, weapon offenses, drug related offenses, criminal damage to property, prostitution, forgery and theft. As of 2012, the amount of Group A Crimes have decreased by 37.7% to 19,854 and Group B crimes have decreased by 35% to 12,447. Crimes in 2013 are estimated to decrease from 2012's total.

Fire Department

MISSION STATEMENT

The mission of the Rockford Fire Department is to protect the lives and property of our citizens and customers by ensuring “Excellence in Services” in fire protection and life safety.

PRIMARY FUNCTIONS

There are three primary operating divisions within the Fire Department.

- **Administrative Services** Administrative Services provides the administrative and technical services that are necessary to support the operations of the Department.
- **Operations** The Operations Division is primarily responsible for the eleven fire stations located throughout the City, ambulance service, and disaster management.
- **Fire Prevention/Training** The Fire Prevention/Training Division is comprised of activities aimed at the prevention of emergencies and fires and administering the Department’s training program. This division is responsible for inspection and code enforcement, arson investigation, public education, and training.

OBJECTIVES FOR FISCAL YEAR 2013

- Review and revise the Department's strategic plan.
- Establish an Accreditation working group to maintain necessary requirements for accredited status.
- Pursue grant funding opportunities to even further promote the Department's mission and goals.
- Manage the effects of the South Main Street reconstruction and its impact on the Department.
- Maintain Department's NIMS compliance.
- Conduct Fire Apparatus Engineer certification course as part of effort to maintain a Driver/Engineer eligibility list.
- Continue Department-wide effort to improve the wellness and fitness of personnel.
- Evaluate Department to improve the delivery of services and improve response times.
- Continue to work with other City departments to ensure the needs of the community are met during a disaster.
- Maintain the ASE "Blue Seal of Excellence" and certifications relevant to EVT Certifications.
- Expand public education activities to reduce injury and property loss due to fires.
- Implement on-line training programs for all Department Personnel.
- Complete specifications for the purchase of four new engines and four new ambulances.
- Complete specifications for the purchase of pool cars and SUV's.
- Finalize inventories for all department response vehicles.
- Continue updating all departmental SOP's.
- Formalize the Officer Safety Program.
- Complete narrowbanding on all Department radios as well as Dispatch.

Fire Department

FIRE DEPARTMENT BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$35,518,518	$35,661,648	$36,834,257	$36,689,560	$1,027,912
CONTRACTUAL	3,226,577	2,911,132	3,575,614	3,056,648	$145,516
SUPPLIES	762,429	700,170	1,384,087	614,070	($86,100)
CAPITAL	225,843	322,705	523,419	449,001	$126,296
TOTAL	$39,733,367	$39,595,655	$42,317,377	$40,809,279	$1,213,624

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FIRE PROTECTION	$9,806,120	$10,047,794	$9,940,000	$9,021,000	($919,000)
FIRE PENSION	4,483,682	5,200,985	4,133,879	4,133,879	0
FRINGE BENEFIT REIMBURSEMENTS	2,099,735	1,508,502	1,688,576	1,762,850	74,274
911 FRINGE BENEFIT REIMBURSEMENT	140,525	158,047	150,606	188,258	37,652
REPLACEMENT TAX	1,174,300	1,035,100	948,400	1,642,182	693,782
AMBULANCE CHARGES	4,000,194	4,164,967	4,000,000	4,000,000	0
OTHER CHARGES	137,911	147,161	130,000	135,000	5,000
AIRPORT REIMBURSEMENT	905,925	1,071,316	905,800	1,143,000	237,200
GENERAL REVENUES	15,135,408	16,399,495	17,698,394	18,783,110	1,084,716
TOTAL	$37,883,800	$39,733,367	$39,595,655	$40,809,279	$1,213,624

FIRE DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
FIRE CHIEF	FS-4	1.00	1.00	0.00
DIVISION CHIEF	FS-3	3.00	3.00	0.00
DISTRICT CHIEFS	FS-2	6.00	6.00	0.00
EQUIPMENT/SAFETY MANAGER	FS-1	1.00	1.00	0.00
FIRE ANALYST	E-8	1.00	1.00	0.00
SENIOR ADMINISTRATIVE ASSISTANT	E-6	1.00	1.00	0.00
ADMINISTRATIVE ASSISTANT	E-5	1.00	1.00	0.00
CAPTAIN	F-6	18.00	19.00	1.00
LIEUTENANT	F-5	28.00	30.00	2.00
FIRE INSPECTOR	F-4	6.00	6.00	0.00
DRIVER ENGINEER	F-3	45.00	48.00	3.00
FIREFIGHTER	F-1	165.00	159.00	(6.00)
FIRE EQUIPMENT SPECIALIST	F-1	2.00	2.00	0.00
SENIOR CLERK	A-19	2.00	2.00	0.00
TOTAL PERSONNEL		**280.00**	**280.00**	**0.00**

BUDGET HIGHLIGHTS

- Salaries increase $646,000 due to general step and longevity increases and staff movement due to retirements.

Fire Department

- A 2% wage increase is budgeted for all department staff for a total cost of $413,600.
- Overtime expense reduces $973,000 due to the filling of vacant firefighter positions and the resultant reduction in hirebacks.
- 911 dispatch charges increase $187,900 due to reallocation of 911 staff and general cost increases in the division.
- Capital expenses of $449,000 cover lease payments for vehicles purchased in 2012.

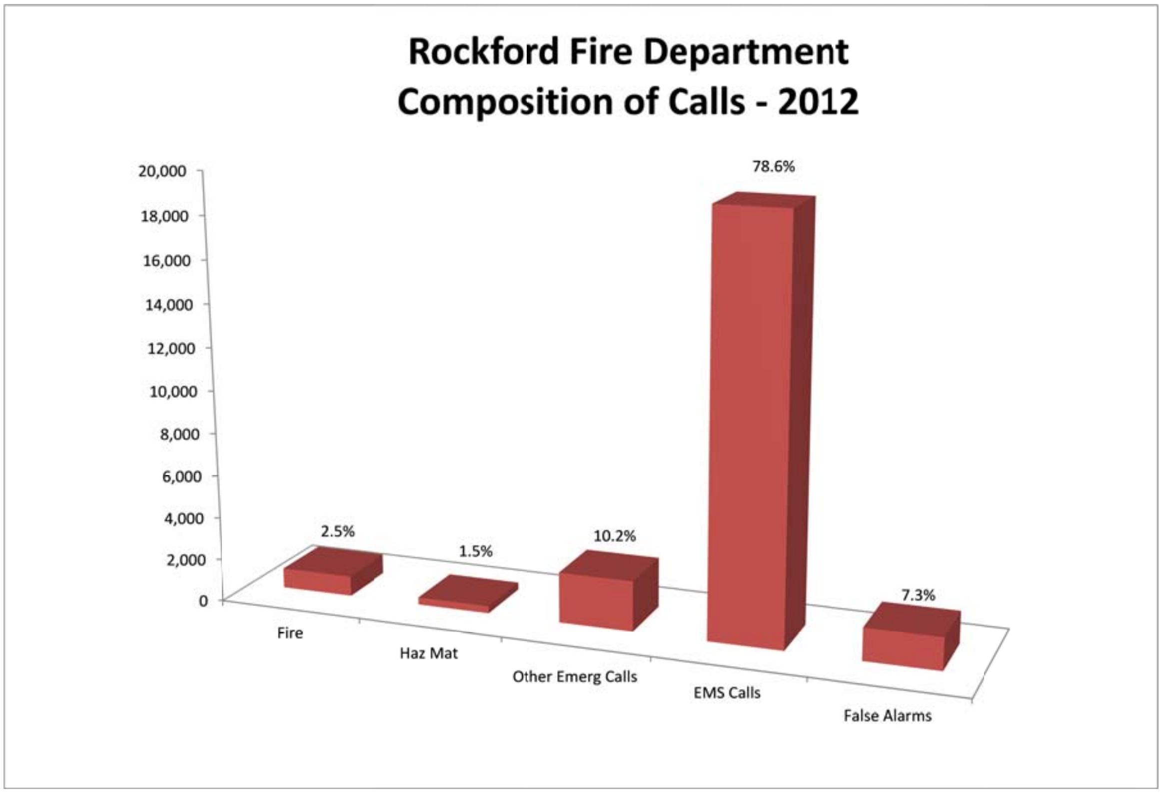
CAPITAL EQUIPMENT

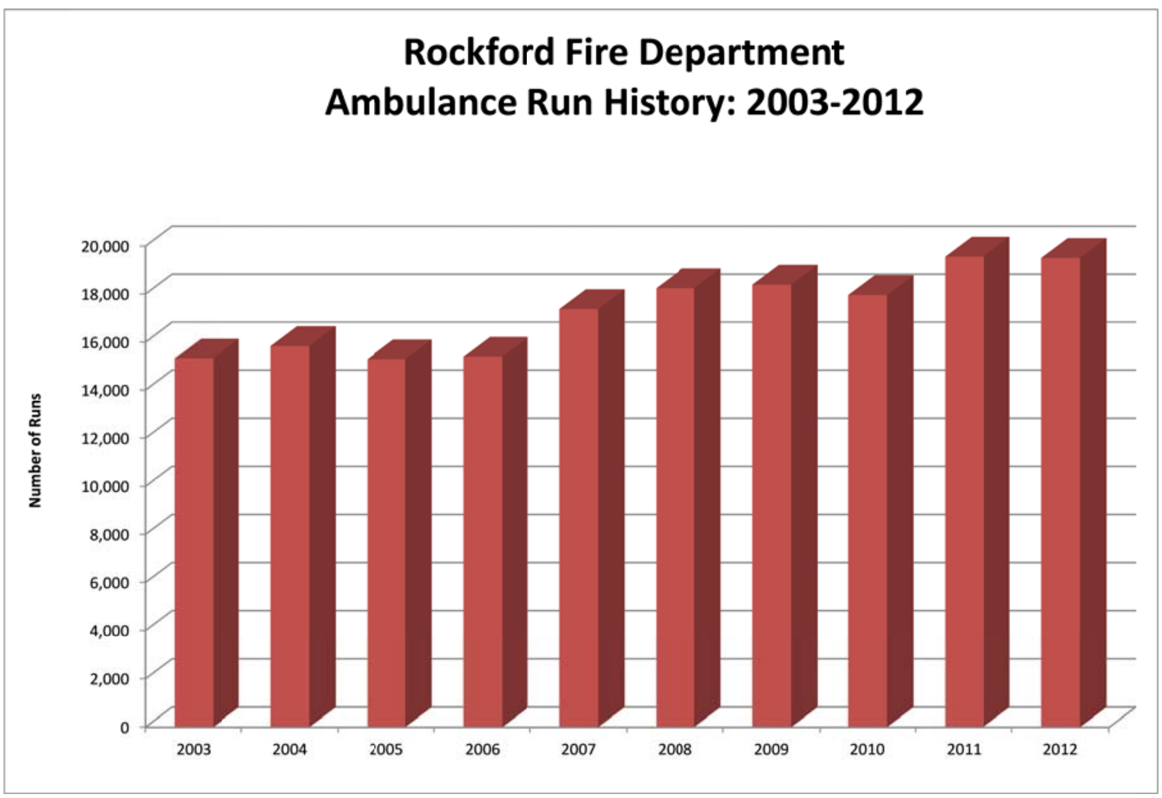
Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Ambulance	3	225,000	675,000
Engine	4	350,000	1,400,000
SUV	1	26,600	26,600
Unmarked squad	2	20,700	41,400
TOTAL	10		$2,143,000

Fire Department

OPERATIONAL INFORMATION





Fire Department

FIRE DEPARTMENT PERFORMANCE MEASURES

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
EMS & SEARCH/RESCUE INCIDENTS	18,854	19,534	19,506	20,207
TOTAL FIRES	753	782	933	813
STRUCTURE FIRE INCIDENTS (RESIDENTIAL)	216	217	228	230
STRUCTURE FIRE INCIDENTS (COMMERCIAL)	46	47	58	60
VEHICLE FIRE INCIDENTS	130	125	123	118
OUTSIDE FIRE INCIDENTS	141	140	292	140
OPEN BURNING INCIDENTS	220	253	232	265
INSPECTIONS	3,057	4,000	5,676	6,000
ARSONS	72	68	85	82
PUBLIC EDUCATION ACTIVITIES	192	250	285	300

911 Communications

MISSION STATEMENT

It is the mission of the 911 Communications Fund to provide the highest quality of communication services for public safety in the most efficient and effective manner possible.

PRIMARY FUNCTIONS

The 911 Division handles both emergency and non-emergency calls for the City of Rockford through the call handling and dispatch process. 911 personnel handle crimes in progress, medical and fire calls, while interacting with the various police and fire agencies that respond to these incidents. The 911 Division also maintains computer aided dispatch or CAD records as well as phone and radio recordings as mandated.

OBJECTIVES FOR FISCAL YEAR 2013

- Conduct air disaster call handling and dispatch training so that 911 personnel are equipped with the knowledge if confronted with an incident of this nature.
- Institute APCO EMD (Emergency Medical Dispatch) training.
- Certify 911 personnel in APCO EMD Instructor Course to obtain control over the process.
- Migrate from Powerphone EMD to APCO EMD in order to reduce overall training costs.
- Continue monthly drills which will ensure interoperability between all agencies using analog and digital communications.
- Continue efforts in working toward the reduction of overtime in order to affect overall operating expenses.
- Continue research requirements of NG911 (Next Generation 911) and how future upgrades will impact the present Public Safety Answering Point.
- Continue to identify methods that could decrease response times for Fire and Police services, through existing or new processes, which will not only benefit the public but assist in accreditation compliancy.
- Continue partnership with Police Department to ensure needs are met which will assist in dispatching of police calls.
- Maintain training requirements as prescribed by the Illinois Department of Public Health by working with EMS service provider to ensure that approved training is provided as well as adequate hours.

911 COMMUNICATIONS FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$5,276,685	$5,105,095	$5,202,355	$5,184,936	$79,841
CONTRACTUAL	147,995	153,190	161,481	152,380	(810)
SUPPLIES	9,721	8,650	15,897	8,650	0
TOTAL	$5,434,401	$5,266,935	$5,379,733	$5,345,966	$79,031

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PURCHASE OF SERVICES					
POLICE DEPARTMENT	$3,093,124	$3,313,119	$3,401,055	$3,283,675	($117,380)
ETS BOARD	0	0	234,050	242,545	8,495
COUNTY	867,965	896,822	570,400	570,400	0
	3,961,089	4,209,941	4,205,505	4,096,620	(108,885)
FIRE ALARM	1,110,733	1,223,081	1,061,430	1,249,346	187,916
TOTAL	$5,071,822	$5,433,022	$5,266,935	$5,345,966	$79,031

911 Communications

911 COMMUNICATIONS FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
911 COMMUNICATIONS MANAGER	E-10	1.00	1.00	0.00
TRAINING SUPERVISOR	E-8	1.00	1.00	0.00
TELECOMMUNICATIONS SUPERVISOR	E-7	4.00	4.00	0.00
COMPUTER SERVICES COORDINATOR	E-8	1.00	1.00	0.00
ASSISTANT SHIFT SUPERVISOR	A-28	4.00	4.00	0.00
MSAG COORDINATOR	A-24	1.00	1.00	0.00
TELECOMMUNICATOR	A-23	40.00	40.00	0.00
SENIOR CLERK	A-19	1.00	1.00	0.00
TOTAL PERSONNEL		**53.00**	**53.00**	**0.00**

BUDGET HIGHLIGHTS

- A 2% wage increase is budgeted for all staff for a total cost of $60,700.
- Parking charges decline $29,700; division staff secured free parking in 2012.
- The County funds two 24 hour a day, 7 days a week call-taker positions for total revenue of $570,400.
- The 911 Board will fund the total cost of the MSAG Coordinator position and fifty percent of the cost of the Communication Manager and Training Supervisor positions for a total of $242,545.
- Police call taking and dispatch expenses are $3,283,675 and Fire dispatch is $1,249,346 (total City expense $4,533,021).

911 COMMUNICATIONS FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$5,613,264	$5,910,767	$6,224,038	$6,553,912	$6,901,269
Expenditures	5,613,264	5,910,767	6,224,038	6,553,912	6,901,269
Excess (Deficit)	0	0	0	0	0
Beginning Balance	0	0	0	0	0
Ending Balance	$0	$0	$0	$0	$0

The 2014-2018 five year forecast assumes annual increases of five percent for personnel, three percent for contractual and supplies, and five percent for capital equipment. The revenue stream had previously been sixty-percent City and forty-percent County after certain costs were paid directly by the County 911 Fund. In lieu of the separation of dispatch facilities between the City and County dispatchers, the revenue stream is now primarily funded by the City, with only a portion of funds reimbursed by the ETS Board and the County.

911 COMMUNICATIONS FUND PERFORMANCE MEASURES

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
TOTAL NON-EMERGENCY CALLS	109,984	108,544	106,712	106,000
TOTAL EMERGENCY CALLS	126,613	133,000	131,809	135,000
TOTAL POLICE DISPATCHES	174,368	181,343	168,848	180,000
TOTAL FIRE DISPATCHES	25,440	25,590	28,997	28,000

Board of Fire and Police Commissioners

MISSION STATEMENT

It is the mission of the Board of Fire and Police Commissioners to recruit and promote the best available persons possible for sworn positions with the Rockford Fire and Police Departments.

PRIMARY FUNCTIONS

The primary function of the Board of Fire and Police Commissioners is to select sworn personnel in accordance with the employment policy of the City of Rockford, as well as to investigate and conduct hearings regarding complaints alleged against any sworn member of the Rockford Fire and Police Departments.

OBJECTIVES FOR FISCAL YEAR 2013

- Begin testing for Police applicants and develop an eligibility list for hiring.
- Begin testing for Police lieutenants and develop an eligibility list for hiring.
- Begin testing for Fire applicants and develop an eligibility list for hiring.
- Begin testing for Fire captains and develop an eligibility list for hiring.

BOARD OF FIRE AND POLICE COMMISSIONERS BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE DECREASE)
PERSONNEL	$10,167	$33,400	$34,977	$10,500	($22,900)
CONTRACTUAL	118,809	142,275	122,827	205,685	63,410
SUPPLIES	2,229	2,300	2,662	2,300	0
TOTAL	$131,205	$177,975	$160,466	$218,485	$40,510

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE DECREASE)
GENERAL REVENUES	$131,205	$177,975	$160,466	$218,485	$58,019

BUDGET HIGHLIGHTS

- Consulting fees expense increases $81,400 due to testing being required for Police lieutenants as well as Fire captains and firefighters.

Public Works Administration Division

MISSION STATEMENT

It is the mission of the Public Works Administration Section to provide direction and administrative support to the Department of Public Works

PRIMARY FUNCTIONS

The primary function of the Administrative Section is to manage, supervise, and provide technical and clerical support to the entire Public Works Department's operating divisions.

OBJECTIVES FOR FISCAL YEAR 2013

- Support staff in the development of 2013 ward capital plans.
- Continue to support cross training needs of staff.
- Complete standard operating procedures for all areas of work in the Division.

PUBLIC WORKS ADMINISTRATION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$315,800	$278,171	$362,732	$284,001	$5,830
CONTRACTUAL	61,640	72,560	78,087	72,250	(310)
SUPPLIES	3,713	5,100	2,338	5,100	0
TOTAL	$381,153	$355,831	$443,157	$361,351	$5,520

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES REIMBURSEMENTS	$66,241	$46,810	$42,602	$45,088	$2,486
INTERDIVISIONAL PURCHASE OF SERVICES	310,800	241,100	256,300	262,000	5,700
GENERAL REVENUES	156,465	93,243	56,929	54,263	(2,666)
TOTAL	$533,506	$381,153	$355,831	$361,351	$5,520

PUBLIC WORKS ADMINISTRATION DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
DIRECTOR	E-15	1.00	1.00	0.00
PW SUPERINTENDENT	E-12	1.00	1.00	0.00
TOTAL PERSONNEL		**2.00**	**2.00**	**0.00**

BUDGET HIGHLIGHTS

- A 2% wage increase is budgeted for all department staff for a total cost of $3,900.

Engineering Division

MISSION STATEMENT

It is the mission of the Engineering Division to provide design services and construction management for all capital construction projects. The Division reviews plans for single site and subdivision development, issues permits for work within the public right-of-way, and maintains records of the City's infrastructure in order to provide and maintain a standard of living and services for the community.

PRIMARY FUNCTIONS

The primary function of the Engineering Division is to provide design services and construction management for all capital construction projects. This Division is also charged with the review and approval of plans for single site and subdivision development, permitting work within the public right-of-way, record keeping of the City's infrastructure, traffic engineering analyses related to the safe and efficient movement of people and goods within the City, accident crash analysis for signaled and un-signaled intersections safety analysis for schools, geometric design of existing and planned roadways and intersections including support of the land development process, and street lighting analysis for all citizen requests.

OBJECTIVES FOR FISCAL YEAR 2013

- Continue scanning as-built drawings of City infrastructure and load into SharePoint to provide better accessibility to records.
- Continue inspections and database entry of the City's storm sewer system and other infrastructure.
- Complete the traffic sign inventory and replacement program.
- Complete the traffic signal systems inventory and data entry into GIS.
- Finish layer in GIS for private well systems.
- Continue towards completion of the City's Storm Water Master Plan.
- Create and update layer in GIS for vault locations and water main easements.
- Complete a minimum of two intersection traffic safety studies.
- Complete all standard operating procedures and how-to documents for Division.
- Complete the online parking map.
- Continue entering all asset inventory into GIS from the arterial and collector streets videos.
- Continue working with USACE and Illinois State Water Survey on the Hydrology and Hydraulic Study of the Rock River and Keith Creek.
- Continue working with RMAP, HUD, and FEMA on the HUD Sustainability Initiative and Pilot Study for a Regional Storm Water Master Plan.
- Continue inspections for industrial illicit discharge of pollutants into our storm sewer.

Engineering Division

ENGINEERING DIVISION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$577,302	$792,780	$864,057	$652,901	($139,879)
CONTRACTUAL	176,275	181,715	748,071	183,795	2,080
SUPPLIES	2,183	6,750	5,097	30,750	24,000
CAPITAL	0	0	0	23,900	23,900
TOTAL	$755,760	$981,245	$1,617,225	$891,346	($89,899)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	$86,127	$85,012	$113,142	$95,864	($17,278)
FEES	13,517	15,821	15,000	13,000	(2,000)
OTHER GOVERNMENTS	0	0	24,000	0	(24,000)
WATER PURCHASE OF SERVICES	0	0	458,820	457,280	(1,540)
GENERAL REVENUES	780,770	654,927	362,726	325,202	(37,524)
TOTAL	$880,414	$755,760	$973,688	$891,346	($82,342)

ENGINEERING DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
CITY ENGINEER	E-12	0.50	0.40	(0.10)
WATER ENGINEER	E-11	1.00	1.00	0.00
ENGINEERING OPERATIONS MANAGER	E-10	0.50	0.40	(0.10)
STORM WATER PROJECT MANAGER	E-8	0.50	0.40	(0.10)
PROJECT MANAGER	E-8	0.50	0.50	0.00
ASST OPERATIONS MANAGER	E-8	1.00	0.50	(0.50)
SENIOR ENGINEERING TECHNICIAN	E-6	3.50	2.80	(0.70)
ENGINEERING TECHNICIAN	E-5	1.00	0.00	(1.00)
CUSTOMER RELATIONS TECH	E-4	0.00	1.00	1.00
SR OFFICE ASSISTANT	E-4	1.00	1.00	0.00
SENIOR CLERK	A-19	0.50	0.00	(0.50)
TOTAL PERSONNEL		**10.00**	**8.00**	**(2.00)**

BUDGET HIGHLIGHTS

- Personnel expenses adjust slightly as wage increases, a budgeted 2% salary adjustment, and fringe benefit increases are offset by the reduction of staff by 0.5 FTE. The position, previously shared between Engineering and CIP, was moved to the Finance Department with the creation of the Customer Service Center.
- The balance of changes in the budget include small adjustments in purchase of services charges.
- Capital expenses of $23,900 will cover estimated lease payments for vehicles acquired in 2012.

Engineering Division

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Sedan	2	15,000	30,000
SUV	2	26,600	53,200
TOTAL	4		$83,200

ENGINEERING DIVISION PERFORMANCE MEASUREMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
SITE PLANS REVIEWED	65	84	75	75
% OF SITE PLANS REVIEWED, LESS THAN 14 DAYS	94%	95%	98%	95%
DEVELOPMENT PLANS REVIEWED	10	12	25	15
% OF DEV PLANS REVIEWED, LESS THAN 21 DAYS	100%	95%	100%	95%
ROW PERMITS ISSUED	1,313	1,200	1,397	1,300
% OF ROW PERMITS ISSUED IN 1 DAY	99%	95%	98%	95%
DRIVEWAY PERMITS ISSUED	97	120	110	110
% OF DRIVEWAY PERMITS ISSUED IN 1 DAY	100%	95%	100%	95%
INDUSTRIAL HIGH RISK INSPECTIONS	16	24	57	50
EROSION CONTROL INSPECTIONS	NA	60	64	60
ILLICIT DISCHARGE INVESTIGATIONS	NA	12	19	10
NPDES PERMIT WATER/STORMWATER SAMPLES	25	24	19	24

Capital Projects Fund

MISSION STATEMENT

It is the mission of the Capital Projects Division to provide community facilities and services through a planned program of infrastructure replacements and additions.

PRIMARY FUNCTIONS

The primary functions of the Capital Projects Division include:

- Planning, development, and management of the City's five-year Capital Improvement Program. This includes setting priorities for infrastructure repair, replacement, and expansion of various facilities, including parking facilities, surface transportation, storm water management, sanitary sewers, and water distribution and production.
- Meeting with various local, state, and federal agencies to secure funding for major projects. This includes preparing grant applications for grant funding to reduce the local public financing burden.
- Implementing projects through negotiation of professional engineering and architectural contracts, preparation of bid specifications for competitive public bidding, administration of consultant and contractor payments, and preparing capital project information to the general public.
- Coordinating administrative activities associated with capital improvement projects, including the development of intergovernmental agreements, the acquisition of right-of-way, the conducting of public meetings, the notification of residents and businesses, the preparation and approval of final project plans and specifications, the recommending of contract awards, and the approval of project related payments and contract change orders.

OBJECTIVES FOR FISCAL YEAR 2013

- Continue and complete construction on the Riverwalk – Museum campus.
- Move forward with construction on the Main and Auburn Roundabout.
- Work with IDOT to coordinate the beginning of construction on the South Main St. and West State St. road projects.
- Continue work on regional transportation issues through active participation in the Rockford Metropolitan Agency for Planning (RMAP).
- Continue investment into arterial / collector sidewalk program. Create a neighborhood sidewalk construction program (primarily for areas without sidewalks, but also to fill in gaps in neighborhoods where total sidewalk replacement or development are warranted).
- Assemble and implement a sidewalk transition plan for federal ADA compliance.
- Collect and utilize data on the City's infrastructure systems (including pavement conditions). Move toward an asset management model to focus on infrastructure investment in those areas of greatest need.
- Create a neighborhood program that increases the reliability of the infrastructure in the neighborhoods.
- Continue construction on the Morgan St. Bridge.
- Complete Phase II of the Harrison Ave. corridor project.
- Complete the City's Biennial Bridge Inspection.
- Continue to move forward with city-wide local bridge program.
- Work with IDOT on the Phase I study of the North Main Corridor project.
- Begin the Phase I study and design of the Jefferson St. Bridge.
- Continue drainage improvements in both Harmon Park and Churchill Park.
- Continue to move forward with enhancements to the Streetscape area. This is to include way finding signage, kiosks, and vendor area.
- Continue program support for the Water Division, including analysis of existing system facilities within the design cycle of road projects.

Capital Projects Fund

CAPITAL PROJECTS DIVISION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$1,262,909	$1,532,172	$1,120,777	$1,657,395	$125,223
CONTRACTUAL	5,447,277	345,705	5,888,988	505,125	159,420
SUPPLIES	23,353	5,460	63,500	22,460	17,000
OTHER	5,538,266	471,580	1,311,199	499,080	27,500
CAPITAL	17,995,922	60,517,267	17,095,676	43,250,940	(17,266,327)
TOTAL	$30,267,727	$62,872,184	$25,480,140	$45,935,000	($16,937,184)

ACTUALS EXCLUDE WATER AND PARKING PROJECTS; THESE ARE TRANSFERRED TO THEIR RESPECTIVE FUNDS.

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
STATE MOTOR FUEL TAX	2,346,538	2,272,183	3,000,000	3,000,000	0
LOCAL SALES TAX	15,171,378	15,292,506	14,900,000	15,100,000	200,000
WATER REPLACEMENT IMPROVEMI	2,322,025	1,851,523	4,275,000	4,550,000	275,000
OTHER GOVERNMENTS/PRIVATE	3,618,212	10,047,163	39,467,500	22,085,000	(17,382,500)
INTERFUND TRANSFERS	198,808	2,400,000	1,200,000	1,200,000	0
INTEREST INCOME	183,977	958,388	0	0	0
TOTAL	$23,840,938	$32,821,763	$62,842,500	$45,935,000	($16,907,500)

APPROPRIATIONS AND REVENUES MAY NOT MATCH DUE TO MULTIPLE YEAR FINANCING OF CAPITAL PROJECTS.

