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Lawrence J. Morrissey
Mayor
Office of the Mayor

February, 2014

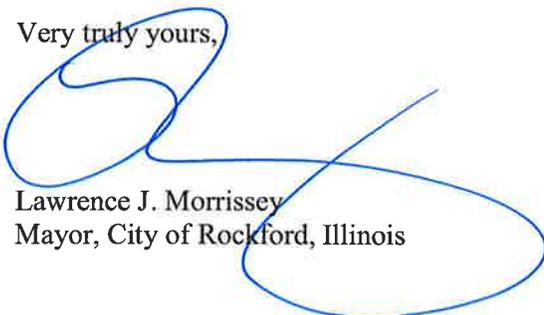
Dear Citizens of the City of Rockford,

On behalf of the Rockford City Council and our dedicated staff, I am proud to present the 2014 City of Rockford Budget. Our 2014 Budget demonstrates our goal of providing the best value and best service to our residents, our businesses, and our visitors.

Our 2014 Budget focuses on public safety, which represents the largest portion of our budget. Through responsible fiscal management and successes in collective bargaining during the past year, our 2014 Budget expands our police force to 290 sworn officers. We will also move forward this year with the construction of a new Fire Station to replace Station 3, and we have begun Geographic Policing operations in District 2. We're also excited to work with an expanded public safety partnership with other local, state, and federal partners through the Winnebago County Violent Crime Task Force.

We will continue this year the difficult work of navigating the challenging economy. As we work on our day-to-day operations as well as the City's long range plans, we appreciate the support of our citizens and community-wide efforts like "Transform Rockford". We look forward to hearing from you this year as we strive to do together what we can't do alone.

Very truly yours,



Lawrence J. Morrissey
Mayor, City of Rockford, Illinois



Lawrence J. Morrissey
Mayor

Executive Summary

The planning for the 2014 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 goals of maintaining staffing and service levels. With the above principles, we were able to strategically prioritize resources and approve a balanced budget.

Issues and Priorities in 2014

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.



Lawrence J. Morrissey
Mayor

- ◆ 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 2014.

The 2014 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 \$2 million, or about 5%, in 2013.

The 2014 budget process began with the City projecting a \$2.6 million 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 2013. 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.

2014 employee contracts and pensions costs make up the largest increases in the budget.

The City Council passed the 2014 budget in December 2013. This budget allows the City to maintain the necessary fund and cash balances as well as allowing the 2015 budget process to begin on a sound financial footing.



Lawrence J. Morrissey
Mayor

Overview of the 2014 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 2014. 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 and will manage a significant volume of demolition activity in 2014.

The Human Services Department continues to support programs from other areas of the City, including Drug Free, Shelter Care, Head Start 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 Fire Department will continue to maintain certifications and accreditation requirements and expand public education activities, while adjusting to new manning levels.

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 2014 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 City Council elected to not increase the property tax levy from the prior year. The 2014 budget adopted an estimated property tax rate of \$3.04.

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



Lawrence J. Morrissey
Mayor

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.

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 construction projects, and City projects. The Information Technology Department will handle a number of large projects, including implementation of a new City-wide telephone 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 2014. A one-time infusion of funding from the Sanitation Fund will allow the department to complete approximately 100 residential demolitions throughout the year.

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, adjusting to revised manning levels awarded in arbitration in 2013 and the end of the fire service contract with 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.



Lawrence J. Morrissey
Mayor

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.

Conclusion

On December 16, 2013 the City Council adopted the 2014 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Rockford

Illinois

For the Fiscal Year Beginning

January 1, 2013

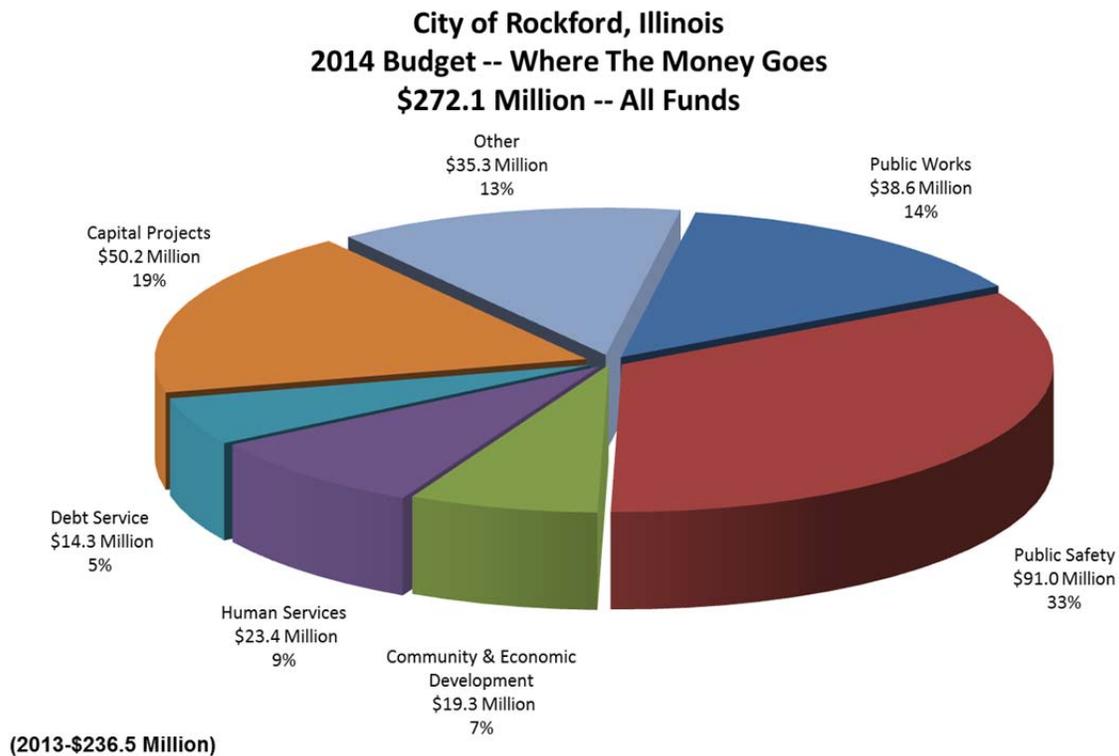
Executive Director

CITIZEN'S BUDGET HIGHLIGHTS

The City's goal in developing the 2014 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 2013, 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 2014 is \$272.1 million for all funds, an increase of \$35.6 million from the 2013 appropriation of \$236.5 million. Major program changes for 2014 include:



Community Development's appropriation increases \$1.3 million due to a 2% wage increase, salary study adjustments, and an increase in demolitions which is offset by a reduction in health insurance rates.

Public Safety's appropriation increases \$4.3 million. Increases are due to general step and longevity increases, salary study adjustments, increase in overtime expenses, and increased building maintenance costs at the Public Safety Building. These increases are offset by a decrease in fire personnel expenses due to reduction in staffing and a reduction in health insurance rates in Police, Fire, and 911 Communications budgets.

Human Services' appropriation increased \$125,200 from 2013. Increases for Human Services are due to a 3% salary increase and additional costs associated with the Nordlof Center for the Library. These increases are offset by staffing level reductions in the Human Services department and a reduction in health insurance rates.

The Public Works budget increases \$2.4 million from the previous year’s budget. Personnel costs increased due to a budgeted 2% wage increase, salary study adjustments and increased depreciation expense.

The budget for Debt Service increases \$2.8 million from 2013 to 2014 which includes lease payment costs.

The Capital Projects Fund budget for 2014 increased \$4.8 million from the previous year. Projects that will begin in 2014 include Phase I study and design of Jefferson Street Bridge reconstruction and construction of the Ingersoll Indoor Sports Complex.

In the Other category, the increase of \$19.9 million is due to an increase in permanent salaries and pension expenses offset by a decrease in contractual services in the Health Insurance Fund, Risk Management Fund, and the Legislative and Management departments within the General Fund.

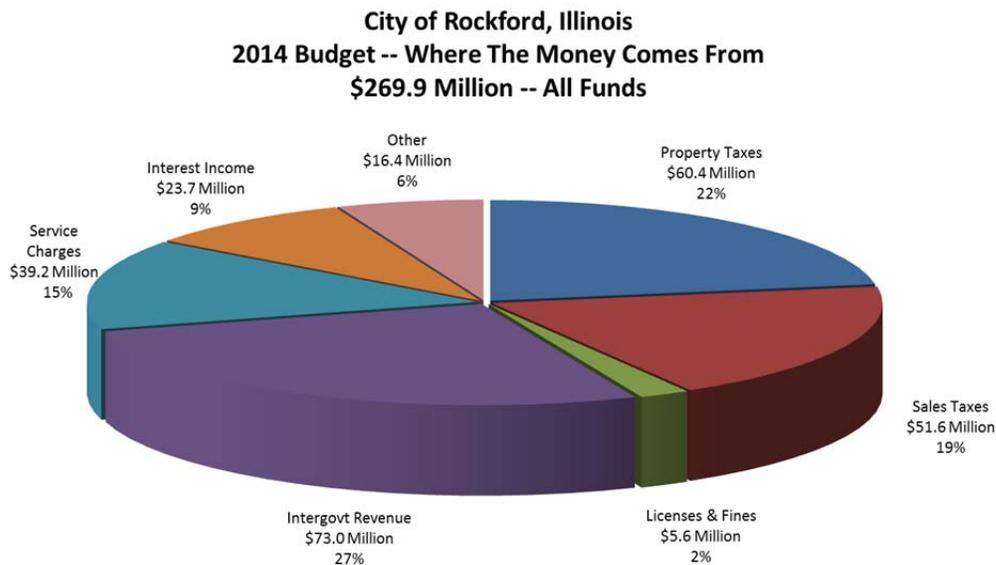
REVENUES

For 2014, the revenue budget is \$269.9 million for all funds, an increase of \$17.1 million from 2013’s \$252.8 million.

The 2014 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 2014 include:



(2013 - \$252.8 Million)

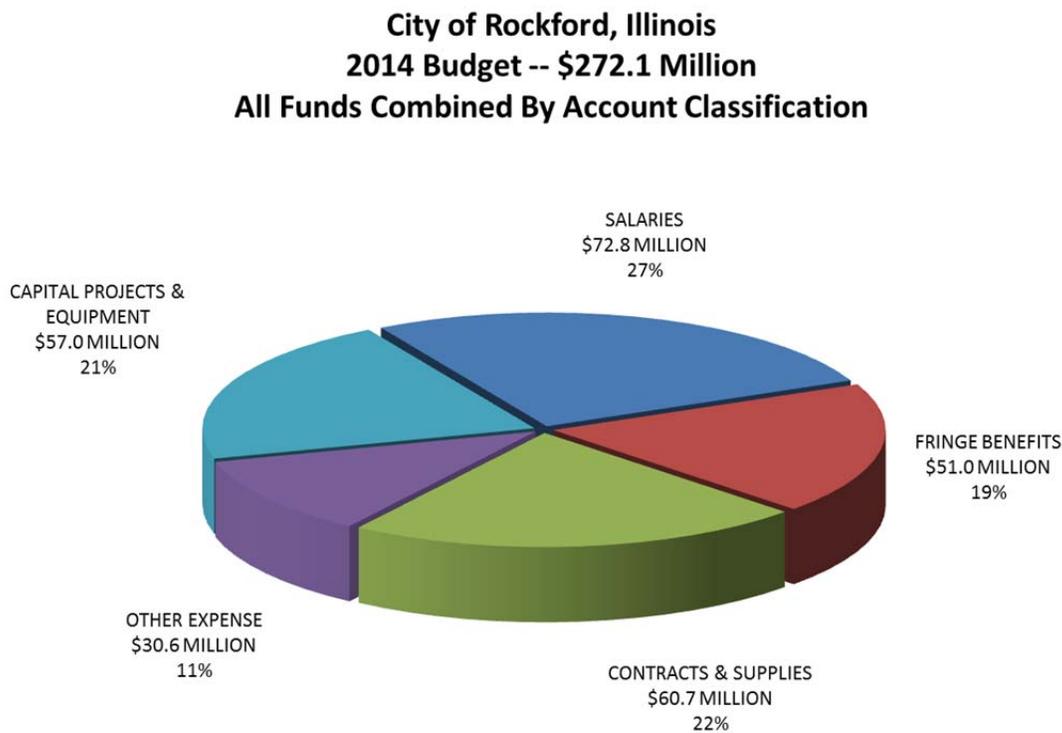
Intergovernmental revenues from federal, state, and local governments are projected to increase \$3.3 million from 2013.

Interest income increased \$5.9 million from the 2013 total of \$17.8 million due to the increased revenue from police and fire pension investments.

ACCOUNT EXPENDITURES

The 2014 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 2014 are:



(2013-\$236.5 MILLION)

Salaries increased \$2.2 million as a result of contract increases, a 2% nonunion wage increase, and the implementation of salary study adjustments for nonunion staff.

Fringe benefits increased \$13.7 million as a direct result of increased salaries and offset by a health insurance premium decrease.

Contractual and supply accounts increased \$7.6 million. Slight increases across various departments contributed to this increase.

Capital projects and equipment increase \$11.9 million from the 2013 budget, with increases for funding vehicle purchases under the City’s vehicle leasing program. Projects scheduled to begin in 2014 include study and design of Jefferson Street Bridge reconstruction and construction of the Ingersoll Indoor Sports Complex.

COUNCIL CHANGES TO THE BUDGET

The Council received the budget on September 28, 2013 and referred it to the Finance Committee. The proposed budget was modified by the City Council to avoid an increase in the property tax levy, add additional patrol officers through a federal grant program, and direct additional funds to demolition activities. The Committee, after holding three budget hearings with departments, approved the budget on December 16, 2013.

WHAT THE 2014 BUDGET WILL COST THE TAXPAYER

The 2014 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
2009-2013 Levy Years

<u>Year</u>	<u>Rate</u>	<u>Bill</u>
2009	2.23	610
2010	2.36	645
2011	2.52	689
2012	2.82	770
2013	3.04	831

While the rates are anticipated to increase for 2014, 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 2014 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 2014 budget is comprised of sixty-six (66) operating 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 2014
- Budget Summary (2012-2014 Expenditure and 2011-2014 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 2013 audit is not yet complete; this document provides estimates of 2013 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 2014 PROCESS

The 2014 process began early in 2013 due to projected General Fund deficit. One Saturday hearing was held in September, one in October and one in November 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 2014 PROCESS**



March 2013	Finance Department prepares preliminary budget estimates and discusses budget policies for the forthcoming year with the Mayor.
May – June 2013	Public Works Department begins work on updating the five-year Capital Improvement Program.
August 2013	Finance Department determines budgetary allocations. Departments receive budget packages.
August 2013	Departments complete and return budget packages to Finance Department for review.
September 2013	Finance Department reviews Department budgets and prepares a budget draft.
September 2013	Mayor’s Office reviews budget and presents budget to Council.
September – November 2013	Finance Committee and Council, as Committee of Whole, hold budget hearings (September 28 th , October 5 th , November 23 rd) with City Departments.
November 2013	Mayor submits 2014-2018 Capital Improvements Program to Council for Committee review and approval.
December 9, 2013	Finance Committee approves budget and submits to Council (Committee Report).
December 16, 2013	Council holds State Budget Act public hearing for citizen input.
December 16, 2013	Appropriation Ordinance and 2014 Budget Committee report adopted by Council.
January 29, 2014	Council adopts 2014-2018 Capital Improvements Program.

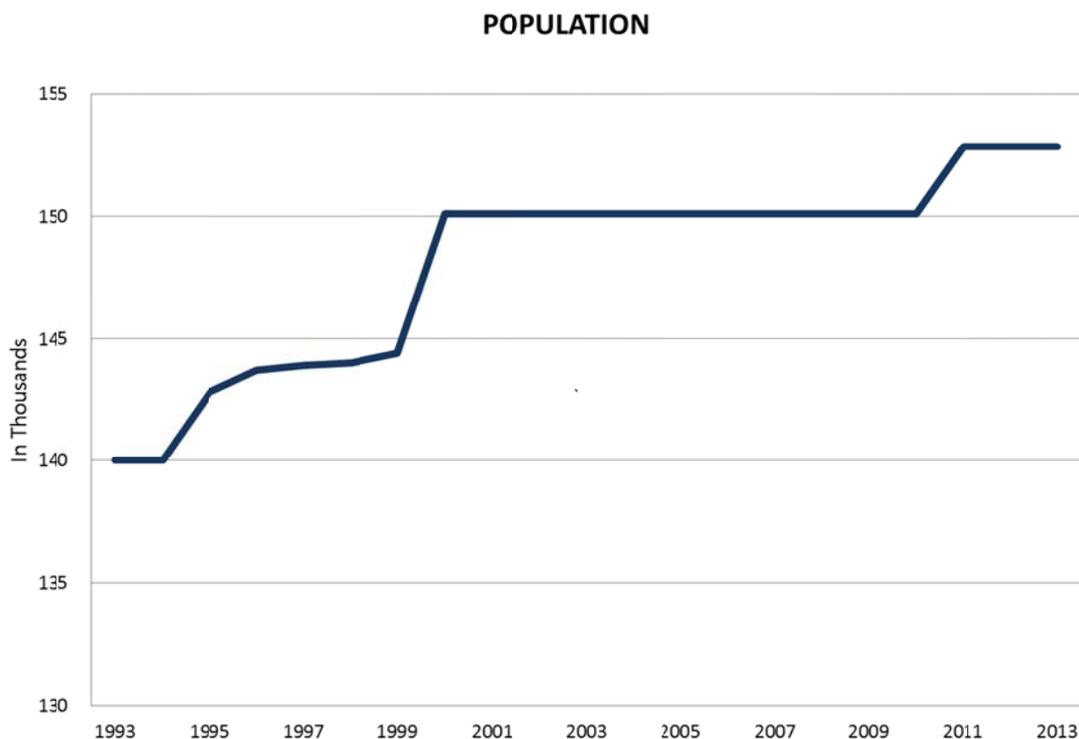
FINANCIAL PLANNING — THE KEY TO THE FUTURE

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.

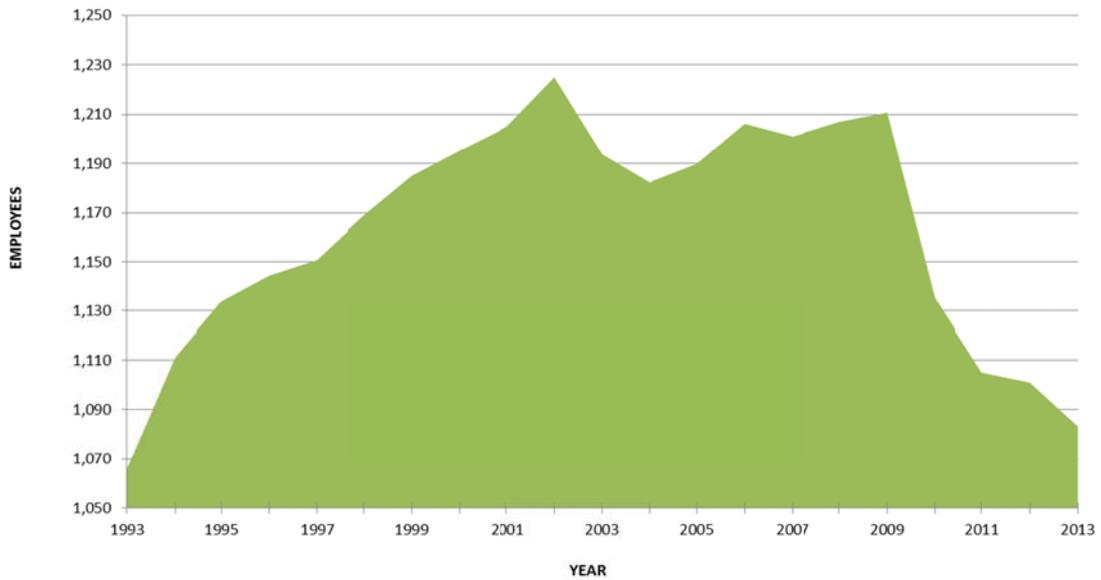
SELECTED TRENDS

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.



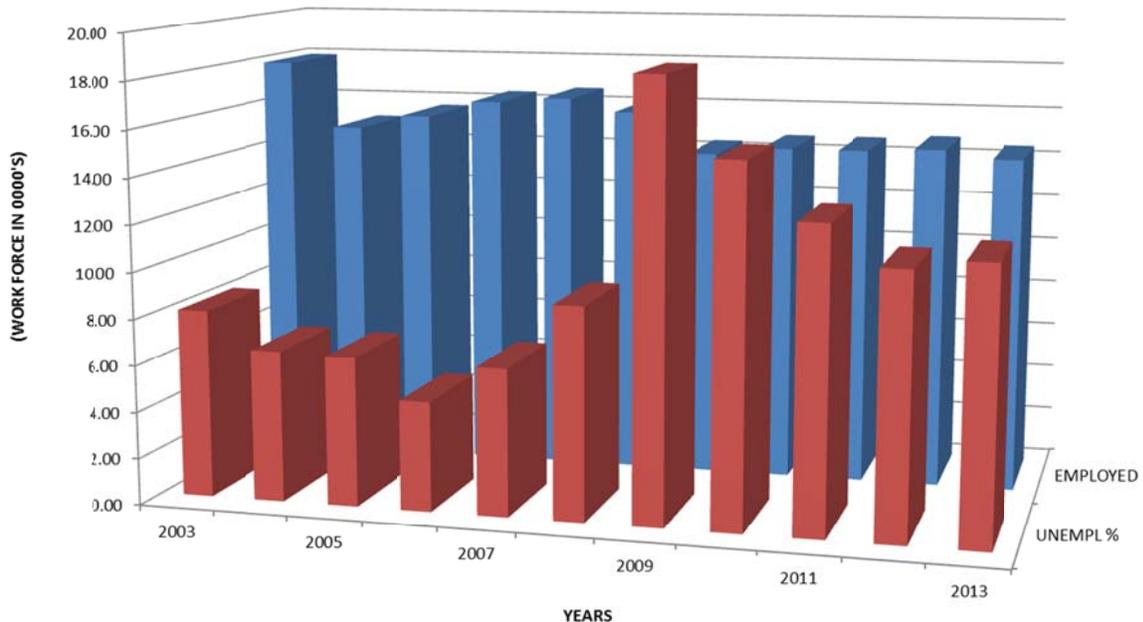
During the 1980's, the City took steps to keep the ratio of its employees and population in proportion. Since then, the City has maintained a constant ratio of employees per thousand residents. This ratio should continue to remain stable in the future as both the population and the City work force incrementally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

MUNICIPAL EMPLOYMENT 1993-2013



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 2003 IN THE ROCKFORD MSA*

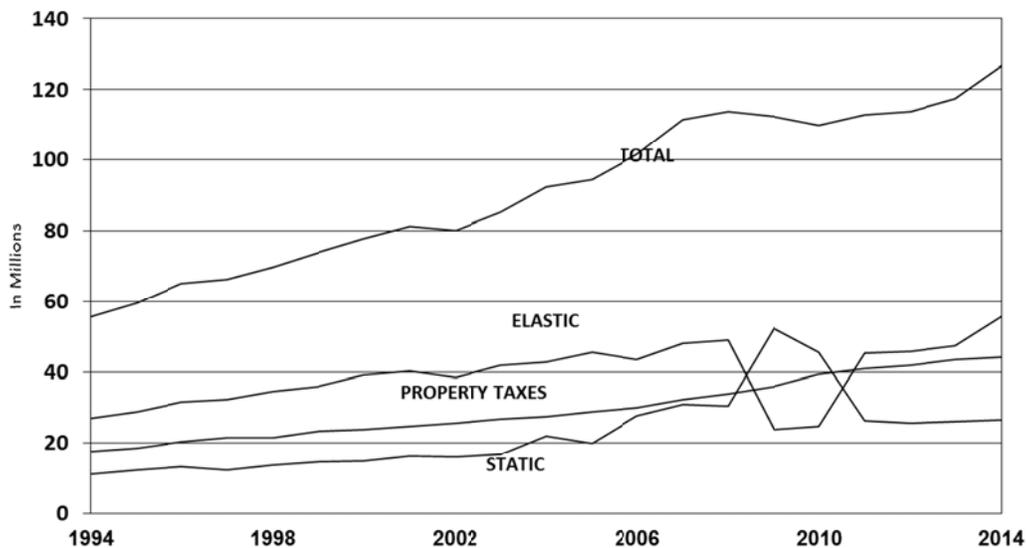


*Includes Ogle County in 2003

Employment in the Rockford MSA for December 2013 was approximately 144,519, a decrease of 3,287 from 2012. Overall, total employment has decreased 14.76% from 1993 to 2013.

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.

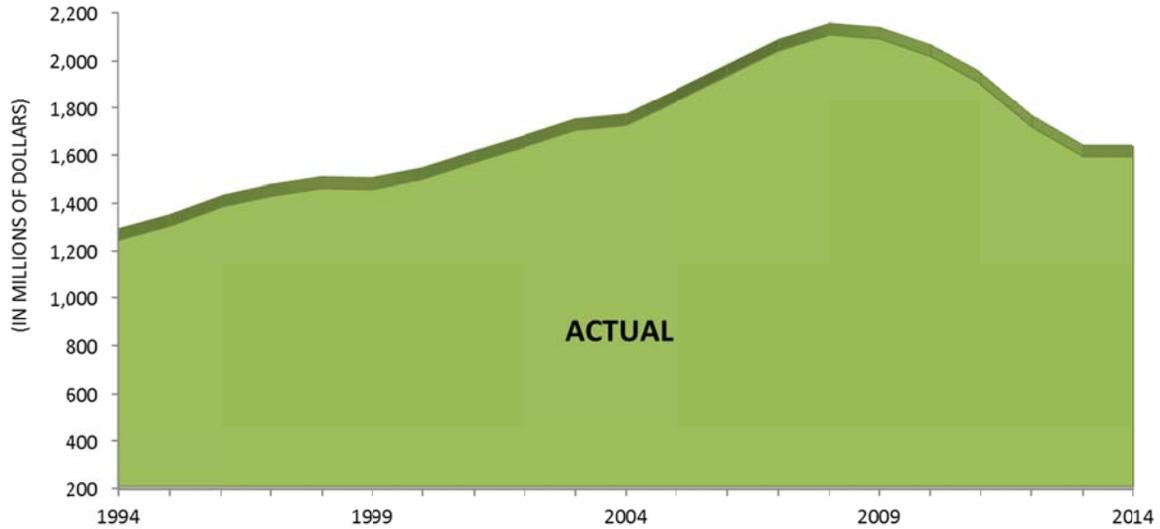
GENERAL FUND REVENUE SOURCE COMPOSITION



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.

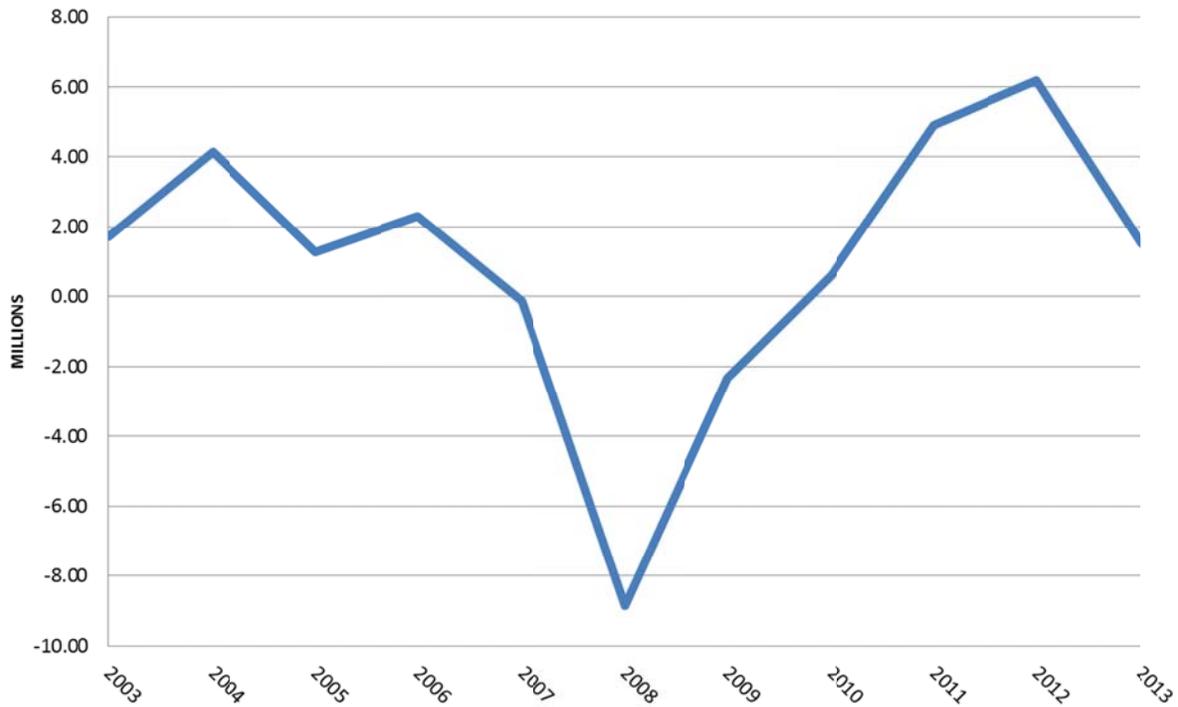
EQUALIZED ASSESSED VALUATION



For 2014, Rockford's equalized assessed valuation (EAV) is estimated to decrease less than 0.5% to \$1.584 billion. 2013 EAV decreased \$124.9 million (7.3%).

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.

GENERAL FUND BUDGET EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES



Added together, these year-end surpluses have improved the cash and fund balances of the General Fund from negative to positive. 2014 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:

<u>REVENUES</u>	<u>ASSUMPTION</u>	<u>PERCENT BUDGET SHARE</u>
Assessed Valuation (Percent)	(-5.0) – 0	31.3
Uncollectible Factor	0 – 1.0	
Sales and Other Taxes	0 – 2.5	26.8
Cable TV, Gas Licenses	0 – 2.5	1.5
State Income Tax	0 – 3.0	10.5
State Replacement Tax	0 – 3.0	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.

2015-2019 PLAN

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

<u>Year</u>	<u>Excess (Deficit) (In 000’s)</u>	<u>Percent of Total Budget</u>
2015	(3,098)	-2.4%
2016	(5,225)	-4.1%
2017	(7,965)	-6.1%
2018	(9,643)	-7.2%
2019	(11,458)	-8.3%

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 2014 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.

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

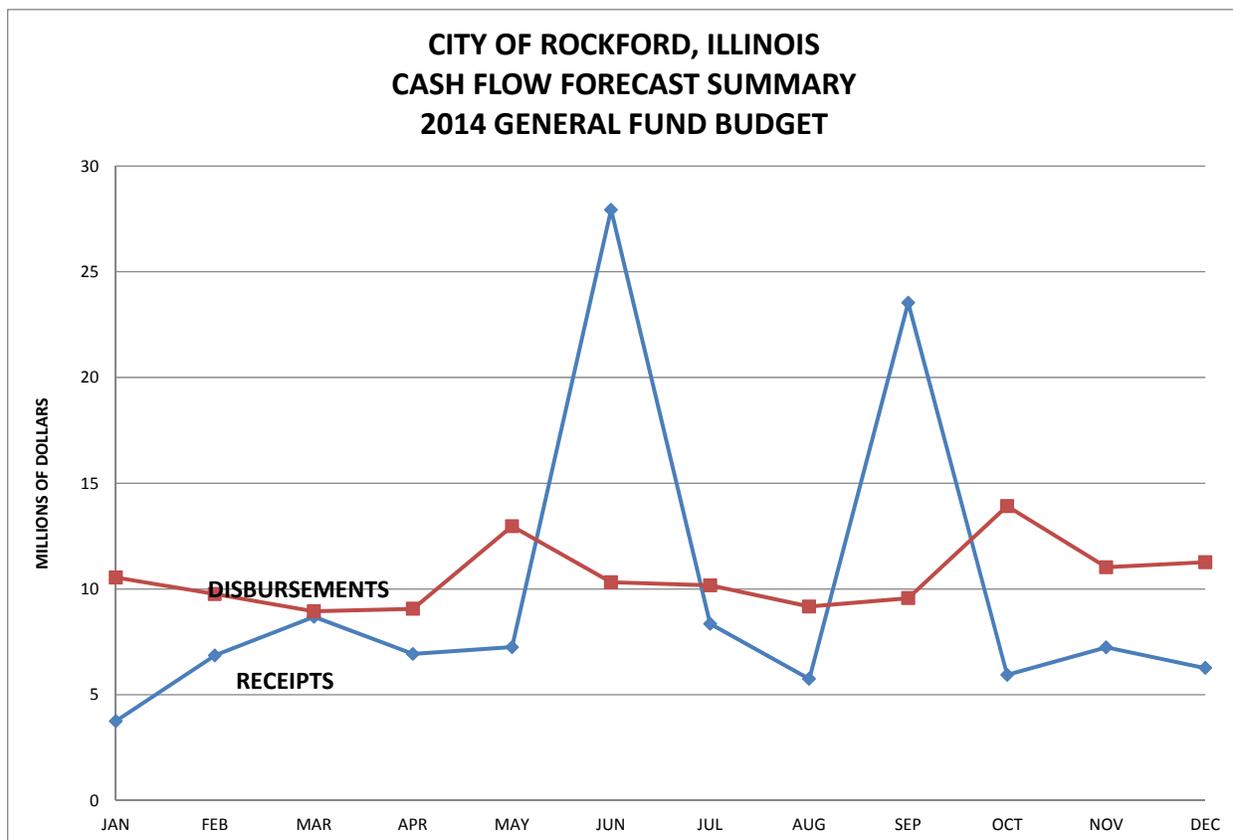
Each year the City adopts a budget. At the same time, this budget is converted into a cash budget internally to determine the cash flow for the budget year. Two revenue issues require consideration, property taxes and timing issues with shared revenues from the State. This requires the City to provide 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
2010	36.0	78.6
2011	36.4	85.9
2012	37.0	87.1
2013	37.5	85.6
2014	41.1	85.0

UNDERSTANDING CASH FLOW

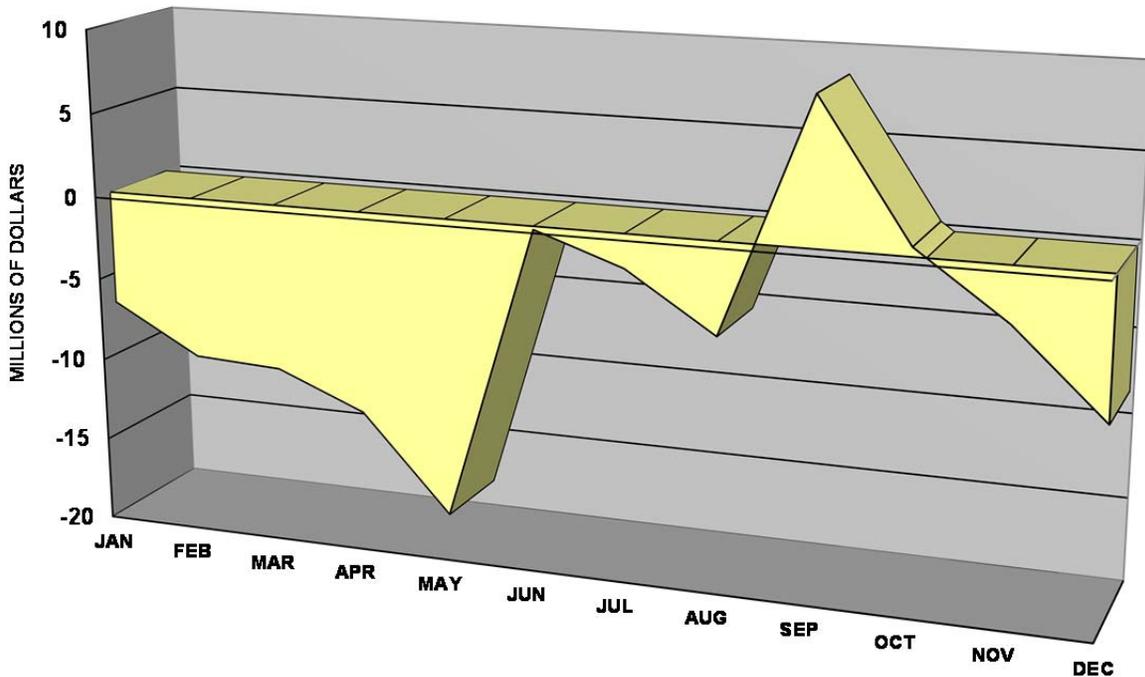
To completely understand the importance that property tax revenues have in cash management, the 2014 cash flow forecast summary for the General Fund graph is useful in illustrating the timing problem.



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.

CITY OF ROCKFORD, ILLINOIS MONTHLY CASH FLOW SUMMARY 2014 GENERAL FUND BUDGET



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 2014

With General Fund levies increasing \$1.8 million in 2013 and \$732,000 in 2014, 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 2014 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	\$125.6 Million	\$272.1 Million
Employees	721.5	1,076
Personnel Costs	\$87.2 Million	\$123.8 Million
Percentage		
Personnel	68.9	45.5
Salary	46.3	26.7
Fringe Benefits	22.5	18.8

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 budgets, they give consideration to current and future practices in the context of the above factors. The 2014 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 2012, 25.08 full-time equivalent positions have been eliminated, a decrease of 0.26%, across program lines in legislative and management, public safety, community development, public works, and human services.

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
PERSONNEL AUTHORIZATION
ALL FUNDS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	2012-2013 INCREASE (DECREASE)	<u>2014</u>	2013-2014 INCREASE (DECREASE)
PROGRAMS AND AGENCIES						
LEGISLATIVE & MANAGEMENT						
MAYOR	5.00	4.00	4.00	0.00	4.00	0.00
LEGAL	12.00	12.00	12.00	0.00	12.00	0.00
FINANCE	32.00	32.00	36.00	4.00	36.00	0.00
INFORMATION SERVICES	6.00	6.00	4.00	(2.00)	4.00	0.00
HUMAN RESOURCES	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>	<u>0.00</u>
LEGISLATIVE & MGMT TOTAL	<u>60.00</u>	<u>59.00</u>	<u>61.00</u>	<u>2.00</u>	<u>61.00</u>	<u>0.00</u>
COMMUNITY DEVELOPMENT						
CD ADMINISTRATION	1.50	1.50	1.50	0.00	1.50	0.00
CD CODE ENFORCEMENT	10.20	10.20	0.00	(10.20)	0.00	0.00
CD PLANNING	4.30	4.30	4.30	0.00	4.30	0.00
CD CONSTRUCTION SERVICES	15.00	15.00	25.20	10.20	25.20	0.00
CD DEVELOPMENT	<u>8.00</u>	<u>8.00</u>	<u>7.00</u>	<u>(1.00)</u>	<u>7.00</u>	<u>0.00</u>
COMM DEVELOPMENT TOTAL	<u>39.00</u>	<u>39.00</u>	<u>38.00</u>	<u>(1.00)</u>	<u>38.00</u>	<u>0.00</u>
HUMAN SERVICES						
HUMAN SERVICES	99.00	90.58	96.35	5.77	95.50	(0.85)
LIBRARY	<u>84.50</u>	<u>86.00</u>	<u>86.25</u>	<u>0.25</u>	<u>87.00</u>	<u>0.75</u>
HUMAN SERVICES TOTAL	<u>183.50</u>	<u>176.58</u>	<u>182.60</u>	<u>6.02</u>	<u>182.50</u>	<u>(0.10)</u>
PUBLIC SAFETY						
POLICE	318.00	318.00	319.00	1.00	322.50	3.50
FIRE	278.00	280.00	280.00	0.00	259.00	(21.00)
911 COMMUNICATIONS	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>	<u>0.00</u>	<u>53.00</u>	<u>0.00</u>
PUBLIC SAFETY TOTAL	<u>649.00</u>	<u>651.00</u>	<u>652.00</u>	<u>1.00</u>	<u>634.50</u>	<u>(17.50)</u>
PUBLIC WORKS						
ADMINISTRATION	2.00	2.00	2.00	0.00	2.00	0.00
ENGINEERING	5.50	10.00	9.50	(0.50)	8.00	(1.50)
STREETS & SEWERS	32.00	31.00	31.00	0.00	31.00	0.00
TRAFFIC	11.00	11.00	11.00	0.00	11.00	0.00
CAPITAL PROJECT	18.50	17.00	16.50	(0.50)	18.00	1.50
PARKING SYSTEM	8.50	8.50	8.50	0.00	3.00	(5.50)
BUILDING MAINTENANCE	10.00	10.00	10.00	0.00	10.00	0.00
EQUIPMENT MAINTENANCE	10.00	10.00	9.00	(1.00)	9.00	0.00
CENTRAL STORES	4.00	4.00	4.00	0.00	4.00	0.00
WATER	<u>72.00</u>	<u>72.00</u>	<u>64.00</u>	<u>(8.00)</u>	<u>64.00</u>	<u>0.00</u>
PUBLIC WORKS TOTAL	<u>173.50</u>	<u>175.50</u>	<u>165.50</u>	<u>(10.00)</u>	<u>160.00</u>	<u>(5.50)</u>
TOTAL	<u>1,105.00</u>	<u>1,101.08</u>	<u>1,099.10</u>	<u>(1.98)</u>	<u>1,076.00</u>	<u>(23.10)</u>

Staffing for 2013 was 1,099.10 positions, a decrease of 1.98 FTE over 2012. Increases include 9.02 in Legislative and Management, Human Services, and Police. 11.0 eliminated from Public Works and Community Development.

2014 EMPLOYMENT

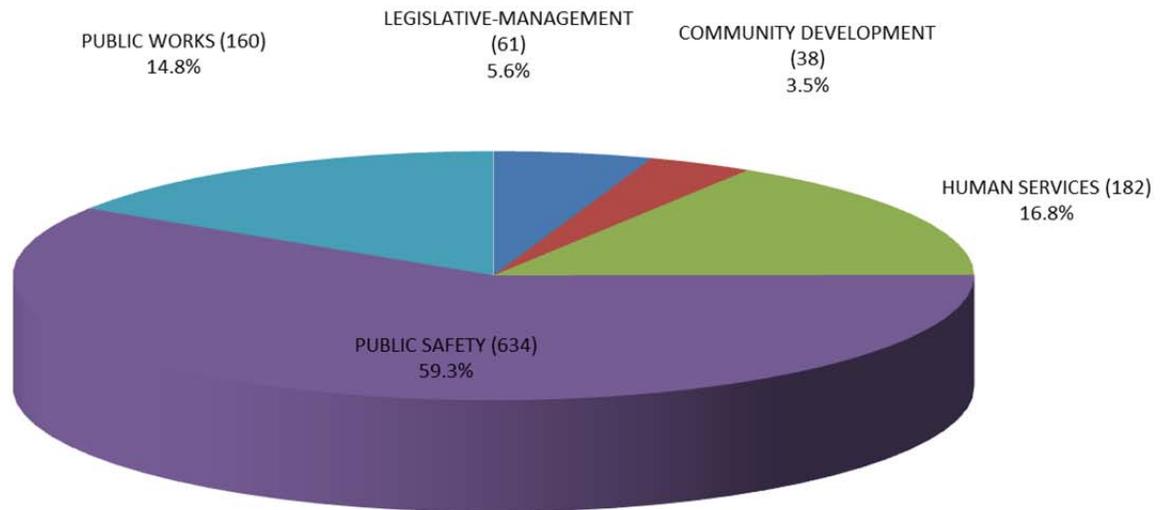
Staffing for the 2014 budget by program is provided in the Personnel Authorization Schedule. Employment has decreased to 1,076.00 positions.

The Public Works group total FTE decreased by 5.50. The Parking positions were eliminated due to outsourcing the parking management function. The Engineering Division transferred 1.5 FTE to the Capital Project Division.