CAPITAL PROJECTS DIVISION AUTHORIZED POSITIONS

POSITION TITLE	**POSTION RANGE**	**2012 EMPLOYEES**	**2013 EMPLOYEES**	**INCREASE/ (DECREASE)**
CITY ENGINEER	E-11	0.50	0.60	0.10
CONSTRUCTION PROGRAM MANAGER	E-11	1.00	1.00	0.00
TRAFFIC ENGINEER	E-11	1.00	1.00	0.00
ENGINEERING OPERATIONS MANAGER	E-10	0.50	0.60	0.10
CIP OPERATIONS MANAGER	E-10	1.00	0.00	(1.00)
STORM WATER PROJECT MANAGER	E-10	0.50	0.60	0.10
SR PROJECT MANAGER	E-9	0.00	2.00	2.00
PROJECT MANAGER	E-8	3.50	3.50	0.00
ENVIRONMENTAL PROJECT COORDINATOR	E-7	1.00	1.00	0.00
SENIOR CONSTRUCTION TECHNICIAN	E-6	1.00	1.00	0.00
SENIOR ENGINEERING TECHNICIAN	E-6	3.50	4.20	0.70
CIP ACCOUNTING TECHNICIAN	E-6	0.00	1.00	1.00
SENIOR ADMIN ASSISTANT	E-6	0.00	1.00	1.00
ENGINEERING TECHNICIAN	E-5	1.00	0.00	(1.00)
SENIOR ACCOUNT CLERK	A-21	1.00	0.00	(1.00)
SENIOR CLERK	A-19	1.50	0.00	(1.50)
TOTAL PERSONNEL		**17.00**	**17.50**	**0.50**

Capital Projects Fund

BUDGET HIGHLIGHTS

- Personnel expenses adjust slightly as wage increases, a budgeted 2% salary adjustment, and fringe benefit increases are offset by the reduction of staff by 0.5 FTE. The position, previously shared between Engineering and CIP, was moved to the Finance Department with the creation of the Customer Service Center.
- The balance of changes in the budget include adjustments in purchase of service charges and an increase in computer supplies to cover desktop replacement and software purchases.

CAPITAL PROJECTS FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$47,313	$48,732	$50,194	$51,700	$53,251
Expenses	47,313	48,732	50,194	51,700	53,251
Excess (Deficit)	0	0	0	0	0
Beginning Balance	0	0	0	0	0
Ending Balance	$0	$0	$0	$0	$0

The 2014-2018 five-year forecast assumes that the City will continue to have a balanced capital replacement and construction program funded by a variety of resources, both long and short term.

Motor Fuel Tax Fund

MISSION STATEMENT

It is the purpose of the Motor Fuel Tax Fund to provide dedicated revenues from taxes on gasoline and diesel sales for road maintenance and construction. Revenues are distributed by the State of Illinois on a per capita basis from its tax on motor fuels. It is the policy of the City to use these user fee taxes on motor fuel sales exclusively for road improvement.

PRIMARY FUNCTION/FUND HIGHLIGHTS

The Motor Fuel Tax Fund is dedicated to road improvements. Based upon the annual requirements of the Capital Projects Fund, funds are transferred from this Fund to the Capital Projects Fund to finance certain construction projects.

Motor fuel taxes have been generated by a flat rate of cents per gallon, 19.0 for gasoline and 21.5 for diesel fuel, plus a sales tax transfer. With the Illinois First (Fund for Infrastructure, Roads, Schools, and Transit) program adopted by the State in 1999, the sales tax transfer was eliminated April 2000 and certain vehicle registration fees replaced and supplemented this shared state revenue. On a net basis, the City received an additional 18%.

MOTOR FUEL TAX FUND BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATE	BUDGET	(DECREASE)
TRANSFERS TO					
GENERAL FUND	$2,400,000	$1,200,000	$1,200,000	$1,200,000	$0
CAPITAL PROJECTS FUND	2,272,183	3,000,000	3,000,000	3,000,000	0
TOTAL	$4,672,183	$4,200,000	$4,200,000	$4,200,000	$0

	2010	2011	2012	2013	INCREASE
FUNDING SOURCE	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
STATE MOTOR FUEL TAX	$4,535,832	$4,485,613	$3,694,400	$4,300,000	$605,600
INTEREST INCOME	11,402	6,031	237,000	229,000	(8,000)
TOTAL	$4,547,234	$4,491,644	$3,931,400	$4,529,000	$597,600

BUDGET HIGHLIGHTS

The 2013 budget calls for $3.0 million in transfers to the Capital Projects Fund and $1,200,000 to the General Fund for eligible street lighting expenses. The General Fund, in turn, will transfer $1,200,000 to the Capital Projects Fund for projects.

MOTOR FUEL TAX FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$3,933	$3,925	$3,916	$3,908	$3,899
Expenses	4,200	4,200	4,200	4,200	4,200
Excess (Deficit)	(267)	(275)	(284)	(292)	(301)
Beginning Balance	7,628	7,361	7,086	6,802	6,510
Ending Balance	$7,361	$7,086	$6,802	$6,510	$6,209

Motor Fuel Tax Fund

The 2014-2018 five year forecast assumes growth as projected by the State for tax revenues and assumes expenditures essentially equal to annual revenues. The State of Illinois assumes stagnant growth, for the taxes on motor fuels, with an annual deviation of plus or minus two percent influenced by the severity of winter weather and the pump price.

Street Maintenance Division

MISSION STATEMENT

It is the mission of the Street Maintenance Division to clean, regulate, and repair all street right-of-ways within the city limits of the City of Rockford.

PRIMARY FUNCTIONS

The primary function of the Street Maintenance Division includes street cleaning, street maintenance, repairing storm sewers, maintaining trees and turf, ensuring roadways are cleared of snow and ice conditions, and all administrative functions.

- Completing city-wide street sweeping services, all street patching and repair, and road and bridge maintenance.
- Maintenance and repair of all storm sewers, including contracting for inlet repairs and cleaning intakes and lines.
- Trimming and removal of trees, removal of tree stumps, as well as maintenance of drainage ways and other turf areas.
- Responsible for ensuring the streets are free of snow and ice during the winter months.

OBJECTIVES FOR FISCAL YEAR 2013

- Increase Forestry activities to meet demands of emerald ash borer crisis, to include additional removals and replanting.
- Create an arterial corridor maintenance plan to address both existing corridors and those yet to be built.
- Continue training for Forestry personnel to prepare for Arborist certification.
- Search out Forestry grants to further tree replanting efforts.
- Treat 400 additional ash trees to meet the goal of 10% of the ash tree population.
- Maintain low levels of open pothole requests by continuing proactive patching methods.

STREET MAINTENANCE DIVISION BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATE	BUDGET	(DECREASE)
PERSONNEL	$2,676,775	$2,535,700	$2,565,414	$2,456,924	($78,776)
CONTRACTUAL	3,812,407	3,975,630	3,833,063	4,084,530	108,900
SUPPLIES	1,085,038	1,213,000	1,248,405	1,384,000	171,000
OTHER	19,159	92,559	92,559	87,959	(4,600)
CAPITAL	0	0	0	338,280	338,280
TOTAL	$7,593,379	$7,816,889	$7,739,441	$8,351,693	$534,804

	2010	2011	2012	2013	INCREASE
FUNDING SOURCE	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
PROPERTY TAXES					
STREET AND BRIDGE	$2,072,213	$1,997,769	$1,775,000	$2,098,800	$323,800
REIMBURSEMENTS	511,912	435,596	385,594	403,669	$18,075
OTHER GOVERNMENTS	306,793	360,599	270,000	350,000	$80,000
TRANFERS FROM OTHER FUNDS	750,160	957,265	1,772,100	2,365,814	$593,714
GENERAL REVENUES	4,037,270	3,842,150	3,614,195	3,133,410	($480,785)
TOTAL	$7,678,348	$7,593,379	$7,816,889	$8,351,693	$534,804

Street Maintenance Division

STREET MAINTENANCE DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
MAINTENANCE SUPERVISOR	E-7	2.00	2.00	0.00
SENIOR EQUIPMENT OPERATOR	A-26	3.00	2.00	(1.00)
SENIOR TREE TRIMMER	A-26	1.00	1.00	0.00
TREE TRIMMER	A-24	3.00	6.00	3.00
EQUIPMENT OPERATOR	A-23	8.00	5.00	(3.00)
SENIOR CLERK	A-23	2.00	2.00	0.00
SENIOR SECRETARY	A-20	1.00	1.00	0.00
MAINTENANCE WORKER	A-20	11.00	12.00	1.00
TOTAL PERSONNEL		**31.00**	**31.00**	**0.00**

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect the adjustment of staff from street sweeping functions to forestry operations. In addition, a vacant senior equipment operator position was reclassified as a maintenance worker.
- The street sweeping contract with Elgin Sweeping Services has been added for an additional $295,700 in contractual expenses, offset by reductions in vehicle repairs and waste disposal costs.
- Additional tree removal dollars of $255,000 were added to reflect expected actual expense.
- Estimated lease payments for capital acquired in 2012 are budgeted at $277,400.
- A transfer from the Sanitation Fund will cover both street sweeping and now the forestry operation in the Street Division, accounting for 28% of the total revenue for the budget unit.

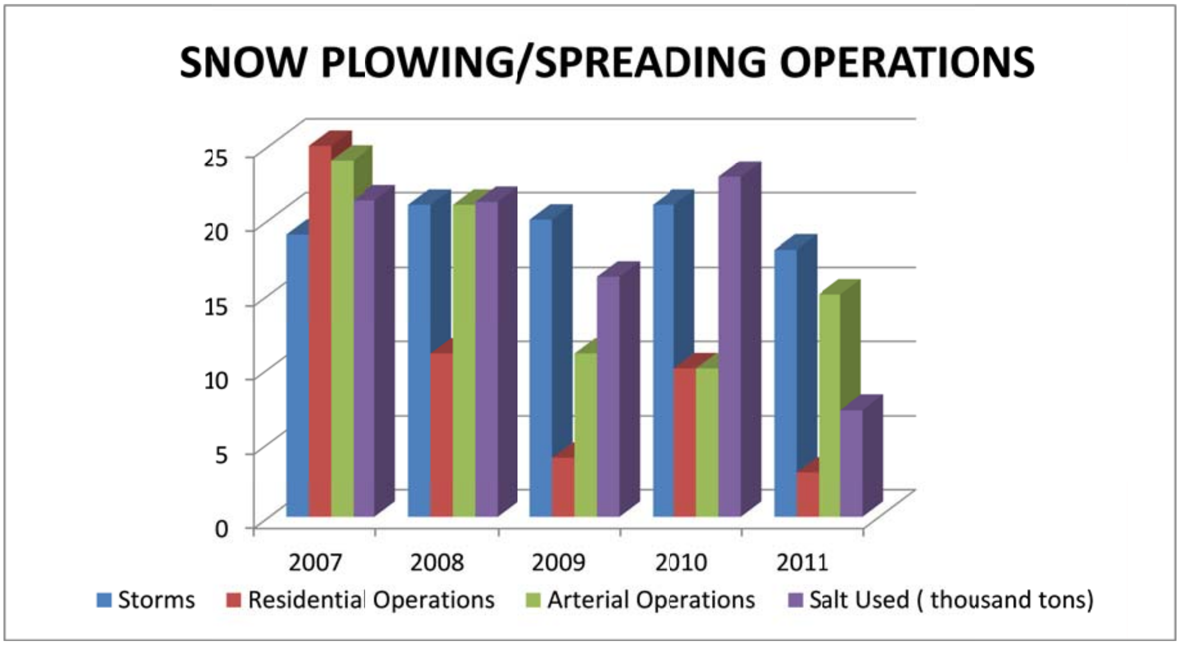
CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Snow & Ice Dumps	10	147,000	1,470,000
Clam Loader	1	95,000	95,000
Brush Truck	1	95,000	95,000
Patching Truck	1	113,000	113,000
Standard Dump Truck	1	40,000	40,000
Flatbed Truck	1	21,000	21,000
Arrowboard Truck	2	21,000	42,000
Sedan	1	15,000	15,000
Wheel Loader	1	152,000	152,000
TOTAL	19		$2,043,000

Street Maintenance Division

OPERATIONAL INFORMATION



STREET DIVISION PERFORMANCE MEASUREMENTS

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
OPEN POTHOLE REQUESTS	NA	200	29	100
AVG DAYS TO CLOSE POTHOLE REQUESTS	4	5	4	5
MILES OF STREET SWEPT	3,396	6,000	2,952	3,000
TREES TRIMMED	840	2,400	2,541	3,000
TREES REMOVED	NA	NA	1,061	1,000
TREES PLANTED	NA	NA	278	1,000
OPEN FORESTRY REQUESTS	NA	300	516	300
AVG DAYS TO CLOSE FORESTRY REQUESTS	NA	60	80	60
TOTAL REQUESTS	NA	10,200	8,376	9,000
AVG DAYS TO CLOSE REQUESTS	NA	20	24	20
TOTAL OPEN REQUESTS	NA	600	626	500

Traffic Division

MISSION STATEMENT

It is the mission of the Traffic Division to regulate all traffic activity on City streets in order to ensure the safety of pedestrians and motorists is provided.

PRIMARY FUNCTIONS

The primary functions of the Traffic Engineering Division include:

- Installation and maintenance of traffic signals, corridor signal systems, emergency vehicle preemption, and special event traffic control equipment.
- Roadway sign fabrication, installation and maintenance for the roadway signs and pavement marking maintenance within the City.
- Repair of City-owned street lighting equipment within the downtown and other outlying business districts.

OBJECTIVES FOR FISCAL YEAR 2013

- Institute phase 1 plan for centralized traffic control center.
- Research and develop a plan to reduce energy consumption for street lights.
- Implement a four year plan to replace failing traffic signal LEDs.
- Continue to upgrade traffic lights with LED lights.
- Continue to lay fiber optic cable and improve the surrounding network.
- Work with outside partners to develop a plan for a new infrastructure system.
- Continue to upgrade signage in accordance with the Manual on Uniform Traffic Control Devices mandate of 2015.

TRAFFIC DIVISION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$845,434	$942,068	$906,322	$945,978	$3,910
CONTRACTUAL	3,078,383	2,916,385	2,377,763	2,479,325	(437,060)
SUPPLIES	226,282	266,000	209,024	341,000	75,000
OTHER	23,700	24,000	24,000	24,600	600
CAPITAL	0	0	0	23,417	23,417
TOTAL	$4,173,799	$4,148,453	$3,517,109	$3,814,320	($334,133)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE PERCENTAGE
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMEN	$171,028	$145,945	$156,052	$166,189	4.4
PURCHASE OF SERVICES	24,300	23,700	24,000	24,500	0.6
FROM OTHER GOVERNMENTS	0	0	180,000	180,000	4.7
I-FIBR JULIE LOCATES	0	0	0	25,000	0.7
TRANSFERS FROM OTHER FUNDS	0	2,400,000	1,200,000	1,200,000	31.5
GENERAL REVENUES	4,377,232	1,604,154	2,588,401	2,218,631	58.1
TOTAL	$4,572,560	$4,173,799	$4,148,453	$3,814,320	100.0

Traffic Division

PUBLIC WORKS TRAFFIC DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
TRANSP/PROP MANAGER	E-8	1.00	1.00	0.00
TRAFFIC SIGNAL SUPERVISOR	E-8	1.00	1.00	0.00
CREW LEADER	A-28	1.00	1.00	0.00
TRAFFIC SIGNAL REPAIRER	A-26	5.00	5.00	0.00
SIGN/MARKING TECHNICIAN	A-22	2.00	2.00	0.00
SENIOR CLERK	A-19	1.00	1.00	0.00
TOTAL PERSONNEL		**11.00**	**11.00**	**0.00**

BUDGET HIGHLIGHTS

- Salaries increase $9,400 due to general step and longevity increases.
- A 2% wage increase is budgeted for all department staff for a total cost of $12,500.
- Street lighting expense decrease $450,000 due to reduction in street lights.
- Public Works supplies increase $75,000 to replace 280-320 traffic LED lights.
- Capital expenses of $23,400 cover lease payments for vehicles purchased in 2012.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Light Duty Bucket Truck	1	78,895	78,895
Arrowboard Truck	1	28,398	28,398
Service Truck	1	22,898	22,898
SUV	1	25,661	25,661
TOTAL	4		$155,852

TRAFFIC DIVISION PERFORMANCE MEASURES

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
SIGNAL BULB OUTAGE REPAIRED W/IN 24 HOURS	98%	95%	98%	95%
STREET LIGHT OUTAGE REPAIRED W/IN 5 DAYS	100%	95%	99%	95%
SIGN REPAIR/REPLACE W/IN 5 DAYS	100%	95%	98%	95%

Parking Division

MISSION STATEMENT

It is the mission of the Parking Division to provide quality parking for a variety of users with differing time needs in the City commercial business districts.

PRIMARY FUNCTIONS

The primary function of the Parking Division is to provide lot maintenance, issue tickets, and collect parking fees in the various facilities of the Motor Vehicle Parking System (MVPS).

OBJECTIVES FOR FISCAL YEAR 2013

- Install solar sinks in City sprinkler systems, which monitor moisture and heat and water accordingly to reduce water use.
- Begin repairs on significant degradation at the Concourse Parking Deck.
- Resurface parking lots A (Mulberry & Court), Lot W (North & Mulberry), and Lot O (Myott/Toner).
- Continue to upgrade parking system communications infrastructure.
- Transition to ABM managing the parking system for the City.

PARKING DIVISION BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$519,125	$565,031	$471,659	$485,934	($79,097)
CONTRACTUAL	477,950	518,545	482,922	534,385	15,840
SUPPLIES	41,550	41,550	18,963	42,500	950
OTHER	1,315,178	1,198,970	1,032,257	1,355,376	156,406
TOTAL	$2,353,803	$2,324,096	$2,005,801	$2,418,195	$94,099

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PARKING FEES	$1,128,204	$1,279,816	$1,328,000	$1,367,900	$39,900
FINES	536,070	433,696	501,020	516,000	14,980
RENTAL/INTEREST INCOME	107,030	119,169	112,700	116,100	3,400
PURCHASE OF SERVICES	24,300	23,700	24,400	25,100	700
FEDERAL GOVERNMENT	330,232	30,544	0	0	0
TOTAL	$2,125,836	$1,886,925	$1,966,120	$2,025,100	$58,980

PARKING DIVISION AUTHORIZED POSITIONS

POSITION TITLE	**POSTION RANGE**	**2012 EMPLOYEES**	**2013 EMPLOYEES**	**INCREASE/ (DECREASE)**
PARKING SYSTEMS SUPERVISOR	E-7	1.00	1.00	0.00
PARKING LOT ATTENDANT	A-17	2.50	2.50	0.00
PARKING SYSTEM REPAIRER	A-22	2.00	2.00	0.00
PARKING CONTROL OFFICER	A-19	3.00	3.00	0.00
TOTAL PERSONNEL		**8.50**	**8.50**	**0.00**

Parking Division

BUDGET HIGHLIGHTS

- Salaries decrease $16,200 due to retirements.
- A 2% wage increase is budgeted for all department staff for a total cost of $6,600.
- Employee agency wages decrease $68,000 due to the planned transition to a parking management company.
- Purchase of service increase $204,200 due to reassessment of services provided by the Finance Department to the system.
- The 2013 net is a loss of $393,095; net of depreciation, it is a gain of $320,905.

PARKING FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$2,086	$2,149	$2,213	$2,279	$2,348
Expenses	2,506	2,586	2,641	2,699	2,702
Excess (Deficit)	(420)	(437)	(428)	(420)	(354)
Beginning Balance	15,622	15,202	14,765	14,337	13,917
Ending Balance	$15,202	$14,765	$14,337	$13,917	$13,563

The 2014-2018 five year forecast for the Parking Fund incorporates current rates, the changes in lots and permits, the expenditures associated with the new facilities and operating cost increases of three to five percent annually. Consideration needs to be given to adjusting the permit and fine structure periodically if lots are to be redone, signage added, and enforcement/payment equipment acquired.

PARKING FUND PERFORMANCE MEASURES

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
TOTAL PARKING SPACES	4,504	4,504	4,504	4,233
TOTAL SHORT-TERM PARKING LEASES	1,404	1,404	1,404	1,300
TOTAL LONG-TERM PARKING LEASES	2,500	2,500	2,500	2,375
HANDICAPPED PARKING SPACES	152	155	155	158
DOLLAR AMOUNT OF TICKETS ISSUED	527,355	468,825	398,796	514,825
NUMBER OF TICKETS ISSUED	18,268	16,100	14,909	18,440

Property Division

MISSION STATEMENT
It is the mission of the Property Services Division to maintain and operate select City buildings.

PRIMARY FUNCTIONS
Property Maintenance provides maintenance and repair services to City Hall, City Yards, and other municipal locations.

OBJECTIVES FOR FISCAL YEAR 2013
- Complete roof repairs at City Yards over the Central Garage.
- Proceed with security upgrades to City Hall.
- Select and implement a new property work order system, for better tracking of time, expense and materials, management of preventative maintenance programs, and deployment of staff.
- Replace failing modines at the City Yards.
- Continue carpet replacement program at City Hall floors 3, 5 and 6.
- Replace Administration carpet at the City Yards.
- Install a backup generator for the Public Works Administration building at City Yards, for use (when necessary) during snow and ice operation.
- Begin 10 year heat pump replacement for the entire City Hall system.
- Repair or replace the sound system at City Hall, Council Chambers.
- Resurface southwest lot at City Yards.
- Repair drainage system at Fire Station 10.
- Repair basement ground leak at Fire Headquarters.
- Complete a remodel of the Central Garage office.

Property Division

PROPERTY FUND BUDGET SUMMARY

FUNDING SOURCE	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$731,433	$809,562	$782,570	$854,792	$45,230
CONTRACTUAL	1,433,695	1,313,055	1,080,399	986,150	(326,905)
SUPPLIES	250,282	208,670	398,963	205,600	(3,070)
OTHER	215,780	214,340	199,199	225,560	11,220
TOTAL	2,631,190	2,545,627	2,461,131	2,272,102	(273,525)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
BUILDING RENTAL CHARGES					
GENERAL FUND	$1,177,948	$1,325,560	$1,335,240	$1,409,690	$74,450
OTHER FUNDS	910,163	892,493	891,665	982,510	90,845
EXTERNAL	96,635	53,073	54,960	0	(54,960)
STATE OF IL GRANT	11,263	0	0	0	0
MISCELLANEOUS	858	0	0	0	0
TRANSFER FROM STREET DIV	19,159	19,159	0	19,159	19,159
TRANSFER FROM WATER FUND	5,404	5,404	0	5,404	5,404
GRAFFITI RECOVERY	8,077	7,829	0	0	0
INTEREST INCOME	3,820	29,096	0	20,000	20,000
PROPERTY FUND TOTAL	2,233,327	2,332,614	2,281,865	2,436,763	154,898

PROPERTY FUND AUTHORIZED POSITIONS

POSITION TITLE	**POSTION RANGE**	**2012 EMPLOYEES**	**2013 EMPLOYEES**	**INCREASE/ (DECREASE)**
PROPERTY SUPERVISOR	E-8	1.00	1.00	0.00
MAINTENANCE REPAIR WORKER	A-24	7.00	9.00	2.00
MAINTENANCE WORKER	A-20	2.00	0.00	(2.00)
TOTAL PERSONNEL		**10.00**	**10.00**	**0.00**

BUDGET HIGHLIGHTS

- Changes are largely a result of the elimination of maintenance expenses at the Coronado and Davis Park, including $255,000 in utilities, $50,000 in service contracts, and other various reductions.
- An addition of $25,000 to equipment non-capital reflects purchases for necessary office equipment and reflects actual, historical expenditures.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Pickup Truck	2	20,000	40,000
TOTAL			40,000

Property Division

PROPERTY FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$2,510	$2,585	$2,663	$2,743	$2,825
Expenses	2,340	2,410	2,482	2,556	2,633
Excess (Deficit)	170	175	181	187	192
Beginning Balance	551	721	896	1,077	1,264
Ending Balance	$721	$896	$1,077	$1,264	$1,456

The 2014-2018 five-year forecast assumes operations will continue as they are programmed for 2013 and that costs will increase three percent annually. Budgets are developed so that funds are annually available for fixed assets such as building improvements and fueling systems.

Equipment Division

MISSION STATEMENT
It is the mission of the Equipment Services Division to service City vehicles.

PRIMARY FUNCTIONS
The Equipment Maintenance provides preventative maintenance and repair services for all City vehicles, except the Fire Department's emergency equipment.

OBJECTIVES FOR FISCAL YEAR 2013
- Continue to evaluate snow and ice fleet to ensure a continuous effective operation during critical snow and ice events.
- Purchase new tools for repair and analysis that will allow more effective repairs of equipment and vehicles.
- Continue to use cost effective procedures to maintain the fleet so that it will operate effectively.
- Research and implement the usage of eco-friendly oils and lubricants.
- Continue implementation of the City-wide leasing program and prepare new vehicles for service in a timely fashion.

EQUIPMENT FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	837,901	955,056	882,847	874,879	(80,177)
CONTRACTUAL	1,128,994	843,050	959,289	860,330	17,280
SUPPLIES	2,015,446	2,108,850	2,011,899	2,065,130	(43,720)
OTHER	97,896	99,010	99,010	110,360	11,350
TOTAL	4,080,237	4,005,966	3,953,045	3,910,699	(95,267)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
VEHICLE REPAIR CHARGES					
GENERAL FUND	2,022,208	1,870,850	1,891,450	1,841,800	(49,650)
OTHER FUNDS	585,639	504,071	469,500	545,800	76,300
FUEL CHARGES					
GENERAL FUND	1,021,101	1,252,182	1,332,480	1,252,830	(79,650)
OTHER FUNDS	255,976	311,806	248,870	328,150	79,280
MISCELLANEOUS	328	261	0	0	0
INTEREST INCOME	6,230	19,858	0	0	0
EQUIPMENT FUND TOTAL	3,891,482	3,959,028	3,942,300	3,968,580	26,280

Equipment Division

EQUIPMENT FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
EQUIPMENT SERVICES SUPERVISOR	E-8	1.00	1.00	0.00
AUTO SHOP SUPERVISOR	A-29	1.00	1.00	0.00
AUTO MECHANIC	A-28	8.00	7.00	(1.00)
TOTAL PERSONNEL		**10.00**	**9.00**	**(1.00)**

BUDGET HIGHLIGHTS

- A reduction of mechanic staffing of one reflects shifting activity from repair to preventative maintenance with year one of the City's leasing program implemented. Total savings in personnel, offset by fringe benefit increases and a planned 2% wage increase are $80,200.
- The fuel budget declines slightly, a reflection of the shrinking fleet size. 482,000 gallons are budgeted to be purchased for the year, a reduction from 2012's 501,000 gallons, for a total fuel savings of $62,000.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2013 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Forklift	1	25,000	25,000
Sedan	1	15,000	15,000
TOTAL			40,000

EQUIPMENT FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$4,088	$4,211	$4,337	$4,467	$4,601
Expenses	4,028	4,149	4,273	4,401	4,533
Excess (Deficit)	60	62	64	66	68
Beginning Balance	481	541	603	667	733
Ending Balance	$541	$603	$667	$733	$801

The 2014-2018 five-year forecast assumes operations will continue as they are programmed for 2013 and that costs will increase three percent annually. Budgets are developed so that funds are annually available for fixed assets such as building improvements and fueling systems.

Central Supply Division

MISSION STATEMENT

It is the mission of the Central Supply Division to service City departments with necessary parts, tools, and equipment to accomplish their respective missions.

PRIMARY FUNCTIONS

Central Supply is responsible for providing centralized inventory to the operating divisions in Public Works, providing purchasing, budgeting, and accounting support at various levels as needed.

OBJECTIVES FOR FISCAL YEAR 2013

- Complete preparation for low-lead brass changeover, to be complete by year end.
- Continue monitoring safety equipment for OSHA compliance.
- Continue to provide parts and services to the operating divisions in a timely manner.
- Continue updating and implementing changes in the finance area of Central Supply.
- Continue operating the small tool room in an effective manner.