In the Public Safety group, there is an overall decrease of 17.50 FTE. The Police Department increased 5.0 FTE in Patrol Officers, funded by a new hiring grant, offset by the elimination of a Director of Administrative Services and Senior Office Assistant position. The Fire Department eliminated 21.0 FTE as a result of the service agreement between the City and the Airport and minimum manning language changes awarded in arbitration.

In the Human Services group, there is an overall decrease of 0.10 FTE.

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET PERSONNEL AUTHORIZATION**



2013 - 1,099; 2012 - 1,101; 2011- 1,105

2014 CHANGES IN COMPENSATION

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

<u>Unit</u>	<u>Employees</u>	<u>Percentage Of Total</u>
Police Sworn	274.0	32.0%
Fire Sworn	243.0	30.8
Public Works/Clerical (AFSCME)	189.0	21.7
Community Development (AFSCME)	15.0	1.7
Human Services (AFSCME)	57.5	6.6
Library (AFSCME)	<u>62.5</u>	<u>7.2</u>
	841.0	100.0%

2010-2014 SALARY AND BENEFIT ADJUSTMENTS BY EMPLOYEE GROUP (Percentage)

<u>Year</u>	<u>Police Sworn</u>	<u>Fire Sworn</u>	<u>AFSCME</u>	<u>AFSCME B</u>	<u>Exempt</u>
2010	2.00	2.00	0	0	0
2011	2.00	2.00/2.00/2.00	0	0	0
2012	2.00	2.75	2.00	2.00	3.00
2013	2.00 – 1/1/2013 2.00 – 7/1/2013	2.50	2.00	2.00	2.00
2014	2.50	2.50	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 2014 are \$5,538 for single, \$11,076 for single plus one, and \$16,614 for family. Annual premium costs for the traditional PPO plan in 2013 are \$5,850 for single, \$11,700 for single plus one, and \$17,550 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 46.5% to 56.4% 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.

<u>Benefits</u>	<u>BENEFITS AS A SALARY PERCENTAGE</u>			
	<u>Sworn</u>		<u>Non-Sworn</u>	
	<u>Police</u>	<u>Fire</u>	<u>Office</u>	<u>Field</u>
Pension	24.9	31.5	21.8	24.4
Worker's Comp	3.7	6.1	0.3	5.2
Health	19.6	18.4	23.2	25.6
Other	<u>1.0</u>	<u>0.4</u>	<u>1.2</u>	<u>0.2</u>
Total	49.2	56.4	46.5	55.4

Average Costs Per Budgeted Position

Salary	\$77,615	\$77,082	\$53,069	\$36,163
Fringe Benefits	<u>38,136</u>	<u>43,458</u>	<u>24,657</u>	<u>20,004</u>
Total	\$115,750	\$120,539	\$77,726	\$56,167

As shown above, 2014 fringe benefits range from 46.5 percent for office personnel to 56.4 percent for fire personnel, while average costs per position range from \$56,167 for field personnel to \$120,539 for firefighters. Costs increase primarily because of salary and pension adjustments.

In 2013, the fringe benefit range was from 52.4 percent for office personnel to 62.6 percent for fire personnel, while costs per position range from \$64,509 for field to \$120,769 for fire.

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 \$50.7 million for 2014, 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. 2013 saw the purchase of approximately \$9 million in capital equipment, with a 2014 lease obligation of \$2,714,674. 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 2014, 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 \$50,760,000 budgeted for capital equipment and projects in 2014 can be divided into five components: office equipment - \$45,000; building improvements - \$135,390; vehicles and operating equipment - \$6,574,800 computer software and hardware - \$98,000; and for capital projects - \$47,744,282.

Equipment Fund	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actual Expenditures	3,878,913	4,634,799	3,784,746	3,774,495	4,080,237	3,953,045	3,828,398

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	2010	2011	2012	2013	TOTAL
Potholes Patched	88,442	188,378	72,494	113,727	463,041
Material Cost	\$ 126,216.72	\$ 164,580.35	\$ 98,027.08	\$ 169,387.00	\$ 558,211.15
Number Pothole Requests	1,808	3,503	3,298	3,186	11,795

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 \$135,390 are allocated to the Main Library and various branches. The Library also has \$20,000 in office equipment as well as \$20,000 in computer software and \$78,000 in computer hardware. The Water Division’s \$739,000 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, \$50.7 million (\$47.7 million capital) includes \$38.4 million for transportation, \$5.4 million for economic development, \$4.8 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 2014 as well.

The proposed water system improvements, \$4.8 million in 2014 work, include water system operation upgrades and construction of trunk line water main.

The current program revenues for 2014 are at \$51.1 million. A 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 \$15.0 million in revenue. State motor fuel tax revenues of \$3.2 million increase \$200,000 over 2013.

The \$38.4 million budgeted in the capital improvements program supports the traditional transportation and drainage programs funded by sales tax, motor fuel taxes and grants. 2014 is the first year of the 2014-2018 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 2014 budget estimates revenue of \$269.9 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 2014, 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.

<u>FUND</u>	<u>FINANCED BY</u>
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

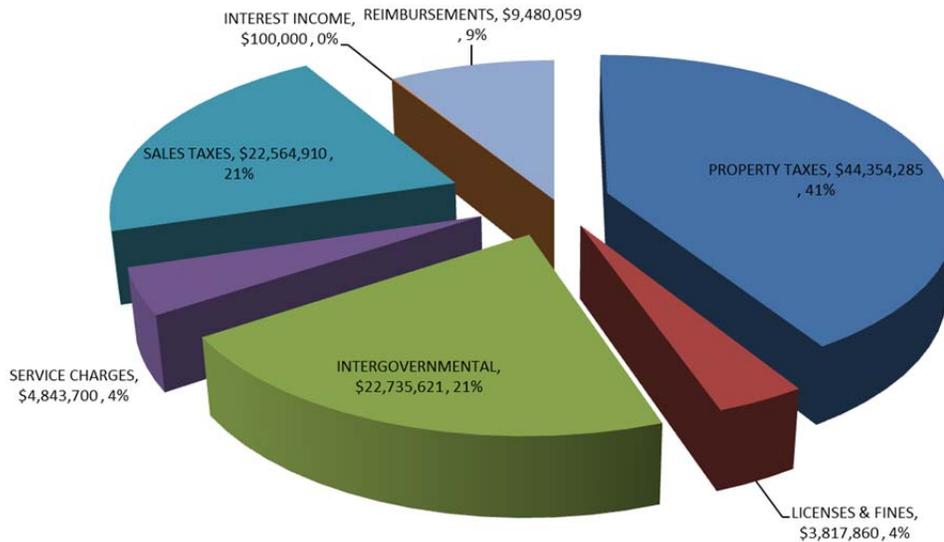
Most of these are self-explanatory. Intergovernmental revenue is income from federal, state, and other local governments. Other income and transfers are miscellaneous items, restricted receipts and transfers. Property taxes are net of accounting adjustments and projected tax cap losses.

GENERAL FUND REVENUE - (\$126,737,147)

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 2013 to 2014. The percentage of the total that each represents, property taxes, elastic revenues and static revenues, has also slightly increased from the prior year.

**CITY OF ROCKFORD, ILLINOIS
2014 GENERAL FUND REVENUES \$126,737,148**



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 2013 EAV of \$1,584,176 is yet to be certified by the County compared to the previous year's \$1,709,176. The drop in existing valuation was offset by estimated new construction of \$6.6 and no annexations.

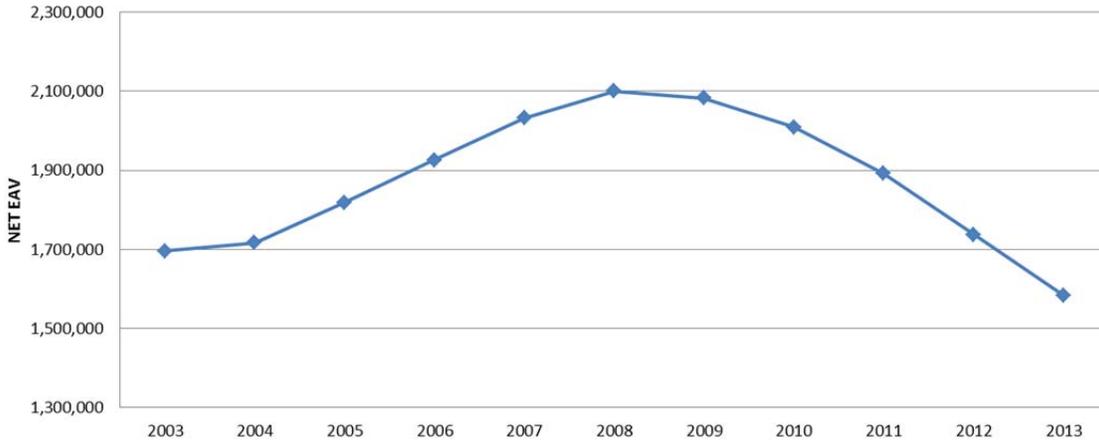
Increases in EAV due to annexation of new areas were \$3.4 million for 2008, \$0.2 million for 2009, \$0.1 million for 2010, \$0.5 million for 2011, and \$0.2 million in 2012. EAV change estimates will be -5.0% for 2011, -8.0% for 2012, and -3.0% for 2013-2016. In previous years, zero percent was used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

Exemptions (2010 - \$352.0, 2011 - \$333.6, 2012 - \$309.4, 2013 - \$316.3) 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 \$18.5 million from 2010-2011; decreased \$24.2 million from 2011-2012.

Of the exemptions, only one, the tax increment district (\$32.3 million estimate), 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.

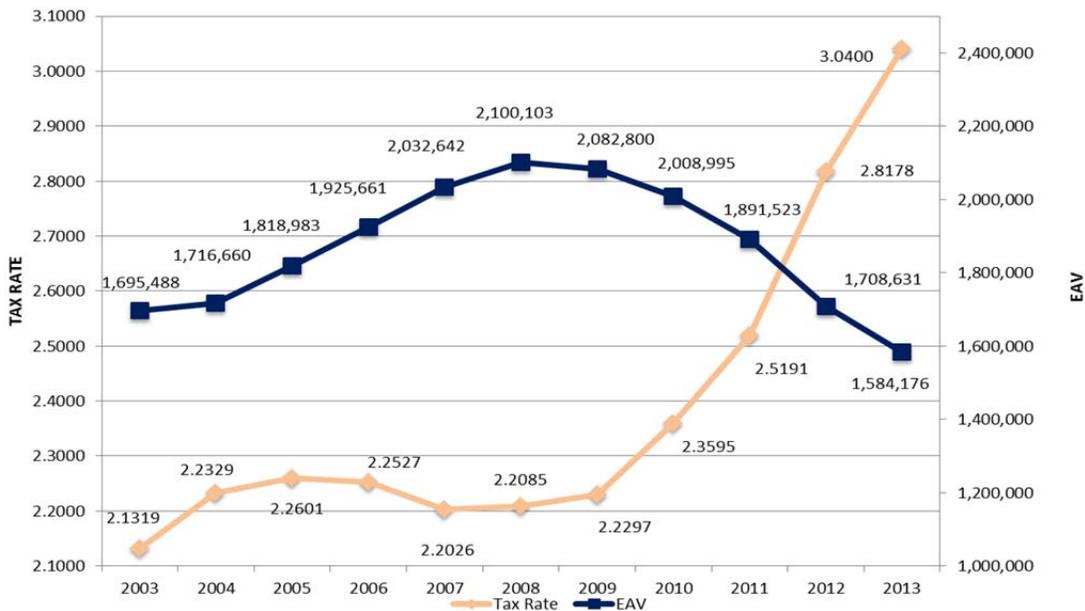
**CITY OF ROCKFORD, ILLINOIS
NET EQUALIZED ASSESSED VALUATION 2003-2013**



The other exemptions, homeowner (\$218.3 million estimate), senior citizen (\$43.2 million estimate), and all other (\$19.8 million estimate), 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.

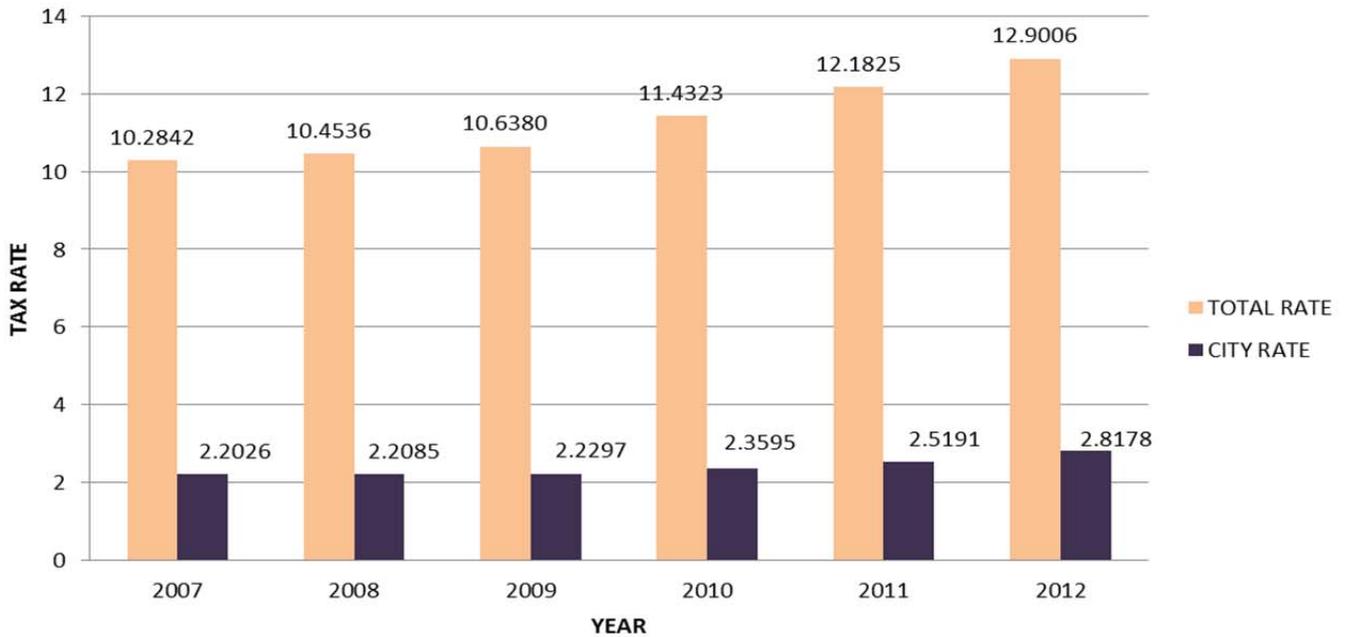
The graph below illustrates the relationships. Poor EAV performance puts pressure on the rate if levies are increased to raise revenue. Given the fact that rates are fixed for a number of levies and that the City is at the maximum for many limited levies, this has implications for future budgets.

**Property Tax Rate Associated with Levy
Rate Setting EAV**



As the All City Tax Rate Graph illustrates, tax rates for both the City and all taxing districts decreased a total of 71.8 cents in 2012. The City tax rate increased 29.9 cents. Tax rate changes for the remaining six taxing districts ranged from an increase of 12.9 cents for the school district to an increase of 0.08 cents for the township; overall, there was an increase of 29.9 cents for these units. 2013 rates are not yet finalized by the County.

CITY OF ROCKFORD, ILLINOIS ALL CITY TAXING DISTRICT COMBINED 2007-2012



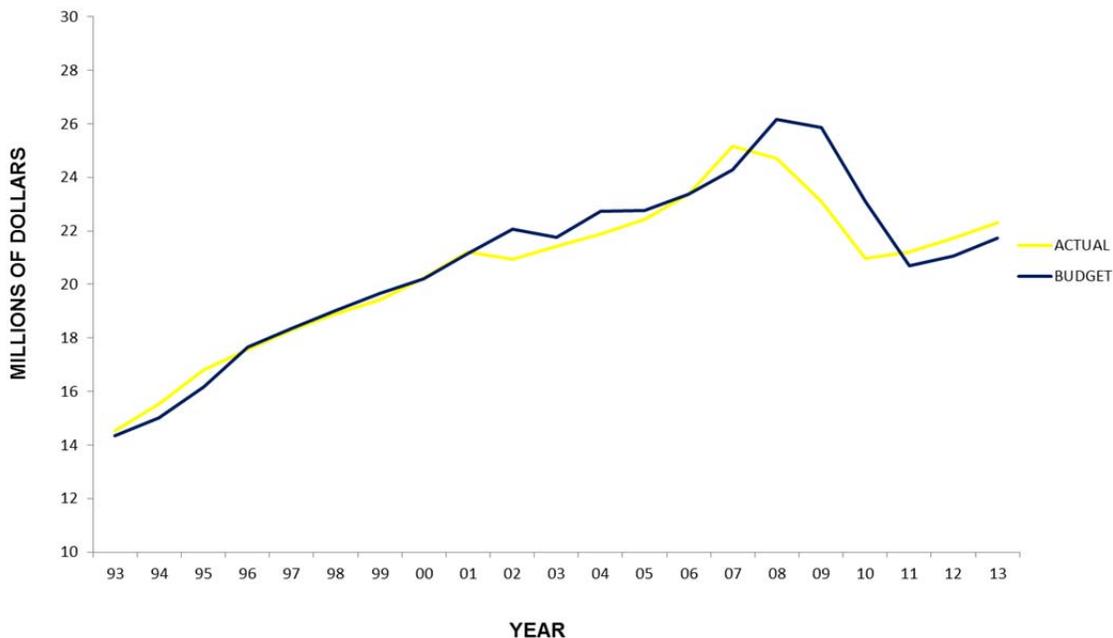
The City rate is 21.8% of the total rate of \$12.90. It is the City’s goal to maintain a stable tax rate in order to remain competitive with surrounding communities and unincorporated areas in economic development and annexation efforts.

The 2014 City rate estimate is \$3.04. 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 2014 budget estimates \$22,564,910 which is 1.5% (\$344,410) more than the 2013 budget (\$22,220,500). 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.

**CITY OF ROCKFORD, ILLINOIS
GENERAL FUND SALES TAX REVENUES
1993-2013**



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 2011, 2012, and 2013 are \$2,179,292, \$1,890,000, and 2,552,483 respectively. 2014 budgeted revenue is \$2,369,115.

The City receives a 6% phone tax. Revenue, \$5,430,116 for 2012, and \$5,032,844 for 2013 is budgeted at \$4,869,000 for 2014. The 5% water utility tax, implemented in 2003, \$1,006,205 for 2012, and \$1,076,966 for 2013; \$1,020,000 is budgeted for 2014.

OTHER GENERAL FUND REVENUE

License and inspection estimates have increased \$36,260 from \$3,781,600 in 2013 to \$3,817,860 in 2014. Building inspection fees in excess of \$100,000 per project are considered unusual and are not budgeted.

The 2013 actual of \$4,060,056 is \$278,456 over budget, reflecting both increases and decreases in licenses issued. Primary increases occurred in CATV Franchise fees (\$241,285), deposit fees (\$45,000), overweight fees (\$36,830), tobacco fees (\$44,980), and liquor license fees (\$27,367) offset by decreases in gas franchise fee (\$32,997) and building fees (\$41,505).

The 2014 intergovernmental revenue budget estimate is \$22,735,621, a increase of \$355,563 from 2013's \$22,380,058. The most significant decrease was the Rockford Airport revenue (\$815,000) due to elimination of airport fire-fighting service, offset by increase in replacement tax (\$386,612) and State Income (\$1,058,332). Due to the volatile nature of replacement taxes, a fixed growth assumption is not used; rather, annual results are analyzed.

The 2013 intergovernmental actual exceeded the original budget by \$5,358,747. Replacement taxes, a state revenue source distinguished by its instability since its inception in 1978, came in \$1,084,434 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 \$3,251,571.

Service charges, budgeted at \$4,414,300 for 2013, have increased \$429,400 to \$4,843,700 for 2014. This is primarily due to an increase in ambulance fee revenues.

The 2013 service charges actual of \$4,847,771 was \$433,471 over budget. Decrease income from fire telephone fees (\$100,000) was offset by increases in ambulance fees (\$528,747).

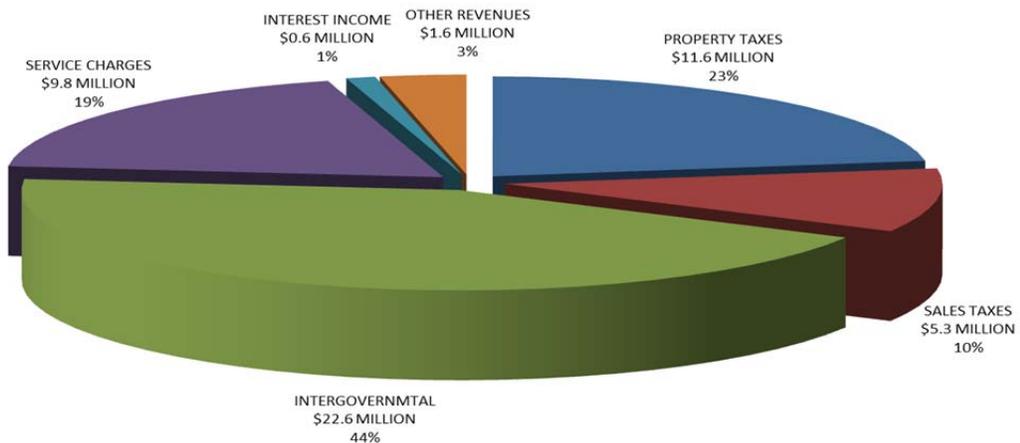
General Fund fine revenue can vary depending on economic conditions. \$1,130,000 is the 2014 estimate (2013 budget - \$1,400,000); the 2013 actual collected was \$1,240,710. A decrease in magistrate fines, \$300,000, offset by increase in neighborhood hearing fines, \$30,000.

Interest income, budgeted at \$350,000 for 2013, is estimated at \$100,000 for 2014. \$905,304 was recorded for 2013.

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 2013 budget and receipts were \$9,717,332 and \$16,582,243 respectively. 2014's budgeted \$17,782,657 is \$8,065,325 more than the prior year's budget and \$1,200,414 more than the actual primarily due to capital lease proceeds. Purchase of service reimbursements are increased annually to reflect increased costs.

Transfers total \$1,150,000 this year. The \$1,150,000 transfer from the Motor Fuel Tax Fund is designed to pay for street lighting. The General Fund, in turn, transfers \$1,150,000 to the Capital Projects Fund to pay for designated projects.

**CITY OF ROCKFORD, ILLINOIS
2014 SPECIAL REVENUE FUNDS' REVENUE
\$51,485,239**



(2013- \$53,419,918)

The City utilizes thirty-one special revenue funds. Although financing for this fund group has decreased slightly from 2013's \$53.4, the revenue mix has been essentially unchanged since 1985.

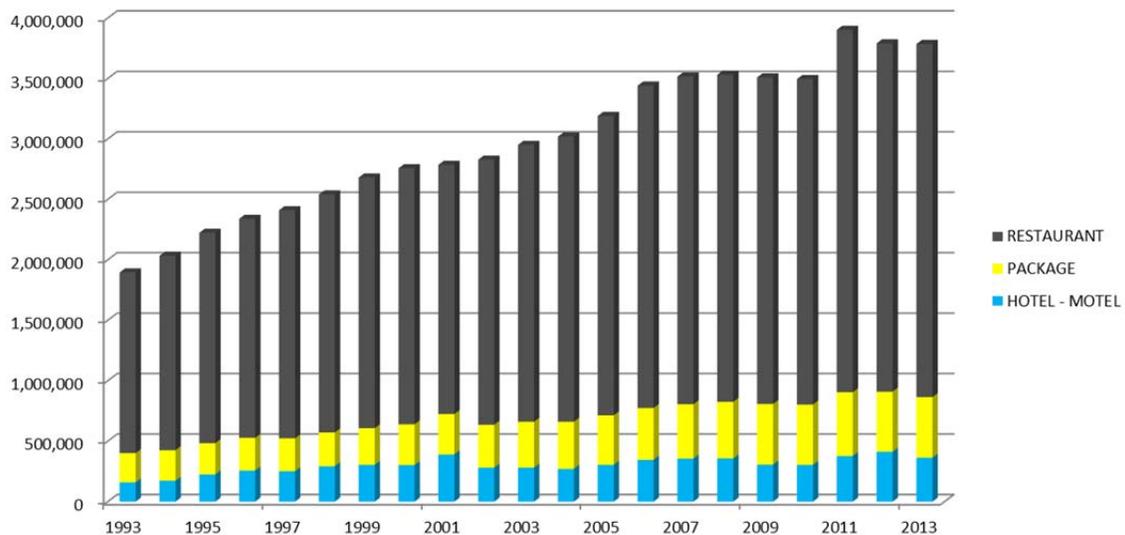
Motor Fuel Tax Fund - This fund is financed by shared revenue payments (\$4,350,000) from the State of Illinois on motor fuel (19 cents per gallon) for road building and maintenance purposes. 2014 interest earnings are estimated at \$253,000.

Sanitation Fund - This fund is financed by a \$226.32 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 (\$3,120,327). Program income is estimated at \$76,000. The 2013 carryover of prior year funds and grant authorizations is \$862,166.

Redevelopment Fund - This fund, for redevelopment purposes and Metro Center Authority subsidy payments, has four revenue sources: motel/hotel tax (1%) - \$350,000; restaurant/lounge (1%) - \$2,875,000; package liquor (1%) - \$500,000. For 2013, receipts are \$3,784,838, \$74,238 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.

**CITY OF ROCKFORD, ILLINOIS
REDEVELOPMENT SOURCES OF REVENUE 1993-2013**



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.

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 (\$5,788,625) and four state agencies (\$6,488,316) 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 \$168,700.

Library Fund - This fund is financed by property taxes (\$7,329,855), state replacement taxes (\$755,000) fines (\$123,800), service charges and non-resident fees (\$44,478), grants (\$155,000), interest and rental income (\$101,000) and miscellaneous income (\$112,750). 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 - (\$17,315,983)

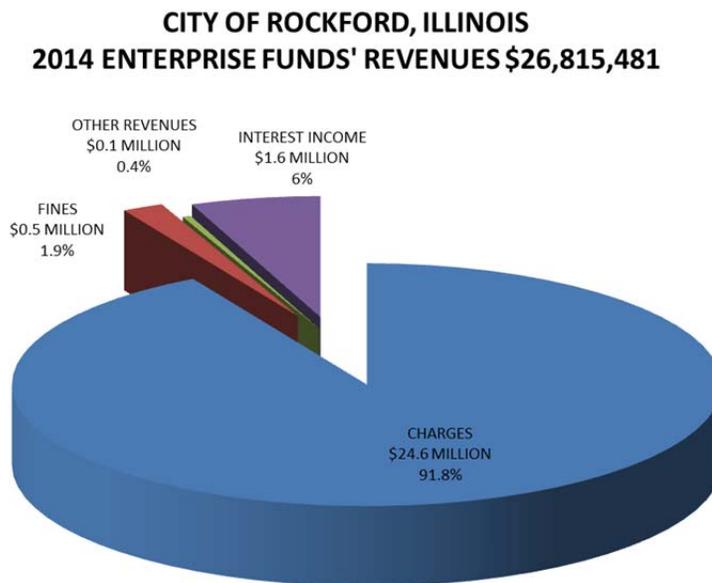
Debt Service Funds - These funds are funded by property taxes (\$4,145,768), tax abatements from TIF Districts, development funds, and OTB Special Projects Fund (\$5,483,699), the parking and water utilities (\$6,948,887), and sales tax (\$737,629). For further information, see Debt Service under Non-Operating Fund section.

CAPITAL PROJECTS FUNDS REVENUE - (\$51,110,000)

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 - (\$26,815,481)

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



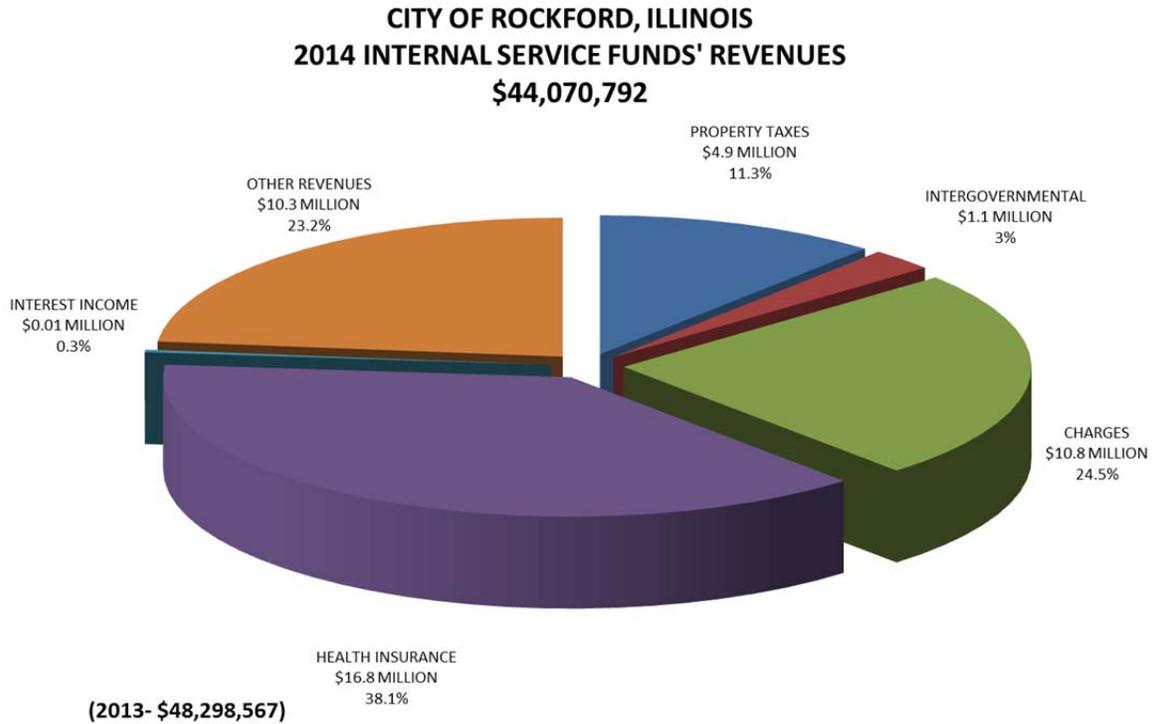
(2013- \$26,440,961)

Water Fund - This fund is financed by user fees (\$23,988,000), installations and connections (\$581,000); interest income (\$200,000), and service charges to other funds and governmental agencies (\$138,740).

Parking Fund - The Parking System is financed by fines (\$500,800), permits and fees (\$1,242,741), purchase of services (\$25,500), and interest income (\$138,700).

INTERNAL SERVICE FUNDS REVENUES - (\$44,070,792)

The City uses eleven internal service funds. While financing for this fund group has decreased from 2013's \$48,298,567 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 \$3,349,372; replacement taxes at \$328,200; interfund transfers from non-property tax funds at \$3,520,920 and interest income at \$10,000 for 2014. The property tax rate is unlimited.

Unemployment Insurance Fund - The budget includes \$134,910 in property taxes and \$35,420 in interfund transfers from non-property tax funds. The property tax rate is unlimited.

Worker’s Compensation Fund - Income for 2014 includes \$2,396,326 in property taxes, \$263,715 in interfund transfers from non-property tax funds, and \$15,000 in interest income. The property tax rate is unlimited for this purpose.

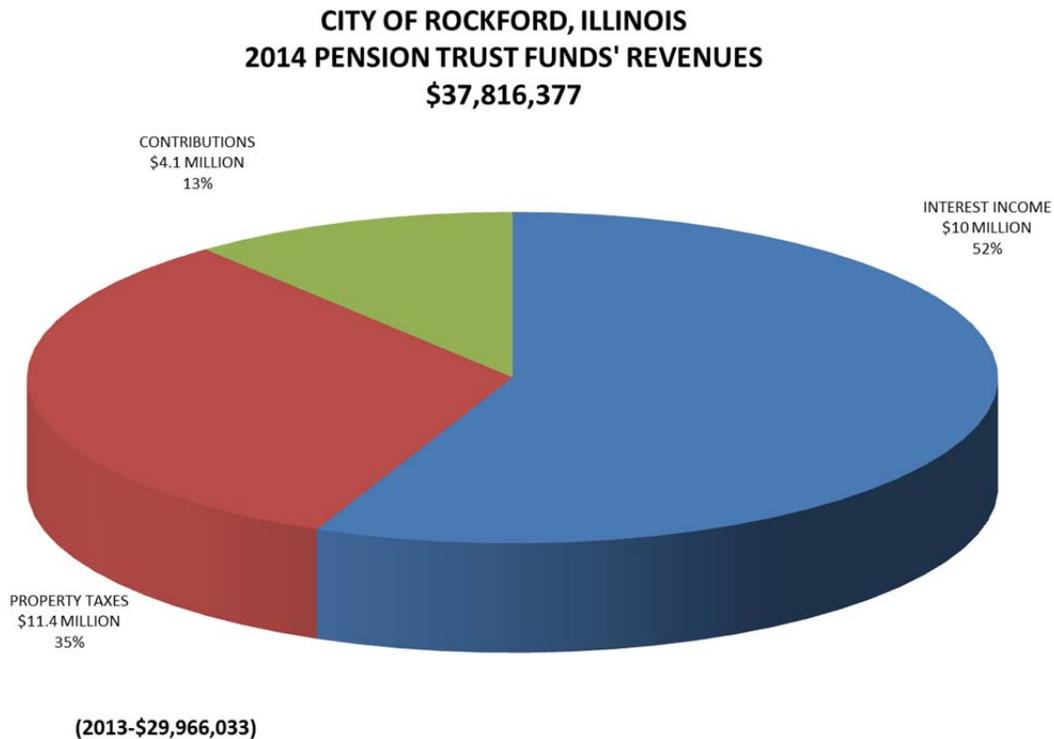
Auditing Fund - This fund is financed by property taxes (\$139,950) and interfund transfers from non-property tax funds (\$68,151). The property tax rate is unlimited for this purpose.

Health Insurance Fund - The City operates a self-insured plan for active employees, retirees, and several outside groups. The City’s share of \$13,771,668 is supplemented by employees, retired employees, and outside agency contributions of \$3,099,200.

Risk Management Fund - This fund, used for the payment of claims, judgments and general self-insured losses, is financed by an unlimited levy (\$1,485,000), departmental charges (\$1,049,710), and insurance reimbursements (\$115,000).

PENSION FUNDS REVENUES – (\$37,816,377)

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



Police Pension Fund - This fund is financed by a contribution from the General Fund (property taxes, \$4,652,753 and state replacement taxes, \$834,825), member contributions (\$2,144,400), investment income (\$5,900,000), and fair value appreciation (\$5,000,000). The interest rate assumption for 2014 is 7.5% (2013 Actual 14.4% earnings).

Fire Pension Fund - This fund is financed by a contribution from the General Fund (property taxes, \$5,711,872 and state replacement taxes, \$1,086,727), member contributions (\$1,985,800) and investment income (\$5,500,000), and fair value appreciation (\$5,000,000). The interest rate assumption for 2014 is 7.5% (2013 Actual 15.2% 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

City Departments	<i>Parking Fund</i>	<i>Property Fund</i>	<i>Equipment Fund</i>	<i>Central Stores Fund</i>	<i>Information Tech Fund</i>	<i>911 Fund</i>	<i>IMRF Fund</i>	<i>Unemployment Fund</i>	<i>Worker's Comp Fund</i>	<i>Auditing Fund</i>	<i>Health Insurance Fund</i>	<i>Risk Management Fund</i>	<i>Police Pension Fund</i>	<i>Fire Pension Fund</i>
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 2014 budget year ending December 31, 2014 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, Health Insurance, 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 and Parking 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 2014 BUDGET

FUND	BEGINNING BALANCE 01/01/14	REVENUES	APPROPRIATION	EXCESS (DEFICIT)	ADJUSTMENTS	ENDING BALANCE 12/31/14
GENERAL-OPERATING	\$32,168,324	126,737,148	\$126,644,369	\$92,779		\$32,261,103
SPECIAL REVENUE						
MOTOR FUEL TAX	11,640,420	4,756,500	4,350,000	406,500		12,046,920
SANITATION	5,518,509	9,849,000	12,301,377	(2,452,377)		3,066,132
COMMUNITY DEVELOPMENT	986,626	4,058,493	4,025,556	32,937		1,019,563
REDEVELOPMENT TAX	(362,491)	4,158,320	4,074,896	83,424		(279,067)
TOURISM PROMOTION TAX	305,019	1,590,800	1,587,800	3,000		308,019
TAX INCREMENT DISTRICTS	(3,645,672)	4,895,385	6,279,353	(1,383,968)		(5,029,640)
HUMAN SERVICES	869,243	12,276,941	13,362,841	(1,085,900)		(216,657)
TUBERCULOSIS SANITARIUM	131,619	169,500	170,000	(500)		131,119
LIBRARY	6,538,294	8,622,131	8,622,131	0		6,538,294
OTB SPECIAL PROJECTS	73,805	101,100	75,000	26,100		99,905
RMAP PLANNING	(209,417)	1,007,069	1,004,268	2,801		(206,616)
DEBT SERVICE	8,208,657	14,707,581	20,030,657	(5,323,076)	5,323,076	8,208,657
CAPITAL PROJECT	18,565,920	51,110,000	50,760,000	350,000		18,915,920
ENTERPRISE						
WATER SYSTEM	132,423,519	24,907,740	24,341,812	565,928		132,989,447
PARKING SYSTEM	16,436,949	1,907,741	2,546,801	(639,060)		15,797,889
INTERNAL SERVICE						
PUBLIC WORKS PROPERTY	995,553	2,394,353	2,204,899	189,454		1,185,007
PUBLIC WORKS EQUIPMENT	713,151	4,002,730	3,918,666	84,064		797,215
PUBLIC WORKS CENTRAL STORES	256,227	445,000	431,078	13,922		270,149
911 COMMUNICATIONS	1,333	5,461,296	5,460,994	302		1,635
IMRF PENSION	73,081	7,208,742	7,198,493	10,249		83,330
UNEMPLOYMENT INSURANCE	102,536	170,140	167,380	2,760		105,296
WORKER'S COMPENSATION	824,458	2,675,301	2,746,479	(71,178)		753,280
AUDITING	49	208,088	208,100	(12)		37
RISK MANAGEMENT	(5,210,893)	2,649,710	2,689,100	(39,390)		(5,250,283)
INFORMATION TECHNOLOGY	1,377,717	3,199,280	2,947,018	252,262		1,629,979
HEALTH INSURANCE	9,397,854	16,870,868	21,013,800	(4,142,932)		5,254,922
PENSION						
POLICE PENSION	162,840,479	18,531,978	14,726,314	3,805,664	(10,838,723)	155,807,420
FIRE PENSION	144,555,460	19,284,399	15,394,294	3,890,105	(7,876,445)	140,569,120
ELIMINATIONS & ADJUSTMENTS	0	(83,367,194)	(83,367,194)	0	0	0
	<u>\$675,427,000</u>	<u>\$270,590,140</u>	<u>\$275,916,282</u>	<u>(\$5,326,142)</u>	<u>(\$13,392,092)</u>	<u>\$526,858,095</u>

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 2014

- 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.
- Continue the Rockford Area Prisoner Re-entry Network.
- Build and support intergovernmental relationships, collaboration, and advocacy.
- Continue work in establishing opportunities for international trade and economic growth.
- Implement 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$458,986	\$471,432	\$500,412	\$500,760	\$29,328
CONTRACTUAL	120,811	145,945	131,653	147,840	1,895
SUPPLIES	<u>13,670</u>	<u>12,350</u>	<u>11,266</u>	<u>12,150</u>	<u>(200)</u>
	<u>\$593,467</u>	<u>\$629,727</u>	<u>\$643,331</u>	<u>\$660,750</u>	<u>\$31,023</u>
	2010	2011	2012	2013	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	\$93,341	\$66,186	\$72,147	\$78,247	\$6,100
GENERAL REVENUES	<u>473,324</u>	<u>527,281</u>	<u>557,580</u>	<u>582,503</u>	<u>24,923</u>
TOTAL	<u>\$566,665</u>	<u>\$527,281</u>	<u>\$629,727</u>	<u>\$660,750</u>	<u>\$31,023</u>

Mayor's Office

MAYOR'S OFFICE AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
MAYOR	ELECTED	1.00	1.00	0.00
CITY ADMINISTRATOR	E-16	1.00	1.00	0.00
EXECUTIVE COORDINATOR TO THE MAYOR	E-8	1.00	1.00	0.00
ADMINISTRATIVE ASSISTANT	E-5	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>4.00</u>	<u>4.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect a 2% wage increase and salary study adjustments to pay bands are implemented.
- Contractual expenses increase due to increases in purchase of services.

CAPITAL EQUIPMENT

There are no capital items budgeted for the Mayor's Office in 2014.

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 2014

- 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$367,180	\$374,342	\$348,225	\$333,516	(\$40,826)
CONTRACTUAL	167,411	201,460	156,831	201,580	120
SUPPLIES	<u>1,590</u>	<u>900</u>	<u>6,332</u>	<u>900</u>	<u>0</u>
TOTAL	<u>\$536,181</u>	<u>\$576,702</u>	<u>\$511,388</u>	<u>\$535,996</u>	<u>(\$40,706)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	\$33,883	\$33,883	\$34,664	\$34,242	(\$422)
GENERAL REVENUES	<u>538,904</u>	<u>538,904</u>	<u>542,038</u>	<u>501,754</u>	<u>(\$40,284)</u>
TOTAL	<u>\$572,787</u>	<u>\$572,787</u>	<u>\$576,702</u>	<u>\$535,996</u>	<u>(\$40,706)</u>

CITY COUNCIL AUTHORIZED POSITIONS

	POSITION	2013	2014	INCREASE/
	<u>RANGE</u>	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>	<u>(DECREASE)</u>
POSITION TITLE	ELECTED	<u>14.00</u>	<u>14.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>14.00</u>	<u>14.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel numbers reflect a decrease in health insurance premiums.
- Contractual increase \$120 due to adjustments to purchase of service amounts.

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 2014

- Increase economic activity by supporting development projects.
- Pursue right of way acquisition for Churchill Park storm water management, West State, South Main and other infrastructure improvement projects.
- Support Community and Economic Development Department through effective drafting and review of development and incentive agreements.
- Reduce crime by effective ordinance adoption and enforcement and support of 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 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	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$1,248,557	\$1,344,386	\$1,326,738	\$1,347,442	\$3,056
CONTRACTUAL	289,721	247,150	214,195	294,870	47,720
SUPPLIES	<u>18,446</u>	<u>21,900</u>	<u>19,731</u>	<u>23,700</u>	<u>1,800</u>
TOTAL	<u>\$1,556,724</u>	<u>\$1,613,436</u>	<u>\$1,560,664</u>	<u>\$1,666,012</u>	<u>\$52,576</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	\$179,846	\$174,252	\$184,370	\$201,541	\$17,171
MAGISTRATE FINES	665,000	645,412	650,000	275,000	(375,000)
PURCHASE OF SERVICES	534,100	666,100	701,700	743,844	42,144
GENERAL REVENUES	<u>196,211</u>	<u>70,960</u>	<u>77,366</u>	<u>445,627</u>	<u>368,261</u>
TOTAL	<u>\$1,631,175</u>	<u>\$1,556,724</u>	<u>\$1,613,436</u>	<u>\$1,666,012</u>	<u>\$52,576</u>

LEGAL DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSITION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ <u>(DECREASE)</u>
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
ADMINISTRATIVE ASSISTANT	E-5	4.00	4.00	0.00
OFFICE ASSISTANT	E-2	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>12.00</u>	<u>12.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect a 2% wage increase and recommended salary study adjustments to pay bands, offset by reductions in health and worker's compensation rates.
- Contractual expenses increased by \$47,720 as a result of increases to professional legal fees.