CENTRAL SUPPLY FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	260,216	305,727	286,538	302,440	(3,287)
CONTRACTUAL	47,105	57,510	52,147	53,870	(3,640)
SUPPLIES	32,814	31,600	36,374	31,500	(100)
OTHER	22,000	23,460	23,460	24,160	700
TOTAL	$362,135	$418,297	$398,519	$411,970	($6,327)

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
INVENTORY CONTROL CHARGES					
STREET DIVISION	90,500	91,800	91,800	100,800	9,000
TRAFFIC DIVISION	41,480	42,080	46,200	46,200	0
PARKING DIVISION	29,360	29,630	21,000	21,000	0
PROPERTY UNIT	51,710	52,250	42,000	42,000	0
EQUIPMENT UNIT	33,940	34,430	37,800	37,800	0
WATER DIVISION	165,110	167,330	172,200	172,200	0
INTEREST INCOME	2,304	8,292	0	0	0
TOTAL	$414,404	$425,812	$411,000	$420,000	$9,000

Central Supply Division

CENTRAL SUPPLY FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
CENTRAL SUPPLY SUPERVISOR	E-6	1.00	1.00	0.00
SENIOR ACCOUNT CLERK	A-21	1.00	1.00	0.00
INVENTORY CONTROL CLERK	A-21	2.00	2.00	0.00
TOTAL PERSONNEL		**4.00**	**4.00**	**0.00**

BUDGET HIGHLIGHTS

- Wage increases, including a budgeted 2% wage increase for 2013, are offset by changes in health coverage for a net reduction in personnel expenses.
- Contractual expenses reduce due to changes in purchase of services charges.

CENTRAL SUPPLY FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$424	$437	$459	$482	$506
Expenses	424	437	450	464	478
Excess (Deficit)	0	0	9	18	28
Beginning Balance	27	27	27	36	54
Ending Balance	$27	$27	$36	$54	$82

The 2014-2018 five-year forecast assumes operations will continue as they are programmed for 2013 and that costs will increase three percent annually. Budgets are developed so that funds are annually available for fixed assets such as building improvements and fueling systems.

Water Division

MISSION STATEMENT

The Water Division will operate and maintain the Rockford public water system in a manner that:

- Protects public health and enhances the community *(Our Product)*
- Focuses on our customers *(Our Service)*
- Upholds the highest standards of public trust *(Our Reputation)*

PRIMARY FUNCTIONS

The Water Division is comprised of three operating sections and Administration. The Division is responsible for production, quality control, storage, distribution, and related services to approximately 52,000 water customers.

- **Production** - The Production Section is responsible for overseeing the operation of the water system wells/booster pumps, ground-level and elevated storage, water treatment equipment, water quality, cross-connection control, and facility maintenance.
- **Distribution** - The Distribution Section oversees the maintenance, repair, and replacement of water mains and associated service branches, valves, and fire hydrants.
- **Customer Service** - The Customer Service Section is primarily responsible for responding to customer concerns, meter readings, installation/replacement of water meters, and responding to service calls.
- **Administration** - The Administrative Section is responsible for all division administration, fiscal control, system planning, service contract administration, and payroll.

OBJECTIVES FOR FISCAL YEAR 2013

- Initiate asset management in Distribution Section.
- Initiate operational adjustments in Production Section.
- Complete operational data management system plan.
- Develop long-term infrastructure replacement program and conduct corrosion control pilot program.
- Continue to reduce water loss through leak detection program.
- Improve the quality of water delivered to customers by reducing iron, manganese, and radium concentrations by using new water filtration facilities and reducing excursions in concentration of treatment chemicals.
- Continue to improve customer service by reducing number of complaints throughout Water Division operations and improving responsiveness when a complaint is received.
- Implement drought response plan.
- Enhance community awareness of the importance of drinking water and the Rockford water system (public service announcements, secondary school demonstrations and presentations, etc.).
- Promote Rockford Environmental Laboratory and increase number of outside customers.
- Continue to promote worker safety and reduce number of on the job injuries by training employees and addressing all safety concerns in a timely manner.
- Continue to develop and implement Rockford Water Academy to train and cross-train employees with a goal averaging over 10 hours per employee of training per year.
- Continue to improve office environment at 1111 Cedar Street.
- Improve organizational efficiency through enhancing communication using the intranet across the organization and through implementation of accountability programs for managers and supervisors.
- Continue implementation of laptop program to make field operations more efficient.

Water Division

WATER FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$5,771,279	$5,779,764	$5,508,541	$6,027,302	$247,538
CONTRACTUAL	4,338,844	5,586,511	4,394,054	6,100,330	513,819
SUPPLIES	986,501	1,365,450	958,810	1,527,920	162,470
OTHER	7,321,149	8,152,124	8,018,742	8,240,214	88,090
INTEREST	2,242,842	2,289,000	2,256,475	2,127,000	(162,000)
TOTAL	$20,660,615	$23,172,849	$21,136,622	$24,022,766	$849,917

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
WATER USER FEES	$21,732,403	$21,908,636	$23,321,000	$23,564,000	$243,000
INSTALLATIONS & CONNECTIONS	854,398	639,556	651,000	636,000	(15,000)
INTEREST INCOME	242,523	820,656	160,000	200,000	40,000
FROM OTHER GOVERNMENTS	3,073,800	2,273,425	0	0	0
MISCELLANEOUS	130,823	34,380	109,000	115,000	6,000
PURCHASE OF SERVICES	92,173	92,971	97,400	99,000	1,600
TOTAL	$26,126,120	$25,769,624	$100	$24,614,000	$275,600

Water Division

WATER FUND AUTHORIZED PERSONNEL

POSITION TITLE	POSTION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
WATER SUPERINTENDENT	E-12	1.00	1.00	0.00
WATER OPERATIONS MANAGER	E-10	1.00	1.00	0.00
ASSISTANT SUPERINTENDENT	E-9	1.00	1.00	0.00
WATER QUALITY SUPERVISOR	E-9	1.00	1.00	0.00
WATER OPERATIONS SUPERVISOR - DISTRIBUTION	E-8	3.00	3.00	0.00
WATER PLANT OP. & MAINT.SUPERVISOR	E-8	2.00	2.00	0.00
WATER SYSTEMS & SCADA SUPERVISOR	E-8	1.00	1.00	0.00
WATER SERVICES COORDINATOR	E-8	2.00	1.00	(1.00)
ACCOUNTANT	E-7	1.00	1.00	0.00
WATER QUALITY TECHNICIAN	E-5	2.00	2.00	0.00
WATER CONTROL SYSTEM TECHNICIAN	E-5	1.00	1.00	0.00
SENIOR ENGINEERING TECHNICIAN	E-6	1.00	1.00	0.00
ENGINEERING TECHNICIAN	E-5	1.00	1.00	0.00
PUBLIC WORKS CREW LEADER	A-28	5.00	5.00	0.00
WATER PLANT OPERATOR	A-28	12.00	12.00	0.00
WATER SERVICE INSPECTOR	A-26	8.00	8.00	0.00
EQUIPMENT OPERATOR	A-23	6.00	6.00	0.00
SENIOR ACCOUNT CLERK	A-21	1.00	1.00	0.00
MAINTENANCE WORKER	A-20	10.00	10.00	0.00
SENIOR SECRETARY	A-20	1.00	1.00	0.00
SENIOR CLERK	A-19	8.00	4.00	(4.00)
WATER METER READER	A-18	3.00	0.00	(3.00)
TOTAL PERSONNEL		**72.00**	**64.00**	**(8.00)**

BUDGET HIGHLIGHTS

- Salaries increase $66,000 due to general step and longevity increases.
- A 2% wage increase is budgeted for all department staff for a total cost of $66,200.
- Vehicle maintenance increase $93,700 as vehicles continue to age. This expense should decrease as replacements are purchased through the City-wide leasing program.
- Purchase of service from the General Fund decrease $40,900 due to the implementation of the Customer Service Center.

Water Division

WATER FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$25,498	$26,416	$27,367	$28,352	$29,373
Expenses	25,224	26,485	27,809	29,199	30,659
Excess (Deficit)	274	(69)	(442)	(847)	(1,286)
Beginning Balance	124,176	124,450	124,381	123,939	123,092
Ending Balance	$124,450	$124,381	$123,939	$123,092	$121,806
Bond Issues	$0	$0	$0	$0	$0
Rate Increases	3.6%	3.6%	3.6%	3.6%	3.6%

The 2014-2018 five-year forecast assumes annual 3.6% rate increases with consumption rising three-quarters of one percent each year. Expenses for this forecast range from five to six percent. The City will finance future improvements on a pay as you go basis.

Water Division

CAPITAL EQUIPMENT

Planned capital replacements for 2013 include vehicles under the City-wide leasing program and other equipment:

EQUIPMENT	QUANTITY	BUDGET EACH	TOTAL BUDGET
Hammer Head Mole	1	5,000	5,000
Leak Noise Logger Kit	1	10,000	10,000
Air Conditioner for Well 29	1	7,500	7,500
Upgrades to SCADA System	1	200,000	200,000
Ladder for Well 13 Reservoir	1	20,000	20,000
Rebuild Cage in Cedar St. Gar	1	75,000	75,000
Spray foam insulation at Wel	3	8,000	24,000
TOTAL			$341,500

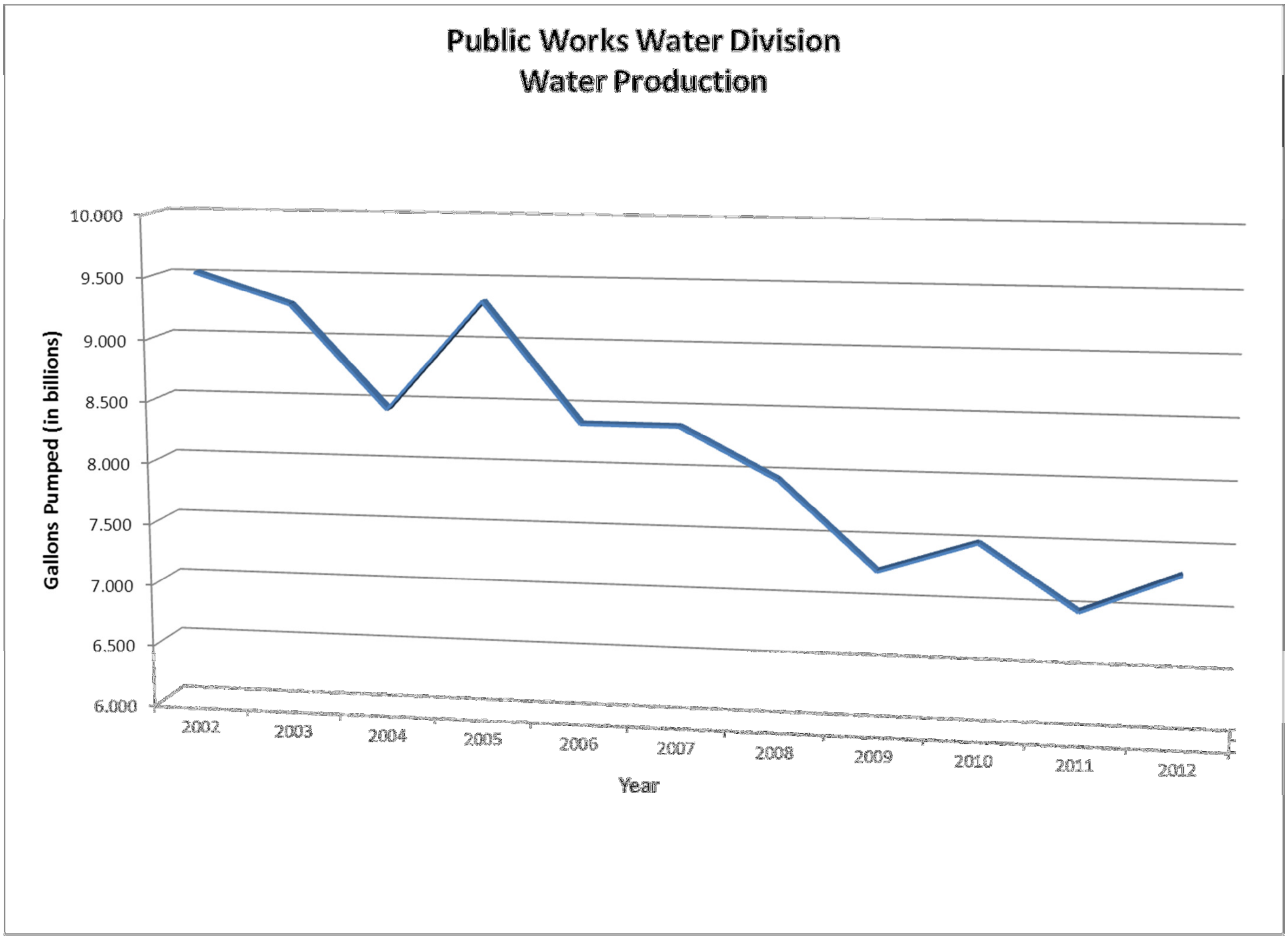
VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Double Axle Dump Truck	3	112,875	338,625
Sedan	1	18,110	18,110
Supervisor Pickup Truck	1	25,576	25,576
Service Pickup Truck	1	30,803	30,803
Service Truck	1	56,155	56,155
SUV	2	25,661	51,322
Van	3	21,226	63,678
Backhoe	1	84,750	84,750
TOTAL	13		$669,019

WATER FUND PERFORMANCE MEASURES

	2011 ACTUAL	2012 BUDGET	2012 ACTUAL	2013 BUDGET
EMERGENCY REPAIR TIME (HOURS)	1.60	3.00	1.30	3.00
% OF TOTAL REPAIRS THAT ARE PLANNED	77%	80%	84%	80%
EMERGENCY JULIE LOCATE RESPONSE TIME	0.70	2.00	0.50	2.00
BACKLOG OF NON-EMERGENCY REPAIRS (WKLY AVG)	16	25	20	25
WATER MAIN FLUSHED (MILES)	341	240	493	240
AVG DAYS TO CORRECT METER PROBLEM	21	30	23	30
% CITIZENS RECEIVING FIRST CHOICE SCHEDULE	99%	90%	96%	90%
% MEETING DEMAND FOR WATER PUMPED	153%	110%	149%	110%
WATER QUALITY COMPLAINTS	57	108	19	108
% OF TOTAL PRODUCTION FROM REHAB WELLS	75%	80%	84%	80%
NEW WATER CONNECTIONS	52	96	41	96

Water Division

OPERATIONAL INFORMATION



As the graph shows, water production has fluctuated somewhat in the last ten years. Since 1998, when gallons pumped was at 8.9 billion, production has decreased 21%, to an estimated 7.35 billion gallons in 2012. The average production for the past seven years is 7.719 billion gallons, which is more than estimated 2013 production of 7.4 billion. Weather conditions, particularly annual rainfall, impact water usage in the City.

Police and Fire Pension Fund

MISSION STATEMENT

It is the mission of the Police and Fire Pension Funds to provide retirement benefits for retired police officers and firefighters and their beneficiaries through employer and employee contributions and investment earnings.

PRIMARY FUNCTIONS

The primary function of this non-operating budgetary unit is to finance pensions for employees by both employer and employee contributions combined with interest earnings on those contributions. These three revenue streams, if based on sound actuarial assumptions, should generate sufficient funds for employee retirement without placing either an undue burden on the employer or a risk to the pension due the employee.

POLICE PENSION FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$12,387,023	$4,463,520	$13,183,325	$4,770,072	$306,552
CONTRACTUAL	358,869	383,950	329,479	371,190	(12,760)
SUPPLIES	0	200	84	70	(130)
OTHER	99,900	109,200	109,200	111,600	2,400
TOTAL	12,845,792	4,956,870	13,622,088	5,252,932	296,062
NON-APPROPRIATION	0	8,725,000	0	8,725,000	0
TOTAL EXPENSE	$12,845,792	$13,681,870	$13,622,088	$13,977,932	$296,062

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
POLICE DEPARTMENT TRANSFER					
POLICE PENSION PROPERTY TAX	$2,766,826	$4,316,216	$3,673,220	$3,673,220	$0
POLICE PENSION REPLACE TAX	978,600	862,600	790,300	1,096,852	306,552
TOTAL CITY CONTRIBUTION	3,745,426	5,178,816	4,463,520	4,770,072	306,552
INTEREST INCOME	18,324,394	11,037,385	5,800,000	3,450,000	(2,350,000)
FV APPRECIATION(DEPRECIATION)	-3,057,997	(8,966,330)	1,500,000	4,000,000	2,500,000
INVESTMENT INCOME	15,266,397	2,071,055	7,300,000	7,450,000	150,000
EMPLOYEE CONTRIBUTIONS	1,975,149	1,986,500	1,981,300	2,000,800	19,500
TOTAL	$20,986,972	$9,236,371	$13,744,820	$14,220,872	$476,052
ACTUARY'S CONTRIBUTION REQUIREMENT	$5,900,674	$5,178,816	$4,463,520	$4,770,072	$306,552
AMORTIZATION AMOUNT			$62,950	$242,940	

Police and Fire Pension Fund

FIRE PENSION FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$12,929,522	$6,295,842	$14,166,163	$5,776,061	($519,781)
CONTRACTUAL	480,220	509,700	395,175	514,975	5,275
SUPPLIES	0	200	84	100	(100)
OTHER	101,700	99,900	109,200	111,600	11,700
TOTAL	13,511,442	6,905,642	14,670,622	6,402,736	(502,906)
NON-APPROPRIATION	0	7,350,000	0	9,275,000	1,925,000
TOTAL EXPENSE	$13,511,442	$14,255,642	$14,670,622	$15,677,736	$1,422,094

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
FIRE DEPARTMENT TRANSFER					
FIRE PENSION PROPERTY TAX	$4,483,682	$5,200,985	$4,133,879	$4,133,879	$0
FIRE PENSION REPLACE TAX	1,174,300	1,035,100	948,400	1,642,182	693,782
TOTAL CITY CONTRIBUTION	5,657,982	6,236,085	5,082,279	5,776,061	693,782
INTEREST INCOME	6,757,037	9,142,053	4,700,000	4,000,000	(700,000)
FV APPRECIATION(DEPRECIATION)	3,344,267	(6,046,886)	5,000,000	4,000,000	(1,000,000)
INVESTMENT INCOME	10,101,304	3,095,167	9,700,000	8,000,000	(1,700,000)
EMPLOYEE CONTRIBUTIONS	1,798,076	1,699,844	1,912,200	1,969,100	56,900
TOTAL	$17,557,362	$11,031,096	$16,694,479	$15,745,161	($949,318)
ACTUARY'S CONTRIBUTION REQUIREMENT	$6,951,034	$7,045,842	$5,082,279	$5,776,061	$693,782
AMORTIZATION AMOUNT			$1,728,300	$67,425	

BUDGET HIGHLIGHTS

- The City utilizes an independent actuary to determine the necessary funding for these two plans on an annual basis. Once this is determined, the City funds the plans based on the recommendations of the independent actuary. There were no changes with respect to plan provisions, actuarial methods, or actuarial assumptions from the prior year.
- For 2012, the Police plan earned $2.2 million in interest income while the Fire plan earned $2.9 million in interest income.
- The Police and Fire plans also realized $12.3 and $6.8 million respectively on the sale of investments.
- In addition, reflecting fair market value adjustments of investments, the Police Pension Fund recorded a gain of $243,600 while the Fire Pension Fund recorded a gain of $1.7 million.
- Investment expenses were $197,000 for Police and $375,200 for Fire.
- Approximate annual rates of return were above the assumption rate of 7.5%, with 9.5% for Police and 8.7% for Fire.
- Police contribution requirement increases to $4,770,072. The increase in the contribution requirement is due to the increase in the annual payroll. The percent funded in 2011 was 73.8%.

Police and Fire Pension Fund

- Fire contribution requirement increases to $5,776,061. The increase in the contribution requirement is due to the increase in the annual payroll. The percent funded in 2011 was 67.2%.

OPERATIONAL INFORMATION

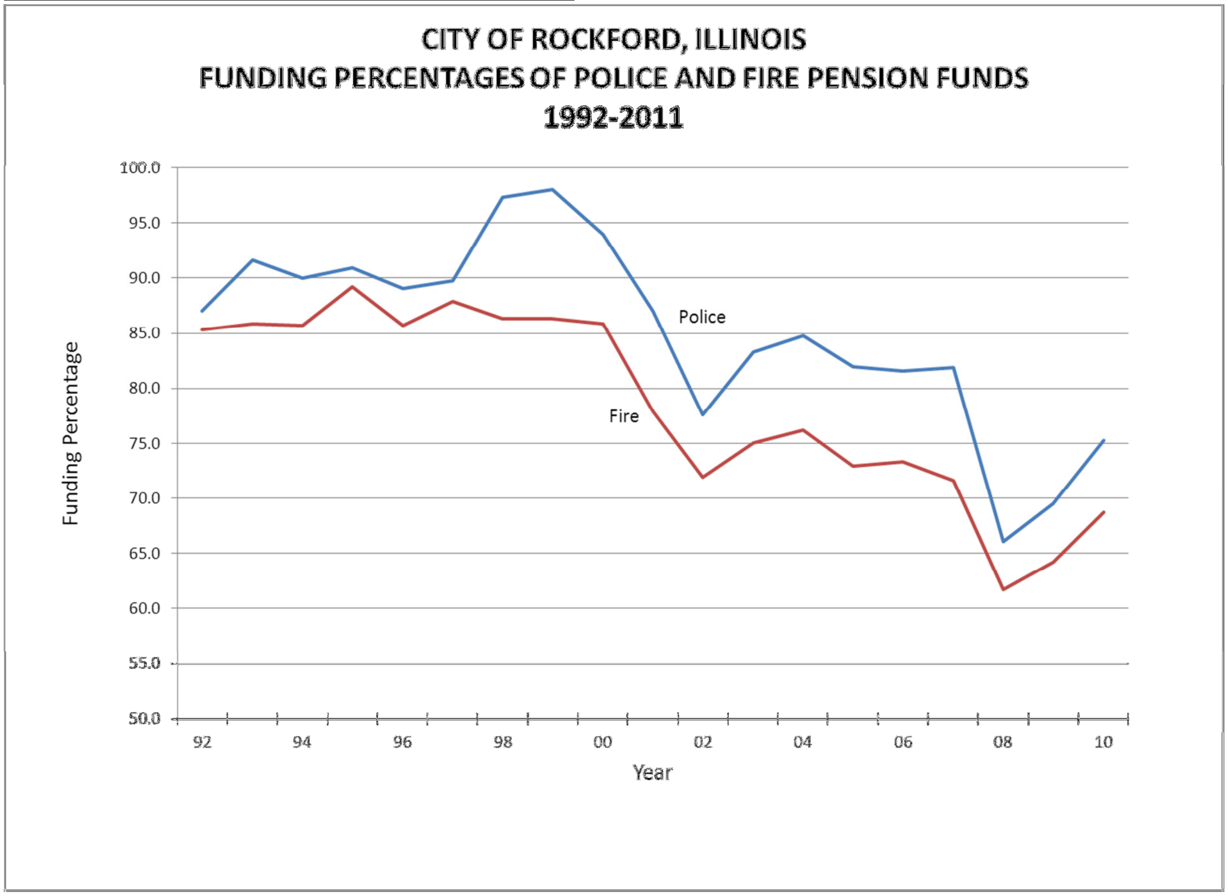
In 1993, the State of Illinois increased the pension benefits for these two plans. This increase not only increased costs for the future but it also significantly increased the unfunded liability for service already earned. With the member contribution rate increased only marginally, the bulk of the cost of paying for these improved benefits fell to local governments. To mitigate this, the State replaced the existing forty year level dollar amortization schedule begun in 1980 with a new 1993 forty year level percentage schedule. The City has elected, as long as was possible, to fund the annual contribution based on the 1980 schedule. For 2002, the last year that making this additional contribution was possible, this election added $406,805 to the Police contribution and $1,002,874 to the Fire contribution. Due to continuing and increasingly severe property tax cap restrictions, the City in 2003 changed and began to recognize the 1993 amortization method. The impact of this change for 2003 was estimated to be $980,000 for the Police contribution and $1,750,000 for the Fire contribution.

Effective July 1, 2004, the State changed the surviving spouse formula for the Fire Pension from 54% of ending salary to 100% of ending pension. To help fund this increased benefit, the firefighter contribution from salary was increased from 8.455% to 9.455%, an addition of $166,400 and the municipal contribution was calculated at $365,000, 2.1 cents on the tax rate. 30 of the 48 surviving spouses accounted for a first year cost increase of $215,000. For the future, this will add an additional $20,000 annually for each new surviving spouse. The State exempted the property tax necessary for this new benefit from the tax cap law.

The State of Illinois enacted a reform package for Illinois police and fire pension plans in 2010. Benefit changes, for new hires beginning January 1, 2011, included the following: (1) normal retirement age of 55 (currently 50); (2) early retirement at age 50 with 6% reduction for each year prior to 55; (2) pensionable salary cap of $106,800 indexed to ½% of CPI-U; (3) final average salary calculated using the last 8 of 10 years (currently final day's salary); (4) survivor benefit of 66 2/3% of pension earned at date of death (currently 100% of pension); and (5) cost of living adjustments beginning the year after a retiree or survivor turns age 60 with annual increases equaling the lesser of 3% simple or ½ of CPI-U (currently 3% compounded each year after pension becomes payable).

In addition, the following changes were made to public safety pension funding: (1) 30 year closed amortization period with a funding target of 90% by the end of 2040 (currently expires in 2033 with a funding target of 100%); (2) state shared revenue diversions to pension funds beginning in 2016 equaling the difference between the employer contribution and the required actuarial contribution. Three year phase in with up to 1/3 of state shared revenue diverted in 2016, up to 2/3 in 2017, and up to the full contribution difference beginning in 2018; (3) expanded investment authority including corporate bonds for all funds and greater equity investments for funds with assets of at least $10 million; and (4) 5 year smoothing of actuarial gains and losses. The first actuarial study to be performed using these changes was completed in the spring of 2011 for the year ended 2010 for the 2012 budget levy and the 2013 budget expense.

Police and Fire Pension Fund

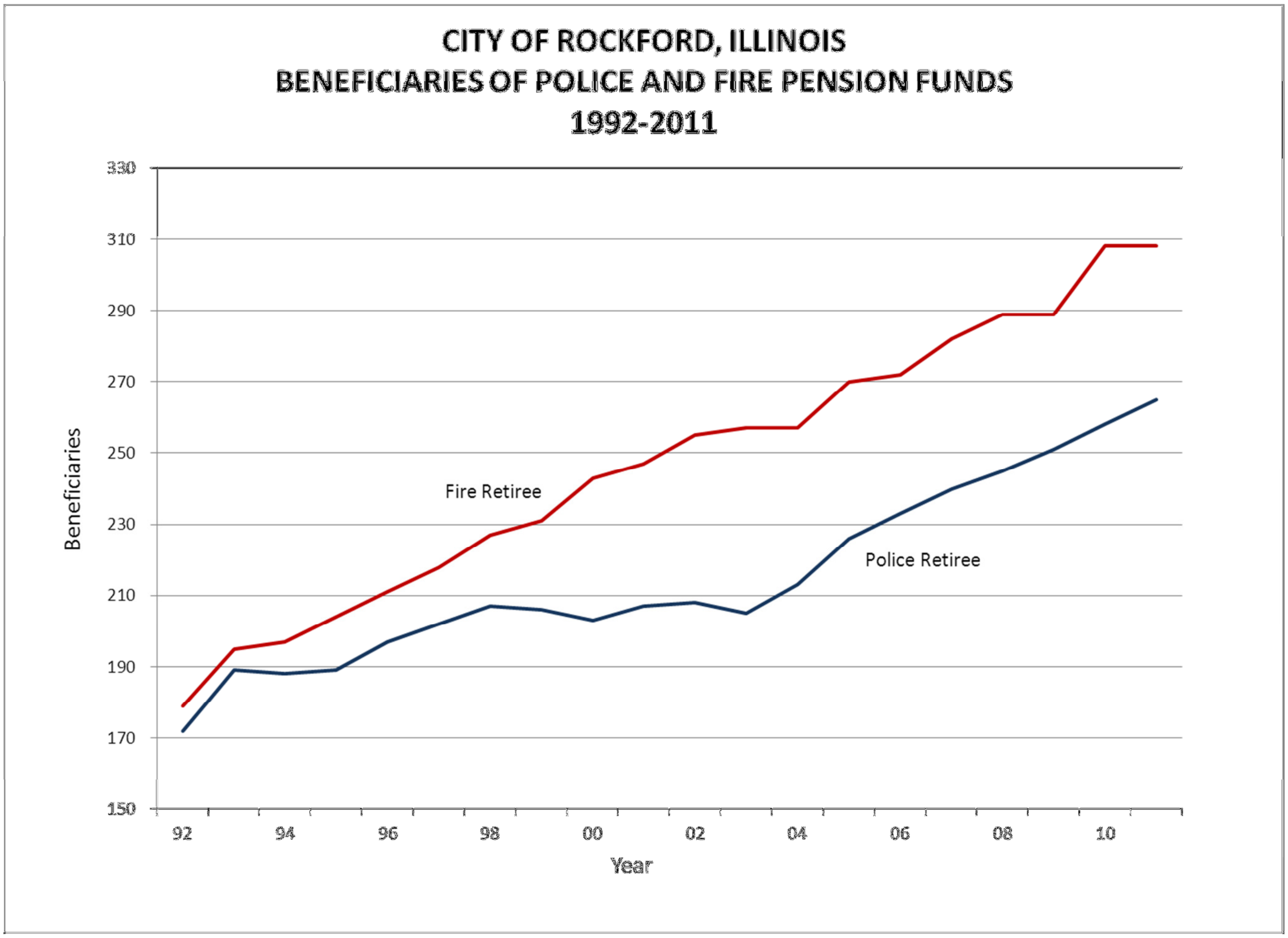


ROCKFORD PENSION PLANS

	Police	Fire	IMRF/SS
Employees	Sworn	Sworn	All Other
2013 Employer Rate	23.63%	27.73%	19.87%
2013 Employee Rate	9.910%	9.455%	10.70%
Social Security Included	No	No	Yes (6.2%)
Plan Administration	Local	Local	State
Retirement Age	50	50	55/60
Vesting (Years)	10	10	8
Pension (20 Years Service)	50%	50%	35%
Pension Limit	75%	75%	75%
Years To Achieve Limit	30	30	40
Pension Based On	Last Pay	Last Pay	Average of (4) Highest Consecutive Years In Last (10)

Trends for the two funds include active member percentage decreasing as the number of retirees increase as well as dollar costs rising.