Legal Department

LEGAL DEPARTMENT PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
CLAIMS FILED	81	150	327	250
CLAIMS APPROVED	17	20	31	20
\$ VALUE OF APPROVED CLAIMS	29,087	35,000	44,171	30,000
AVG DAYS TO APPROVE CLAIMS	36.25	35.00	79.00	60.00
CLAIMS DENIED	61	150	296	230
AVG DAYS TO DENY CLAIMS	13.50	14.00	72.00	45.00
AVG DAYS TO INVESTIGATE CLAIMS	18.25	13.00	N/A	N/A

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 five 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 2014

- Achieving the Distinguished Budget Presentation Award for the 30th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 34th 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 2013 Pension Fund Audit and transmit the audited information to the Actuary by April 30th.
- Continue the process of bringing Police, Fire, and the Library on to the NOVATime timekeeping system.

FINANCE DEPARTMENT BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$2,461,514	\$2,956,128	\$2,873,728	\$2,870,832	(\$85,296)
CONTRACTUAL	963,435	1,075,000	1,115,804	1,207,305	132,305
SUPPLIES	16,945	30,244	41,125	30,200	(44)
OTHER	<u>4,377,423</u>	<u>2,830,257</u>	<u>2,854,872</u>	<u>2,635,867</u>	<u>(194,390)</u>
TOTAL	<u>\$7,819,317</u>	<u>\$6,891,629</u>	<u>\$6,885,529</u>	<u>\$6,744,204</u>	<u>(\$147,425)</u>

FUNDING SOURCE	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	\$240,660	\$266,316	\$266,316	\$275,381	\$9,065
PURCHASE OF SERVICES	2,492,200	2,846,572	2,846,572	2,699,274	(147,298)
FROM OTHER GOVERNMENTS	250,000	0	0	0	0
GENERAL REVENUES	<u>4,021,428</u>	<u>3,778,741</u>	<u>3,778,741</u>	<u>3,769,548</u>	<u>(9,193)</u>
TOTAL	<u>\$7,004,288</u>	<u>\$6,891,629</u>	<u>\$7,004,288</u>	<u>\$6,744,204</u>	<u>(\$147,425)</u>

Finance Department

FINANCE DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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	3.00	3.00	0.00
SENIOR ACCOUNTANT	E-8	2.00	2.00	0.00
CUSTOMER SERVICE COORD	E-8	1.00	1.00	0.00
ACCOUNTANT	E-7	3.00	3.00	0.00
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	4.00	4.00	0.00
CSC TEAM LEAD	A-21	4.00	4.00	0.00
CUSTOMER SERVICE REP	A-20	8.00	8.00	0.00
METER READER	A-19	2.00	2.00	0.00
ACCOUNT CLERK	A-19	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>36.00</u>	<u>36.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect wage adjustments associated with the new AFSCME contract, a 2% wage increase for non-represented staff, recommended salary study adjustments to pay bands are implemented, and a reduction in health insurance rates.
- Credit card fees increased \$5,000 due to increased utilization of credit cards by customers.
- Service contracts increase \$16,500 due to scheduled annual increases.
- Postage increased \$18,200 based on amount of bills generated and increases in postage amounts.
- Sales Tax rebate increased \$50,000 as a result of new rebate agreements with Valli Produce and District Bar and Grill.
- Miscellaneous contracts increased \$26,000 due to increase in Winnebago Animal Control contract.
- Debt Services decreased \$103,500 as a result of a credit for accrued interest.
- Of the 36 staff assigned to Finance Department, 24.9 are direct reimbursements.

Finance Department

FINANCE DEPARTMENT PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
TOTAL BILLS	627,639	625,000	621,962	620,000
PAPER	537,650	535,000	541,791	540,000
EBILL	89,989	90,000	80,171	82,000
CITY HALL PAYMENTS	95,707	93,000	95,476	94,000
WALK IN	69,839	68,000	70,105	69,000
MAIL	25,868	25,000	25,371	25,000
CUSTOMER SERVICE CENTER CALLS	79,712	80,000	84,546	93,000
ABANDONED CALLS	10.0%	4.0%	9.2%	8.0%
AVG TIME TO ANSWER CALLS (SECONDS)	45.7	30	50.5	50
AVG CALL LENGTH (SECONDS)	140	140	140	145
NUMBER OF PURCHASE ORDERS ISSUED	5,140	5,000	4,411	4,500
NUMBER OF BIDS/RFPS ISSUED	172	150	176	175

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 2014

- Continue implementation of nine-county ARRA broadband project.
- Update the City's website.
- Enhance online permitting and service request applications.
- Enhance business intelligence system for the Police Department.
- Implement business intelligence system for the Fire Department.
- Implement a disaster recovery site.

INFORMATION TECHNOLOGY BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$433,627	\$435,118	\$439,233	\$442,833	\$7,715
CONTRACTUAL	\$1,709,220	1,735,030	1,632,519	1,921,685	186,655
SUPPLIES	\$70,353	36,200	72,125	51,200	15,000
OTHER	<u>\$456,864</u>	<u>504,073</u>	<u>504,073</u>	<u>531,300</u>	<u>27,227</u>
TOTAL	<u>\$2,670,064</u>	<u>\$2,710,421</u>	<u>\$2,647,950</u>	<u>\$2,947,018</u>	<u>\$236,597</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
GENERAL FUND TRANSFERS	\$1,967,310	\$2,047,300	\$2,140,940	\$2,364,570	\$223,630
OTHER FUND TRANSFERS	<u>655,840</u>	<u>793,760</u>	<u>801,190</u>	<u>834,710</u>	<u>33,520</u>
TOTAL	<u>\$2,623,150</u>	<u>\$2,841,060</u>	<u>\$2,942,130</u>	<u>\$3,199,280</u>	<u>\$257,150</u>

INFORMATION TECHNOLOGY AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
IT DIRECTOR	E-14	1.00	1.00	0.00
SENIOR IT SPECIALIST	E-9	2.00	2.00	0.00
IT SPECIALIST	E-8	1.00	1.00	0.00
COMPUTER TECHNICIAN	A-21	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>4.00</u>	<u>4.00</u>	<u>0.00</u>

Information Technology Department

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect a 2% wage increase for staff and salary study adjustments to pay bands, offset by reductions in health and workman's compensation rates.
- Contractual increased in service contracts \$49,040 due to iFiber, SharePoint, and eAgenda contracts. In addition, maintenance contracts increase \$91,640 due to increases in Hansen, Munis, and NetApp agreements.
- Supplies increased \$15,000, due to planned computer purchases.
- Depreciation increased \$28,527, due to planned fixed asset purchases.

INFORMATION TECHNOLOGY FIVE YEAR FORECAST

The 2015-2019 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$3,404	\$3,540	\$3,682	\$3,829	\$3,982
Expenditures	<u>3,140</u>	<u>3,266</u>	<u>3,397</u>	<u>3,533</u>	<u>3,674</u>
Excess (Deficit)	<u>264</u>	<u>274</u>	<u>285</u>	<u>296</u>	<u>308</u>
Beginning Balance	<u>874</u>	<u>1,138</u>	<u>1,412</u>	<u>1,697</u>	<u>1,993</u>
Ending Balance	<u>\$1,138</u>	<u>\$1,412</u>	<u>\$1,697</u>	<u>\$1,993</u>	<u>\$2,301</u>

INFORMATION TECHNOLOGY FIXED ASSETS

Planned fixed assets include the Network Upgrades, Document Retention Site, and set up of new VOIP telephone system for 2014 include:

DESCRIPTION	TOTAL BUDGET
DR Site	400,000
Paperless Agenda	<u>100,000</u>
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 2014

- Improve risk management program through training, gap analysis and improved program management.
- Fully implement safety training curriculum for all operational departments.
- Develop easy, comprehensible reporting for worker's compensation that offers an overview of injuries by department, return to work dates and light duty abilities.
- Insure compliance for all mandated training including ADA, workplace environment and laws, OSHA and Department of Transportation.
- Identify true costs for attrition including expenses incurred by vacancies, hiring, training, and incremental expenses.
- Develop quarterly meetings with union leadership to encourage better labor management relationships.
- Strengthen the grievance and investigation processes through the utilization of outside resources for step three grievances and employee investigations.
- Conduct a full Fair Labor Standards Act audit on all non-represented positions.
- Continue to effectively monitor and manage the employee leave program.
- Prepare the City of Rockford for the fiscal impact of the Health Care Reform Act.
- Reduce medical costs through the implementation of a Wellness Clinic for City employees.
- Establish a pharmacy component to the Wellness Clinic to help reduce costs to both the City and the employee.
- Implement a robust benefits enrollment system that will meet the requirements for ADA, which will include valuation of benefit, communication, and training components.
- Investigate willingness for public sector partners to bid third party administrator, stop loss and prescription programs jointly.
- Streamline enrollment and benefit change processes to insure greater efficiency.
- Implement and maintain updated pay bands for non-represented employees.
- Enhance employee benefits through a mid-year enrollment process for voluntary benefits.
- Improve hiring process through more effective testing, screening and shortened time in the hiring process.
- Formalize testing process for job postings including validation, creating a centralized data base for testing, and identifying true costs to all forms of pre-employment testing.

Human Resources Department

- Formalize hiring protocol through the development of hiring timelines, benchmarks, and customer service feedback.
- Implement electronic application process that allows for better applicant tracking, skills identification, and record integration.
- Improve recruiting methodology beyond advertising to tools that allow for better outreach and encourages a stronger applicant pool.
- Develop a recruitment process which will encourage more minority and woman applicants.
- Improve management and employee skill set through the revitalization of City University Training Program.
- Enhance new employee orientation to include stronger organizational and value integration.
- Utilize annual evaluations, surveys, and additional feedback tools to identify technical, and management and supervisory skill gaps for curriculum development.
- Implement Munis to coordinate training schedules, enrollment, and to maintain training records.
- Offer the highest level of customer service through improved efficiencies and communications.
- Implement Human Resources Information System to offer greater record keeping, hiring, compensation, and employee history practices.
- Implement Power Document Management System for better distribution of communications and policies.
- Conduct quarterly customer service surveys and an annual employee feedback survey to better gauge the needs of the organization.

HUMAN RESOURCES DEPARTMENT BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$533,233	\$560,672	\$527,510	\$529,201	(\$31,471)
CONTRACTUAL	128,531	141,875	125,622	154,780	12,905
SUPPLIES	<u>6,819</u>	<u>6,800</u>	<u>7,344</u>	<u>6,800</u>	<u>0</u>
TOTAL	<u>\$668,583</u>	<u>\$709,347</u>	<u>\$660,476</u>	<u>\$690,781</u>	<u>(\$18,566)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	\$72,485	\$75,712	\$81,345	\$81,603	\$258
TRANSFERSFROM HEALTH FUND	194,200	152,726	174,020	165,500	(8,520)
TRANSFER FROM WC FUND	0	83,600	92,400	85,900	(6,500)
GENERAL REVENUES	<u>375,867</u>	<u>356,545</u>	<u>361,582</u>	<u>357,778</u>	<u>(3,804)</u>
TOTAL	<u>\$642,552</u>	<u>\$668,583</u>	<u>\$709,347</u>	<u>\$690,781</u>	<u>(\$18,566)</u>

Human Resources Department

HUMAN RESOURCES DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
HUMAN RESOURCES DIRECTOR	E-14	1.00	1.00	0.00
ASSOCIATE DIRECTOR	E-10	1.00	1.00	0.00
HR ANALYST	E-8	1.00	1.00	0.00
HR SPECIALIST	E-7	1.00	1.00	0.00
HR COORDINATOR	E-7	1.00	1.00	0.00
TOTAL PERSONNEL		<u>5.00</u>	<u>5.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- A 2% wage increase and salary study adjustments to pay bands are implemented for a total cost of \$8,810, which is offset by a \$37,648 reduction in health insurance rates.
- Contractual expenses increased \$5,000 in professional service fees for consultant to help with writing job descriptions and audits. Education increased \$4,000 for mandated training.

HUMAN RESOURCES DEPARTMENT PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
APPLICATIONS	4,525	2,981	2,995	2,900
VACANCIES FILLED	66	56	96	50
WORKER'S COMP CLAIMS	198	230	209	200
WORKER'S COMP LOST DAYS	934	1,330	415	700
TRAINING SESSIONS	20	24	11	24
HEALTH INSURANCE PARTICIPANTS	1,167	1,202	1,177	1,200
FLEX SPENDING PARTICIPANTS	330	351	320	330

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
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%		
2013			
Registered Voters	37,791	87,073	
Cast Ballots	1,726	19,322	
Participation Rate	4.57%	22.19%	

Board of Election Commissioners

OBJECTIVES FOR FISCAL YEAR 2014

- Conduct a General Primary Election in March.
- Conduct a Consolidated General Election in November.
- Perform training for deputy registrars as appointed.
- Train and certify over 300 election judges.
- Print, mail, and return process 85,000 voter identification cards within the City per State and Federal law.
- Implement electronic poll books to streamline the process of voting and to improve voting security and voter history processing.
- Register voters and maintain voter registrations per State law.
- Implement on-line voter registration and on-line absentee ballot requests per State law.

BOARD OF ELECTIONS BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$263,038	561,011	\$262,224	\$376,947	(\$184,064)
CONTRACTUAL	606,854	343,869	560,197	343,144	(725)
SUPPLIES	0	51,400	0	51,400	0
CAPITAL	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>	<u>0</u>
TOTAL	<u>\$869,892</u>	<u>\$981,280</u>	<u>\$822,421</u>	<u>\$796,491</u>	<u>(\$184,789)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
COUNTY PROP TAX TRANSFER	<u>610,555</u>	<u>869,892</u>	<u>981,280</u>	<u>796,491</u>	<u>(184,789)</u>
TOTAL	<u>\$610,555</u>	<u>\$869,892</u>	<u>\$891,112</u>	<u>\$796,491</u>	<u>(\$94,621)</u>

BUDGET HIGHLIGHTS

- Personnel decreased \$175,016 as a result of two employees retiring in 2014 and reduction in temporary employees.
- Printing expense increased \$10,800 and were offset by reductions in advertising (\$6,250) and insurance (\$5,000) expenses.

CAPITAL EQUIPMENT

Planned capital purchases for 2014 include:

DESCRIPTION	TOTAL BUDGET
Election Equipment Fund	<u>25,000</u>
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 2014

- Evaluation of organizational structure and staffing to determine improvements to enhance department performance.
- Pursue grant dollars consistent with City initiatives to leverage existing resources.
- Support and facilitate action steps to attract and retain jobs.
- Continue to encourage investment in the City of Rockford.
- Oversee and facilitate the Community and Economic Development Department goals as outlined within the budget and directed by City Council.

COMMUNITY AND ECONOMIC DEVELOPMENT ADMINISTRATION BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$203,583	\$148,167	\$116,173	\$192,678	\$44,511
CONTRACTUAL	26,765	27,930	81,868	32,150	4,220
SUPPLIES	88	1,420	600	1,420	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,228</u>	<u>3,228</u>
TOTAL	<u>\$230,436</u>	<u>\$177,517</u>	<u>\$198,641</u>	<u>\$229,476</u>	<u>\$51,959</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENTS	\$31,916	\$29,619	\$33,700	\$30,077	(\$3,623)
GENERAL REVENUES	<u>190,625</u>	<u>200,817</u>	<u>143,817</u>	<u>199,399</u>	<u>55,582</u>
TOTAL	<u>\$222,541</u>	<u>\$230,436</u>	<u>\$177,517</u>	<u>\$229,476</u>	<u>\$51,959</u>

COMMUNITY AND ECONOMIC DEVELOPMENT ADMINISTRATION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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		<u>1.50</u>	<u>1.50</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect a 2% wage increase and salary study adjustments to pay bands offset by a reduction in health insurance rates.
- Contractual expenses increase due to purchase of service increases.
- A \$3,228 transfer to Capital Fund is budgeted for lease payments for vehicles.

Community and Economic Development Administration

CAPITAL EQUIPEMENT

There are no capital items budgeted for 2014.

Planning Division

MISSION STATEMENT

It is the mission of the 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 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 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 2014

- Complete the major evaluation and revisions to the 2020 Plan to develop the 2035 Plan.
- Develop and implement sub area planning.
- Develop urban design guidelines for corridors and neighborhoods.
- Prepare a progress report for the Kishwaukee Corridor Study Action Plan.
- Initiate a sub area planning program for economic development districts with the first study to include the Auburn Street Corridor TIF District.
- Prepare quarterly reports for the USEPA Grants and IEPA River Edge Grant.
- Provide assistance in the development of an Auburn Street TIF District and in the implementation of the redevelopment plan.
- Compile an action plan and implementation schedule to be derived from the South Main Revitalization Strategy and prepare a progress report.
- Prepare grant applications for new project for the Illinois River Edge Grant to reprogram unspent funds from the Tapco Project and USEPA Grant Applications for assessment and cleanup grants.
- Assist in the removal and or reuse of blighted and underutilized properties, especially industrial sites, including identifying funding sources.
- Continue to prepare the South Main Rail Yard Site for the Amtrak Station by implementing the USEPA and IEPA Cleanup Grants for the South Main Rail Yard sites to include soil cleanup and an engineered barrier.
- Through the Brownfield Program secure funding for additional environmental work at Ingersoll.
- Complete the closeout of Cleanup Grants and RLF Grants for the Tapco Project and Ingersoll Project.

Planning Division

PLANNING DIVISION BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$381,862	\$391,312	\$417,459	\$503,288	\$111,976
CONTRACTUAL	73,426	74,135	75,109	98,755	24,620
SUPPLIES	1,479	910	3,560	1,970	1,060
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,006</u>	<u>3,006</u>
TOTAL	<u>\$456,767</u>	<u>\$466,357</u>	<u>\$496,128</u>	<u>\$607,019</u>	<u>\$140,662</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
REIMBURSEMENTS	\$72,923	\$64,128	\$67,523	\$78,352	\$10,829
CDBG FUND	136,880	117,300	120,510	126,024	5,514
TIF FUNDS	210,300	211,400	217,200	234,400	17,200
ZONING FEES	121,270	121,270	120,000	120,000	0
OTHER GOVERNMENTS(RATS)	15,000	15,000	10,000	10,000	0
GENERAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,243</u>	<u>38,243</u>
TOTAL	<u>\$556,373</u>	<u>\$529,098</u>	<u>\$535,233</u>	<u>\$607,019</u>	<u>\$71,786</u>

PLANNING DIVISION AUTHORIZED POSITIONS

	POSTION	2013	2014	INCREASE/
POSITION TITLE	<u>RANGE</u>	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>	<u>(DECREASE)</u>
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	<u>0.30</u>	<u>0.30</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>4.30</u>	<u>4.30</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect a 2% wage increase for non-represented staff, recommended salary adjustments to pay bands are implemented, offset by a decrease in health insurance rates.
- Contractual expenses increase due to purchase of service increases.
- A \$3,006 transfer to Capital Fund is budgeted for vehicle lease payments.

CAPITAL EQUIPMENT

No capital equipment is planned for 2014.

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 2014

- Continue to modify and streamline online permitting system to make customer friendly improvements and integrate with work processes.
- Manage and implement cost recovery for Building and Planning Section of Construction and Development Services Division.
- Facilitate development activities through positive customer service.
- Fully incorporate the Neighborhood Standards Section into the Construction and Development Services Division.
- Continue to increase Property Standards performance measurement efficiencies.
- Evaluate and modify as necessary the business and reporting practices of Neighborhood Standards.
- Support development and re-development efforts that facilitate community goals.
- Lead Problem Properties Team to develop and implement methods and systems to remove blight from the City.
- Develop permit process and other processes for Property Standard complaints to help recover costs associated with inspection protocol.
- Increase number of the City demolitions by modifying and implementing new policies and procedures.
- Maintain and improve advanced energy code program through documentation, education, and enforcement including implementation of the 2012 Energy Code upon adoption by the State.
- Continue to increase proactive public education including press releases, brochures and through Construction and Development Service website.
- Integrate standard review process for Liquor and Tobacco requests, including the Police Department.

Construction & Development Services Division

CONSTRUCTION SERVICES & CODE ENFORCEMENT BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$2,068,683	\$2,031,644	\$1,990,784	\$2,189,958	\$158,314
CONTRACTUAL	944,699	845,000	820,890	1,194,380	349,380
SUPPLIES	9,415	9,755	4,894	7,550	(2,205)
OTHER	0	23,417	0	26,697	3,280
CAPITAL	<u>0</u>	<u>117,680</u>	<u>0</u>	<u>63,000</u>	<u>(54,680)</u>
TOTAL	<u>\$3,022,797</u>	<u>\$3,027,496</u>	<u>\$2,816,568</u>	<u>\$3,481,585</u>	<u>\$454,089</u>
FUNDING SOURCE	2011	2012	2013	2014	INCREASE
PROPERTY TAXES	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FRINGE BENEFIT REIMB	<u>\$180,265</u>	<u>\$219,004</u>	<u>\$353,761</u>	<u>\$364,895</u>	<u>\$11,134</u>
FEEES					
BUILDING	1,061,360	654,400	753,000	703,500	(49,500)
ELECTRICAL	49,138	50,000	50,000	40,000	(10,000)
PLUMBING/HEATING	226,490	150,000	160,000	170,000	10,000
CODE VIOLATION FEES	0	0	20,000	10,000	(10,000)
NH ZONING FINES	0	0	90,000	170,000	80,000
PARKING ZONING FINES	0	0	10,000	20,000	10,000
ALL OTHER	<u>265,887</u>	<u>240,800</u>	<u>222,600</u>	<u>195,500</u>	<u>(27,100)</u>
TOTAL FEES	<u>1,602,875</u>	<u>1,095,200</u>	<u>1,305,600</u>	<u>1,309,000</u>	<u>3,400</u>
CDBG FUND REIMB	0	570,260	570,260	570,260	0
SANITATION REIMB	0	0	293,782	727,609	433,827
GENERAL REVENUES	<u>(333,360)</u>	<u>371,103</u>	<u>504,093</u>	<u>509,821</u>	<u>5,728</u>
TOTAL	<u>\$1,449,780</u>	<u>\$2,255,567</u>	<u>\$3,027,496</u>	<u>\$3,481,585</u>	<u>\$454,089</u>

CONSTRUCTION & DEVELOPMENT SERVICES AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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
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	<u>3.00</u>	<u>4.00</u>	<u>1.00</u>
TOTAL PERSONNEL		<u>25.20</u>	<u>25.20</u>	<u>0.00</u>

Construction & Development Services Division

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect wage adjustments associated with the new AFSCME contract, a 2% wage increase for non-represented staff, recommended salary study adjustments to pay bands are implemented, and increase in health insurance rates.
- Contractual expenses increased as result of a \$500,000 increase in demolitions offset by decreases in purchase of services.
- Estimated lease payments for capital acquired in 2012 and 2013 are budgeted at \$27,627.
- Capital expenses of \$63,000 reflect planned vehicle purchases for 2014, which will be offset by lease revenue for the division and for which lease payments will commence in 2015.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Passenger Car	2	19,000	38,000
Pickup Truck	<u>1</u>	25,000	<u>25,000</u>
	3		\$ 63,000

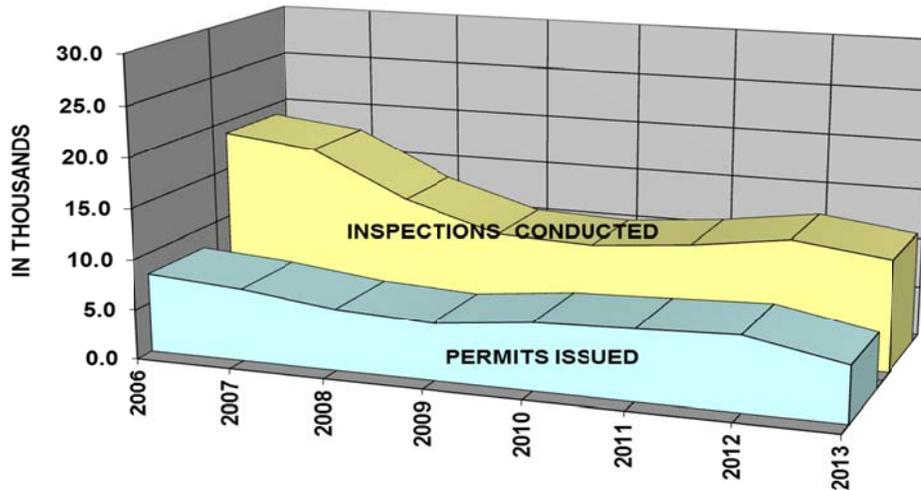
CONSTRUCTION & DEVELOPMENT SERVICES PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
# OF DEMOLITION PERMITS	121	132	135	146
% OF DEMOLITION PERMITS IN 2 DAY	88%	95%	95%	95%
# OF PLUMBING PERMITS W/O CHILD	881	924	843	858
% OF PLUMBING PERMITS IN 1 DAY	99%	95%	99%	95%
# OF MECHANICAL PERMITS W/O CHILD	1,199	1,284	1,161	1,160
% OF MECHANICAL PERMITS IN 1 DAY	99%	95%	99%	95%
# OF ELECTRICAL PERMITS W/O CHILD	419	480	362	381
% OF ELECTRICAL PERMITS IN 1 DAY	97%	95%	97%	95%
# OF ROOFING PERMITS	1,914	1,968	1,223	1,199
AVG # DAYS FROM INSPECTION TO OTR	11	3	4	3
# OF CONDEMNATIONS	235	240	315	309
# OF EMERGENCY INSPECTIONS	0	0	47	120
# OF EMERGENCY DEMOS	12	12	6	6
# OF FAST TRACK DEMOS	21	25	18	22
UNFOUNDED CODE ENFORCEMENT COMPLAINTS	1,384	1,500	1,680	1,500
AVG DAYS TO FORCED COMPLIANCE	34	30	31	30
AVG NUISANCE/ZONING CASES PER INSPECTOR	95	80	99	100
AVG DAYS FROM COMPLAINT TO FIRST INSPECTION	3	2	3	2
OPEN REQUESTS AT END OF MONTH	15	10	27	10

Construction & Development Services Division

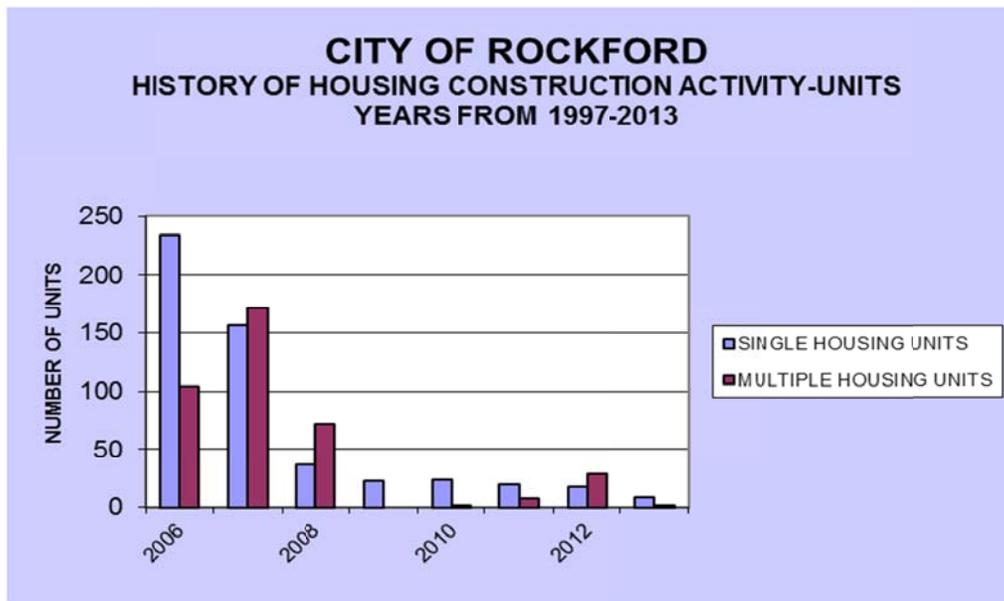
CONSTRUCTION & DEVELOPMENT SERVICES OPERATIONAL INFORMATION

CITY OF ROCKFORD, ILLINOIS BUILDING PERMITS AND INSPECTIONS YEARS FROM 1997-2013



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 2013 was 5,599.

CITY OF ROCKFORD HISTORY OF HOUSING CONSTRUCTION ACTIVITY-UNITS YEARS FROM 1997-2013



Housing construction for single and multifamily units in 2012 was 18 and 29 for a total of 47. 2013 had altered levels of activity, with 9 single family units and 2 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 2014

- 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 and evaluate new construction project requests and other strategic rental or home ownership projects.
- Replace the private sanitary sewer system in the Coronado-Haskell neighborhood and bring assisted housing up to local code.
- Code Enforcement will continue to provide needed services to Community Development Block Grant areas.
- Homebuyer Assistance will be available for purchasers of our past and future single family home developments. The Tax Incentive Program provides tax rebates to purchasers purchasing abandoned homes within eligible areas. The City will begin a partnership with NWHomeStart to provide homebuyer and rehabilitation assistance to purchasers thanks to the receipt of a competitive grant through the Illinois Housing Development Authority.
- Continue work towards the build out of the subdivision at Springfield Corners, Garrison Lofts/Townhomes, Thatcher Blake Riverwalk, the Valencia Apartments at Fisher Street and redevelopment within the Jackson School TIF by the 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.

Community Development Business Group

- Seek proposals from eligible Community Housing Development Organizations (CHDOs) for operating sub grants; 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.
- Work with NWHomeStart to administer the national foreclosure settlement award of \$2.5 million. This will include our administration of a roof repair program.
- Provide technical assistance to potential Community Housing Development Organizations (CHDO) so that Rockford has at least one certified CHDO.
- 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 2014.
- Demolish blighted properties through the fast track demolition process and identify additional sources of revenue to address the growing need.
- Continue to seek proposals for the redevelopment of Church School (1419 Furman) and 21xx Reed Avenue and sell other excess property acquired with Community Development Block Grant or Neighborhood Stabilization Program funds.
- 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.
- Complete the 2015 Annual Plan for CDBG and HOME funds and the 2014 CAPER (annual report).
- Begin the request for proposals process for developing the 2015-2019 CAPER.

Community Development Business Group

COMMUNITY DEVELOPMENT BUSINESS GROUP BUDGET SUMMARY

DEVELOPMENT FUND BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$594,110	\$657,788	\$656,188	\$627,256	(\$30,532)
CONTRACTUAL	366,205	149,440	226,211	167,693	18,253
SUPPLIES	1,995	2,000	1,853	2,000	0
OTHER	<u>3,060,745</u>	<u>3,127,722</u>	<u>2,615,330</u>	<u>3,228,607</u>	<u>100,885</u>
TOTAL	<u>\$4,023,055</u>	<u>\$3,936,950</u>	<u>\$3,499,582</u>	<u>\$4,025,556</u>	<u>\$88,606</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CURRENT FUNDS					
COMMUNITY DEVELOPMENT GRA	\$1,923,517	\$1,917,939	\$1,999,811	\$2,054,135	\$54,324
HOME PROGRAM	812,727	768,479	935,887	819,929	(115,958)
OTHER FEDERAL/STATE	92,558	92,558	166,572	246,263	79,691
PROGRAM INCOME	<u>74,820</u>	<u>71,955</u>	<u>116,500</u>	<u>76,000</u>	<u>(40,500)</u>
	2,903,622	2,850,931	3,218,770	3,196,327	(22,443)
REPROGRAMMED FUNDS-PRIOR YEARS					
COMMUNITY DEVELOPMENT GRA	410,418	300,223	213,225	20,000	(193,225)
HOME PROGRAM	<u>472,825</u>	<u>666,034</u>	<u>505,191</u>	<u>842,166</u>	<u>336,975</u>
	<u>883,243</u>	<u>966,257</u>	<u>718,416</u>	<u>862,166</u>	<u>143,750</u>
TOTAL	<u>\$3,786,865</u>	<u>\$3,817,188</u>	<u>\$3,937,186</u>	<u>\$4,058,493</u>	<u>\$287,500</u>

COMMUNITY DEVELOPMENT BUSINESS GROUP AUTHORIZED POSITIONS

POSITION TITLE	POSITION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ <u>(DECREASE)</u>
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	1.00	1.00	0.00
SENIOR ADMINISTRATIVE ASSISTANT	E-6	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>7.00</u>	<u>7.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect wage adjustments associated with the new AFSCME contract, a 2% wage increase for non-represented staff, recommended salary study adjustments to pay bands are implemented, and a reduction in health insurance rates.
- Contractual expenses increase due to reductions in purchase of services that are offset by an increase in consultant fees.

Community Development Business Group

CAPITAL EQUIPMENT

For 2014, the Division will not have any capital purchases.

COMMUNITY DEVELOPMENT BUSINESS GROUP FIVE YEAR FORECAST

The 2015-2019 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.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$4,055	\$4,177	\$4,302	\$4,431	\$4,564
Expenditures	<u>4,055</u>	<u>4,177</u>	<u>4,302</u>	<u>4,431</u>	<u>4,564</u>
Excess(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

COMMUNITY DEVELOPMENT BUSINESS GROUP PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
HOMEOWNER REHAB PROGRAM	6	6	5	6
DISCOVERY CENTER-CHILDREN ASSISTED	243	240	278	240
HEALTHY NEIGHBORHOODS	2	0	0	0
CODE ENFORCEMENT	6,740	3,455	4,193	3,455
HOME-HOMEOWNER REHAB PROGRAM	12	33	21	13
HOME-HOMEBUYER ASSISTANCE	2	39	2	13
CHDO OPERATING SUBSIDY	0	2	0	1
CHDO REHAB & NEW CONSTRUCTION UNITS	1	3	0	4
NSP REDEVELOPED UNITS COMMITTED	7	N/A	0	1
NSP HOMEBUYER ASSISTANCE	0	N/A	1	0
CDBG DEMOLITIONS	20	19	22	20
GENERAL FUND/TIF DEMOLITIONS	12	0	0	80
NSP DEMOLITIONS	2	N/A	0	0
WATER HOOK UP PROGRAM	9	10	5	10
TAX INCENTIVE PROGRAM	0	3	7	2

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 2014

- 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$5,992	\$880	\$10,722	\$3,680	\$2,800
OTHER	<u>4,432,383</u>	<u>2,797,859</u>	<u>2,335,537</u>	<u>4,071,216</u>	<u>1,273,357</u>
TOTAL	<u>\$4,438,375</u>	<u>\$2,798,739</u>	<u>\$2,346,259</u>	<u>\$4,074,896</u>	<u>\$1,276,157</u>
FUNDING SOURCE	2011	2012	2013	2014	INCREASE
REDEVELOPMENT SALES TAX	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
MOTEL	\$377,969	\$492,406	\$320,600	\$350,000	29,400
PACKAGE	526,815	469,582	540,000	500,000	(40,000)
RESTAURANT	<u>2,997,842</u>	<u>2,724,743</u>	<u>2,850,000</u>	<u>2,875,000</u>	<u>25,000</u>
SUBTOTAL	\$3,902,626	\$3,686,731	\$3,710,600	\$3,725,000	\$14,400
INTEREST INCOME	<u>0</u>	<u>1,558,982</u>	<u>425,000</u>	<u>433,320</u>	<u>8,320</u>
TOTAL	<u>\$3,902,626</u>	<u>\$5,245,713</u>	<u>\$4,135,600</u>	<u>\$4,158,320</u>	<u>\$22,720</u>

BUDGET HIGHLIGHTS

- The budgeted subsidy for RAVE is \$1,345,000 less repayments by RAVE to the city for structured debt.
- Debt service payments total \$2,464,091, an increase of \$1,442,030 from the prior year's budget. Debt service is budgeted for five 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 \$238,500. For the Coronado Theatre restoration, debt service is \$400,900. City support for the debt service for remodeling the BMO Harris Center and acquiring an AHL franchise totals \$1,382,800 for 2014. The city resumes debt service payments in 2014 for the \$16.7 million bond issued in 2007. 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 \$150,000, the same as the prior year.
- The \$150,000 budgeted last year for Coronado Performing Art's Center operating assistance has been eliminated since RAVE operates the facility.

Redevelopment Fund

- Tax revenue is budgeted at \$3,725,000 for 2014, an increase of 0.4% from the prior year's budget.

REDEVELOPMENT FUND FIVE YEAR FORECAST

The 2015-2019 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$5,472	\$5,529	\$5,588	\$5,647	\$5,707
Expenses	<u>5,673</u>	\$5,673	\$6,278	\$5,826	\$5,700
Excess (Deficit)	<u>(201)</u>	<u>(144)</u>	<u>(690)</u>	<u>(179)</u>	<u>7</u>
Beginning Balance	<u>726</u>	<u>525</u>	<u>381</u>	<u>(309)</u>	<u>(488)</u>
Ending Balance	<u>\$525</u>	<u>\$381</u>	<u>(\$309)</u>	<u>(\$488)</u>	<u>(\$481)</u>

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 2014

- 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
TRANSFER TO RACVB	\$1,337,917	\$1,274,000	\$1,185,747	\$1,152,680	(\$121,320)
TRANSFER FOR DEBT SERVICES	\$300,000	514,200	450,000	433,320	(80,880)
PURCHASE OF SERVICES	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>0</u>
TOTAL	<u>\$1,639,717</u>	<u>\$1,790,000</u>	<u>\$1,637,547</u>	<u>\$1,587,800</u>	<u>(\$202,200)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
TOURISM PROMOTION SALES TAX	<u>\$1,889,174</u>	<u>\$1,637,917</u>	<u>\$1,572,100</u>	<u>\$1,590,800</u>	<u>\$18,700</u>
TOTAL	<u>\$1,889,174</u>	<u>\$1,637,917</u>	<u>\$1,572,100</u>	<u>\$1,590,800</u>	<u>\$18,700</u>

BUDGET HIGHLIGHTS

- Tax revenue is budgeted at \$1,590,800. Total revenues for 2012 were \$1,637,900.
- The transfer to the Rockford Area Convention & Visitor's Bureau decreases \$121,300 to \$1,152,700. This consists of revenue equal to 60% of the Tourism Promotion Sales Tax proceeds (\$952,700) 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 \$433,300, a reduction of \$80,900 from 2013. 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 2015-2019 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$1,572	\$1,588	\$1,604	\$1,620	\$1,636
Expenses	<u>1,574</u>	<u>1,588</u>	<u>1,604</u>	<u>1,620</u>	<u>1,636</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
Ending Balance	<u>\$300</u>	<u>\$300</u>	<u>\$300</u>	<u>\$300</u>	<u>\$300</u>

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 2014

- Continue coordination with EDEEN Partner Organizations to work on 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 commercial TIFs.
- Initiate cooperative marketing plan for commercial development within the proposed Auburn Street Corridor TIF.
- Award development agreement for development of City owned property at North Main and Auburn Street Intersection.
- Continue to pursue redevelopment agreement for the former Amerock building (Ziock).
- Develop South Main Corridor façade improvement plans
- Develop façade improvement plans for North Main and Auburn Street Area

Retail Tax Increment Financing Districts

BUDGET SUMMARIES

EAST SIDE TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$20,000	\$10,000	\$30,000	\$10,000	\$0
OTHER	<u>369,608</u>	<u>395,000</u>	<u>368,608</u>	<u>405,076</u>	<u>10,076</u>
TOTAL	<u>\$389,608</u>	<u>\$405,000</u>	<u>\$398,608</u>	<u>\$415,076</u>	<u>\$10,076</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$354,391	\$350,092	\$312,764	\$315,892	\$3,128
INTEREST INCOME	6,227	865	600	0	(600)
TOTAL	<u>\$360,618</u>	<u>\$350,957</u>	<u>\$313,364</u>	<u>\$315,892</u>	<u>\$2,528</u>

WEST SIDE TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$701,389</u>	<u>\$635,999</u>	<u>\$702,021</u>	<u>\$738,305</u>	<u>\$102,306</u>
TOTAL	<u>\$701,389</u>	<u>\$635,999</u>	<u>\$702,021</u>	<u>\$738,305</u>	<u>\$102,306</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$411,915	\$417,297	\$415,656	\$419,813	\$4,157
TRANSFER FROM ES TIF	237,150	300,000	300,000	300,000	0
INTEREST INCOME	<u>5,745</u>	<u>400</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$654,810</u>	<u>\$717,697</u>	<u>\$715,656</u>	<u>\$719,813</u>	<u>4,157</u>

SEVENTH STREET TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$0	\$10,300	\$0	\$10,300	\$0
OTHER	<u>1,108,770</u>	<u>1,088,128</u>	<u>1,065,119</u>	<u>1,034,728</u>	<u>(53,400)</u>
TOTAL	<u>\$1,108,770</u>	<u>\$1,098,428</u>	<u>\$1,065,119</u>	<u>\$1,045,028</u>	<u>(\$53,400)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$1,068,082	\$1,061,593	\$857,440	\$866,014	\$8,574
TRANSFER FROM JACKSON TIF	50,000	50,000	50,000	50,000	0
INTEREST INCOME	<u>10,192</u>	<u>100</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$1,128,274</u>	<u>\$1,111,693</u>	<u>\$907,440</u>	<u>\$916,014</u>	<u>8,574</u>

Retail Tax Increment Financing Districts

SOUTH ROCKFORD TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	<u>\$130,029</u>	<u>\$135,399</u>	<u>\$129,408</u>	<u>\$389,625</u>	<u>\$254,226</u>
TOTAL	<u>\$130,029</u>	<u>\$135,399</u>	<u>\$129,408</u>	<u>\$389,625</u>	<u>\$254,226</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
TAX INCREMENT	\$132,144	\$128,377	\$119,866	\$121,065	\$1,199
TRANSFER FROM RIVER TIF	0	100,000	100,000	100,000	0
INTEREST INCOME	<u>767</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$132,911</u>	<u>\$228,377</u>	<u>\$219,866</u>	<u>\$221,065</u>	<u>1,199</u>

ASSISTED LIVING TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	\$60	\$29	\$0	\$0	\$0
INTEREST INCOME	4	<u>1</u>	<u>5</u>	<u>3</u>	<u>(2)</u>
TOTAL	<u>\$64</u>	<u>\$30</u>	<u>\$5</u>	<u>\$3</u>	<u>(\$2)</u>

EAST RIVER TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	<u>\$199,491</u>	<u>\$178,038</u>	<u>\$150,726</u>	<u>\$186,284</u>	<u>\$8,246</u>
TOTAL	<u>\$199,491</u>	<u>\$178,038</u>	<u>\$150,726</u>	<u>\$186,284</u>	<u>\$8,246</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAX INCREMENT	\$65,300	\$87,371	\$84,015	\$84,857	\$842
TRANSFER FROM 7TH ST TIF	250,000	150,000	100,000	150,000	50,000
INTEREST INCOME	<u>1,599</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$316,899</u>	<u>\$237,371</u>	<u>\$184,015</u>	<u>\$234,857</u>	<u>\$50,842</u>

Retail Tax Increment Financing Districts

WEST SIDE 2 TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$8,926	\$3,461	\$2,423	\$2,450	\$27
INTEREST INCOME	0	37	125	113	(12)
TOTAL	\$8,926	\$3,498	\$2,548	\$2,563	\$15

RIVER NORTH TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$38,405	\$40,803	\$37,213	\$40,310	-\$493
TOTAL	\$38,405	\$40,803	\$37,213	\$40,310	(\$493)

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$62,830	\$55,199	\$34,371	\$34,715	\$344
INTEREST INCOME	2,868	1,334	2,527	1,836	(691)
TOTAL	\$65,698	\$56,533	\$36,898	\$36,551	(\$347)

STATE KILBURN TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$16,621	\$13,233	\$8,914	\$9,000	\$86
INTEREST INCOME	191	241	719	576	(143)
TOTAL	\$16,812	\$13,474	\$9,633	\$9,576	(\$57)

Retail Tax Increment Financing Districts

STATE CENTRAL TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$200,000	\$200,000	\$200,000	\$200,000	\$0
TOTAL	\$200,000	\$200,000	\$200,000	\$200,000	\$0