Police and Fire Pension Fund



Approximately one-half of the annual revenues for these two plans are generated from investment earnings. While member contributions have increased to 9.91% for Police in 2000 and 9.455% for Fire in 2005, employee contributions are still the smallest element of the financing equation.

The City contributions are funded from property taxes and state replacement taxes. Pension property taxes are unlimited; however, property tax extension limitations (tax caps) do apply on a total city basis except for the new benefit provision for Fire Pension surviving spouses. For 2013, estimated rates are 23.9 cents for the Police plan and 26.8 cents for the Fire plan. 2012 rates are estimated at 20.9 and 23.5 cents respectively. The property tax rate increase is due to the plan cost increase. For the Fire plan, 3.4 cents for 2012 and 3.0 cents for 2013 are exempt from tax caps.

Both plans utilize the Finance Department's staff. The Police pension fund will also utilize a consultant, $40,000, and a custodian, $2,200, as well as six money managers at an estimated cost of $199,000 (2012-$150,001). The Fire pension uses a consultant, $65,000, a custodian, $8,500, and ten money managers at an estimated cost of $401,000 (2012-$302,183). Each fund pays the State Department of Insurance $8,000 annually for oversight services.

Police and Fire Pension Fund

POLICE PENSION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$22,000	$23,066	$24,225	$25,448	$26,757
Expenditures	14,633	15,177	15,738	16,315	16,909
Excess (Deficit)	7,367	7,889	8,487	9,133	9,848
Beginning Balance	175,287	182,654	190,543	199,030	208,163
Ending Balance	$182,654	$190,543	$199,030	$208,163	$218,011
Property Tax Rates (in cents)	25.8	27.8	30.0	32.4	34.8

FIRE PENSION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$21,006	$21,932	$22,903	$23,939	$25,033
Expenditures	15,903	16,485	17,085	17,702	18,338
Excess (Deficit)	5,103	5,447	5,818	6,237	6,695
Beginning Balance	156,300	161,404	166,851	172,669	178,906
Ending Balance	$161,404	$166,851	$172,669	$178,906	$185,601
Property Tax Rates (in cents)	28.9	31.1	33.5	36.1	38.8

The 2014-2018 five-year forecast on a traditional basis, assumes five percent City and employee contribution increases as well as a 7.5% return on investments. The combined impact for the two plans of this increase on the property tax rate would be approximately four cents annually. Costs are assumed to rise annually due to three percent pension increases and an annual new retiree group of five. This forecast does not address a number of issues such as mortality, disability, and withdrawal that an actuary would. In addition, it makes no assumptions as to the likelihood of additional benefits gained through the legislative process in Springfield.

IMRF Pension Fund

MISSION STATEMENT

It is the mission of the Illinois Municipal Retirement Fund to provide retirement benefits for all retired non-sworn City employees and their beneficiaries.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the IMRF Fund is to account for all benefits for retired non-sworn City employees and their beneficiaries through employer and employee contributions.

Based on sound professional actuarial advice and adequate funding, former employees are able to draw retirement benefits from the plan.

IMRF PENSION FUND BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATED	BUDGET	(DECREASE)
PERSONNEL	$6,325,205	$6,678,511	$6,598,069	$6,997,948	$319,437
CONTRACTUAL	246	250	0	250	0
TOTAL	$6,325,451	$6,678,761	$6,598,069	$6,998,198	$319,437

RATES APPLIED	2009	2010	2011	2012	2013
IMRF	9.35	12.53	12.81	13.18	13.67
SOCIAL SEC	7.65	7.65	7.65	7.65	7.65
TOTAL	17.00	20.18	20.46	20.83	21.32

FUNDING SOURCE	2010	2011	2012	2013	INCREASE
PROPERTY TAXES	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
IMRF FUND	$3,133,424	$3,190,674	$3,070,675	$3,219,787	$149,112
REPLACEMENT TAXES	400,000	308,100	282,300	328,700	46,400
INTERFUND TRANSFERS	3,303,243	3,654,574	3,325,785	3,449,710	123,925
INTEREST INCOME	4,119	17,130	10,000	10,000	0
TOTAL	$6,840,786	$7,170,478	$6,688,760	$7,008,197	$319,437

BUDGET HIGHLIGHTS

- The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2013. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2012's $106,800.
- The 2013 IMRF rate increases slightly to 13.67% due to the performance of equity markets. The City's IMRF plan is 77.5% funded (2010 market value).
- The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2013 estimated rate is 18.9 cents, a slight increase from the prior year's 17.1 cents.

IMRF Pension Fund

IMRF PENSION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$7,499	$8,024	$8,586	$9,187	$9,830
Expenses	7,488	8,012	8,573	9,173	9,815
Excess (Deficit)	11	12	13	14	15
Beginning Balance	71	82	94	107	121
Ending Balance	$82	$94	$107	$121	$136
Property Tax Rates (in cents)	20.7	23.4	25.2	27.0	29.0

The 2014-2018 five-year forecast assumes that retirement costs will increase 5% annually due to salary adjustments, that the Social Security and IMRF rates will remain constant, that the Social Security base will continue to increase incrementally and that the revenue mix of property and transfer reimbursements will remain constant. Given the performance of the equity markets, the IMRF rate and consequently the City's expense may need to increase during this time period.

Health Insurance Fund

MISSION STATEMENT

It is the mission of the Health Insurance Fund is to provide health insurance benefits for City employees, City retirees, and outside participants through a self-insured plan (since 1978) financed by employer and partial premiums for employees in addition to those by retirees and outside participants.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the health insurance fund is to account for all health insurance costs including medical dental expenses, administrative expenses and excess coverage policies.

With health insurance costs continuing to escalate as a percentage of the City's cost of doing business, the City refined its traditional PPO plan and introduced a new health savings account (HSA) offering in 2007. A multi-year schedule designed to increase employee deductibles and co-pays was approved. For 2009, the City secured new agreements for the dental, life insurance, health savings account, and flex care programs. In 2011, a change in network and third party administrators saved additional funds. With these changes, the City continues to offer its employees excellent health insurance at a reasonable cost.

The City will work to maintain a 25% reserve for this fund.

HEALTH INSURANCE FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$18,109,845	$21,413,400	$19,051,423	$21,627,400	$214,000
SUPPLIES	16,513	0	0	500	500
OTHER EXPENSE	1,212,100	115,500	155,360	179,075	63,575
TOTAL	$19,338,458	$21,528,900	$19,206,783	$21,806,975	$278,075

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
EMPLOYER PREMIUMS	$16,432,026	$17,044,452	$19,000,118	$18,839,081	($161,037)
EMPLOYEE PREMIUMS	1,186,858	1,067,685	1,110,330	1,094,665	(15,665)
RETIREES	2,091,159	2,269,368	2,377,692	1,987,990	(389,702)
OUTSIDE AGENCIES	0	10,714	33,696	0	(33,696)
OTHER	630,072	330,412	(173,000)	(112,000)	61,000
INTEREST INCOME	37,077	241,958	54,500	96,100	41,600
TOTAL	$20,377,192	$20,964,589	$22,403,336	$21,905,836	($497,500)

BUDGET HIGHLIGHTS

- Minimal growth in expenses over 2012 reflects the continued impact of the decision to implement Blue Cross Blue Shield as both network and third party administrator. Wellness efforts are also impacting claims expenses.
- Revenue reflects no change in premiums from 2012, and changes in coverage elections from year to year. In addition, the number of retirees on the plan decreases for 2013.

Health Insurance Fund

HEALTH INSURANCE FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$23,899	$26,068	$28,456	$31,081	$33,969
Expenses	23,797	25,979	28,369	30,994	33,868
Excess (Deficit)	102	89	87	87	101
Beginning Balance	6,503	6,605	6,695	6,781	6,869
Ending Balance	$6,605	$6,694	$6,782	$6,868	$6,970
Rate Increase	10.0	10.0	10.0	10.0	10.0
Reserve Percentage	27.3	25.4	23.6	21.9	20.3

The 2014-2018 five year plan assumes that medical costs will increase up to10% annually and that the revenue mix of employer, employee, and third party contributions will continue to evolve in order to continue a financially viable plan. Revenue increases are anticipated to be 5% to 10% per year for 2014-2018. Full participation in the plan by the two public safety unions would be beneficial for all employees as well as for Rockford taxpayers. As information evolves about the new federal health insurance program, changes will be made to the City’s program. Those changes are anticipated to add cost to the City’s plan.

Unemployment Fund

MISSION STATEMENT

It is the mission of the Unemployment Tax Fund to provide services for unemployment costs to former employees.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the Unemployment Tax Fund is to account for all unemployment expenditures.

The City operates a self-insured unemployment tax program with financing provided by premiums charged to departments based on a percentage of the first $9,000 salary. The City will continue to strive to provide this program to former employees while maintaining responsible costs for the taxpayers through its self-insured program.

UNEMPLOYMENT COMPENSATION TAX FUND BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATED	BUDGET	(DECREASE)
CONTRACTUAL	$111,572	$161,514	$61,434	$168,307	$6,793
TOTAL	$111,572	$161,514	$61,434	$168,307	$6,793

	2010	2011	2012	2013	INCREASE
FUNDING SOURCE	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
GENERAL FUND TRANSFERS	$55,920	$51,989	$169,720	$135,297	($34,423)
OTHER FUND TRANSFERS	10,833	29,145	29,502	32,760	3,258
INTEREST INCOME	1,174	279	900	900	0
TOTAL	$67,927	$81,413	$200,122	$168,957	($31,165)

BUDGET HIGHLIGHTS

- The property tax rate for unemployment, collected in the general fund, is unlimited by statute. The 2013 estimated rate is 0.82 cents, 0.045 cents higher than the previous 0.78 cents.

UNEMPLOYMENT COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN $000'S)

	2014	2015	2016	2017	2018
Revenues	$171	$175	$179	$184	$188
Expenses	60	1	63	65	66
Excess (Deficit)	111	174	116	119	122
Beginning Balance	(20)	91	265	381	500
Ending Balance	$91	$265	$381	$500	$622
Property Tax Rates (in cents)	0.9	0.9	0.9	0.9	0.9

The 2014-2018 five-year forecast assumes that unemployment costs will increase 3% annually and that premiums will be adjusted as necessary during this period. The unemployment rate charged to operating departments has remained stable at 2.0% (180) of the first $9,000 of salary per employee for 2013. For the 2014 – 2018 planning period, the rate will be 2.0% ($180).

Worker's Compensation Fund

MISSION STATEMENT

It is the mission of the Worker's Compensation Fund to provide for all administrative, reinsurance and benefit expenses associated with employees' worker's compensation claims.

PRIMARY FUNCTIONS

The primary function is to account for all workers' compensation expenditures. The City operates a self-insured worker's compensation program with financing provided by premiums charged to departments based on job type and likelihood of injury.

WORKER'S COMPENSATION FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$1,483,367	$2,407,695	$1,803,852	$2,586,971	$179,276
OTHER EXPENSE	82,800	83,500	83,500	92,400	8,900
TOTAL	$1,566,167	$2,491,195	$1,887,352	$2,679,371	$188,176

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
GENERAL FUND TRANSFERS	$3,213,999	$2,525,473	$2,216,812	$2,401,743	$184,931
OTHER FUND TRANSFERS	435,604	294,712	274,383	277,378	2,995
REIMBURSEMENTS	4,405	53,278	0	0	0
INTEREST INCOME	(1,730)	62,262	15,000	15,000	0
TOTAL	$3,652,278	$2,935,725	$2,506,195	$2,694,121	$187,926

BUDGET HIGHLIGHTS

- Rates were increased 5% for 2013 due to increased expenses.
- With a fund deficit of $3.0 million at the end of 2010, a $1.6 million surcharge was assessed to all participating funds in 2010. An additional surcharge was assessed at the end of 2011, $656,000, to bring the fund to a positive fund balance at the start of 2012.
- The property tax rate for worker's compensation, collected in the general fund, is unlimited by statute. The 2012 estimated rate is 12.8 cents, 3.3 cents higher than the previous 9.4 cents.

WORKER'S COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN $000'S)

	2014	2015	2016	2017	2018
Revenues	$2,828	$2,969	$3,116	$3,272	$3,434
Expenses	2,813	2,954	3,102	3,257	3,420
Excess (Deficit)	15	15	14	15	14
Beginning Balance	910,533	910,548	910,563	910,577	910,592
Ending Balance	$910,548	$910,563	$910,577	$910,592	$910,606
Expense Rate Change	5%	5%	5%	5%	5%

The 2014-2018 five-year forecast assumes that worker's compensation costs will increase five percent annually and that premiums will be increased 5% annually to keep pace with expense growth.

Auditing Fund

MISSION STATEMENT

It is the mission of the Auditing Fund to provide and pay for auditing services in the most efficient and economical manner in order to produce the most accurate financial records.

PRIMARY FUNCTIONS

The primary function of the Auditing Fund is to pay for all auditing services associated with the City's financial records.

AUDITING FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
CONTRACTUAL	$250,492	$184,061	$184,061	$240,000	$55,939
TOTAL	$250,492	$184,061	$184,061	$240,000	$55,939

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
AUDITING	$184,467	$182,240	$138,251	$180,990	$42,739
INTERFUND TRANSFERS	54,200	55,710	45,810	59,010	13,200
TOTAL	$238,667	$237,950	$184,061	$240,000	$55,939

BUDGET HIGHLIGHTS

- The Fund reimburses the Finance Department for staff costs associated with auditing. 2013 costs include $80,000 for auditors, $158,350 for internal staff costs, and $3,000 for printing the annual report in the newspaper.
- The property tax rate for auditing is unlimited by statute. The 2013 proposed rate is 1.0 cents, increased from the prior year's 0.9 cent rate.

AUDITING FUND FIVE YEAR FORECAST

The 2014-2018 five year forecast assumes that audit costs will increase three percent annually and that the revenue mix of property taxes and transfer reimbursements will remain constant.

AUDITING FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$247	$254	$262	$270	$278
Expenses	247	254	262	270	278
Excess (Deficit)	0	0	0	0	0
Beginning Balance	0	0	0	0	0
Ending Balance	$0	$0	$0	$0	$0
Property Tax Rates (in cents)	1.0	1.0	1.0	1.1	1.1

Debt Management

MISSION STATEMENT

It is the mission of the Debt Management Fund to account for bonded indebtedness incurred by the City, including all bond and interest payments.

PRIMARY FUNCTION

The primary function of the Debt Management Fund is to retire debt incurred by the City for long-term capital projects and short-term cash flow financing, by making annual payments of interest and principal based upon a planned schedule.

FUND HIGHLIGHTS

Since 1982 when the first Capital Improvements Program was adopted, the City has gone to the market annually to seek financing for its infrastructure improvements. In addition to retiring debt through property taxes, sales taxes, and water revenues, the City also utilizes tax increment financing (TIF) and special service area (SSA) districts property taxes to retire bonds.

In 2006, the City submitted a referendum question to the voters to determine whether or not they would, rather than financing streets and drainage improvements through voter approved bond issue referendums and the resulting property tax financed debt service, rather pay for infrastructure improvements through a one percent sales tax. While the voters defeated that proposal, they approved the same proposal, but with a five year limitation, in the spring 2007 election. Effective July 1, 2007, the tax generates $15 million annually. The tax was extended by referendum for an additional five year period on April 5, 2011. Property tax financed debt service will end in 2017.

For the future, the City will only issue bonds for development purposes that are financed by TIF district property tax increment or other non-property tax alternate revenue sources.

The City’s current bond (long-term debt) rating is Aa3 from Moody’s Investors Service.

Debt Management

CITY OF ROCKFORD, ILLINOIS
OUTSTANDING AND PROPOSED DEBT ISSUES

ISSUE AND AMOUNT	PAYMENT SOURCE	FINAL LEVY YEAR
1995 $1,745,924 Kishwaukee Trunk Sewer (RRWRD)	7	2015
2004 $15.9 GOB (Series A-$8.5 Street, Series B-$2.2 Water,		
Series C-$2.0 7th St Taxable TIF Project, and Series D-$3.2 Equipment)	1, 2, 3, 7	2016
2004 $14.570 GOB Alternate and Refunding, (Alternate, Series E-$4.65,		
N Main TIF $1.65, Airport TIF $3.0, Refundings, Series F-$4.375 Street/		
Drainage, Series G-$2.475 Water, Series H-$3.070 S Rockford TIF)	1, 2, 3	2023
2005 $10.9 GOB (Series A-$8.7 Street, Series B-$2.2 Water)	1, 2	2017
2005 $10.6 GOB (Alternate, Series C-$7.550, Airport TIF $0.915,		
Lincolnwood II TIF $0.560, Springfield Corners TIF $1.795, River Oaks		
$2.450, Garrison TIF $1.500, Lincolnwood I Refunding, $0.530,		2023
Series D-$2.850 Taxable Alternate Southwest Rockford Econ Dev	3,7	2017
2006 $17.5 GOB (Series A-$15.0 Water, Series B-$2.5 Hope 6 TIF)	2,3	2025
2007 $29.865 GOB Alternate and Refunding ($23.0 Metro Centre		
Improvements (Series A-$6.635 Tax Exempt, Series B-$16.365	6,9	2026
Taxable), Series C-$6.865 GOBA Refunding)	6	2026
2007 $8.75 GOB Alternate (Series D-$3.5 Water, Series E-$1.1	2	2026
Preston Central TIF, Series F-$1.1Sewer, Series G-$3.05 Library)	2,3,7,8	2026
2008 $12.15 GOB Alternate (Series A-$9.0 Water, Series B-$1.3	2,3,5	2028
TIF ($1.1 Airport, $0.2 Jackson School), Series C-$1.85 Taxable Parking		2018
2009 $2.6 GOB Alternate (Series A-$1.65 TIF ($0.35 River North, $1.3		2028
Main Whitman), Series B-$0.95 Taxable Global Trade #1)	3	2029, 2024
2009 $8.065 Series C - GOB Alternate Refunding Taxable (Metro Center)	6,9	2026
2009 $1.7 GOB Alternate (Series D-$1.35 Springfield Corners TIF,		
Series E-$0.35 River East TIF)	3	2023
2009 $13.585 Refunding (Series E-$7.93 GOB Street, Series F-$4.325		2014, 2018,
Water, Series G-$1.33 7th Street TIF District)	1,2,3	2015
2010 $3.4 GOB Alternate Water	2	2029
2012 $1.47 Refunding (Series B-$0.64 GOB Water, $0.83 GOB Water)	2	2016
2012 $7.73 Refunding ($2.7 GO, Series C-$0.88 7th Street TIF, Series C-$0.93		2016, 2021
Springfield Corners TIF, Series A-$3.22 GO)	2, 3, 7	

2010 bonds issued
Amounts are in Millions
ALTERNATE - General Obligation Bonds (Alternate)
ALTERNATE CERTIFICATE - General Obligation Certificates
GOB - General Obligation Bonds (Exempt)
GOB TAXABLE - General Obligation Bonds (Taxable)
WRB - Water Revenue Bonds

PAYMENT SOURCES	
1	Property Taxes
2	Water Fund Revenues
3	Tax Increment Financing District Revenues
4	Special Service Area Property Taxes
5	Parking Fund Revenues
6	Redevelopment Fund Revenues
7	Sales Taxes
8	Off Track Betting Revenues
9	Private, Other

Debt Management

DEBT MANAGEMENT FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
BOND INTEREST	$5,807,906	$5,039,476	$5,309,358	$4,329,146	($710,330)
BOND PRINCIPAL	9,015,000	12,923,221	8,330,000	12,859,335	(63,886)
TOTAL	$14,822,906	$17,962,697	$13,639,358	$17,188,481	($774,216)

Actuals exclude water system debt

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
PROPERTY TAXES					
DEBT SERVICE-CITYWIDE	$6,334,895	$5,546,650	$4,866,320	$4,849,256	($17,065)
	6,334,895	5,546,650	4,866,320	4,849,256	(17,065)
ABATEMENTS-TAX EXEMPT					
PUBLIC WORKS WATER	4,294,979	6,697,874	6,527,549	5,776,777	(750,772)
SALES TAX	583,073	579,573	574,773	579,573	4,800
TIF DISTRICTS	2,266,409	2,608,586	2,716,535	2,467,629	(248,907)
REDEVELOPMENT FUND	841,380	910,893	1,000,905	1,080,193	79,288
OTHER	824,644	819,519	814,394	809,269	(5,125)
	8,810,485	11,616,445	11,634,156	10,713,441	(920,715)
ABATEMENTS-TAXABLE					
TIF DISTRICTS	973,061	946,660	519,010	698,635	179,625
SALES TAX	331,093	319,844	333,593	321,094	(12,499)
REDEVELOPMENT FUND	441,868	441,868	441,868	441,868	0
PARKING	122,500	171,312	167,750	164,188	(3,562)
	1,868,522	1,879,684	1,462,221	1,625,785	163,564
TOTAL	$17,013,902	$19,042,779	$17,962,697	$17,188,481	($774,216)

BUDGET HIGHLIGHTS

- The last sale was held in 2012, $10.485 million bond issue for refunding six outstanding series of bonds for 2002 and 2003 for road and water system improvements and tax increment finance districts. The estimated total net present value debt savings will be approximately $540,000 during the life of the bond.
- For the $75 million water program, the City has issued $30.9 million in the traditional marketplace. In addition, the City is participating in a State (IEPA) loan program for eligible mitigation activities that is anticipated to produce $15 million in savings over traditional financing. To date, the State has approved $23.1 million in twenty year 2.5% loans, $8.5 million in twenty year 1.25% loans, and $7.5 million in twenty year 0.0% loans, a total of $39.1 million. In addition, the City has received $5.4 million in ARRA stimulus grants. The State total is $44.5 million. The total borrowing is $70.0 million. With the grant funds, the total program is $75.4 million.
- The City plans to issue bonds to fund the construction of a multi-use indoor sports facility at the former Ingersoll facility.

Debt Management

DEBT MANAGEMENT FUND FIVE YEAR FORECAST

As part of the annual development of the five year capital improvements program, the City also prepares a bond issue schedule. While currently no plans exist for the 2014-2018 period, the City may recognize a need in the future during this period and sell bonds. Actual size and issuance depends upon the development of the annual capital improvements program. As existing street debt is retired, the debt service tax rate should continue to decrease.

DEBT SERVICE FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$17,620	$15,947	$14,730	$13,217	$10,534
Expenditures	17,620	15,947	14,730	13,217	10,534
Excess (Deficit)	0	0	0	0	0
Beginning Balance	2,500	2,500	2,500	2,500	2,500
Ending Balance	2,500	2,500	2,500	2,500	2,500
GO Bond Issues	0	0	0	0	0
Water Issues	0	0	0	0	0
Alternate Issues	0	0	0	0	0
Tax Rate (Cents)	25.3	17.2	12.0	6.3	0.9

Off-Track Betting Special Projects Fund

MISSION STATEMENT

It is the mission of the Off-Track Betting (OTB) Fund to finance projects from off-track betting receipts, as determined by the Mayor and Council.

PRIMARY FUNCTIONS

The primary function of the OTB Fund is to account for OTB revenues and to allocate those revenues for special projects.

FUND HIGHLIGHTS

The State Legislature approved a horse racing bill in December 1986 that included a provision for race tracks to operate off-track betting parlors in Illinois. A facility was opened in Rockford on November 18, 1987. The City and the County each receives one percent of the handle.

The City utilizes receipts for financing nonrecurring projects, the Rockford arts and property tax relief. Past undertakings have included property tax relief, contribution to the arts, certain road projects and fire station construction.

OTB SPECIAL PROJECTS FUND BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATE	2013 BUDGET	INCREASE (DECREASE)
DEBT SERVICE/INTEREST	$0	$200	$0	$0	($200)
TRANSFER TO REDEVELOP	0	$50,000	$25,000	$75,000	25,000
ARTS	25,000	0	0	0	0
TOTAL	$25,000	$50,200	$25,000	$75,000	$24,800

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
OTB RECEIPTS	$98,229	$98,310	$90,000	$95,000	$5,000
INTEREST INCOME	0	0	0	700	700
TOTAL	$98,229	$98,310	$90,000	$95,700	$5,700

BUDGET HIGHLIGHTS

- Income budgeted at $95,700 was increased to historical actual.
- A $75,000 transfer to redevelopment is budgeted to pay back debt service paid from the redevelopment fund in previous years.

OTB SPECIAL PROJECTS FUND FIVE YEAR FORECAST

The 2014-2018 five year forecast assumes no revenue growth and expenditure of revenue for Redevelopment Fund reimbursement. With debt service completed in 2007, the fund's deficit should be eliminated in 2012. Future excess funds will reimburse the Redevelopment Fund for past advances, $700,000, made in 2005 – 2007 with the reimbursement complete by 2020.

Off-Track Betting Special Projects Fund

OTB SPECIAL PROJECTS FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	2014	2015	2016	2017	2018
Revenues	$96	$96	$96	$101	$101
Expenditures	100	100	100	100	100
Excess (Deficit)	(4)	(4)	(4)	1	1
Beginning Balance	57	53	50	46	46
Ending Balance	$53	$50	$46	$46	$47

Risk Management Fund

MISSION STATEMENT

It is the mission of the Risk Management Fund to provide for costs associated with insurance, legal claims, risk management, and judgments.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the Risk Management Fund is to account for insurance expenses, losses to City owned property, liability claims, and risk management activities.

Implemented in 1996 to comply with Governmental Accounting Standards Board guidelines, the Risk Management Internal Service Fund pays for all insurance, claim settlements, and accidental property losses for the City. Not unlike a premium from an insurance company, departments are assessed a service charge that is based on a cost recovery basis. The annual service charge covers all risk management services received for that year including claim and loss management, insurance premiums, accidental loss of equipment, and the defense and settlement of claims.

The Risk Management Fund transfers risk exposure to outside companies through purchased insurance. This coverage includes liability, surety, fidelity, and property protection. Those City activities not covered through purchased insurance are covered by the City's self-insurance program in which funds are set aside to cover losses and claims. Governmental accounting standards require the City to record anticipated liabilities from operations. The frequency and amounts of the liabilities can vary significantly from year to year.

RISK MANAGEMENT FUND BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATE	BUDGET	(DECREASE)
CONTRACTUAL	$1,590,608	$1,371,500	$1,590,608	$1,736,950	$365,450
OTHER	303,200	303,200	303,200	451,700	148,500
TOTAL	$1,893,808	$1,674,700	$1,893,808	$2,188,650	$513,950

	2010	2011	2012	2013	INCREASE
FUNDING SOURCE	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
PROPERTY TAXES					
JUDGMENTS	1,008,520	1,077,980	1,287,000	1,386,000	99,000
SERVICE CHARGES	0	0	485,450	953,840	468,390
PROPERTY DAMAGE REIMBURSEMEN	27,211	170,055	115,000	115,000	0
MISCELLANEOUS	7,479	24,806	0	0	0
INTEREST INCOME	3,615	11,244	0	0	0
TOTAL	1,046,825	1,284,085	1,887,450	2,454,840	567,390

BUDGET HIGHLIGHTS

- Policy expense increases $277,500 to reflect projected increases in premiums for new comprehensive liability coverage. Efforts to expand property coverage and secure a lower overall property premium rate will continue and affect premium expenses moving forward.
- General fund purchase of services increases $148,500 after a review of staff time spent on risk activities.
- In 2012, $125,000 for the second installment of a settlement of an auto accident case,$75,000 for a separate auto case, $80,000 in an employment discrimination case, and $114,000, $85,000 and $55,000 for three separate police excessive force cases.

Risk Management Fund

RISK MANAGEMENT FUND FIVE YEAR FINANCIAL FORECAST (In 000's)

	2014	2015	2016	2017	2018
Revenues	$2,455	$2,461	$2,468	$2,475	$2,481
Expenses	1,718	1,770	1,825	1,881	1,941
Excess (Deficit)	737	691	643	594	540
Beginning Balance	(1,000)	(263)	428	1,071	1,665
Ending Balance	($263)	$428	$1,071	$1,665	$2,205
Property Tax Rates	6.5	6.5	6.3	6.2	6.1

The five-year forecast assumes that primarily small claims will be paid out of this fund with the exception of one to two legal settlements annually. In addition, it is assumed that large claims that cannot be supported by the fund balance will be paid through the issuance of judgment bonds or through structured settlements, because larger claims are not reasonably foreseeable.