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$199,094	\$168,829	\$121,335	\$122,500	\$1,165
INTEREST INCOME	1,421	967	2,979	1,087	(1,892)
TOTAL	\$200,515	\$169,796	\$124,314	\$123,587	(\$727)

SPRINGFIELD CORNERS TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$438,158	\$446,486	\$439,687	\$453,881	\$7,395
TOTAL	\$438,158	\$446,486	\$439,687	\$453,881	\$7,395

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$176,166	\$185,101	\$208,321	\$212,508	\$4,187
TRANSFER FROM CIP	94,181	0	0	0	0
TRANSFER FROM STATE/CENTRAL	0	200,000	200,000	200,000	0
TOTAL	\$270,347	\$385,101	\$408,321	\$412,508	\$4,187

NORTH MAIN STREET TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$164,963	\$170,607	\$160,963	\$215,765	\$54,802
TOTAL	\$164,963	\$170,607	\$160,963	\$215,765	\$54,802

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$95,695	\$74,935	\$66,000	\$66,700	\$700
TOTAL	\$95,695	\$74,935	\$66,000	\$66,700	\$700

Retail Tax Increment Financing Districts

MAIN AUBURN TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$0	\$10,000	\$0	\$10,000	\$0
TOTAL	\$152	\$10,000	\$0	\$10,000	\$0

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$19,671	\$18,168	\$6,490	\$6,550	\$18,357
INTEREST INCOME	1,332	754	1,844	1,081	1,361
TOTAL	\$21,003	\$18,922	\$8,334	\$7,631	\$19,718

MAIN WHITMAN TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$97,742	\$95,910	\$91,698	\$100,210	\$4,300
TOTAL	\$97,742	\$95,910	\$91,698	\$100,210	\$4,300

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$42,283	\$40,449	\$32,690	\$33,019	\$329
TOTAL	\$42,283	\$40,449	\$32,690	\$33,019	\$329

MIDTOWN TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	\$0	\$0	\$0	\$25,000	\$25,000
TOTAL	\$0	\$0	\$0	\$25,000	\$25,000

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$46,252	\$35,126	\$18,869	\$19,060	\$191
INTEREST INCOME	0	0	869	818	(51)
TOTAL	\$46,252	\$35,126	\$19,738	\$19,878	\$140

Retail Tax Increment Financing Districts

BROADWAY TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$41,064	\$43,322	\$27,642	\$27,918	\$276
INTEREST INCOME	<u>0</u>	<u>190</u>	<u>1,068</u>	<u>1,071</u>	<u>3</u>
TOTAL	<u>\$41,064</u>	<u>\$43,512</u>	<u>\$28,710</u>	<u>\$28,989</u>	<u>\$279</u>

STATE ALPINE TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$158,173</u>	<u>\$285,429</u>	<u>\$164,131</u>	<u>\$210,429</u>	<u>-\$75,000</u>
TOTAL	<u>\$158,173</u>	<u>\$285,429</u>	<u>\$164,131</u>	<u>\$210,429</u>	<u>(\$75,000)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	\$245,613	\$200,541	\$135,312	\$136,700	\$1,388
INTEREST INCOME	<u>\$9,420</u>	<u>4,103</u>	<u>10,208</u>	<u>4,026</u>	<u>(6,182)</u>
TOTAL	<u>\$255,033</u>	<u>\$204,644</u>	<u>\$145,520</u>	<u>\$140,726</u>	<u>(\$4,794)</u>

MULFORD/STATE TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAX INCREMENT	<u>\$0</u>	<u>\$0</u>	<u>\$3,461</u>	<u>\$40,849</u>	<u>\$37,388</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$3,461</u>	<u>\$40,849</u>	<u>\$37,388</u>

Retail Tax Increment Financing Districts

JEFFERSON/NORTH 3RD TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
OTHER	<u>\$0</u>	<u>\$4,622</u>	<u>\$0</u>	<u>\$37,740</u>	<u>\$33,118</u>
TOTAL	<u>\$0</u>	<u>\$4,622</u>	<u>\$0</u>	<u>\$37,740</u>	<u>\$33,118</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAX INCREMENT	<u>\$0</u>	<u>\$0</u>	<u>\$4,622</u>	<u>\$38,480</u>	<u>\$33,858</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$4,622</u>	<u>\$38,480</u>	<u>\$33,858</u>

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 \$1,204,100 and an estimated ending deficit of \$564,200 in 2026, and Main Whitman, a high deficit year of \$1,744,945 (2028) and an estimated ending deficit of \$1,732,250 in 2031.
- \$200,000 was transferred from the State and Central district to Springfield Corners.
- \$1.7 million will need to be transferred from 2014 through 2016 for Seventh Street and East River.
- No long term financing is planned for 2014.

RETAIL TAX INCREMENT FIVE YEAR FORECAST

The 2015-2019 five-year forecasts assume 1% 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 2015-2016 FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>
Revenues	\$319	\$1,022
Expenditures	<u>415</u>	<u>885</u>
Excess (Deficit)	<u>(96)</u>	<u>137</u>
Beginning Balance	<u>(72)</u>	<u>(168)</u>
Ending Balance	<u>(\$168)</u>	<u>(\$31)</u>

Retail Tax Increment Financing Districts

WEST SIDE TIF FUND 2015-2016 FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>
Revenues	\$724	\$1,278
Expenditures	<u>740</u>	<u>1,380</u>
Excess (Deficit)	<u>(16)</u>	<u>(102)</u>
Beginning Balance	<u>117</u>	<u>102</u>
Ending Balance	<u>\$102</u>	<u>\$0</u>

7TH STREET TIF FUND 2015-2016 FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>
Revenues	\$925	\$933
Expenditures	<u>1,159</u>	<u>521</u>
Excess (Deficit)	<u>(234)</u>	<u>413</u>
Beginning Balance	<u>(253)</u>	<u>(488)</u>
Ending Balance	<u>(\$488)</u>	<u>(\$75)</u>

SOUTH ROCKFORD TIF FUND 2015-2019 FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$972	\$623	\$125	\$126	\$127
Expenditures	<u>394</u>	<u>397</u>	<u>400</u>	<u>402</u>	<u>413</u>
Excess (Deficit)	<u>579</u>	<u>226</u>	<u>(275)</u>	<u>(276)</u>	<u>(286)</u>
Beginning Balance	<u>(27)</u>	<u>552</u>	<u>778</u>	<u>502</u>	<u>226</u>
Ending Balance	<u>\$552</u>	<u>\$778</u>	<u>\$502</u>	<u>\$226</u>	<u>(\$60)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$0	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$936	\$541	\$87	\$88	\$89
Expenditures	<u>925</u>	<u>1,227</u>	<u>82</u>	<u>81</u>	<u>79</u>
Excess (Deficit)	<u>11</u>	<u>(686)</u>	<u>5</u>	<u>7</u>	<u>10</u>
Beginning Balance	<u>23</u>	<u>35</u>	<u>(652)</u>	<u>(646)</u>	<u>(639)</u>
Ending Balance	<u>\$34</u>	<u>(\$651)</u>	<u>(\$647)</u>	<u>(\$639)</u>	<u>(\$629)</u>

Retail Tax Increment Financing Districts

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$3	\$3	\$3	\$3	\$3
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Excess (Deficit)	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>(2)</u>
Beginning Balance	<u>10</u>	<u>13</u>	<u>15</u>	<u>18</u>	<u>21</u>
Ending Balance	<u>\$13</u>	<u>\$16</u>	<u>\$18</u>	<u>\$21</u>	<u>\$19</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$37	\$37	\$37	\$37	\$37
Expenditures	<u>45</u>	<u>54</u>	<u>54</u>	<u>53</u>	<u>52</u>
Excess (Deficit)	<u>(8)</u>	<u>(17)</u>	<u>(17)</u>	<u>(16)</u>	<u>(15)</u>
Beginning Balance	<u>119</u>	<u>110</u>	<u>93</u>	<u>77</u>	<u>61</u>
Ending Balance	<u>\$111</u>	<u>\$93</u>	<u>\$76</u>	<u>\$61</u>	<u>\$46</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$10	\$10	\$10	\$10	\$11
Expenditures	<u>0</u>	<u>0</u>	<u>10</u>	<u>10</u>	<u>10</u>
Excess (Deficit)	<u>10</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>1</u>
Beginning Balance	<u>48</u>	<u>58</u>	<u>68</u>	<u>68</u>	<u>69</u>
Ending Balance	<u>\$58</u>	<u>\$68</u>	<u>\$68</u>	<u>\$68</u>	<u>\$70</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$124	\$125	\$126	\$127	\$129
Expenditures	<u>201</u>	<u>203</u>	<u>205</u>	<u>207</u>	<u>209</u>
Excess (Deficit)	<u>(77)</u>	<u>(78)</u>	<u>(79)</u>	<u>(80)</u>	<u>(80)</u>
Beginning Balance	<u>(33)</u>	<u>(110)</u>	<u>(188)</u>	<u>(266)</u>	<u>(346)</u>
Ending Balance	<u>(\$110)</u>	<u>(\$188)</u>	<u>(\$267)</u>	<u>(\$346)</u>	<u>(\$426)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$413	\$415	\$417	\$419	\$421
Expenditures	<u>473</u>	<u>465</u>	<u>456</u>	<u>517</u>	<u>519</u>
Excess (Deficit)	<u>(60)</u>	<u>(50)</u>	<u>(39)</u>	<u>(98)</u>	<u>(98)</u>
Beginning Balance	<u>(370)</u>	<u>(430)</u>	<u>(481)</u>	<u>(520)</u>	<u>(618)</u>
Ending Balance	<u>(\$430)</u>	<u>(\$480)</u>	<u>(\$520)</u>	<u>(\$618)</u>	<u>(\$716)</u>

Retail Tax Increment Financing Districts

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$140	\$141	\$143	\$144	\$146
Expenditures	<u>212</u>	<u>207</u>	<u>202</u>	<u>197</u>	<u>191</u>
Excess (Deficit)	(72)	(66)	(59)	(53)	(46)
Beginning Balance	(736)	(808)	(874)	(933)	(986)
Ending Balance	(\$808)	(\$874)	(\$933)	(\$986)	(\$1,032)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$8	\$8	\$8	\$8	\$8
Expenditures	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Excess (Deficit)	(2)	(2)	(2)	(2)	(2)
Beginning Balance	<u>70</u>	<u>67</u>	<u>65</u>	<u>63</u>	<u>61</u>
Ending Balance	\$68	\$65	\$63	\$61	\$59

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$33	\$34	\$34	\$34	\$35
Expenditures	<u>119</u>	<u>118</u>	<u>116</u>	<u>115</u>	<u>113</u>
Excess (Deficit)	(86)	(84)	(82)	(81)	(78)
Beginning Balance	(476)	(562)	(646)	(728)	(808)
Ending Balance	(\$562)	(\$646)	(\$728)	(\$809)	(\$886)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$20	\$20	\$20	\$20	\$20
Expenditures	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
Excess (Deficit)	(5)	(5)	(5)	(5)	(5)
Beginning Balance	<u>49</u>	<u>44</u>	<u>39</u>	<u>35</u>	<u>30</u>
Ending Balance	\$44	\$39	\$34	\$30	\$25

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$30	\$30	\$30	\$31	\$31
Expenditures	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
Excess (Deficit)	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>
Beginning Balance	<u>100</u>	<u>105</u>	<u>110</u>	<u>116</u>	<u>121</u>
Ending Balance	\$105	\$110	\$115	\$122	\$127

Retail Tax Increment Financing Districts

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$141	\$142	\$143	\$145	\$146
Expenditures	<u>170</u>	<u>157</u>	<u>140</u>	<u>140</u>	<u>140</u>
Excess (Deficit)	<u>(29)</u>	<u>(15)</u>	<u>3</u>	<u>5</u>	<u>6</u>
Beginning Balance	<u>199</u>	<u>169</u>	<u>154</u>	<u>157</u>	<u>162</u>
Ending Balance	<u>\$170</u>	<u>\$154</u>	<u>\$157</u>	<u>\$162</u>	<u>\$168</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$42	\$42	\$43	\$44	\$45
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>42</u>	<u>42</u>	<u>43</u>	<u>44</u>	<u>45</u>
Beginning Balance	<u>44</u>	<u>86</u>	<u>128</u>	<u>172</u>	<u>216</u>
Ending Balance	<u>\$86</u>	<u>\$128</u>	<u>\$171</u>	<u>\$216</u>	<u>\$261</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$39	\$40	\$41	\$42	\$42
Expenditures	<u>38</u>	<u>39</u>	<u>40</u>	<u>41</u>	<u>42</u>
Excess (Deficit)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Beginning Balance	<u>(42)</u>	<u>(41)</u>	<u>(40)</u>	<u>(40)</u>	<u>(39)</u>
Ending Balance	<u>(\$41)</u>	<u>(\$40)</u>	<u>(\$39)</u>	<u>(\$39)</u>	<u>(\$39)</u>

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 2014

- Initiate implementation of economic development agreement for Public Works Program Grant for Airport Drive and Airport entrance reconstruction (PCI Inc., Ring Container, etc).
- Begin Falcon Road reconstruction (PCI, Inc.) with Economic Development Program funds from IDOT and Economic Development Administration Funds from US Department of Commerce.
- Complete reconstruction of Seminary Street and Blackhawk Park Ave (Gunite) with Economic Development Program funds from IDOT.
- Apply for Economic Development Program funds from IDOT for the construction of Logistics Parkway Extension.
- Market remaining lots within Logistics Park for industrial users.
- 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.
- Initiate cooperative marketing plan for industrial sites in the proposed Auburn Street Corridor TIF.

Industrial Tax Increment Financing Districts

BUDGET SUMMARIES

KISHWAUKEE HARRISON #1 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	\$35,618	\$38,909	\$34,200	\$39,298	\$389
TOTAL	\$35,618	\$38,909	\$34,200	\$39,298	\$389

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$54,958	\$53,601	\$45,775	\$46,233	\$458
INTEREST INCOME	1,407	711	1,687	1,141	(546)
TOTAL	\$56,365	\$54,312	\$47,462	\$47,374	(\$88)

KISHWAUKEE HARRISON #2 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
OTHER	\$100	\$50	\$0	\$89	\$39
TOTAL	\$100	\$50	\$0	\$89	\$39

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$215	\$103	\$104	\$105	\$1
INTEREST INCOME	10	6	15	8	(7)
TOTAL	\$225	\$109	\$119	\$113	(\$6)

PRESTON CENTRAL TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$14,255	\$0	\$0	\$0	\$0
OTHER	94,050	124,691	91,862	109,258	(15,433)
TOTAL	\$108,305	\$124,691	\$91,862	\$109,258	(\$15,433)

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$33,941	\$81,343	\$75,608	\$76,400	\$792
TOTAL	\$33,941	\$81,343	\$75,608	\$76,400	\$792

Industrial Tax Increment Financing Districts

GLOBAL TRADE PARK TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$1,956	\$10,000	\$1,702	\$10,000	\$0
OTHER	<u>937,181</u>	<u>823,513</u>	<u>914,733</u>	<u>846,872</u>	<u>23,359</u>
TOTAL	<u>\$939,137</u>	<u>\$833,513</u>	<u>\$916,435</u>	<u>\$856,872</u>	<u>\$23,359</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$758,836	\$758,483	\$766,100	\$737,600	<u>(\$28,500)</u>
TRANSFER FROM TIFS	150,000	200,000	0	0	0
INTEREST INCOME	<u>0</u>	<u>0</u>	<u>9,014</u>	<u>0</u>	<u>(9,014)</u>
TOTAL	<u>\$908,836</u>	<u>\$958,483</u>	<u>\$775,114</u>	<u>\$737,600</u>	<u>(\$37,514)</u>

GLOBAL TRADE PARK 2 TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$720	\$0	\$776	\$0	\$0
OTHER	<u>195,703</u>	<u>196,700</u>	<u>25,648</u>	<u>197,700</u>	<u>1,000</u>
TOTAL	<u>\$196,423</u>	<u>\$196,700</u>	<u>\$26,424</u>	<u>\$197,700</u>	<u>\$1,000</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$188,598	\$189,829	\$179,180	\$181,000	\$1,820
INTEREST INCOME	<u>880</u>	<u>880</u>	<u>673</u>	<u>146</u>	<u>(527)</u>
TOTAL	<u>\$189,478</u>	<u>\$190,709</u>	<u>\$179,853</u>	<u>\$181,146</u>	<u>\$1,293</u>

GLOBAL TRADE PARK 3 TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$82,657	\$55,518	\$24,710	\$25,000	\$290
INTEREST INCOME	<u>1,656</u>	<u>303</u>	<u>538</u>	<u>702</u>	<u>164</u>
TOTAL	<u>\$84,313</u>	<u>\$55,821</u>	<u>\$25,248</u>	<u>\$25,702</u>	<u>\$454</u>

Industrial Tax Increment Financing Districts

GLOBAL TRADE PARK SOUTH TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
TAX INCREMENT	\$0	\$2,357	\$4,990	\$5,040	\$50
INTEREST INCOME	<u>0</u>	<u>18</u>	<u>60</u>	<u>111</u>	<u>51</u>
TOTAL	<u>\$0</u>	<u>\$2,375</u>	<u>\$5,050</u>	<u>\$5,151</u>	<u>\$101</u>

BUDGET HIGHLIGHTS

- This seven district group collectively runs a deficit for the entire period, with 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 2014.

INDUSTRIAL TAX INCREMENT FINANCING FIVE YEAR FORECAST

The 2015-2019 five-year forecasts assume 1% 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$48	\$49	\$49	\$50	\$50
Expenditures	<u>40</u>	<u>40</u>	<u>40</u>	<u>41</u>	<u>41</u>
Excess (Deficit)	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>
Beginning Balance	<u>84</u>	<u>92</u>	<u>101</u>	<u>110</u>	<u>118</u>
Ending Balance	<u>\$92</u>	<u>\$101</u>	<u>\$110</u>	<u>\$118</u>	<u>\$127</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$0	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Ending Balance	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>

Industrial Tax Increment Financing Districts

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$77	\$78	\$79	\$80	\$80
Expenditures	<u>108</u>	<u>106</u>	<u>104</u>	<u>102</u>	<u>100</u>
Excess (Deficit)	(31)	(28)	(25)	(22)	(20)
Beginning Balance	(1,343)	(1,373)	(1,401)	(1,426)	(1,448)
Ending Balance	(\$1,374)	(\$1,401)	(\$1,426)	(\$1,448)	(\$1,468)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$745	\$753	\$760	\$768	\$775
Expenditures	<u>750</u>	<u>986</u>	<u>1,024</u>	<u>649</u>	<u>781</u>
Excess (Deficit)	(5)	(233)	(264)	119	(6)
Beginning Balance	(143)	(149)	(382)	(646)	(527)
Ending Balance	(\$148)	(\$382)	(\$646)	(\$527)	(\$533)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$183	\$185	\$186	\$188	\$190
Expenditures	<u>199</u>	<u>200</u>	<u>201</u>	<u>202</u>	<u>204</u>
Excess (Deficit)	(16)	(15)	(15)	(14)	(14)
Beginning Balance	(7)	(23)	(38)	(53)	(67)
Ending Balance	(\$23)	(\$38)	(\$53)	(\$67)	(\$81)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$26	\$27	\$28	\$29	\$29
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>	<u>25</u>
Excess (Deficit)	<u>26</u>	<u>27</u>	<u>28</u>	4	4
Beginning Balance	<u>72</u>	<u>99</u>	<u>126</u>	<u>154</u>	<u>157</u>
Ending Balance	<u>\$98</u>	<u>\$126</u>	<u>\$154</u>	<u>\$158</u>	<u>\$161</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$5	\$5	\$6	\$6	\$6
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficit)	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>
Beginning Balance	<u>13</u>	<u>18</u>	<u>23</u>	<u>29</u>	<u>34</u>
Ending Balance	<u>\$18</u>	<u>\$23</u>	<u>\$29</u>	<u>\$35</u>	<u>\$40</u>

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 2014

- 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 the sale of properties and continued build out becomes feasible. 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.
- Assist in identifying alternative uses for the last lot located within the Lincolnwood II subdivision.