Workforce Investment Board

MISSION STATEMENT
It is the mission of the Workforce Investment Board is to create a competitive, skilled and educated workforce by providing a system for the Citizens of Boone and Winnebago Counties to gain meaningful employment responsive to the needs of business.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS
The primary function of the Workforce Investment Board is to plan and oversee the local workforce development system, negotiate local performance measures with the State, coordinate with economic development agencies and develop employer linkages, and promote the participation of the private sector in the workforce investment system.

The City is the designated grant recipient for the federal Workforce Investment Act (WIA) funds for Boone and Winnebago counties. The WIA requires the establishment of a local Workforce Investment Board. This board and the City entered into an intergovernmental agreement in June 2004 that identifies the City as the employer of record and the mechanism for hiring Workforce Investment Board staff.

WORKFORCE INVESTMENT BOARD BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	ACTUAL	BUDGET	ESTIMATED	BUDGET	(DECREASE)
PERSONNEL	$516,081	$520,211	$522,018	$533,960	$13,749
CONTRACTUAL	0	1,630	1,630	1,990	360
TOTAL	$516,081	$521,841	$523,648	$535,950	$14,109

	2010	2011	2012	2013	INCREASE
FUNDING SOURCE	ACTUAL	ACTUAL	BUDGET	BUDGET	(DECREASE)
FEDERAL	$508,507	$516,081	$521,841	$535,950	$14,109
	$508,507	$516,081	$521,841	$535,950	$14,109

WORKFORCE INVESTMENT BOARD AUTHORIZED POSITIONS

	POSITION	**2012**	**2013**	**INCREASE/**
POSITION TITLE	**RANGE**	**EMPLOYEES**	**EMPLOYEES**	**(DECREASE)**
WIB EXECUTIVE DIRECTOR	E-11	1.00	1.00	0.00
WIB BUSINESS ACCOUNT MANAGER	E-8	1.00	1.00	0.00
WIB BUSINESS ACCOUNT MANAGER	E-9	1.00	1.00	0.00
WIB PLAN & QUALITY ASSURANCE MANAGER	E-7	1.00	1.00	0.00
WIB PR/GRANTS MANAGER	E-10	1.00	1.00	0.00
WIB ASSISTANT	E-2	1.00	1.00	0.00
TOTAL PERSONNEL		**6.00**	**6.00**	**0.00**

BUDGET HIGHLIGHTS
- Salaries increase $10,400 due to a 3% increase for non-union employees.
- A 2% wage increase is budgeted for all department staff for a total cost of $3,900.

Workforce Investment Board

- All costs associated with Workforce Investment Board are reimbursed by federal funds.

Rockford Metropolitan Agency for Planning

MISSION STATEMENT

RMAP primary mission is to perform and carry out a continuing, cooperative, comprehensive transportation planning process for the Rockford Urbanized Area in accordance with applicable Federal laws, policies and procedures, and with the cooperation and assistance of its members and the U.S. Department of Transportation.

RMAP BUDGET SUMMARY

APPROPRIATION	2011 ACTUAL	2012 BUDGET	2012 ESTIMATED	2013 BUDGET	INCREASE (DECREASE)
PERSONNEL	$598,029	$563,400	$699,132	$683,212	$119,812
CONTRACTUAL	814,516	188,070	756,041	188,940	870
SUPPLIES	16,685	9,269	8,594	5,558	(3,711)
OTHER	9,200	12,600	12,600	12,600	0
CAPITAL	0	0	6,163	0	0
TOTAL	$1,438,430	$773,339	$1,482,530	$890,310	$116,971

FUNDING SOURCE	2010 ACTUAL	2011 ACTUAL	2012 BUDGET	2013 BUDGET	INCREASE (DECREASE)
CURRENT FUNDS					
FEDERAL	$165,334	$275,151	$594,377	$651,782	$57,405
STATE	713,828	827,195	0	189,208	189,208
LOCAL MATCH	85,400	173,403	66,034	92,302	26,268
CITY PORTION	166,809	82,361	82,560	76,292	(6,268)
GRANTS	0	0	0	600,000	600,000
TOTAL	$1,131,371	$1,358,110	$742,971	$1,609,584	$866,613

RMAP AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2012 EMPLOYEES	2013 EMPLOYEES	INCREASE/ (DECREASE)
DIRECTOR	E-11	1.00	1.00	0.00
TRANSP PLANNER II	E-8	1.00	1.00	0.00
TRANSP PLANNER I	E-8	1.00	1.00	0.00
TRANSP ECONOMIST	E-8	1.00	1.00	0.00
TRANSP PLANNER/ENGINEER	E-8	1.00	2.00	1.00
SENIOR ADMIN ASSISTANT	E-6	1.00	1.00	0.00
TOTAL PERSONNEL		**6.00**	**7.00**	**1.00**

BUDGET HIGHLIGHTS

- Salaries increase $75,100 due to the addition of a planner/engineer position as well as a 3% increase for non-union employees.
- IMRF increase $17,900 and Health Insurance increase $16,100 in correlation with the additional position.
- A 2% wage increase is budgeted for all department staff for a total cost of $9,200.

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
SUMMARY-ALL FUNDS

	GENERAL GOVERNMENT				PROPRIETARY		FIDUCIARY			
		SPECIAL	DEBT	CAPITAL		INTERNAL	TRUST		TOTALS	
REVENUES	GENERAL	REVENUE	SERVICE	PROJECT	ENTERPRISE	SERVICE	PENSION	ELIMINATIONS	2013	2012
PROPERTY TAX										
CITY WIDE	$38,396,327	$7,441,200	$15,611,190			$4,835,111		$1,400,000	$64,883,828	$67,054,190
TAXABLE BONDS			1,625,785						1,625,785	1,879,684
SPECIAL DISTRICTS		4,619,555	0						4,619,555	4,745,075
LESS, PROVISION FOR ABATEMENT			12,339,226						12,339,226	13,496,129
LESS, PROVISION FOR UNCOLLECTIBLE TAXES	383,963	120,597	48,493			48,352		14,000	587,405	601,818
NET TAX LEVY	38,012,364	11,941,336	4,849,256			4,786,759		1,386,000	58,203,715	59,581,002
TAX LEVY REIMBURSEMENTS	5,609,952	700	0			0		3,252,940	2,357,712	0
PROPERTY TAXES PRIOR TO ADJUSTMENTS	43,622,316	11,942,036	4,849,256			4,786,759		4,638,940	60,561,427	59,581,002
LESS, PROVISION FOR ACCOUNTING INTERPRETATION		(20,099)							(20,099)	770,717
LESS, TAX CAP EFFECTS		0	0			0			0	320,394
TOTAL PROPERTY TAXES	43,622,316	11,962,135	4,849,256			4,786,759		4,638,940	60,581,526	58,489,891
OTHER TAXES	30,540,000	5,500,600	0	$15,100,000		0		0	51,140,600	50,321,900
TOTAL TAXES	74,162,316	17,462,735	4,849,256	15,100,000		4,786,759		4,638,940	111,722,126	108,811,791
LICENSES, PERMITS & INSPECTION FEES	3,781,600	95,000							3,876,600	3,580,200
INTERGOVERNMENTAL	22,380,058	23,950,607	460,000	$22,085,000		1,141,645		328,700	69,688,610	83,780,775
CHARGES FOR SERVICES	4,414,300	9,408,300			$24,200,000	10,397,220		10,344,280	38,075,540	37,689,130
FINES, FORFEITURES & PENALTIES	1,400,000	119,680			516,000				2,035,680	2,092,200
REVENUE FROM USE OF MONEY & PROPERTY	350,000	476,846			1,684,000	142,000	$7,450,000	286,756	9,816,090	12,498,206
FAIR VALUE ADJUSTMENT							8,000,000		8,000,000	6,500,000
OTHER REVENUE & INCOME						2,970,655			2,970,655	4,023,618
RESTRICTED RECEIPTS							3,969,900		3,969,900	3,893,500
MISCELLANEOUS	9,717,332	91,250	60,000	0	115,000	115,000	0	8,793,440	1,305,142	1,142,250
TOTAL REVENUES	116,205,606	51,604,418	5,369,256	37,185,000	26,515,000	19,553,279	19,419,900	24,392,116	251,460,343	264,011,670
OTHER ADDITIONS										
TRANSFERS	1,200,000	1,815,500	6,042,448	8,750,000	123,500	28,716,385	10,546,133	55,864,766	1,329,200	4,759,055
PROCEEDS FROM SALE OF BONDS									0	0
APPLICATION OF RESTRICTED FUND BALANCE									0	0
FOR ENCUMBRANCES AND NONRECURRING ITEMS	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER ADDITIONS	1,200,000	1,815,500	6,042,448	8,750,000	123,500	28,716,385	10,546,133	55,864,766	1,329,200	4,759,055
ELIMINATIONS	0	0	0	0	0	0	0	0	0	738,488
TOTAL REVENUES & OTHER ADDITIONS	117,405,606	53,419,918	11,411,704	45,935,000	26,638,500	48,269,664	29,966,033	80,256,882	252,789,543	269,509,213
APPROPRIATION	117,405,606	51,899,298	17,188,481	45,935,000	26,440,961	47,438,491	11,655,668	83,102,599	234,860,906	249,668,927
NON-APPROPRIATION EXPENSES										
PROVISION FOR ACCOUNTING INTERPRETATION									0	0
TRANSFER TO WATER UTILITY				(4,550,000)					(4,550,000)	(4,275,000)
TRANSFER TO PARKING UTILITY									0	0
PENSION EXPENSE NOT SUBJECT TO									0	0
APPROPRIATION							18,000,000		18,000,000	18,000,000
COMMUNITY DEVELOPMENT									0	0
LEGAL REQUIREMENT FOR DEBT SERVICE	0	0	(5,776,777)	0	0	0	0	(5,776,777)	0	0
PROJECTED EXPENDITURES & TRANSFERS	117,405,606	51,899,298	11,411,704	41,385,000	26,440,961	47,438,491	29,655,668	$77,325,822	248,310,906	263,393,927
ADJUSTMENT FOR ENTERPRISE FUND PROJECTS				(4,550,000)					(4,550,000)	(4,275,000)
PROJECTED EXCESS TO AMORTIZE PRIOR YR EXPENSE									0	0
PROJECTED EXCESS (DEFICIT) OF REVENUES									0	0
OVER EXPENDITURES AND ADJUSTMENTS	0	1,520,620	0	0	197,539	831,173	310,365		2,859,697	2,010,611
BEGINNING BALANCE, JANUARY 1	22,672,029	18,874,377	8,620,869	16,120,188	139,804,053	3,985,394	296,352,032		506,428,942	497,664,290
ADJUSTMENT FOR NON-RECURRING TRANSFERS	0								0	0
ADJUSTMENT OF BALANCE TO REVENUE FOR ENCUMBRANCES	0								0	0
ENDING BALANCE, DECEMBER 31	$22,672,029	$20,394,997	$8,620,869	$16,120,188	$140,001,592	$4,816,567	$296,662,397		$509,288,639	$499,674,901

CITY OF ROCKFORD, ILLINOIS
BUDGET PROGRAM SUMMARY BY EXPENDITURE CLASSIFICATION
2013 BUDGET

AGENCIES	2012 BUDGET	INCREASE (DECREASE)	2013 BUDGET	SALARY EXPENSE	FRINGE BENEFITS	CONTRACTUAL EXPENSE	SUPPLY EXPENSE	OTHER EXPENSE	INTEREST EXPENSE	CAPITAL EXPENSE	DEBT REQUIREMENT
LEGISLATIVE & MANAGEMENT											
MAYOR	$617,040	$12,687	$629,727	$334,525	$136,907	$145,945	$12,350				
COUNCIL	572,787	3,915	576,702	168,000	206,342	201,460	900				
LEGAL	1,608,885	(16,309)	1,592,576	843,176	430,350	295,350	23,700				
FINANCE	7,004,288	(18,479)	6,985,809	1,947,788	1,027,760	1,167,750	30,244	$2,812,267			
INFORMATION TECH	2,644,387	62,034	2,706,421	300,854	134,264	1,731,030	36,200	504,073			
ELECTION COMMISSION	891,112	90,168	981,280	418,428	142,583	343,869	51,400			$25,000	
HUMAN RESOURCES	659,528	49,819	709,347	375,055	185,617	141,875	6,800				
COMMUNITY DEVELOPMENT											
ADMINISTRATION	225,572	15,845	241,417	150,995	61,072	27,930	1,420				
DEVELOPMENT	4,031,880	(347,032)	3,684,848	419,841	230,147	171,440	5,050	2,858,370			
REDEVELOPMENT	3,140,793	192,246	3,333,039			880		3,332,159			
TOURISM PROMOTION	1,572,100	217,900	1,790,000			1,274,000		516,000			
TAX INCREMENT DISTRICTS	6,212,907	60,469	6,273,376	0	0	30,300	0	6,175,046	68,030	0	0
SANITATION	9,355,680	335,066	9,690,746			6,879,360	500	2,810,886			
CODE ENFORCEMENT	1,294,596	(1,294,596)	0								
PLANNING	505,474	21,983	527,457	300,780	151,632	74,135	910				
CONST SERVICES	1,685,307	1,386,209	3,071,516	1,405,193	805,451	827,700	9,755			23,417	
HUMAN SERVICES											
HUMAN SERVICES	12,907,866	799,609	13,707,475	4,176,755	2,538,981	1,957,564	754,300	4,279,875			
TUBERCULOSIS SANITARIUM	168,300	0	168,300			168,300					
LIBRARY	8,122,930	285,500	8,408,430	3,263,997	1,439,272	1,628,957	1,453,834	91,670	239,394	291,306	
MASS TRANSIT	1,274,000	0	1,274,000			1,274,000					
PUBLIC SAFETY											
POLICE	44,781,043	1,052,308	45,833,351	24,074,656	12,586,436	7,616,290	803,280			752,689	
FIRE	39,046,100	1,763,179	40,809,279	23,188,011	13,501,549	3,056,648	614,070			449,001	
911 COMMUNICATIONS	5,266,935	79,031	5,345,966	3,575,005	1,609,931	152,380	8,650				
FIRE/POLICE COMMISSION	87,075	131,410	218,485	10,500		205,685	2,300				
PUBLIC WORKS											
ADMINISTRATION	348,891	12,460	361,351	200,683	83,318	72,250	5,100				
ENGINEERING	963,668	(72,322)	891,346	428,271	224,630	183,795	30,750			23,900	
CAPITAL PROJECT	62,842,500	(16,907,500)	45,935,000	1,062,099	595,296	505,125	22,460	499,080		43,250,940	
MOTOR FUEL TAX	4,200,000	0	4,200,000					4,200,000			
STREETS & SEWERS	7,432,619	919,074	8,351,693	1,554,939	901,985	4,084,530	1,384,000	87,959		338,280	
TRAFFIC	4,131,992	(317,672)	3,814,320	641,859	304,119	2,479,325	341,000	24,600		23,417	
PARKING	2,367,996	50,199	2,418,195	348,322	137,612	534,385	42,500	1,355,376			
PROPERTY	2,545,627	(273,525)	2,272,102	531,243	323,549	986,150	205,600	225,560			
EQUIPMENT	4,009,336	(98,637)	3,910,699	561,460	313,419	860,330	2,065,130	110,360			
CENTRAL STORES	418,297	(6,327)	411,970	209,492	92,948	53,870	31,500	24,160			
WATER	23,632,067	390,699	24,022,766	3,964,502	2,062,800	6,100,330	1,527,920	8,167,439	2,199,775		
NON-OPERATING FUNDS											
POLICE PENSION	4,956,870	296,062	5,252,932		4,770,072	371,190	70	111,600			
FIRE PENSION	5,691,179	711,557	6,402,736		5,776,061	514,975	100	111,600			
IMRF PENSION	6,678,761	319,437	6,998,198		6,997,948	250					
WORKMEN'S COMPENSATION	2,491,195	188,176	2,679,371			2,586,971		92,400			
UNEMPLOYMENT INSURANCE	169,720	(1,413)	168,307			168,307					
HEALTH INSURANCE	21,528,900	278,075	21,806,975			21,627,400	500	179,075			
AUDITING	184,061	55,939	240,000			240,000					
DEBT SERVICE	17,962,697	(774,216)	17,188,481						4,329,146		$12,859,335
OTB PROJECTS	50,200	24,800	75,000					75,000			
RISK MANAGEMENT	1,886,000	302,650	2,188,650			1,736,950		451,700			
RMAP	773,339	116,971	890,310	467,983	215,229	188,940	5,558	12,600			
WIB OPS	521,841	14,109	535,950	355,555	178,405	1,990					
ADJUSTMENTS	0	0	0								
ELIMINATIONS	(78,813,752)	(4,288,847)	(83,102,599)	(4,658,835)	(20,782,423)	(26,757,418)	(2,352,120)	(22,775,026)	(1,817,147)	0	(3,959,630)
TOTAL	$250,650,589	($14,177,289)	$236,473,300	$70,621,132	$37,383,262	$45,912,493	$7,125,731	$16,333,829	$5,019,198	$45,177,950	$8,899,705
BUDGET PERCENTAGE	100		100.0	29.9	15.8	19.4	3.0	6.9	2.1	19.1	3.8

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
PERSONNEL AUTHORIZATION
ALL FUNDS

PROGRAMS AND AGENCIES	2010	2011	2012	2011-2012 INCREASE (DECREASE)	2013	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	6.00	5.00	5.00	0.00	5.00	0.00
LEGISLATIVE & MGMT TOTAL	67.00	60.00	59.00	(1.00)	61.00	2.00
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	7.00	8.00	8.00	0.00	7.00	(1.00)
COMM DEVELOPMENT TOTAL	44.00	39.00	39.00	0.00	38.00	(1.00)
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	82.00	84.50	86.00	1.50	86.25	0.25
HUMAN SERVICES TOTAL	179.85	183.50	176.58	(6.92)	182.60	6.02
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	53.00	53.00	53.00	0.00	53.00	0.00
PUBLIC SAFETY TOTAL	653.00	649.00	651.00	2.00	652.00	1.00
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	77.00	72.00	72.00	0.00	64.00	(8.00)
PUBLIC WORKS TOTAL	191.50	173.50	175.50	2.00	165.50	(10.00)
TOTAL	1,135.35	1,105.00	1,101.08	(3.92)	1,099.10	(1.98)
ANNUAL PERSONNEL CHANGE		(30.35)	(3.92)		(1.98)	
ANNUAL PERCENTAGE CHANGE		(2.70)	(0.40)		(0.20)	

CITY OF ROCKFORD, ILLINOIS
2013-2018 GENERAL FUND FORECAST

TAXES	2011 ACTUAL	2012 BUDGET	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET
PROPERTY TAXES	41,576,430	43,496,476	44,006,279	44,754,386	45,649,474	46,562,463	47,493,712	48,443,586
LESS, UNCOLLECTIBLE TAXES	0	(378,734)	(383,963)	(390,490)	(398,300)	(406,266)	(414,391)	(422,679)
NET LEVY	41,576,430	43,117,742	43,622,316	44,375,887	45,485,285	46,622,417	47,787,978	48,982,677
ADJUST FOR ACCTG INT EFFECTS	0	(699,637)	0	0	0	0	0	0
ADJUST FOR TAX CAP EFFECTS	0	(314,985)	0	0	0	0	0	0
TOTAL PROPERTY TAXES	41,576,430	42,103,120	43,622,316	44,375,887	45,485,285	46,622,417	47,787,978	48,982,677
OTHER TAXES								
SALES AND USE TAXES	23,963,628	23,611,000	24,394,000	25,125,800	25,879,600	26,656,000	27,455,700	28,279,400
TELEPHONE FRANCHISE	5,564,418	5,567,300	5,126,000	5,177,300	5,229,100	5,281,400	5,334,200	5,387,500
UTILITY TAX	1,067,251	1,020,000	1,020,000	1,050,600	1,082,100	1,114,600	1,148,000	1,182,400
OTHER TAXES	30,595,297	30,198,300	30,540,000	31,353,700	32,190,800	33,052,000	33,937,900	34,849,300
TOTAL TAXES	72,171,727	72,301,420	74,162,316	75,729,587	77,676,085	79,674,417	81,725,878	83,831,977
LICENSES								
VEHICLES	0	0	0	0	0	0	0	0
LIQUOR/TOBACCO	823,670	655,000	766,000	665,000	675,000	685,000	695,000	705,000
CATV FRANCHISE FEE	1,531,927	1,460,000	1,500,000	1,530,000	1,560,600	1,591,800	1,623,600	1,656,100
OTHER LICENSES/FRANCHISES	348,631	280,000	330,000	345,000	345,000	345,000	345,000	345,000
INSPECTIONS	1,602,876	1,095,200	1,185,600	1,235,400	1,272,800	1,311,200	1,350,500	1,390,800
TOTAL LICENSES	4,307,104	3,490,200	3,781,600	3,775,400	3,853,400	3,933,000	4,014,100	4,096,900
INTERGOVERNMENTAL								
REPLACEMENT TAX	6,314,639	5,018,600	5,664,388	5,805,998	5,951,148	6,099,928	6,252,426	6,408,738
STATE INCOME TAX	11,978,091	10,958,000	11,500,000	11,845,000	12,200,400	12,566,400	12,943,400	13,331,700
FEDERAL, STATE, AND COUNTY	7,003,922	6,249,190	5,215,670	5,442,280	5,536,480	5,633,480	5,733,180	5,835,780
TOTAL INTERGOVERNMENTAL	25,296,652	22,225,790	22,380,058	23,093,278	23,688,028	24,299,808	24,929,006	25,576,218
CHARGES FOR SERVICES								
AMBULANCE	4,164,967	4,000,000	4,080,000	4,160,000	4,240,000	4,320,000	4,410,000	4,500,000
ALL OTHER	355,414	295,000	334,300	271,400	278,000	285,000	292,200	299,700
TOTAL CHARGES FOR SERVICES	4,520,381	4,295,000	4,414,300	4,431,400	4,518,000	4,605,000	4,702,200	4,799,700
MAGISTRATE FINES	1,430,514	1,481,000	1,400,000	1,520,000	1,550,000	1,580,000	1,610,000	1,640,000
RENTS AND INTEREST	752,710	100,000	350,000	186,400	200,000	201,900	190,100	162,700
MISCELLANEOUS								
REIMBURSEMENTS FOR SERVICES	7,726,285	7,669,940	8,753,832	8,926,760	9,105,180	9,287,210	9,473,050	9,662,520
ALL OTHER	584,806	912,000	963,500	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
TOTAL MISCELLANEOUS	8,311,091	8,581,940	9,717,332	10,036,760	10,215,180	10,397,210	10,583,050	10,772,520
TOTAL REVENUES	116,790,179	112,475,350	116,205,606	118,772,825	121,700,693	124,691,335	127,754,334	130,880,015
OTHER ADDITION, TRANSFERS FROM								
MOTOR FUEL TAX	2,400,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
ALL OTHER	0	0	0	0	0	0	0	0
TOTAL OTHER ADDITIONS	2,400,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
TOTAL GENERAL FUND REVENUES	119,190,179	113,675,350	117,405,606	119,972,825	122,900,693	125,891,335	128,954,334	132,080,015

GENERAL FUND EXPENDITURES

	2011 ACTUAL	2012 BUDGET	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET
SALARY	54,732,547	55,704,774	56,398,414	58,026,400	59,686,900	61,380,600	63,108,200	64,870,400
FRINGE BENEFIT	30,140,244	29,419,160	30,928,156	32,474,560	34,098,290	35,803,200	37,593,360	39,473,030
TOTAL PERSONNEL	84,872,791	85,123,934	87,326,570	90,500,960	93,785,190	97,183,800	100,701,560	104,343,430
CONTRACTUAL	21,924,417	21,978,297	22,200,527	22,866,500	23,552,500	24,259,100	24,986,900	25,736,500
SUPPLY	2,790,686	3,207,648	3,317,979	3,417,520	3,520,050	3,625,650	3,734,420	3,846,450
OTHER	4,458,298	3,316,939	2,924,826	3,230,000	3,230,000	3,230,000	3,230,000	3,230,000
CAPITAL	225,843	25,000	1,635,704	2,885,704	4,085,704	5,185,704	5,289,420	5,395,210
TOTAL EXPENSES	114,272,035	113,651,818	117,405,606	122,900,684	128,173,444	133,484,254	137,942,300	142,551,590
ANNUAL EXCESS (DEFICIT) REVENUES LESS EXPENDITURES	4,918,144	23,532	0	(2,927,859)	(5,272,751)	(7,592,919)	(8,987,966)	(10,471,575)

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
SPECIAL REVENUE FUNDS

REVENUES	MOTOR FUEL TAX	SANITATION	COMMUNITY DEVELOPMENT	REDEVELOPMENT TAX	TOURISM PROMOTION	TAX INCREMENT FINANCING DISTRICTS	HUMAN SERVICES	TUBERCULOSIS SANITARIUM	LIBRARY	RMAP	OTB SPECIAL PROJECTS	ELIMINATIONS	TOTAL
PROPERTY TAXES													
CITY WIDE		$21,000						$148,200	$7,272,000				$7,441,200
SPECIAL DISTRICTS						$4,619,555							4,619,555
LESS, UNCOLLECTIBLE TAXES		200				46,195		1,482	72,720				120,597
NET TAX LEVY		20,800				4,573,818		146,718	7,200,000				11,941,336
TAX LEVY REIMBURSEMENTS		700				0		0	0				700
PROPERTY TAXES PRIOR ADJUST		21,500				4,573,818		146,718	7,200,000				11,942,036
LESS, PROVISION FOR ACCTG INT		(200)						(19,899)	0				(20,099)
LESS, TAX CAP EFFECTS		0				0		0	0				0
TOTAL PROPERTY TAXES		21,700				4,573,818		166,617	7,200,000				11,962,135
OTHER TAXES		0		$3,710,600	$1,790,000	0		0	0				5,500,600
TOTAL TAXES		21,700		3,710,600	1,790,000	4,573,818		166,617	7,200,000				17,462,735
LICENSES, PERMITS & FEES											$95,000		95,000
INTERGOVERNMENTAL	$4,300,000		$3,576,431				$13,630,884		910,000	$1,533,292			23,950,607
SERVICE CHARGES		9,355,800							52,500				9,408,300
FINES									119,680				119,680
REVENUE, RENTS & INTEREST	229,000	58,300	116,500			37,346			35,000		700		476,846
OTHER REVENUE & INCOME												$0	0
MISCELLANEOUS	0	0	0	0	0	0	0	0	91,250	0	0	0	91,250
TOTAL REVENUES	4,529,000	9,435,800	3,692,931	3,710,600	1,790,000	4,611,164	13,630,884	166,617	8,408,430	1,533,292	95,700	0	51,604,418
OTHER ADDITIONS													
TRANSFERS				939,200		800,000				76,300			1,815,500
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	4,529,000	9,435,800	3,692,931	4,649,800	1,790,000	5,411,164	13,630,884	166,617	8,408,430	1,609,592	95,700	0	53,419,918
APPROPRIATION	4,200,000	9,690,746	3,684,848	3,333,039	1,790,000	5,971,250	13,707,475	148,200	8,408,430	890,310	75,000	0	51,899,298
NON EXPENSE APPROPRIATION								0					0
EXPENDITURES AND TRANSFERS	4,200,000	9,690,746	3,684,848	3,333,039	1,790,000	5,971,250	13,707,475	148,200	8,408,430	890,310	75,000	0	51,899,298
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	329,000	(254,946)	8,083	1,316,761	0	(560,086)	(76,591)	18,417	0	719,282	20,700		1,520,620
BEGINNING BALANCE, JANUARY 1	9,466,862	4,143,400	1,210,225	(1,156,752)	300,621	(2,395,042)	843,748	131,619	6,538,294	(209,417)	819		18,874,377
ENDING BALANCE, DECEMBER 31	$9,795,862	$3,888,454	$1,218,308	$160,009	$300,621	($2,955,128)	$767,157	$150,036	$6,538,294	$509,865	$21,519		$20,394,997

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCE DISTRICTS
(PAGE 1 OF 2)

REVENUES	EAST SIDE	EAST RIVER	WEST SIDE #1	WEST SIDE #2	RIVER NORTH	SOUTH ROCKFORD
PROPERTY TAXES						
SPECIAL DISTRICTS	$353,604	$92,738	$449,337	$3,535	$58,039	$134,704
LESS, UNCOLLECTIBLE TAXES	3,536	927	4,493	35	580	1,347
NET TAX LEVY	350,103	91,820	444,888	3,501	57,464	133,370
INTERGOVERNMENTAL						
REVENUE, RENTS & INTEREST	600	0	0	125	3,538	0
OTHER REVENUE	0	0	0	0	0	0
TOTAL REVENUES	350,703	91,820	444,888	3,626	61,002	133,370
OTHER ADDITIONS						
TRANSFERS	0	150,000	300,000	0	0	100,000
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	350,703	241,820	744,888	3,626	61,002	233,370
APPROPRIATION	405,000	178,038	635,999	0	75,803	135,399
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	405,000	178,038	635,999	0	75,803	135,399
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(54,297)	63,782	108,889	3,626	(14,801)	97,971
BEGINNING BALANCE, JANUARY 1	118,644	(13,954)	78,722	4,981	141,511	(192,456)
ENDING BALANCE, DECEMBER 31	$64,347	$49,828	$187,611	$8,607	$126,710	($94,485)

REVENUES	ASSISTED LIVING	STATE KILBURN	STATE CENTRAL	SPRINGFIELD CORNERS	NORTH MAIN	MAIN AUBURN
PROPERTY TAXES						
SPECIAL DISTRICTS	$29	$14,948	$190,385	$190,123	$76,457	$18,725
LESS, UNCOLLECTIBLE TAXES	0	149	1,904	1,901	765	187
NET TAX LEVY	29	14,800	188,500	188,241	75,700	18,540
INTERGOVERNMENTAL						
REVENUE, RENTS & INTEREST	6	758	3,442	0	0	1,618
OTHER REVENUE	0	0	0	0	0	0
TOTAL REVENUES	35	15,558	191,942	188,241	75,700	20,158
OTHER ADDITIONS						
TRANSFERS	0	0	0	200,000	0	0
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	35	15,558	191,942	388,241	75,700	20,158
APPROPRIATION	0	0	200,000	462,839	173,262	20,000
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	0	0	200,000	462,839	173,262	20,000
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	35	15,558	(8,058)	(74,598)	(97,562)	158
BEGINNING BALANCE, JANUARY 1	222	30,319	137,674	(270,682)	(491,976)	64,719
ENDING BALANCE, DECEMBER 31	$257	$45,877	$129,616	($345,280)	($589,538)	$64,877

REVENUES	MAIN WHITMAN	SEVENTH STREET	MIDTOWN	BROADWAY	STATE ALPINE	TOTAL RETAIL TIF DISTRICTS
PROPERTY TAXES						
SPECIAL DISTRICTS	$41,262	$995,955	$37,128	$46,666	$204,525	$2,908,160
LESS, UNCOLLECTIBLE TAXES	413	9,960	371	467	2,045	29,080
NET TAX LEVY	40,853	986,094	36,760	46,204	202,500	2,879,367
INTERGOVERNMENTAL						0
REVENUE, RENTS & INTEREST	0	0	900	1,124	7,150	19,261
OTHER REVENUE	0	0	0	0	0	0
TOTAL REVENUES	40,853	986,094	37,660	47,328	209,650	2,898,628
OTHER ADDITIONS						
TRANSFERS	0	50,000	0	0	0	800,000
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	40,853	1,036,094	37,660	47,328	209,650	3,698,628
APPROPRIATION	101,122	1,098,428	0	0	285,429	3,771,319
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	101,122	1,098,428	0	0	285,429	3,771,319
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(60,269)	(62,334)	37,660	47,328	(75,779)	(72,691)
BEGINNING BALANCE, JANUARY 1	(347,494)	141,882	36,013	44,949	286,008	(230,918)
ENDING BALANCE, DECEMBER 31	($407,763)	$79,548	$73,673	$92,277	$210,229	(303,609)

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCE DISTRICTS
(PAGE 2 OF 2)

REVENUES	LINCOLNWOOD #1	LINCOLNWOOD #2	HOPE 6	GARRISON	RIVER OAKS	JACKSON SCHOOL
PROPERTY TAXES						
SPECIAL DISTRICTS	$81,463	$50,865	$176,641	$94,756	$50,077	$95,445
LESS, UNCOLLECTIBLE TAXES	815	509	1,766	948	501	954
NET TAX LEVY	80,656	50,361	174,892	93,818	49,581	94,500
INTERGOVERNMENTAL						
REVENUE, RENTS & INTEREST	4,140	1,986	0	0	0	905
OTHER REVENUE	0	0	0	0	0	0
TOTAL REVENUES	84,796	52,347	174,892	93,818	49,581	95,405
OTHER ADDITIONS						
TRANSFERS						
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	84,796	52,347	174,892	93,818	49,581	95,405
APPROPRIATION	91,688	71,631	254,101	170,987	310,559	116,173
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	91,688	71,631	254,101	170,987	310,559	116,173
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(6,892)	(19,284)	(79,209)	(77,169)	(260,978)	(20,768)
BEGINNING BALANCE, JANUARY 1	165,589	79,451	(211,506)	(260,960)	(1,097,136)	36,204
ENDING BALANCE, DECEMBER 31	$158,697	$60,167	($290,715)	($338,129)	($1,358,114)	$15,436

REVENUES	TOTAL RESIDENTIAL TIF DISTRICTS	ROCKFORD GLOBAL TRADE PARK #1	ROCKFORD GLOBAL TRADE PARK #2	ROCKFORD GLOBAL TRADE PARK #3	PRESTON CENTRAL
PROPERTY TAXES					
SPECIAL DISTRICTS	$549,246	$773,761	$193,617	$56,863	$83,123
LESS, UNCOLLECTIBLE TAXES	5,493	7,738	1,936	569	831
NET TAX LEVY	543,808	766,100	191,700	56,300	82,300
INTERGOVERNMENTAL	0				
REVENUE, RENTS & INTEREST	7,031	9,014	0	576	0
OTHER REVENUE	0	0	0	0	0
TOTAL REVENUES	550,839	775,114	191,700	56,876	82,300
OTHER ADDITIONS					
TRANSFERS	0	0	0	0	0
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	550,839	775,114	191,700	56,876	82,300
APPROPRIATION	1,015,139	833,513	130,569	50,000	124,642
NON EXPENSE APPROPRIATION					
EXPENDITURES AND TRANSFERS	1,015,139	833,513	130,569	50,000	124,642
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(464,300)	(58,399)	61,131	6,876	(42,342)
BEGINNING BALANCE, JANUARY 1	(1,288,358)	360,544	(6,778)	23,059	(1,311,171)
ENDING BALANCE, DECEMBER 31	(1,752,658)	$302,145	$54,353	$29,935	($1,353,513)

REVENUES	KISHWAUKEE HARRISON #1	KISHWAUKEE HARRISON #2	TOTAL INDUSTRIAL TIF DISTRICTS	TOTAL ALL TIF DISTRICTS
PROPERTY TAXES				
SPECIAL DISTRICTS	$54,680	$105	$1,162,149	$4,619,555
LESS, UNCOLLECTIBLE TAXES	547	1	11,622	46,195
NET TAX LEVY	54,139	104	1,150,643	4,573,818
INTERGOVERNMENTAL			0	0
REVENUE, RENTS & INTEREST	1,451	13	11,054	37,346
OTHER REVENUE	0	0	0	0
TOTAL REVENUES	55,590	117	1,161,697	4,611,164
OTHER ADDITIONS				
TRANSFERS			0	800,000
PROCEEDS FROM SALE OF BONDS	0	0	0	0
TOTAL REVENUES & ADDITIONS	55,590	117	1,161,697	5,411,164
APPROPRIATION	46,018	50	1,184,792	5,971,250
NON EXPENSE APPROPRIATION				
EXPENDITURES AND TRANSFERS	46,018	50	1,184,792	5,971,250
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	9,572	67	(23,095)	(560,086)
BEGINNING BALANCE, JANUARY 1	58,053	527	(875,766)	(2,395,042)
ENDING BALANCE, DECEMBER 31	$67,625	$594	($898,861)	($2,955,128)

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
INTERNAL SERVICE FUNDS

REVENUES	PROPERTY	EQUIPMENT	CENTRAL STORES	RISK MGMT	INFORMATION TECHNOLOGY	911 COMMUNICA-TIONS	ILLINOIS MUNICIPAL RETIREMENT	UNEMPLOY-MENT TAX	WORKER'S COMPENSATION	AUDITING	HEALTH INSURANCE	ELIMINATIONS	TOTAL
PROPERTY TAXES				$1,400,000			$3,252,311			$182,800			$4,835,111
LESS, UNCOLLECTIBLE TAXES				14,000			32,524			1,828			48,352
NET TAX LEVY				1,386,000			3,219,787			180,972			4,786,759
TAX LEVY REIMBURSEMENTS				0			250	250	250			$750	0
PROPERTY TAXES PRIOR ADJUST				1,386,000			3,220,037	250	250	180,972		750	4,786,759
LESS, PROVISION FOR ACCTG INT				0									0
LESS, TAX CAP EFFECTS				0			0	0	0	0		0	0
TOTAL PROPERTY TAXES				1,386,000			3,220,037	250	250	180,972		750	4,786,759
INTERGOVERNMENTAL						$812,945	328,700						1,141,645
SERVICE CHARGES	$2,374,020	$3,960,970	$420,000	953,840	$2,942,130							253,740	10,397,220
FINES AND PENALTIES													
RENTS AND INTEREST	20,000						10,000	900	15,000		$96,100		142,000
OTHER REVENUE											2,970,655		2,970,655
RESTRICTED RECEIPTS													
MISCELLANEOUS	0	0	0	115,000	0	0	0	0	0	0	0	0	115,000
TOTAL REVENUES	2,394,020	3,960,970	420,000	2,454,840	2,942,130	812,945	3,558,737	1,150	15,250	180,972	3,066,755	254,490	19,553,279
OTHER ADDITIONS													
TRANSFERS	24,563	0	0			4,533,021	3,449,710	167,807	2,678,871	59,010	18,839,081	1,035,678	28,716,385
TOTAL REVENUES & ADDITIONS	2,418,583	3,960,970	420,000	2,454,840	2,942,130	5,345,966	7,008,447	168,957	2,694,121	239,982	21,905,836	1,290,168	48,269,664
APPROPRIATION	2,272,102	3,910,699	411,970	2,188,650	2,706,421	5,345,966	6,998,198	168,307	2,679,371	240,000	21,806,975	1,290,168	47,438,491
AND TRANSFERS	2,272,102	3,910,699	411,970	2,188,650	2,706,421	5,345,966	6,998,198	168,307	2,679,371	240,000	21,806,975	1,290,168	47,438,491
PROJECTED EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	146,481	50,271	8,030	266,190	235,709	0	10,249	650	14,750	(18)	98,861		831,173
BEGINNING BALANCE, JANUARY 1	623,048	678,925	240,002	(4,469,217)	1,301,927	0	67,873	180	12,891	0	5,529,765		3,985,394
ADJUSTMENT FOR NON-RECURRING TRANSFERS	0	0	0	0	0	0	0	0	0	0	0		0
ENDING BALANCE, DECEMBER 31	$769,529	$729,196	$248,032	($4,203,027)	$1,537,636	$0	$78,122	$830	$27,641	($18)	$5,628,626		$4,816,567

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
PROPRIETARY AND FIDUCIARY FUND TYPES

	ENTERPRISE			PENSION		
REVENUES	WATER	PARKING	TOTAL	POLICE	FIRE	TOTAL
PROPERTY TAXES						
TAX LEVY REIMBURSEMENTS						
TOTAL PROPERTY TAXES						
SERVICE CHARGES	$24,200,000		$24,200,000			
FINES AND PENALTIES		$516,000	516,000			
REVENUE, RENTS & INTEREST	200,000	1,484,000	1,684,000	$3,450,000	$4,000,000	$7,450,000
FAIR VALUE ADJUSTMENT				4,000,000	4,000,000	8,000,000
OTHER REVENUE						
MEMBER CONTRIBUTIONS				2,000,800	1,969,100	3,969,900
MISCELLANEOUS	115,000	0	0	0	0	0
TOTAL REVENUES	24,515,000	2,000,000	26,400,000	9,450,800	9,969,100	19,419,900
OTHER ADDITIONS						
TRANSFERS	99,000	25,100	124,100	4,770,072	5,776,061	10,546,133
TOTAL REVENUES & ADDITIONS	24,614,000	2,025,100	26,524,100	14,220,872	15,745,161	29,966,033
APPROPRIATION	24,022,766	2,418,195	26,440,961	13,977,932	15,677,736	29,655,668
NON-APPROPRIATION EXPENSES						
PENSION EXPENSE NOT SUBJECT TO APPROPRIATION				8,725,000	9,275,000	18,000,000
PROJECTED EXPENDITURES AND TRANSFERS	24,022,766	2,418,195	26,440,961	22,702,932	24,952,736	47,655,668
PROJECTED EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	591,234	(393,095)	83,139	(8,482,060)	(9,207,575)	(17,689,635)
BEGINNING BALANCE, JANUARY 1	122,878,874	16,925,179	139,804,053	161,012,597	135,339,435	296,352,032
ENDING BALANCE, DECEMBER 31	$123,470,108	$16,532,084	$139,887,192	$155,807,420	$140,569,120	$278,662,397

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
DEBT SERVICE 2012-2018

REVENUES	2012	2013	2014	2015	2016	2017	2018
PT TAXES-CITY	$7,121,785	$4,898,237	$4,182,629	$2,830,134	$1,980,208	$1,052,505	$155,491
UNCOLLECTIBLE	(71,218)	(48,982)	(41,826)	(28,301)	(19,802)	(10,525)	(1,555)
	7,050,567	4,849,255	4,140,803	2,801,833	1,960,406	1,041,980	153,936
ABATEMENTS-EXEMPT							
TIF DISTRICTS	2,716,535	2,467,629	2,530,552	2,140,327	2,364,689	2,476,477	1,945,389
WATER	6,527,549	5,776,777	5,584,427	5,598,424	5,567,824	5,323,541	4,850,125
SALES TAX	574,773	579,573	463,573	492,036	416,500	0	0
REDEVELOPMENT/TOURISM	995,130	1,074,618	1,079,393	1,072,068	1,058,018	1,047,430	219,793
OTHER	820,169	814,844	814,119	832,763	824,975	816,788	693,200
	11,634,156	10,713,441	10,472,064	10,135,618	10,232,006	9,664,236	7,708,507
ABATEMENTS-TAXABLE							
TIF DISTRICTS	689,922	698,635	697,852	694,077	214,004	207,755	241,014
SALES TAX	333,593	321,094	333,593	319,844	330,750	315,375	0
REDEVELOPMENT	441,868	441,868	1,814,724	1,813,593	1,815,668	1,815,693	2,263,668
PARKING	167,750	164,188	160,625	181,875	176,875	171,875	166,875
OTHER	0	0	0	0	0	0	0
	1,633,133	1,625,785	3,006,794	3,009,389	2,537,297	2,510,698	2,671,557
TOTAL REVENUES	20,317,856	17,188,482	17,619,661	15,946,840	14,729,709	13,216,914	10,534,000
DEBT SERVICE							
KISHWAUKEE TRUNK-SANITARY DIST	119,073	119,073	119,073	59,536	59,536	59,536	59,536
2002 8,000,000 STREET GOB	857,145	864,145	868,595	0	0	0	0
2002 2,200,000 WATER ALT	239,718	235,478	240,695	0	0	0	0
2002 3,000,000 GO 7TIF ALT	320,385	328,065	324,415	0	0	0	0
2002 1,300,000 SPRINGFIELD CR TIF	123,363	125,003	126,348	127,388	127,388	127,388	127,388
2003 8,200,000 STREET GOB	861,295	875,025	885,775	884,000	884,000	884,000	884,000
2003 2,200,000 WATER ALT	232,453	235,353	232,478	239,200	239,200	239,200	239,200
2004 8,500,000 STREET GOB	868,870	870,470	870,870	869,300	869,300	869,300	869,300
2004 2,200,000 WATER ALT	233,015	235,415	237,415	233,805	233,805	233,805	233,805
2004 2,000,000 TAXABLE TIF	244,060	244,060	243,350	242,075	242,075	242,075	242,075
2004 3,200,000 EQUIPMENT ALT	411,200	416,000	0	0	0	0	0
2004 1,650,000 NORTH MAIN TIF	164,963	160,963	206,963	200,963	200,963	200,963	200,963
2004 3,000,000 GLOBAL PARK #1 TIF	337,438	327,438	317,438	357,438	357,438	357,438	357,438
2004 3,070,000 SRTIF REFUND	354,318	354,118	358,518	362,318	362,318	362,318	362,318
2005 8,700,000 STREET GOB	903,260	914,860	924,860	933,260	933,260	933,260	933,260
2005 2,200,000 WATER ALT	228,215	231,555	234,430	236,430	236,430	236,430	236,430
2005 915,000 GLOBAL PARK TIF #1	141,600	161,600	145,600	0	0	0	0
2005 560,000 LINCOLNWOOD 2 TIF	47,631	71,631	79,632	67,231	67,231	67,231	67,231
2005 1,795,000 SPRINGFIELD TIF	176,469	197,469	192,469	212,469	212,469	212,469	212,469
2005 2,450,000 RIVER OAKS TIF	282,587	299,588	290,587	281,588	281,588	281,588	281,588
2005 1,500,000 GARRISON TIF	64,462	164,462	160,463	156,462	156,462	156,462	156,462
2005 530,000 LINCOLNWOOD 1 REF	68,687	91,688	88,687	85,688	85,688	85,688	85,688
2005 2,850,000 LOWE'S ALT	333,593	321,094	333,593	319,844	319,844	319,844	319,844
2006 $15,000,000 WATER ALT	1,189,000	1,188,000	1,182,625	1,201,125	1,201,125	1,201,125	1,201,125
2006 2,500,000 HOPE 6 TIF	255,375	248,813	267,250	259,375	259,375	259,375	259,375
2007 16,700,000 METRO CENTER TAX	0	0	1,372,856	1,371,725	1,371,725	1,371,725	1,371,725
2007 6,300,000 METRO CENTER	465,775	465,575	469,975	468,775	468,775	468,775	468,775
2007 6,865,000 CORONADO REFUND	860,812	950,500	960,875	959,750	959,750	959,750	959,750
2007 1,100,000 PRESTON CENTRAL TIF	94,050	91,863	89,613	87,363	87,363	87,363	87,363
2007 1,100,000 NW SEWER ALT	44,500	44,500	344,500	432,500	432,500	432,500	432,500
2007 3,500,000 LIBRARY ALT	234,394	229,269	224,144	243,988	243,988	243,988	243,988
2007 3,500,000 WATER	274,481	268,294	287,106	279,888	279,888	279,888	279,888
2008 9,000,000 WATER	715,718	702,125	712,125	721,125	721,125	721,125	721,125
2008 1,100,000 GLOBAL PARK #1TIF	88,625	87,000	135,250	131,750	131,750	131,750	131,750
2008 200,000 JACKSON SCHOOL TIF	30,500	29,687	28,812	27,937	27,937	27,937	27,937
2008 1,850,000 PARKING ALT	167,750	164,187	160,625	181,875	181,875	181,875	181,875
2009 350,000 RIVER NORTH TIF	26,311	25,818	25,325	30,135	30,135	30,135	30,135
2009 1,300,000 MAIN WHITMAN TIF	97,727	95,895	94,063	111,928	111,928	111,928	111,928
2009 950,000 TAX GLOBAL TRADE #1 TIF	96,225	93,575	90,925	88,250	88,250	88,250	88,250
2009 8,065,000 TAX METRO REFUNDING	441,868	441,868	441,868	441,868	441,868	441,868	441,868
2009 7,930,000 STREET REFUNDING	1,375,750	731,300	0	0	0	0	0
2009 4,325,000 WATER REFUND	716,138	481,488	238,288	236,988	236,988	236,988	236,988
2009 1,330,000 7TIF REFUND	279,150	286,500	288,400	0	0	0	0
2009 1,350,000 SPRINGFIELD CORNERS TIF	141,929	138,752	135,377	132,002	132,002	132,002	132,002
2009 350,000 RIVER TIF	36,796	35,973	35,098	34,223	34,223	34,223	34,223
2010 3,400,000 WATER	260,375	257,375	254,000	250,625	246,875	246,875	246,875
	$15,507,049	$14,902,910	$15,321,354	$13,562,190	$13,558,440	$13,558,440	$13,558,440

CITY OF ROCKFORD, ILLINOIS
EQUALIZED ASSESSED VALUATIONS, LEVIES, AND TAX RATES
2009-2012 BUDGETS
(RATES ARE DOLLARS PER ONE HUNDRED EAV)
(YEARS ARE LEVY YEARS, NOT COLLECTION YEARS)

FUND	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	ESTIMATE 2012	2011-2012 INCREASE (DECREASE)	2011 RATES	2012 RATES	2011-2012 INCREASE DECREASE	RATE LIMITS
TAX LEVIES FOR OPERATIONS									
GENERAL FUND									
CORPORATE	$4,519,675	$3,596,102	$5,727,563	$7,577,205	**$1,849,642**	**0.3028**	**0.4362**	**0.1334**	**0.4375**
POLICE PROTECTION	$9,862,056	10,097,211	10,051,608	10,300,000	**248,392**	**0.5314**	**0.5929**	**0.0615**	**0.60**
POLICE PENSION	2,782,620	4,339,430	3,737,670	**3,673,220**	**(64,450)**	**0.1976**	**0.2114**	**0.0138**	**U/L**
SCHOOL CROSSING	10,414	10,045	11,349	11,349	**0**	**0.0006**	**0.0007**	**0.0001**	**0.050**
FIRE PROTECTION	$9,862,056	10,097,211	10,759,040	10,300,000	**(459,040)**	**0.5688**	**0.5929**	**0.0241**	**0.60**
FIRE PENSION	4,509,261	5,227,406	4,214,336	**4,133,879**	**(80,457)**	**0.2228**	**0.2380**	**0.0152**	**U/L**
JUDGMENTS	1,191,361	1,191,334	1,301,375	**1,400,000**	**98,625**	**0.0688**	**0.0806**	**0.0118**	**U/L**
STREET & BRIDGE	2,083,799	2,007,347	1,890,419	1,775,000	**(115,419)**	**0.0999**	**0.1022**	**0.0023**	**0.100**
TOTAL GENERAL FUND	34,821,242	36,566,086	37,693,360	39,170,653	**1,477,293**	**1.9927**	**2.2549**	**0.2622**	
SANITATION	22,911	22,099	20,807	**35,500**	**14,693**	**0.0011**	**0.0020**	**0.0009**	**0.100**
SANITARIUM	187,452	154,693	155,106	**159,700**	**4,594**	**0.0082**	**0.0092**	**0.0010**	**0.050**
LIBRARY	6,475,424	6,858,710	7,000,564	**7,300,564**	**300,000**	**0.3701**	**0.4202**	**0.0501**	**0.60**
LIBRARY-MAINTENANCE	416,560	301,349	300,754	**300,754**	**0**	**0.0159**	**0.0173**	**0.0014**	**0.020**
IMRF PENSION	3,151,276	3,206,357	3,034,019	**3,070,700**	**36,681**	**0.1604**	**0.1768**	**0.0164**	**U/L**
UNEMPLOYMENT TAX	56,236	52,234	143,757	**140,200**	**(3,557)**	**0.0076**	**0.0081**	**0.0005**	**U/L**
WORKMEN'S COMPENSATION	1,889,099	1,729,745	1,783,716	**2,216,812**	**433,096**	**0.0943**	**0.1276**	**0.0333**	**U/L**
AUDITING	216,611	225,007	185,370	**138,300**	**(47,070)**	**0.0098**	**0.0080**	**(0.0018)**	**U/L**
LEVIES-OPERATIONS	47,236,811	49,116,280	50,317,453	52,533,183	**2,215,730**	**2.6601**	**3.0241**	**0.3640**	
LEVIES DEBT SERVICE						**2.5676**			
EXISTING DEBT	7,004,455	6,340,389	5,551,648	**4,777,130**	**(774,518)**	**0.2935**	**0.2750**	**(0.0185)**	**U/L**
PROPOSED DEBT	0	0	0	0	**0**	**0.0000**	**0.0000**	**0.0000**	**U/L**
LEVIES DEBT SERVICE	7,004,455	6,340,389	5,551,648	4,777,130	**(774,518)**	**0.2935**	**0.2750**	**(0.0185)**	
TOTAL TAX LEVIES	54,241,266	55,456,669	55,869,101	57,310,313	**1,441,212**	**2.9536**	**3.2991**	**0.3455**	
LESS, TOWNSHIP ROAD AND BRIDGE	909,100	894,364	918,171	918,000	**(171)**	**0.0485**	**0.0528**	**0.0043**	
ESTIMATED TC EXTENSION			**41,477,541**	**43,571,000**	**42,800,000**				
TAX EXTENSION LIMIT			**41,477,541**	**42,796,503**					
CITY TAX EXTENSION	53,332,166	54,562,305	54,950,930	56,392,313	**1,441,383**	**2.9051**	**3.2463**	**0.3412**	
	46,440,182	47,402,246	47,649,612	48,790,995		**0.3445**	**0.3412**		
LESS DEBT SERVICE	46,327,711	48,221,916	49,399,282	51,615,183	**2,215,901**				
LIBRARY TAX RATE	0.3309	0.3564	0.3860	0.4376	**0.0516**				
	0.3309	0.0255	0.0296	0.0516					
CITY TAX RATE									
OPERATIONS	1.8934	2.0439	2.2256	2.5336	**0.3080**				
DEBT SERVICE	0.3363	0.3156	0.2935	0.2750	**(0.0185)**				
CITY TAX RATE	2.2297	2.3595	2.5191	2.8086	**0.2895**				
	2.2297	0.1298	0.1596	0.2895					
TOTAL TAX RATE	2.5606	2.7159	2.9051	3.2462	**0.3411**				
RATIO DEBT TO TOTAL	0.131	0.116	0.101	0.085	**(0.0160)**				
EQUALIZED ASSESSED VALUATION	2,082,799,663	2,008,995,393	1,891,533,215	1,737,227,413.0	**(154,305,802)**				

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
SCHEDULE OF TRANSFERS PURCHASE OF SERVICES
(IN DOLLARS)

TRANSFER FROM	TRANSFER TO													
	GENERAL	CAPITAL PROJECT	RMAP	PROPERTY	EQUIPMENT	STORES	WATER	HUMAN SERVICES	POLICE PENSION	FIRE PENSION	IMRF PENSION	HEALTH INSURANCE	UNEMPLOY INSURANCE	WORK COMP
GENERAL		1,200,000		1,409,690	3,094,630	147,000	68,800		4,770,072	5,776,061	3,219,787	14,394,093	135,297	2,401,743
GENERAL-TRAFFIC														
INFO TECHNOLOGY	32,600			19,780	910						64,142	65,962	872	872
911 COMM											762,191	816,218	9,540	10,368
MOTOR FUEL TAX	1,200,000	3,000,000												
CAPITAL PROJECT	422,780		76,300	39,550	26,950						223,433	346,388	3,240	11,111
PARKING	453,026			150,760	25,420	21,000					73,579	54,418	1,530	5,370
SANITATION	2,810,866													
PW BLDG MT	89,000			17,820	50,240	42,000					107,793	190,918	1,800	22,258
PW EQUIP MT	78,200			109,080	25,610	37,800					119,704	161,538	1,620	27,455
PW STORES	23,000			9,090	3,030						44,664	46,644	720	608
WATER	2,619,505			343,500	568,340	172,200					831,166	1,045,486	11,520	150,532
BLOCK GRANT	978,980			23,170	4,320						89,510	130,442	1,260	4,441
REDEVELOPMENT	116,488			274,400			24,210							
TOURISM/PROMOTION	1,800													
TIF-EAST SIDE	25,000													
TIF-RIVER EAST														
TIF-WEST SIDE														
TIF-SEVENTH ST	25,000													
TIF-SOUTH ROCKFORD														
TIF-LINCOLNWOOD #1														
TIF-LINCOLNWOOD #2														
TIF-SPRINGFIELD CORNERS														
TIF-NORTH MAIN														
TIF-RKFD GLOBAL PARK	113,900													
TIF-RIVER OAKS														
TIF-GARRISON														
TIF-HOPE 6														
TIF-STATE ALPINE	40,000													
TIF-RIVER NORTH														
TIF-MAIN WHITMAN														
TIF-JACKSON SCHOOL	15,000													
TIF-PRESTON CENTRAL														
TIF-STATE CENTRAL														
HUMAN SERVICES					169,130						873,032	1,464,476		31,873
RMAP											97,818	101,062	1,260	1,331
LIBRARY											695,884			16,597
POLICE PENSION	111,600													
FIRE PENSION	111,600													
IMRF PENSION	3,219,787													
WK COMP-PERS	92,400													
HEALTH	179,075													
UNEMPLOYMENT INS	140,447													
WORK COMP	2,408,353													
AUDITING	180,990													
DEBT SERVICE														
EQ TRSF IMRF														
JUDGMENTS	419,500													
	15,908,897	4,200,000	76,300	2,396,840	3,968,580	420,000	93,010	0	4,770,072	5,776,061	7,202,703	18,817,645	168,659	2,684,559

CITY OF ROCKFORD, ILLINOIS
2013 BUDGET
SCHEDULE OF TRANSFERS PURCHASE OF SERVICES
(IN DOLLARS)

TRANSFER FROM	AUDITING	INFO TECH	RISK MGMT]	DEBT SERVICE	REDEVELOP	TIF-WEST SIDE 1	TIF-7TH STREET	TIF-EAST RIVER	TIF-S ROCKFORD	TIF-SFIELD CORNERS	911 COMM	MVPS	TOTAL
GENERAL		2,140,940	787,590	700,667							4,533,021	286,456	45,065,847
GENERAL-TRAFFIC												24,600	24,600
INFO TECHNOLOGY			2,220									2,256	189,614
911 COMM	840	14,930	2,580										1,616,667
MOTOR FUEL TAX													4,200,000
CAPITAL PROJECT	2,800	58,270	257,560									9,720	1,478,102
PARKING	800	19,900	79,500	186,150								2,052	1,073,505
SANITATION	700												2,811,566
PW BLDG MT	700	15,780	13,120										551,429
PW EQUIP MT	1,000	16,710	48,000										626,717
PW STORES	100	15,390	59,930										203,176
WATER	10,500	189,110	68,640									2,256	6,012,755
BLOCK GRANT	8,000	54,610	5,890									3,948	1,304,571
REDEVELOPMENT	1,000			1,022,061									1,438,159
TOURISM/PROMOTI(					514,200								516,000
TIF-EAST SIDE						300,000							325,000
TIF-RIVER EAST				42,474					100,000				142,474
TIF-WEST SIDE				500,000									500,000
TIF-SEVENTH ST				867,728				100,000					992,728
TIF-SOUTH ROCKFOR				358,518									358,518
TIF-LINCOLNWOOD #				91,688									91,688
TIF-LINCOLNWOOD #				71,631									71,631
TIF-SPRINGFIELD COI				456,072									456,072
TIF-NORTH MAIN				160,963									160,963
TIF-RKFD GLOBAL PA				669,613									783,513
TIF-RIVER OAKS				299,588									299,588
TIF-GARRISON				164,463									164,463
TIF-HOPE 6				248,813									248,813
TIF-STATE ALPINE													40,000
TIF-RIVER NORTH				25,803									25,803
TIF-MAIN WHITMAN				101,122									101,122
TIF-JACKSON SCHOOI				29,688			50,000						94,688
TIF-PRESTON CENTR/				91,863									91,863
TIF-STATE CENTRAL										200,000			200,000
HUMAN SERVICES	16,800	404,090	137,850										3,097,251
RMAP	1,450	34,680	2,430									4,788	244,819
LIBRARY	14,800			234,394								8,500	970,175
POLICE PENSION													111,600
FIRE PENSION													111,600
IMRF PENSION	250												3,220,037
WK COMP-PERS													92,400
HEALTH	1,000												180,075
UNEMPLOYMENT INS	250												140,697
WORK COMP	250												2,408,603
AUDITING	3,000												183,990
DEBT SERVICE													0
EQ TRSF IMRF													0
JUDGMENTS													419,500
	64,240	2,964,410	1,465,310	6,323,299	514,200	300,000	50,000	100,000	100,000	200,000	4,533,021	344,576	83,442,382

CITY OF ROCKFORD, ILLINOIS
2012 RESULTS OF OPERATIONS (UNAUDITED)
2013 BUDGET

FUND	BEGINNING BALANCE 1/1/12	REVENUES	EXPENDITURES EXPENSES	EXCESS (DEFICIT)	ENDING BALANCE 12/31/12
GENERAL-OPERATING	$27,533,344	122,166,915	117,751,203	$4,415,712	$31,949,056
SPECIAL REVENUE					
MOTOR FUEL TAX	9,466,862	4,525,924	1,200,000	3,325,924	12,792,786
SANITATION	4,143,400	9,365,802	8,466,687	899,115	5,042,515
COMMUNITY DEVELOPMENT	1,210,225	3,843,247	5,405,193	(1,561,946)	(351,721)
REDEVELOPMENT TAX	(1,156,752)	5,347,374	4,273,641	1,073,733	(83,019)
TOURISM PROMOTION TAX	300,621	1,742,289	1,637,917	104,372	404,993
TAX INCREMENT DISTRICTS	(2,035,268)	5,455,991	5,821,484	(365,493)	(2,400,761)
HUMAN SERVICES	843,748	15,998,346	15,686,383	311,963	1,155,711
TUBERCULOSIS SANITARIUM	131,619	155,256	94,980	60,276	191,895
LIBRARY	6,538,294	8,454,413	7,017,731	1,436,682	7,974,976
OTB SPECIAL PROJECTS	819	99,849	25,000	74,849	75,668
RMAP PLANNING	(209,417)	1,099,903	1,482,530	(382,627)	(592,044)
DEBT SERVICE	8,620,869	20,175,557	20,308,619	(133,062)	8,487,807
CAPITAL PROJECT	16,120,188	18,460,047	25,153,208	(6,693,161)	9,427,027
ENTERPRISE					
WATER SYSTEM	128,931,853	24,998,165	21,385,125	3,613,040	132,544,893
PARKING SYSTEM	16,948,418	1,504,179	1,382,504	121,675	17,070,093
INTERNAL SERVICE					
PUBLIC WORKS PROPERTY	623,048	2,882,711	2,509,374	373,337	996,385
PUBLIC WORKS EQUIPMENT	678,925	3,996,210	3,934,895	61,315	740,240
PUBLIC WORKS CENTRAL STORES	240,002	414,669	398,159	16,510	256,512
911 COMMUNICATIONS	0	5,378,882	5,378,882	0	0
IMRF PENSION	67,873	6,375,152	6,598,069	(222,917)	(155,044)
UNEMPLOYMENT INSURANCE	180	175,255	61,434	113,821	114,001
WORKER'S COMPENSATION	12,891	2,755,385	1,901,893	853,492	866,383
AUDITING	0	95,319	95,319	0	0
RISK MANAGEMENT	(4,469,217)	1,634,562	2,009,701	(375,139)	(4,844,356)
INFORMATION TECHNOLOGY	1,301,927	2,495,732	2,615,492	(119,760)	1,182,167
HEALTH INSURANCE	5,529,765	22,248,093	19,206,783	3,041,310	8,571,075
PENSION					
POLICE PENSION	155,807,420	20,266,502	13,610,147	6,656,355	162,463,775
FIRE PENSION	140,569,120	18,729,571	14,673,305	4,056,266	144,625,386

CITY OF ROCKFORD, IL
2013 BUDGET
SUMMARY OF THREE YEAR EXPENSES AND REVENUES

	2010 ACTUAL REVENUE	2010 ACTUAL EXPENSE	2010 EXCESS (DEFICIT)	2011 ACTUAL REVENUE	2011 ACTUAL EXPENSE	2011 EXCESS (DEFICIT)	2012 ACTUAL REVENUE	2012 ACTUAL EXPENSE	2012 EXCESS (DEFICIT)	2013 BUDGETED REVENUE	2013 BUDGETED EXPENSE	2013 EXCESS (DEFICIT)
GENERAL-OPERATING	112,247,580	111,581,774	665,806	116,111,146	111,343,191	4,767,955	122,166,915	117,751,203	4,415,712	117,405,606	117,405,606	-
SPECIAL REVENUE												
MOTOR FUEL TAX	4,547,234	2,346,538	2,200,696	4,170,103	5,700,000	(1,529,897)	4,525,924	1,200,000	3,325,924	4,529,000	4,200,000	329,000
SANITATION	8,616,807	7,884,756	732,051	8,663,659	7,894,896	768,763	9,365,802	8,466,687	899,115	9,435,800	9,690,746	(254,946)
COMMUNITY DEVELOPMENT	5,466,828	5,369,580	97,248	4,533,528	4,298,126	235,402	3,843,247	5,405,193	(1,561,946)	3,692,931	3,684,848	8,083
REDEVELOPMENT TAX	3,557,289	3,063,316	493,973	4,419,459	3,212,269	1,207,190	5,347,374	4,273,641	1,073,733	4,649,800	3,333,039	1,316,761
TOURISM PROMOTION TAX	1,542,290	1,523,649	18,641	1,941,243	1,637,547	303,696	1,742,289	1,637,917	104,372	1,790,000	1,790,000	-
TAX INCREMENT DISTRICTS	5,772,809	8,131,365	(2,358,556)	5,933,351	7,954,207	(2,020,856)	5,455,991	5,821,484	(365,493)	5,411,164	5,971,250	(560,086)
HUMAN SERVICES	21,150,387	21,440,718	(290,331)	16,046,479	16,511,969	(465,490)	15,998,346	15,686,383	311,963	13,630,884	13,707,475	(76,591)
TUBERCULOSIS SANITARIUM	186,683	131,459	55,224	156,760	134,422	22,338	155,256	94,980	60,276	166,617	148,200	18,417
LIBRARY	8,129,733	6,854,952	1,274,781	8,417,728	7,219,534	1,198,194	8,454,413	7,017,731	1,436,682	8,408,430	8,408,430	-
OTB SPECIAL PROJECTS	99,019	85,790	13,229	98,360	25,000	73,360	99,849	25,000	74,849	95,700	75,000	20,700
RMAP PLANNING	1,131,370	1,013,302	118,068	1,299,119	1,438,430	(139,311)	1,099,903	1,482,530	(382,627)	1,609,592	890,310	719,282
DEBT SERVICE	13,295,928	12,967,529	328,399	12,920,449	14,818,337	(1,897,888)	20,175,557	20,308,619	(133,062)	11,411,704	11,411,704	-
CAPITAL PROJECT	17,553,777	16,000,367	1,553,410	17,553,777	16,000,367	1,553,410	18,460,047	25,153,208	(6,693,161)	45,935,000	41,385,000	4,550,000
ENTERPRISE												
WATER SYSTEM	22,910,970	20,019,379	2,891,591	23,015,834	20,660,615	2,355,219	24,998,165	21,385,125	3,613,040	24,614,000	24,022,766	591,234
PARKING SYSTEM	2,192,087	2,177,041	15,046	1,881,626	2,046,746	(165,120)	1,504,179	1,382,504	121,675	2,025,100	2,418,195	(393,095)
INTERNAL SERVICE												
PUBLIC WORKS PROPERTY	2,571,785	2,528,519	43,266	3,050,147	2,631,190	418,957	2,882,711	2,509,374	373,337	2,418,583	2,272,102	146,481
PUBLIC WORKS EQUIPMENT	3,901,251	3,774,495	126,756	3,873,179	4,080,237	(207,058)	3,996,210	3,934,895	61,315	3,960,970	3,910,699	50,271
PUBLIC WORKS CENTRAL STORES	414,404	390,063	24,341	424,039	390,062	33,977	414,669	398,159	16,510	420,000	411,970	8,030
911 COMMUNICATIONS	5,081,273	5,078,092	3,181	5,426,388	5,434,401	(8,013)	5,378,882	5,378,882	-	5,345,966	5,345,966	-
IMRF PENSION	6,529,759	6,526,220	3,539	6,337,199	6,325,451	11,748	6,375,152	6,598,069	(222,917)	7,008,447	6,998,198	10,249
UNEMPLOYMENT INSURANCE	64,543	188,808	(124,265)	239,404	104,483	134,921	175,255	61,434	113,821	168,957	168,307	650
WORKER'S COMPENSATION	3,660,220	2,556,466	1,103,754	2,264,628	1,566,167	698,461	2,755,385	1,901,893	853,492	2,694,121	2,679,371	14,750
AUDITING	277,181	276,921	260	250,492	250,492	-	95,319	95,319	-	239,982	240,000	(18)
RISK MANAGEMENT	1,046,825	2,757,489	(1,710,664)	1,284,653	1,893,808	(609,155)	1,634,562	2,009,701	(375,139)	2,454,840	2,188,650	266,190
INFORMATION TECHNOLOGY	2,654,487	2,523,020	131,467	2,341,902	2,607,960	(266,058)	2,495,732	2,615,492	(119,760)	2,942,130	2,706,421	235,709
HEALTH INSURANCE	20,381,094	18,726,289	1,654,805	20,908,852	19,615,259	1,293,593	22,248,093	19,206,783	3,041,310	21,905,836	21,806,975	98,861
PENSION												
POLICE PENSION	22,526,873	12,092,197	10,434,676	5,899,872	12,845,792	(6,945,920)	20,266,502	13,610,147	6,656,355	14,220,872	13,977,932	242,940
FIRE PENSION	20,247,332	13,511,442	6,735,890	16,887,891	14,008,728	2,879,163	18,729,571	14,673,305	4,056,266	15,745,161	15,677,736	67,425
	317,757,818	291,521,536	26,236,282	296,351,267	292,649,686	3,701,581	330,841,300	310,085,658	20,755,642	334,337,193	326,926,896	7,410,297

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 polices 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.

FINANCIAL POLICES: CAPITAL IMPROVEMENT PROGRAM
CITY OF ROCKFORD, ILLINOIS

1. The Capital Improvement Plan shall identify projects, their costs and the revenue sources and amounts needed to finance them.

2. The Capital Improvement Program will be financed by borrowing, i.e., obligating future revenues, or the ‘pay-as-you-go’ method. This decision will be based on the following factors:

   a. Type of Project - The projected useful life of the project will be a determinant. The longer the life of the project, the greater justification for borrowing.

   b. Cost of the Project - The larger the cost of the project, the greater justification for borrowing.

   c. Funding Source - The degree of certainty that exists on the future level and availability of a particular source is a factor.

   d. Fund Availability - If adequate fund balances are available, there is less justification for borrowing.

   e. City Financial Position - Issues such as the existing level of long-term indebtedness of the City, and overall financial condition, should be considered when borrowing.

   f. Municipal Bond Market - Status of the market condition, i.e., interest rates, marketability of bonds, and terms.

3. Schedules will be created for planning ongoing capital replacement in enterprise funds and the funding program to refinance them. These schedules shall be integrated into the Capital Improvement Program.

4. The City shall utilize such debt instruments as are necessary to carry out the Capital Improvement Program.

5. The Capital Improvement planning process will include all revenue sources that are available for capital expenditure. These shall include the following:

   a. Property Tax
   b. Motor Fuel Tax
   c. Gas and Diesel tax
   d. Redevelopment Fund tax
   e. Water Revenues
   f. Parking Revenues

g. Community Development Block Grants
h. Special Service Tax Revenues
i. Tax Increment Financing
j. Special Assessment Revenues
k. Federal Aid to Urban Areas Funds
l. Special Bridge Replacement Funds
m. Other Federal, State or Local sources of revenue

6. For General Obligation Debt, the City will maintain a debt to assessed value ratio that is 20% more stringent than the state debt limit.

7. These guidelines shall be followed for the following funding sources:

    a. Motor Fuel Tax

        1. No more than 50% of the estimated annual revenue shall be obligated for long-term debt financing.

        2. A portion of the annual revenue shall be used for construction/reconstruction projects.

        3. A portion of the annual revenue shall be used for resurfacing each year.

    b. Gas and Diesel Tax - After debt service and collection cost the remaining annual revenue should be used for annual street resurfacing (Expired 12/31/85).

8. Where feasible, the City shall use all sources of revenue available before using local property tax funds. Where funding sources (i.e., MFT, federal, etc.) carry strict requirements and restrictions that are not considered in the best interest of the City, the City shall utilize its own resources to achieve local objectives through local control.

9. The City shall give priority to those projects that create demonstrated savings and/or revenue in the annual operating budget.

10. Capital funds may be used to incur expenses to analyze the condition of the City's infrastructure, i.e., road and bridge inspection.

11. Where possible, the City will use revenue or other self-supporting bonds instead of general obligation bonds.

12. The length of the term of the bonds will not exceed the useful life of the assets and will be matched as closely as possible to bond buyer preference.

13. The City will not use long-term debt for current operations.

14. The City will make an effort to obtain an ‘A’ rating by the end of 1987 (achieved July 18, 1986) and an ‘AA’ rating by the end of 1995. The City currently has an A1 rating.

FINANCIAL POLICES: INVESTMENTS
CITY OF ROCKFORD, ILLINOIS
October, 1998

I. Policy

It is the policy of the City of Rockford to invest Public Funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of Public Funds.

II. Scope

This Investment Policy applies to the investment activities of all funds of the City of Rockford, except for the Police Pension Fund and the Fire Pension Fund, which are subject to the order of the Board of Trustees of each respective fund. All financial assets of other funds, including the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, Special Assessment Funds, Enterprise Funds, Trust and Agency Funds, and other funds that may be created from time to time, shall be administered in accordance with the provisions of this policy.

III. Objective

The primary objective, in priority order of the City of Rockford investment activities shall be:

1. Safety:

Safety of principal is the foremost objective of the investment program. Investments of the City of Rockford shall be undertaken in a manner that seeks to insure the preservation of capital in the portfolio.

A. Credit Risk:

Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which an entity will do business, and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

B. Interest Rate Risk:

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- By investing operating funds primarily in shorter-term securities.

2. Liquidity:

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

3. Return on Investments:

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1) a declining credit security could be sold early to minimize loss of principal;
2) a security swap would improve the quality yield, or target duration in the portfolio; or
3) liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the [entity].

3. Delegation of Authority

Authority to manage the City of Rockford's investment program is granted to the Finance Director and derived from the state statutes.

Responsibility for the operation of the investment program is hereby delegated to the Finance Director, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: selection of broker/dealers and financial institutions, safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Finance Director may from time to time amend the written procedures in a manner not inconsistent with this policy or with state statutes.

The responsibility for investment activities of the Fire Pension Fund and the Police Pension Fund rests with the Board of Trustees of each fund, as stated in the state statute.

V. Safekeeping and Custody

1. Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment services. The City will maintain operating and investment accounts in the financial institutions within the City of Rockford whenever possible. However, the City may approve qualified depositories regardless of location. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule), and have offices in the State of Illinois.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the [entity's] investment policy

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the Finance Director.

2. Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the [entity] are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

Accordingly, the Finance Director shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

3. Delivery vs. Payment

All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution before the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

VI. Suitable Investments

1. Investment Types

The City may invest in any type of security allowed for in Illinois statutes regarding the investment of public funds for non home rule municipalities. Approved investments include:

- Bonds, notes, certificates of indebtedness, treasury bills, treasury strips or other securities, including obligation of the Governmental National Mortgage Association, which are guaranteed by the full faith and credit of the government of the United States of America, or other similar obligations of the United States of America or its agencies.
- Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits or any other investment constituting direct obligations of any institution as

defined by the Illinois Banking Act and is insured by the Federal Deposit Insurance Corporation.

- Illinois Public Treasurer's Investment Pool
- Short-term obligations of corporations (commercial paper) organized in the United States with assets exceeding $500 million and rated at the time of purchase at the highest classification established by at least two standard rating services. Must mature within 180 days from the date of purchase. Such purchase may not exceed 10% of the corporation's outstanding obligations and no more than 25% of the City's funds may be invested in commercial paper.
- Short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States. Investments may be made only in those savings and loan associations of which the shares, or investment certificates are insured by the Federal Deposit Insurance Corporation.
- Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market fund is limited to obligations described in Paragraph 1 above and to agreements to repurchase such obligations.

2. Collateralization

Effective with purchases after January 1, 1999, collateralization will be required on Certificates of Deposit. In order to anticipate market changes and provide a level of security for the funds, the amount of collateral will be at least 110% of the total investment less the amount insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation (currently $100,000.00).

All securities, pledged as collateral, shall be placed for safekeeping in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution not owned or controlled by the depository institution or its holding company.

The City will accept any of the following securities as collateral:

- Negotiable obligations of the United States Government; or
- Negotiable obligations of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government; or
- Negotiable obligations of the State of Illinois.

Collateral agreements will preclude the release of the pledged assets without an authorized signature from the City of Rockford, but they will allow for an exchange of collateral equal to or greater in value.

VII. Investment Parameters

1. Diversification

The City shall diversify its investments and may use the following investment categories and percentages as a guide in establishing actual limits:

a)	U.S. Treasury Securities	Not to exceed 50% of Portfolio
b)	U.S. Government Agencies and Instrumentalities of Government Sponsored Corporation	Not to exceed 50% of Portfolio
c)	Certificates of Deposit of Financial Institutions	Not to exceed 50% of Portfolio
d)	Certificates of Deposit of any One Financial Institution	Not to exceed 20% of Portfolio
e)	Commercial Paper	Not to exceed 25% of Portfolio
f)	Illinois Public Treasurers Investment Pool or other Money Market Securities	Not to exceed 50% of Portfolio
g)	Securities purchased for Interest Rate Play	Not to exceed 25% of Portfolio

2. Maximum Maturities

To the extent possible, the City of Rockford will attempt to match its investments with anticipated cash flow requirements. We recognize that there is a permanent part of the portfolio, and when the increase in return for extending maturities is compelling, the Finance Director may consider extending a segment of the portfolio into longer-term maturities. The maximum maturity for City investments shall be fifteen (15) years. The average maturity of the total portfolio shall not exceed five (5) years.

VIII. Reporting

1. Methods

The Finance Director shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the [entity] to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Mayor and City Council. The report will include the following:

- Listing, by investment type, of individual securities held at the end of the reporting period.
- Listing of investments by maturity date.
- Percentage of the total portfolio which each type of investment represents.
- Percentage of the total portfolio by financial institution/broker dealer.

2. Performance

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio, taking into account the City's investment constraints and cash flow needs, should obtain a market average rate of return during a market/economic environment of stable interest rates.

The City's investment strategy is passive, but the Finance Director reviews market conditions and is available to take advantage of market opportunities. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the current six-month U.S. Treasury Bill and/or the Average Fed Funds Rate. Since these indices are relatively risk-free benchmarks, they comprise a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold.

3. Market to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." *(See GFOA Recommended Practices, Appendix 1.)* In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

IX Policy Considerations

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. Amendments

This policy shall be reviewed on an annual basis. Any changes must be approved by the Finance Director and any other appropriate authority, as well as the individuals(s) charged with maintaining internal controls.

X Attachments

The following documents, as applicable, are attached to this policy:

1. GFOA Recommended Practices
2. List of authorized personnel
3. Relevant investment statutes and ordinances
4. List of authorized Broker/Dealers and Financial Institutions
5. Glossary of Terms

XI Adoption

The City's investment policy shall be adopted by resolution of the City Council. The Policy shall be reviewed annually by the Finance Director and any modifications made thereto must be approved by the City Council.

This Policy supersedes all prior investment policies.

COMMUNITY PROFILE – ROCKFORD, ILLINOIS

Location

The City of Rockford is located along the Rock River in north central Illinois approximately 90 miles northwest of downtown Chicago and 17 miles south of the Wisconsin border. Rockford is the third largest city in the State of Illinois with a population of 152,871 (2010 Census Bureau estimate). The Rockford, Illinois Metropolitan Statistical Area, which consists of Winnebago, Boone, and Ogle Counties in Illinois, has an estimated population of 402,928 (2010). The City presently encompasses an area of approximately 61.81 square miles, up from 41 square miles in 1980.

History

New England settlers who valued the waterpower of the Rock River founded Rockford. The early village was called Midway because of its location halfway between Galena and Chicago. In 1837, the town became Rockford, named for a shallow place in the river with a rocky bottom where Indian and settlers once crossed. In 1839, it was incorporated as a town and selected as the County seat and by 1852, the town had become a city. Though Rockford's original settlers were from New England, a large Swedish population began settling in Rockford in the early 1850's bringing with them craftsman skills in woodworking and metals. This led to Rockford's first big industry, the furniture industry. A large percentage of the present population in Rockford is of Swedish descent while many other ethnic groups have become permanent members of the Rockford community in the last century.

Other important industries in Rockford before World War I included knitting and farm implements. By the 1920's, many of the industries turned to the production of metal products such as tools, hardware, dies, and fixtures for larger companies. These industries eventually overtook Rockford's traditional industries as the backbone of its economy and proved to be particularly important during World War II. To this day, the local economy is heavily reliant on metal fabrication industries.

Rockford Today

Rockford is the industrial and business hub of the Rock River Valley as well as North Central and Northwestern Illinois. Located just 65 miles northwest of Chicago's O'Hare International Airport and 90 miles east of the Mississippi River, its location allows for easy access to regional, national, and international markets. The economy is still based largely in manufacturing and is the largest fastener product producer (screw, nuts, and bolts) in the United States. Rockford is also one of the largest machine tool centers in the world. Furniture, hardware, farm implements, automobile parts, aviation and space instruments and machinery are among the more than 300 types of products made in Rockford.

City of Rockford

The City of Rockford has a mayor-aldermanic form of government that provides citizens with
police, fire, building regulation, community development, human services, public library, water, and public works services. Rockford also serves as the seat of Winnebago County. In 1992, Rockford was one of ten communities nationwide designated as an "All-American City" in the annual competition administered by the National Civic League. The designation is awarded to cities that promote public-private partnerships to improve economic conditions and quality of life at the local level. In 1997, Entrepreneur magazine and Dun & Bradstreet ranked Rockford number four in the best cities for starting and running a small business in the mid-sized city category. In 2004, the City of Rockford received the Sports Illustrated 50th Anniversary Sportstown Award for Illinois (only one city per state was chosen). This award is presented to the City that provides a

variety of sporting events and also encourages residents to play sports. In 2005, Rockford was designated as a winner for the America In Bloom award for the population category 100,001 –300,000. This award represents recognition by a national campaign and contest that promotes enhancing communities through beautification. Known as the “Forest City”, Rockford prides itself on its beautiful tree-lined streets and neighborhoods as well as more than 4,900 acres of parkland.

Rockford blends the best of big city living with valuable small town assets. Families enjoy year-round ice skating and fair weather water sports, miles of bike and jogging paths, and some of the most imaginative playgrounds around.

The Arts

The historic Coronado Theatre was restored and opened for a variety of shows, which include plays and concerts. Built in the 1920’s, the Coronado has presented top-notch performers on its stage for over seventy years. This project is designed to preserve, rehabilitate, and expand the theatre thereby preserving an important part of the City’s history and maintaining it as a major downtown performing arts entertainment venue.

The City is also home to many unique art galleries and museums. The Rockford Art Museum, Storefront Cinema, the Discovery Center, and the Burpee Museum of Natural History are museums located on North Main Street, just north of downtown Rockford. Jane the Nanotyrannus makes her home at the Burpee Museum. Rockford is also home to Midway Village and Museum, the Ethnic Heritage Museum, Tinker Swiss Cottage Museum, Erlander Home Museum, and the Graham-Ginestra House.

Other artistic endeavors in the City include the premiere stage theatre in town, the Rockford Dance Company, Charlotte’s Web for the Performing Arts and the Rockford Symphony Orchestra.

Recreation

The Rockford Park District serves a 125 square mile area in Winnebago County including virtually the entire City. The District offers an extensive array of physical facilities and recreational programs. The District has 4,552 acres of parks, playgrounds, and facilities which include: five public golf courses; two indoor ice arenas including a twin-rink ice arena in downtown Rockford; four outdoor swimming/recreation centers; the Magic Waters Theme Park; a children’s farm; four local museums; a Trolley station and Museum; an excursion boat; a 14-mile snowmobile trail through adjacent parks; and a greenhouse, garden, lagoon, and arboretum complex on the Rock River. In the early 1980’s the District constructed a regional activity center called the Sportscore which contains eight lighted slow pitch ball diamonds, twenty soccer fields, playgrounds, bike and jogging paths, sand volleyball courts, boat ramp, three concession buildings, restroom facilities, and a parking lot for 800 vehicles. The Sportscore site totals 105 acres of which 50 acres were purchased and donated to the District by a local industrial concern. The Park District also has Sportscore II, which consists of a multi-purpose park on 124.2 acres. This facility has twenty additional soccer fields and a two mile jogging path.

The recreational facilities of the Rockford Park District are supplemented by those of the Winnebago County Forest Preserve District and the State of Illinois through its State Parks. The Forest Preserve District has 5,388 acres in 31 forest preserves ranging in size from 2 to 948 acres. In addition to campgrounds, picnic areas, shelter houses, conservation areas, and the fishing areas on spring fed lakes, the Forest Preserve District has three 18-hole golf courses.

Festivals

The Rockford area offers many wonderful annual festivals throughout the year that feature art, music, dance, cultural heritage, and of course food. Here is a list of just a few of these annual events:

St. Patrick's Day Celebration: On or about March 17th in Downtown Rockford. Parade followed by a party featuring traditional music, dance, and food.

Ethnic Music Festival: First Sunday in June at the Ethnic Heritage Museum, 1129 S. Main Street in Rockford. Song, dance, and food by ethnic groups which originally settled Rockford.

Juneteenth: June 19 at the Sinnissippi Park Music Shell in Rockford. Celebrate African-American Independence Day with music, entertainment, talent show, art exhibit, food, and more.

Midsommer Fest: On or about the summer solstice in mid-June at Erlander Home Museum in Rockford. Traditional Swedish celebration of the longest day of summer.

Fourth of July Fireworks: A Rockford favorite as downtown is illuminated with fireworks to celebrate our nations independence.

Celtic Fest: Enjoy the thrill of being Irish, Scottish, or Welsh at the annual Celtic Fest. The Fest features two stages with continuous music, dancing, a re-enactment village, ethnic food and drink bagpiping, and other fun activities.

Festa Italiana: Weekend celebration the first weekend in August at Boylan High School in Rockford. Celebration of Rockford's Italian heritage with food, rides, games, music, dancing, and cultural displays.

Polish Fest: Third Sunday in August at St. Stanislaus Church in Rockford. Celebration of region's Polish heritage with food, music, crafts, dancing, cultural exhibits, and rides.

Booker Fest: Second or third weekend in August. Gospel and folk music, food, fun, and children's activities at the Booker Washington Community Center in Rockford.

Climate

The climate in Rockford is typical for the upper Midwest. Rockford has four distinct seasons, each of which brings special pleasures. Average temperatures range from January's average high of 26.6 degrees and low of 9.8 degrees Fahrenheit, to July's average high of 83.8 degrees and average low of 62.5 degrees Fahrenheit. Average precipitation for the year is 36.28 inches with June having the highest average of 4.52 inches. As for snowfall, on average the City receives approximately 36.5 inches of snow each year with December being the highest average snow month with 9.8 inches. Since 1951 the highest temperature recorded was 104 degree Fahrenheit on August 16, 1988 while the lowest temperature recorded was minus 27 degrees Fahrenheit on January 31, 1989.

FACTS AND STATISTICS

- Land Area 61.08 Square Miles

- Population

1970	147,370
1980	139,712
1990	139,426
1998	143,656
2000	150,115
2010	152,871

- Population Density 2,502.2 per Square Mile

- Household Characteristics (2010)

Total Households	59,973
Persons Per Household	2.48
One-Person Household	31.9%

- Household Income (2010)

Median Household Income	$38,573
Total Households	59,827
Under $10,000	11.38%
$10,000 - $29,999	21.40%
$30,000 - $49,999	28.96%
$50,000 - $74,999	16.99%
$75,000 - $99,999	9.31%
$100,000 - $149,999	8.06%
$150,000 and over	3.90%

- Housing Median Purchase Price

Year	Rockford	Illinois
2004	$117,800	$184,900
2005	$118,200	$202,000
2006	$119,600	$203,900
2007	$119,200	$201,250
2008	$115,500	$183,900
2009	$103,750	$157,000
2010	$104,000	$151,500
2011	$ 85,000	$137,500
2012	$ 83,900	$139,000

- Educational Attainment (2010)
  (25+ Years of Age)

Less than 9th Grade	6.00%
9th to 12th Grade	11.70%
High School Graduate	34.60%
Some College, No Degree	20.60%
Associate's Degree	7.10%
Bachelor's Degree	12.40%
Graduate or Professional Degree	7.70%

- Labor Force by Occupation (2010)

Management/Professional	28.12%
Sales/Office Occupations	25.27%
Production/Transportation	20.97%
Service Occupations	19.14%
Construction/Natural Resources/Maint.	6.50%

- Labor Force by Industry (2010)

Education/Health Care	23.64%
Manufacturing	20.41%
Services	18.03%
Wholesale/Retail Trade	13.06%
Transportation/Communication/Utilities	5.61%
Finance/Insurance/Real Estate	5.13%
Other Services	4.66%
Construction	4.51%
Government	2.69%
Information	2.05%
Agriculture & Related	0.21%

- Unemployment Rates (Annual Average)

Year	City of Rockford	Winnebago County	State of Illinois
2003	11.1%	8.7%	6.7%
2004	9.8%	7.8%	6.2%
2005	8.1%	6.4%	5.7%
2006	6.0%	5.3%	4.5%
2007	7.0%	6.2%	5.0%
2008	10.1%	8.9%	6.5%
2009	16.4%	15.0%	10.1%
2010	16.6%	15.2%	10.3%
2011	14.4%	12.7%	9.8%
2012	12.9%	11.4%	8.9%

- Major Private Employees (Approximate)

Swedish American Health Systems	2,600
Rockford Health Systems	2,500
Hamilton Sundstrand Corporation	2,000
OSF St. Anthony Medical Center	2,000
United Parcel Service	2,000
Harris Bank	1,600
Greenlee Textron	1,000

FACTS AND STATISTICS continued

- Quality of Life
  Rockford Park District

Number of Parks	176
Public Golf Courses	5
Public Swimming Pools	3
Ice Skating Rinks	2
Sportscore Complex facilities	2
Magic Waters Theme Park	
BMX Bicycle Race Course	

  Rockford YMCA, Rockford YWCA

  Professional Sports Teams
  - Rockford Raptors Soccer Team
  - Rockford IceHogs Hockey Team
  - Rockford Lions Football Team
  - Rockford Riverhawks Baseball Team
  - Rock River Raptors Arena Football Team

- City of Rockford Tax Rate/$100 EAV

Year	Rate	City % of Total
2001	$2.4327	23.1%
2002	$2.4276	21.3%
2003	$2.4519	22.7%
2004	$2.5529	23.5%
2005	$2.5772	23.9%
2006	$2.5683	24.5%
2007	$2.5172	24.5%
2008	$2.5318	24.2%
2009	$2.5606	24.1%
2010	$2.7159	24.0%
2011	$2.9051	23.8%

BUDGET GLOSSARY

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget Document in understanding these terms, a budget glossary has been included in this document.

Abatement: A complete or partial cancellation of a tax levy imposed by a government.

Accountability: The state of being obliged to explain one's actions, to justify what one does. Accountability requires governments to answer to the citizenry-to justify the raising of public resources and the purpose for which they are used.

Accrual Accounting: A basis of accounting in which debits and credits are recorded at the time they are incurred as opposed to when cash is actually received or spent.

Adjustment For Accounting Interpretations: The budget's property tax levy is received in the year after the budget. In order to adjust for Accounting Interpretation whereby the prior year's levy is utilized, an adjustment for accounting interpretation is used to adjust fund balances.

Adjustment Of Balance To Revenue For Encumbrances: This adjustment is used in the General Fund to account for encumbrances that have been reappropriated. In order to eliminate the appearance of deficit budgeting, a revenue transfer amount entitled "application of restricted fund balance for encumbrances" is budgeted and is then offset by the adjustment of balance to revenue for encumbrances.

Adjustment for Non-Recurring Transfers: This adjustment is used in the General Fund to account for the Administrative Department's appropriation of the prior year's year-end excess cash. This allows General Fund expenditures to reflect operating expense only and eliminates the appearance of deficit budgeting.

AFSCME: Association of Federal, State, County, and Municipal Employees.

Alternate Bonds: General obligation bonds that, rather than being repaid by city-wide property taxes, are retired by specifically pledged revenue streams, i.e., sales taxes, water revenues, etc.

Amortization: Gradual reduction, redemption or liquidation of the balance of an account according to a specified schedule of times and amounts. Also, provision for the extinguishment of a debt by means of a Debt Service Fund.

Appraise: To estimate the value, particularly the value of property. If the property is valued for taxation, the narrower term "assess" is substituted.

Appropriation: An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

Appropriation Ordinance: The official enactment by the legislative body establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

Assessed Valuation: A valuation set upon real estate by the Township Assessor and Supervisor of Assessments as a basis for levying taxes.

Assets: Property owned by a government that has a monetary value.

Auditing Fund: A non-operating budgetary unit to provide and pay for auditing services.

Balanced Budget: A budget for which expenditures are equal to income.

Bond: A written promise to pay (debt) a specified sum of money (principal) at a specified future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt. When a government pledges its full faith and credit to the repayment of the bonds it issues, then these are known as general obligation bonds. Bonds whose principal and interest are payable exclusively from the earnings of an Enterprise Fund are known as revenue bonds. Bonds whose principal and interest are payable exclusively from citywide property taxes are known as general obligation bonds.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed revenue estimates of financing them. Used without qualification, the term usually indicates a financial plan for a single fiscal year.

Budget Calendar: The schedule of key dates or milestones that the City departments follow in the preparation, adoption, and administration of the budget.

Budget Document: The official written statement prepared by the budget office and supporting staff that presents the proposed budget to the legislative body.

Budgetary Control: The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

Capital Improvement Program: Plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying its expected beginning and ending date, the amount to be expended in each year, and the method of financing those expenditures.

Capital Equipment: Expenditures for the acquisition of capital assets, i.e., vehicles, operating equipment, office equipment.

Capital Expenditure: Refers to any major project requiring the expenditure of public funds (over and above operating expenditures) for the construction, reconstruction or replacement of physical assets in the community. The City's general rule requires that long-term assets have at least a 2 year useful life and cost $5,000 or more.

Capital Projects: Projects involving the purchase or construction of capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

Cash Accounting: A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

CDBG: Acronym for "Community Development Block Grant".

Contingency Account: An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as emergencies, federal mandates, shortfalls in revenue, and similar eventualities.

Cost Center: The smallest unit of budgetary accountability and control that encompasses specific and distinguishable lines of work performed by an organizational unit for the purpose of accomplishing a function for which the City is responsible.

CPI: Consumer price index. Measures the rate of inflation over time.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

Debt Service Funds: A fund established to account for the accumulation of resources for, and the payment of, bonds and general long-term debt principal and interest according to a predetermined schedule.

Deficit: The excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Intergovernmental Service Funds, the excess of expense over income during an accounting period.

Depreciation: The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Eliminations: When funds are consolidated, transactions between funds are eliminated in order to eliminate double accounting.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

Enterprise Fund: A fund established to account for operations which are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, i.e., water utility, parking system.

Equalized Assessed Valuation: Board of Review, on a county basis, reviews assessed valuation of all townships and may assign multipliers to equalize assessed valuations from township to township. If necessary, the State will then assign multipliers for counties in order that all property will be assessed at 33-1/3% of market value.

Executive Summary: The opening section of the budget provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Mayor.

Expenditure: This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure. An encumbrance reserves funds to be expended.

Fiscal Year: A twelve month period that the annual operating budget applies at the end of which a determination of financial position and results of operations is carried out by the government.

Fixed Assets: Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Full Faith and Credit: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Full-Time Equivalent Position (FTE): A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a Head Start bus driver working for nine months, or 1,560 hours, would be equivalent to 0.75 of a full-time position.

Fund: A budgetary and accounting entity that is segregated from other funds for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance: The fund equity of governmental funds and trust funds (excess of assets over liabilities).

Fund Type: In governmental accounting, all funds are classified into eight generic fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

GAAP: Generally accepted accounting principles. Uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board.

General Fund: The General Fund is the general operating fund of the City. It is used to account for all activities of a government except those required to be accounted for in another fund.

General Obligation Bond: Bonds which the full faith and credit of the issuing government or agency to be used or expended for a specified purpose or activity.

Grant: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

Health Insurance Fund: A non-operating budgetary unit utilized for internal purposes only. Financed by employer and partial employee paid premiums for health insurance benefits for employees, retirees, and outside participants.

IAFF: International Association of Fire Fighters.

IMRF Pension Fund: The Illinois Municipal Retirement Fund provides retirement benefits for all retired non-sworn City employees and their beneficiaries.

Intergovernmental Revenues: Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost reimbursement basis.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments.

Levy: (verb) To impose taxes, special assessments, or service charges for the support of government activities. (noun) The total amount of taxes, special assessments, or service charges imposed by a government.

Line-Item Budget: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

MFT: Motor fuel tax.

Mission Statement: A brief description of functions and objectives rendered by an organization for the community it serves.

Modified Accrual Accounting: A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are received or are “measurable” and available for “expenditure”. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

Municipal: In its broadest sense, an adjective denoting the state and all subordinate units of government. In a more restricted sense, an adjective denoting a city or village as opposed to other local governments.

Obligations: Amounts that a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

Operating Budget: The authorized revenues and expenditures for on-going municipal services and is the primary means by which government are controlled. The life span of an operating budget typically is one year or less. Law usually requires the use of annual operating budgets.

Ordinance: A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as state statute, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

OTB Special Projects Fund: A non-operating budgetary unit used to collect off-track betting revenues to be used for special projects determined by the Mayor and Council.

PB & PA: Policeman's Benevolent and Protective Association.

Pension Trust Fund: A trust fund used to account for public employee retirement systems.

Performance Budget: A budget that focuses upon activities rather than line items. Work load and unit cost data are collected in order to assess the efficiency of services. Typical data collected might include miles of streets paved per year, cost of paved streets per mile, tons of garbage collected per man hour, or cost per man hour of garbage collection.

Performance Measures: Specific quantitative and qualitative measures of work performed as an objective in the department.

Performance Standard (Cost Center Standard): The measurement of work units performed by a cost center and development of cost per work unit numbers for management purposes.

Property Tax: Property taxes are levied on real property according to the property's valuation and the tax rate.

Rating: The credit worthiness of a city as evaluated by independent agencies.

Requisition: A written demand or request, usually from one department, to the purchasing office or to another department for specific articles or services.

Reserve: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue: Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

Revenue Bonds: Bonds usually sold for constructing a project that will produce revenue for the government. The revenue is used to pay the principal and interest of the bond.

Risk Management: An organized attempt to protect a government's assets against accidental loss in the most economical method.

Securities: Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Surplus: An excess of the assets of a fund over its liabilities and reserves.

Tax Anticipation Notes: Notes issued in anticipation of collection of taxes and retired from the proceeds of the tax levy whose collection they anticipate.

Tax Increment Financing District: Areas of the City (as defined by State law) in need of development/redevelopment improvements that use a portion of property taxes collected in this area to make public improvements.

Tax Levy: The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate: The amount of tax levied for each $100 of equalized assessed valuation. The tax rate times equalized assessed valuation equals the tax levy.

Transfers In/Out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

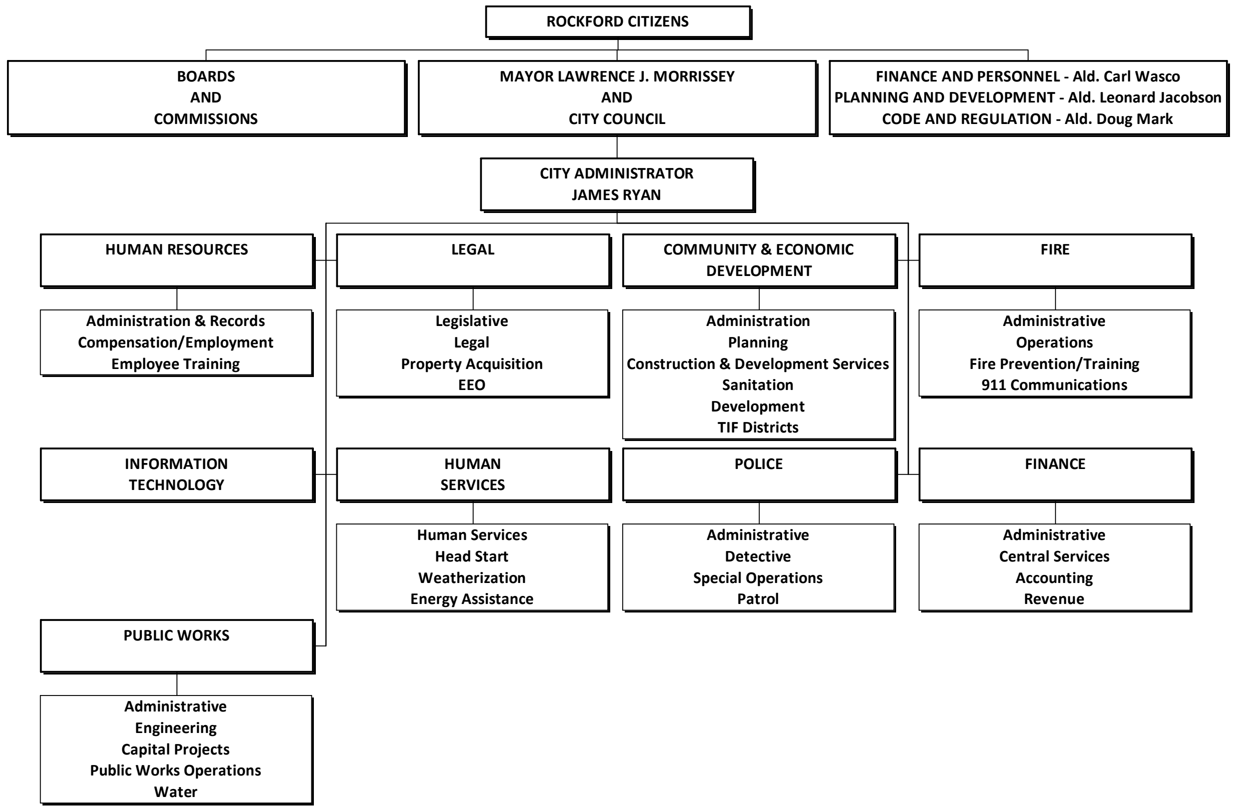
Unemployment Tax Fund: A non-operating budgetary unit used to account for all unemployment expenditures for former employees.

User Charges: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Worker's Compensation Fund: A non-operating budgetary unit used to account for all worker's compensation expenditures.

2013 ROCKFORD BUDGET
GRAPH AND TABLE INDEX

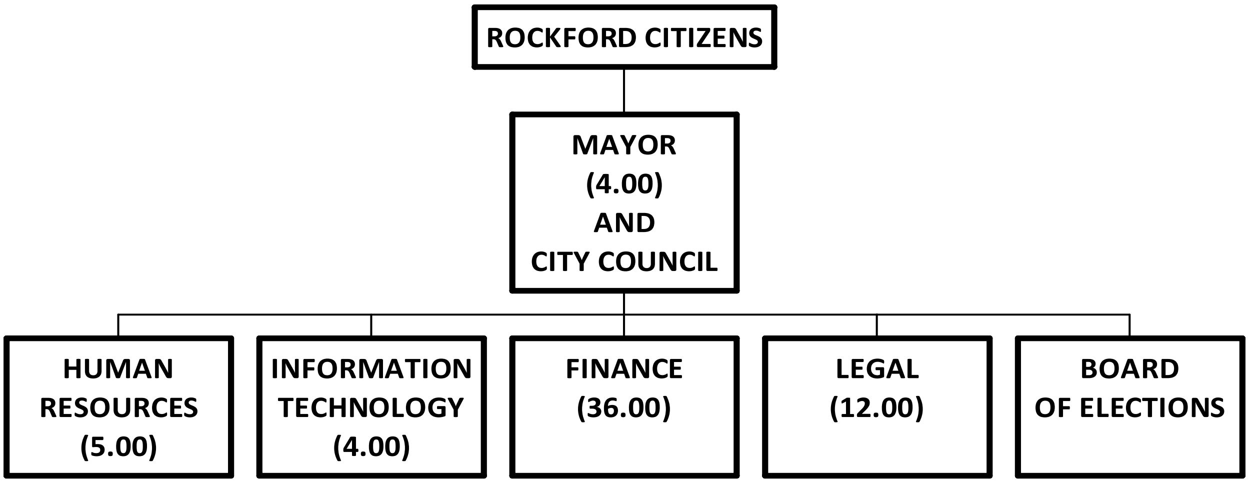
CITY OF ROCKFORD, ILLINOIS ORGANIZATION CHART



Board of Election Commission
Building Board of Appeals
Community Action Program Board
Community Development Citizens Participation Committee
Electrical Commissions
Fire and Police Commission
911 Communication Board

Greater Rockford Airport Authority
Historical Preservation Commission
Homestead Board
Liquor Commission
Mechanical Board
Metro Authority
Personnel Appeals Board

Rockford Housing Authority
Rockford Library Board
Rockford Local Development Corporation
Rockford Mass Transit District
Traffic Commission
Zoning Board of Appeals
Fair Housing Board

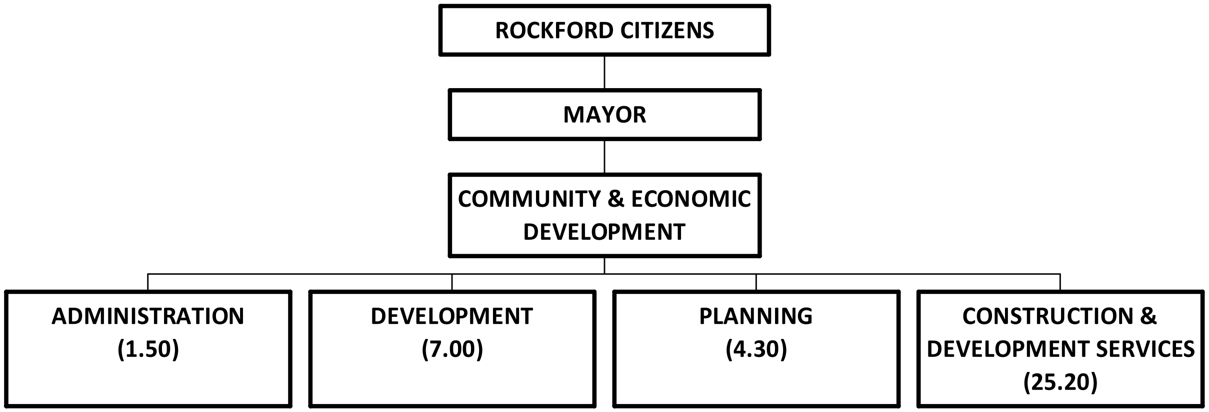


Administration & Records
Compensation & Benefits

Administration
Central Services
Accounting
Revenue/Pension & Investments

Administrative
Legislative
Legal Services
Property Acquisition
EEO

61.00 EMPLOYEES



CDBG
Administration
Economic Development
Neighborhood Services
Home Program

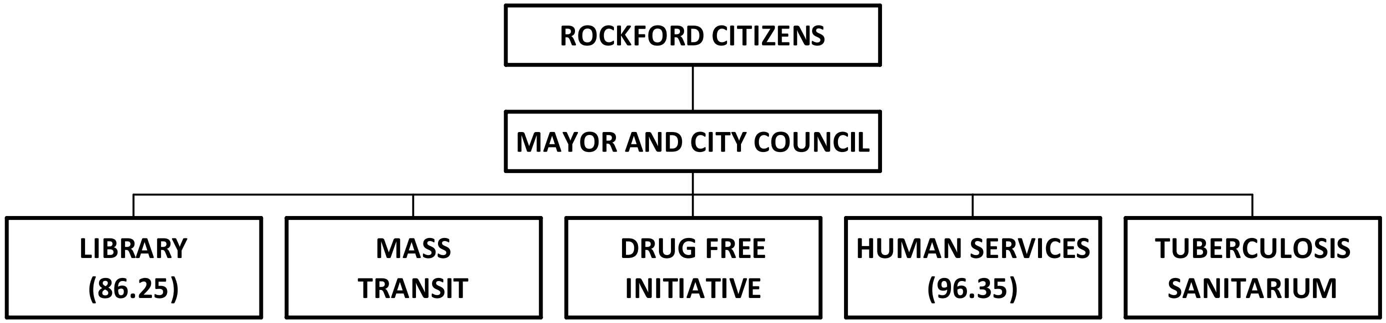
Planning & Research
Economic Development
Brownfield Redevelopment

Land Use Planning
Building Inspection
Property Standards
Code Enforcement

Redevelopment
Tourism Promotion
Sanitation

Retail TIF Districts
Industrial TIF Districts
Residential TIF Districts

38.00 EMPLOYEES



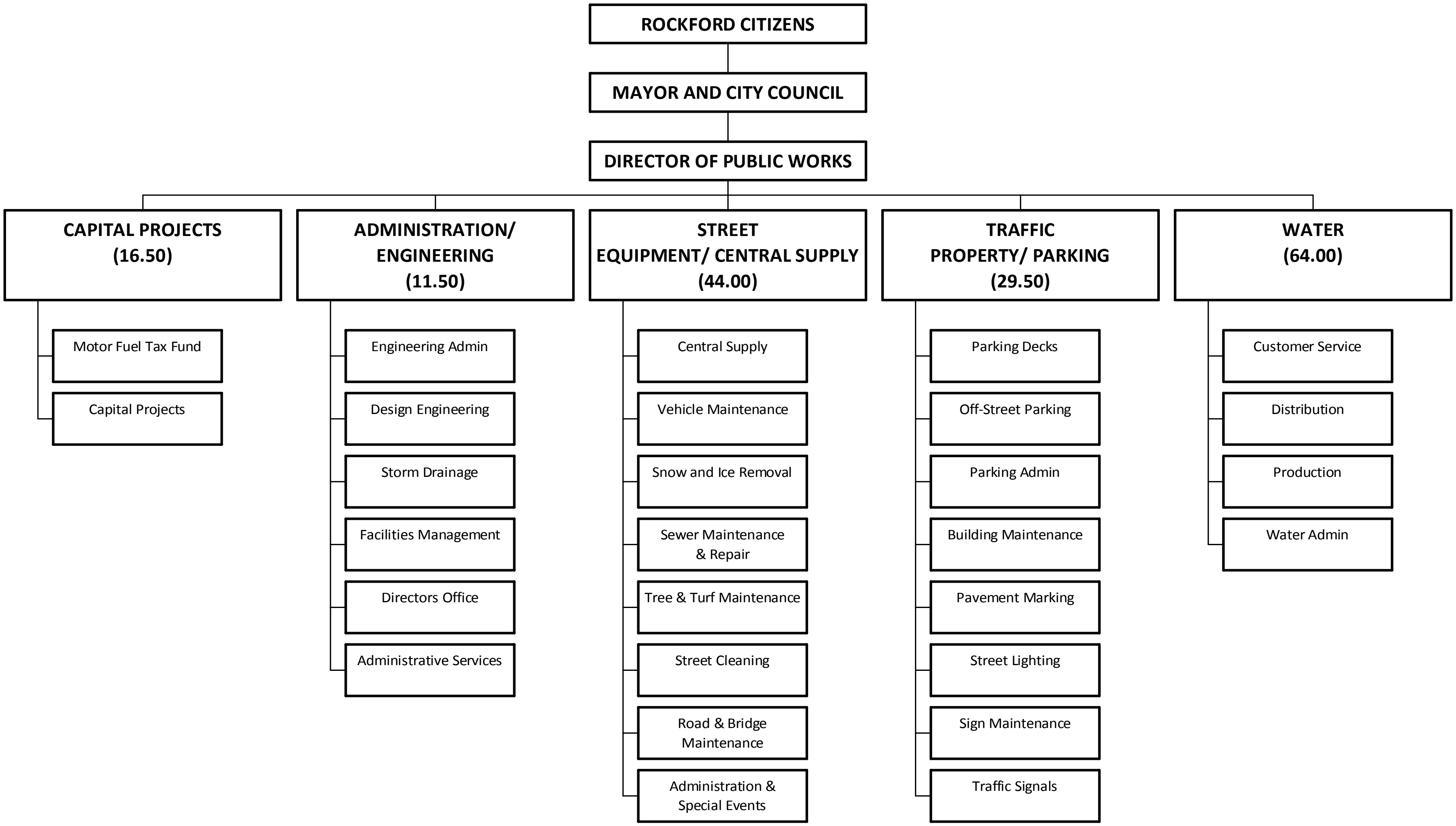
Administration
Adult Services
Youth Services
Extension Service
Circulation
Technical Processing
Building/Grounds Maintenance

Headstart
Weatherization/Energy
Assistance
Community Services

182.60 EMPLOYEES

- **ROCKFORD CITIZENS**
  - **MAYOR AND CITY COUNCIL**
    - **POLICE CHIEF**
      - **POLICE DEPARTMENT (319.00)**
        - **ADMIN SERVICES (36.05)**
          - Accreditation Section
          - Evidence and Property Unit
          - Fiscal Services Section
          - Information Services Section
          - Payroll Section
          - Records Center Division
          - Crime Analyst
          - Training and Personnel Unit
        - **FIELD/ PATROL SERVICES (201.30)**
          - Patrol
          - Special Operations Division
          - M 3 Team
          - School Liaison Unit
          - Support Services Unit
          - Traffic Unit
        - **INVESTIGATIVE SERVICES (81.65)**
          - Burglary Unit
          - Domestic Violence Unit
          - Gang Unit
          - General Case Unit
          - Identification Unit
          - Rockford Narcotics Unit
          - Violent Crimes Unit
          - Youth/ Sex Crimes Unit
    - **BOARD OF FIRE AND POLICE COMMISSIONERS**
    - **FIRE CHIEF**
      - **FIRE DEPARTMENT (280.00)**
        - **OPERATIONS (258.00)**
          - Fire Stations 1-11
          - Ambulance Services
          - Emergency Vehicle Repair
          - Disaster Services
        - **ADMINISTRATION (13.00)**
        - **FIRE PREVENTION/ TRAINING (9.00)**
          - Inspections/ Code Enforcement
          - Public Education
          - Arson Investigation
          - Training
      - **911 COMMUNICATIONS (53.00)**

652.00 EMPLOYEES



165.50 EMPLOYEES

NON-OPERATING FUNDS

POLICE PENSION

FIRE PENSION

ILLINOIS MUNICIPAL RETIREMENT FUND

HEALTH INSURANCE FUND

UNEMPLOYMENT FUND

WORKER'S COMPENSATION FUND

AUDITING

DEBT SERVICE FUND

OTB SPECIAL PROJECTS FUND

RISK MANAGEMENT FUND

RMAP FUND

WORKFORCE INVESTMENT BOARD