BUDGET SUMMARIES

LINCOLNWOOD #1 TAX INCREMENT FINANCING BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
OTHER	\$68,688	\$91,688	\$91,688	\$88,688	(\$3,000)
TOTAL	\$68,688	\$91,688	\$91,688	\$88,688	(\$3,000)

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$79,066	\$78,826	\$74,571	\$75,317	\$746
TRANSFER FROM CIP	8,082	0	0	0	0
INTEREST INCOME	4,292	1,663	4,061	2,241	(1,820)
TOTAL	\$91,440	\$80,489	\$78,632	\$77,558	(\$1,074)

Residential Tax Increment Financing Districts

LINCOLNWOOD #2 TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$47,631</u>	<u>\$71,631</u>	<u>\$71,631</u>	<u>\$79,631</u>	<u>\$8,000</u>
TOTAL	<u>\$47,631</u>	<u>\$71,631</u>	<u>\$71,631</u>	<u>\$79,631</u>	<u>\$8,000</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$51,294	\$49,862	\$46,504	\$46,969	\$465
TRANSFER FROM CIP	19,596	0	0	0	0
INTEREST INCOME	<u>2,591</u>	<u>782</u>	<u>1,959</u>	<u>828</u>	<u>(1,131)</u>
TOTAL	<u>\$73,481</u>	<u>\$50,644</u>	<u>\$48,463</u>	<u>\$47,797</u>	<u>(\$666)</u>

RIVER OAKS TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$284,994</u>	<u>\$321,073</u>	<u>\$299,588</u>	<u>\$310,896</u>	<u>(\$10,177)</u>
TOTAL	<u>\$284,994</u>	<u>\$321,073</u>	<u>\$299,588</u>	<u>\$310,896</u>	<u>(\$10,177)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$58,704	\$49,090	\$41,469	\$41,884	\$415
TRANSFER FROM CIP	<u>173,318</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$232,022</u>	<u>\$49,090</u>	<u>\$41,469</u>	<u>\$41,884</u>	<u>\$415</u>

GARRISON TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$68,082</u>	<u>\$170,902</u>	<u>\$164,463</u>	<u>\$165,786</u>	<u>(\$5,116)</u>
TOTAL	<u>\$68,082</u>	<u>\$170,902</u>	<u>\$164,463</u>	<u>\$165,786</u>	<u>(\$5,116)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	<u>\$80,193</u>	<u>\$92,873</u>	<u>\$73,609</u>	<u>\$74,345</u>	<u>\$736</u>
TOTAL	<u>\$80,193</u>	<u>\$92,873</u>	<u>\$73,609</u>	<u>\$74,345</u>	<u>\$736</u>

Residential Tax Increment Financing Districts

HOPE SIX TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$255,375</u>	<u>\$251,938</u>	<u>\$248,813</u>	<u>\$271,752</u>	<u>\$19,815</u>
TOTAL	<u>\$255,375</u>	<u>\$251,938</u>	<u>\$248,813</u>	<u>\$271,752</u>	<u>\$19,815</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$174,636	\$165,825	\$160,167	\$161,769	\$1,602
TRANSFER FROM CIP	<u>149,480</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$324,116</u>	<u>\$165,825</u>	<u>\$160,167</u>	<u>\$161,769</u>	<u>\$1,602</u>

JACKSON SCHOOL TAX INCREMENT FINANCING BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER	<u>\$121,398</u>	<u>\$116,173</u>	<u>\$119,922</u>	<u>\$115,733</u>	<u>(\$440)</u>
TOTAL	<u>\$121,398</u>	<u>\$116,173</u>	<u>\$119,922</u>	<u>\$115,733</u>	<u>(\$440)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TAX INCREMENT	\$105,861	\$92,672	\$56,532	\$57,100	\$568
INTEREST INCOME	<u>1,997</u>	<u>371</u>	<u>795</u>	<u>0</u>	<u>(795)</u>
TOTAL	<u>\$107,858</u>	<u>\$93,043</u>	<u>\$57,327</u>	<u>\$57,100</u>	<u>(\$227)</u>

BUDGET HIGHLIGHTS

- This six district group collectively has a deficit of \$2,388,606 for 2014 and runs a deficit until 2028.
- The deficit generators are Hope 6, a high deficit year (2023) of \$1,035,138, Garrison, a high deficit year (2023) of \$929,663 never turning positive, and River Oaks, a high deficit year (2023) of \$3.08 million never turning positive.
- No long term financing is planned for 2014.

Residential Tax Increment Financing Districts

RESIDENTIAL TAX INCREMENT FINANCING DISTRICT FIVE YEAR FORECAST

The 2015-2019 five-year forecasts assume 1% 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 #1 TIF FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$78	\$79	\$79	\$78	\$79
Expenditures	<u>86</u>	<u>133</u>	<u>159</u>	<u>100</u>	<u>100</u>
Excess (Deficit)	<u>(8)</u>	<u>(54)</u>	<u>(80)</u>	<u>(22)</u>	<u>(21)</u>
Beginning Balance	<u>138</u>	<u>131</u>	<u>77</u>	<u>(4)</u>	<u>(26)</u>
Ending Balance	<u>\$130</u>	<u>\$77</u>	<u>(\$3)</u>	<u>(\$26)</u>	<u>(\$47)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	48	48	48	49	49
Expenditures	<u>67</u>	<u>65</u>	<u>63</u>	<u>61</u>	<u>59</u>
Excess (Deficit)	<u>(19)</u>	<u>(17)</u>	<u>(15)</u>	<u>(12)</u>	<u>(10)</u>
Beginning Balance	<u>23</u>	<u>4</u>	<u>(13)</u>	<u>(28)</u>	<u>(41)</u>
Ending Balance	<u>4</u>	<u>(13)</u>	<u>(28)</u>	<u>(40)</u>	<u>(51)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$182	\$186	\$189	\$193	\$197
Expenditures	<u>265</u>	<u>259</u>	<u>277</u>	<u>269</u>	<u>261</u>
Excess (Deficit)	<u>(83)</u>	<u>(73)</u>	<u>(88)</u>	<u>(76)</u>	<u>(64)</u>
Beginning Balance	<u>(393)</u>	<u>(477)</u>	<u>(550)</u>	<u>(637)</u>	<u>(713)</u>
Ending Balance	<u>(\$476)</u>	<u>(\$550)</u>	<u>(\$637)</u>	<u>(\$713)</u>	<u>(\$777)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$74	\$75	\$76	\$150	\$152
Expenditures	<u>166</u>	<u>163</u>	<u>160</u>	<u>157</u>	<u>153</u>
Excess (Deficit)	<u>(92)</u>	<u>(88)</u>	<u>(84)</u>	<u>(7)</u>	<u>(1)</u>
Beginning Balance	<u>(355)</u>	<u>(446)</u>	<u>(534)</u>	<u>(619)</u>	<u>(626)</u>
Ending Balance	<u>(\$447)</u>	<u>(\$534)</u>	<u>(\$618)</u>	<u>(\$626)</u>	<u>(\$627)</u>

Residential Tax Increment Financing Districts

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$42	\$43	\$43	\$44	\$44
Expenditures	<u>306</u>	<u>326</u>	<u>339</u>	<u>342</u>	<u>355</u>
Excess (Deficit)	<u>(264)</u>	<u>(283)</u>	<u>(296)</u>	<u>(298)</u>	<u>(311)</u>
Beginning Balance	<u>(1,623)</u>	<u>(1,886)</u>	<u>(2,170)</u>	<u>(2,466)</u>	<u>(2,765)</u>
Ending Balance	<u>(1,887)</u>	<u>(2,169)</u>	<u>(2,466)</u>	<u>(2,764)</u>	<u>(3,076)</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$58	\$58	\$59	\$60	\$60
Expenditures	<u>116</u>	<u>116</u>	<u>66</u>	<u>40</u>	<u>39</u>
Excess (Deficit)	<u>(58)</u>	<u>(58)</u>	<u>(7)</u>	<u>20</u>	<u>21</u>
Beginning Balance	<u>(88)</u>	<u>(146)</u>	<u>(203)</u>	<u>(210)</u>	<u>(190)</u>
Ending Balance	<u>(\$146)</u>	<u>(\$204)</u>	<u>(\$210)</u>	<u>(\$190)</u>	<u>(\$169)</u>

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 2014. After successful negotiation of a new contract for garbage collection and disposal, necessary rate adjustments for 2014 were recommended and adopted by City Council.

SANITATION FUND BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	\$6,251,782	\$6,879,360	\$6,460,752	\$8,235,700	\$1,356,340
SUPPLIES	0	500	0	0	(500)
OTHER	<u>2,215,632</u>	<u>2,810,886</u>	<u>2,810,886</u>	<u>3,926,206</u>	<u>1,115,320</u>
TOTAL	<u>\$8,467,414</u>	<u>\$9,690,746</u>	<u>\$9,271,638</u>	<u>\$12,161,906</u>	<u>\$2,471,160</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
SANITATION	\$21,000	\$20,692	\$21,000	\$21,000	\$0
FRINGE BENEFIT REIMBURSEMENT	700	700	700	700	0
USER FEE	8,571,100	9,056,967	9,355,800	11,089,680	1,733,880
LANDFILL RENT	15,400	27,052	15,400	27,100	11,700
INTEREST INCOME	<u>39,000</u>	<u>60,240</u>	<u>42,900</u>	<u>82,200</u>	<u>39,300</u>
TOTAL	<u>\$8,647,200</u>	<u>\$9,165,651</u>	<u>\$9,435,800</u>	<u>\$11,220,680</u>	<u>\$1,784,880</u>

BUDGET HIGHLIGHTS

- The contractual budget for collection increased \$1,359,540 or 11.9% from the previous year as a result of the new garbage contract.
- Actual 2013 tonnage is 65,583, 4,417 tons less than the budgeted 70,000 while 2014's projected 67,400 tons is 2,600 tons less than 2013's budget and 1,800 tons less than the 2013 actual.
- Customers are estimated at 49,000 for the year.
- Purchase of services increases \$276,100 reflecting an increase to cover purchase of service. The street sweeping contract for 2014 increased \$180,000 and forestry increased \$101,100.
- A General Fund transfer for \$975,000 was established to increase demolition activity and provide property tax relief.

Sanitation Fund

SANITATION FUND FIVE YEAR FORECAST

The 2015-2019 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.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Recommended Rates	\$233.11	\$240.10	\$247.31	\$254.73	\$262.37
Revenues	\$11,557	\$11,904	\$12,261	\$12,629	\$13,008
Expenses	<u>12,527</u>	<u>12,903</u>	<u>13,290</u>	<u>13,688</u>	<u>13,124</u>
Excess(Deficit)	<u>(969)</u>	<u>(999)</u>	<u>(1,029)</u>	<u>(1,059)</u>	<u>(116)</u>
Beginning Balance	<u>4,834</u>	<u>3,865</u>	<u>2,866</u>	<u>1,837</u>	<u>778</u>
Ending Balance	<u>\$3,865</u>	<u>\$2,866</u>	<u>\$1,837</u>	<u>\$778</u>	<u>\$662</u>
RESERVE	30.9	22.2	13.8	5.7	5.0

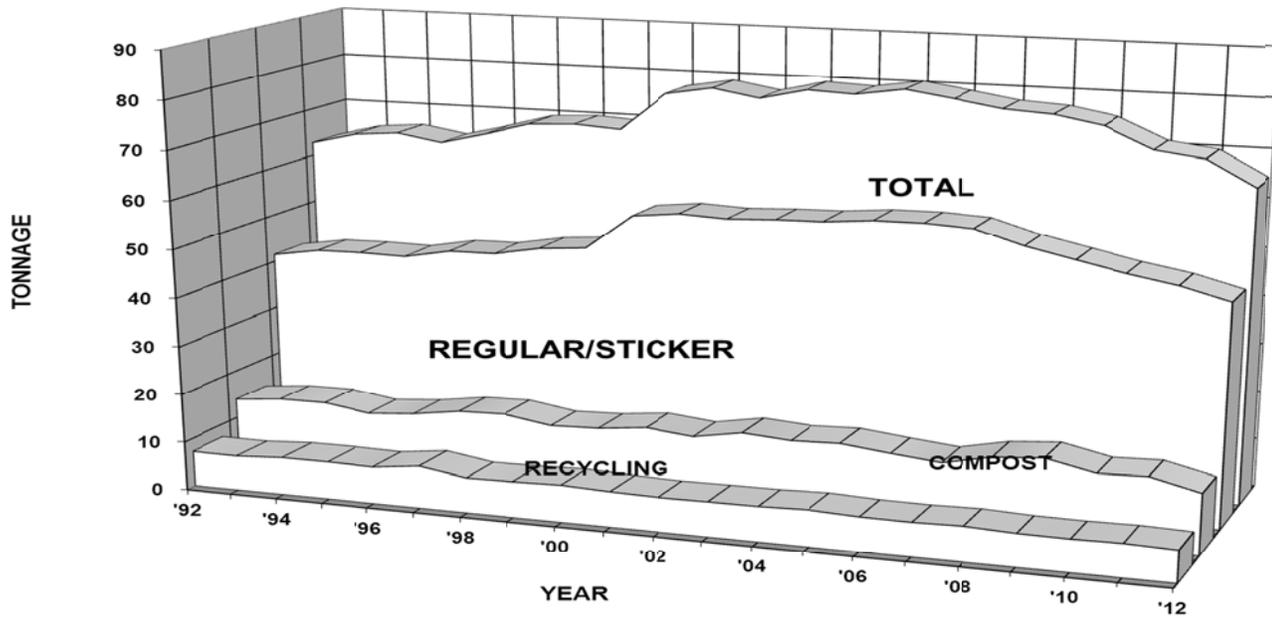
SANITATION FUND PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
WASTE TONNAGE	45,497	50,000	45,970	48,000
COMPOST TONNAGE	12,440	14,100	13,114	12,900
RECYCLING TONNAGE	6,064	7,200	6,499	6,500
LANDFILL TONNAGE	45,497	50,000	45,970	48,000
DIVERTED TONNAGE	18,504	21,300	19,613	19,400
DIVERSION RATE	28.9%	29.9%	29.9%	28.8%

Sanitation Fund

SANITATION FUND OPERATIONAL INFORMATION

ROCKFORD SOLID WASTE



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 2014

- Continued focus on reduction of homelessness – especially chronic homelessness.
- Increase and better align resources devoted to self-sufficiency and better align crisis and emergency services with self-sufficiency goals.
- Maintain and increase resources devoted to improved community health and nutrition and reduced neighborhood blight.
- Continue and expand community collaboration efforts addressing improved educational, family and community outcomes.
- Explore and implement more effective deployment of economic development resources aimed at increasing skills, employment and self-employment among low income residents.

Human Services

- Strengthen fiscal and program accountability practices and procedures in collaboration with other City Departments, City Council, the Community Action Board and grant funders to ensure increased stability and impact of department programs and services throughout the two county service area.
- Sustain efforts to improve energy efficiency and affordability and housing stability.

HUMAN SERVICES BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$6,812,270	\$7,126,515	\$6,846,934	\$6,345,953	(\$780,562)
CONTRACTUAL	\$2,199,512	2,455,171	2,610,762	1,982,713	(472,458)
SUPPLIES	\$912,267	775,459	387,422	754,300	(21,159)
OTHER	\$6,264,306	6,803,741	6,592,963	4,279,875	(2,523,866)
CAPITAL	<u>\$28,715</u>	<u>53,348</u>	<u>53,348</u>	<u>0</u>	<u>(53,348)</u>
TOTAL	<u>\$16,217,070</u>	<u>\$17,214,234</u>	<u>\$16,491,429</u>	<u>\$13,362,841</u>	<u>(\$3,851,393)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FEDERAL	\$7,533,969	\$8,446,547	\$5,641,765	\$5,788,625	\$146,860
STATE	9,749,611	7,580,392	11,495,878	6,488,316	(5,007,562)
GENERAL REVENUES	<u>136,475</u>	<u>24,487</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$17,420,055</u>	<u>\$16,051,426</u>	<u>\$17,137,643</u>	<u>\$12,276,941</u>	<u>(\$4,860,702)</u>

Human Services

HUMAN SERVICES DEPARTMENT PERSONNEL AUTHORIZATION

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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
CSBG 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
ENERGY PROGRAMS MANAGER	E-9	0.87	0.00	(0.87)
HEALTH SERVICES MANAGER	E-9	1.00	1.00	0.00
SITE MANAGER	E-8	3.00	3.00	0.00
FISCAL OFFICER	E-8	1.00	1.00	0.00
SPECIAL NEEDS/MENTAL HEALTH CO EX	E-7	1.00	1.00	0.00
CS DRUG FREE COORDINATOR	E-7	1.00	1.00	0.00
CSBG PROGRAM COORDINATOR	E-7	1.00	1.00	0.00
TRAINING COORDINATOR	E-7	1.00	1.00	0.00
WEATHERIZATION SPECIALIST	E-6	2.00	2.00	0.00
HOUSING ADVOCATE	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	4.00	(1.00)
ENERGY SPECIALIST	E-6	1.87	2.00	0.13
TRANSPORTATION SPECIALIST	E-6	1.00	1.00	0.00
SENIOR ACCOUNT CLERK	E-5	3.00	3.00	0.00
ADMINISTRATIVE ASSISTANT	E-5	3.00	3.00	0.00
SENIOR OFFICE ASSISTANT	E-4	3.00	2.00	(1.00)
PREVENTION PROGRAM SPECIALIST	E-4	1.00	1.00	0.00
PROGRAM DATA SPECIALIST	E-3	1.00	2.00	1.00
MAINTENANCE/REPAIR TECHNICIAN	SAFETY	0.63	0.63	0.00
HEAD TEACHER	AF	12.63	13.56	0.93
HOME VISITOR TEACHER	AF	8.54	7.25	(1.29)
MOTHER/INFANT EC HOME VISITOR TEACHER	AF	0.00	1.77	1.77
FAMILY RESOURCE WORKER	AF	8.19	8.31	0.12
HEALTH TECHNICIAN	AF	1.00	0.77	(0.23)
ASSISTANT TEACHER	AF	11.58	10.79	(0.79)
OFFICE ASSISTANT	AF	4.00	4.00	0.00
BUS DRIVER	AF	9.23	9.67	0.44
COOK AIDE	AF	<u>0.81</u>	<u>0.75</u>	<u>(0.06)</u>
TOTAL PERSONNEL		<u>96.35</u>	<u>95.50</u>	<u>(0.85)</u>

BUDGET HIGHLIGHTS

- Personnel expenses decrease due to a reduction in health insurance, IMRF, and unemployment rates, along with reductions in staffing levels. These decreases are offset by a budgeted 2% salary adjustment and salary study recommendations to adjust pay bands.
- Contractual expenses increase due to adjustment in purchase of service charges.

Human Services

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$12,276,941	\$12,276,941	\$12,276,941	\$12,276,941	\$12,276,941
Expenditures	<u>12,276,941</u>	<u>12,276,941</u>	<u>12,276,941</u>	<u>12,276,941</u>	<u>12,276,941</u>
Excess (Deficit)	0	0	0	0	0
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The 2015-2019 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.

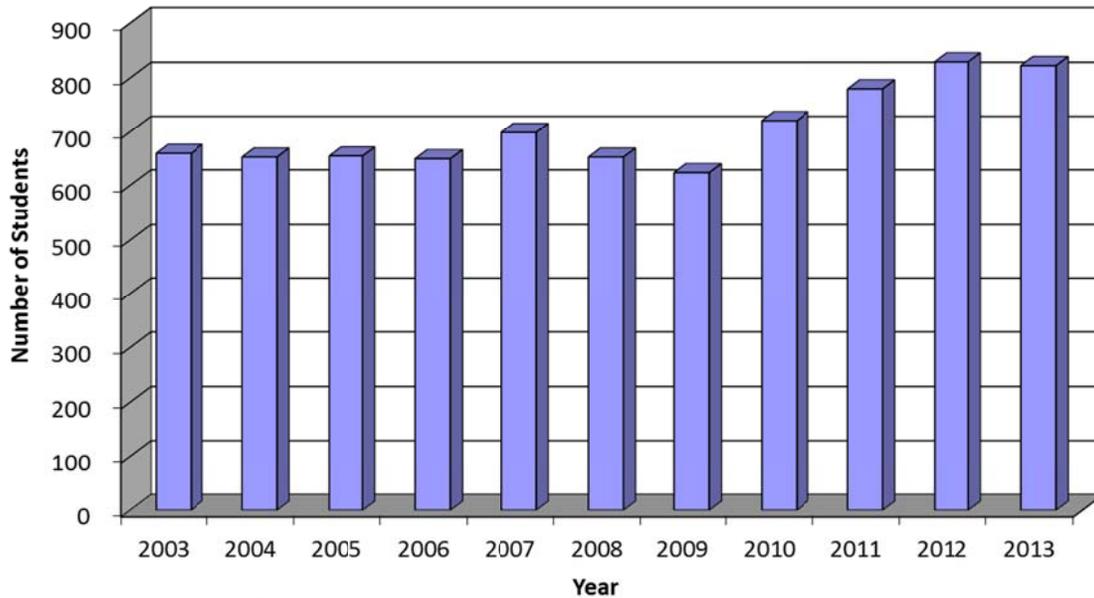
HUMAN SERVICES DEPARTMENT PERFORMANCE MEASURES

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
NUMBER OF EMERGENCY HOUSING NIGHTS (CONDEMNATION, FIRE, ETC.)	178	125	489	125
REDUCTION IN CHRONIC HOMELESSNESS	-53%	-6%	-10%	-10%
# OF FOSTER YOUTH EXITING DCSF STABILIZED	20	25	25	20
# OF DCFS REUNIFYING WITH KIDS DUE TO HOUSING RESOLUTION	152	75	75	75
DOE/HHS WEATHERIZATION	581	120	120	120
LIHEAP/PIPP	6,873	6,000	6,000	6,000
PIPP- PAYMENTS ON TIME	96%	98%	98%	95%
SUMMER FOOD # OF MEALS SERVED	23,362	23,350	23,350	23,350
HEAD START FUNDED ENROLLMENT	591	591	547	547
EARLY HEAD START FUNDED ENROLLMENT	92	92	92	92
HEAD START CHILDREN SERVED	677	591	664	638
EARLY HEAD START CHILDREN SERVED	153	92	159	163
HEAD START FAMILIES SERVED	609	600	611	602
EARLY HEAD START FAMILIES SERVED	114	100	132	130
EARLY HEAD START PREGNANT WOMEN SERVED	11	8	12	13

Human Services

OPERATIONAL INFORMATION

City of Rockford, Illinois Head Start Program History 2003-2013



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 2013, the Human Services Department provided the program to an estimated 823 children.

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 2013, 3,172 city patients were served (2012 – 1,511, 2011 – 1,471). City patients have been 93% of the caseload for 2013 (2012 – 81%, 2011 – 84%).

TUBERCULOSIS SANITARIUM BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$122,003</u>	<u>\$168,300</u>	<u>\$235,460</u>	<u>170,000</u>	<u>1,700</u>
TOTAL	<u>\$122,003</u>	<u>\$168,300</u>	<u>\$235,460</u>	<u>\$170,000</u>	<u>\$1,700</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
TUBERCULOSIS SANITARIUM	\$153,966	\$154,128	\$166,617	\$168,300	\$1,683
INTEREST INCOME	<u>3,789</u>	<u>1,699</u>	<u>2,000</u>	<u>1,200</u>	<u>(800)</u>
TOTAL	<u>\$157,755</u>	<u>\$155,827</u>	<u>\$168,617</u>	<u>\$169,500</u>	<u>\$883</u>

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$180	\$189	\$198	\$208	\$218
Expenditures	<u>179</u>	<u>187</u>	<u>197</u>	<u>207</u>	<u>217</u>
Excess (Deficit)	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>
Beginning Balance	<u>107</u>	<u>98</u>	<u>89</u>	<u>79</u>	<u>68</u>
Ending Balance	<u>\$108</u>	<u>\$100</u>	<u>\$90</u>	<u>\$80</u>	<u>\$69</u>
Rate (Cents)	0.9	0.9	0.9	1.0	1.0

The 2015-2019 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-needed 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$1,274,000</u>	<u>\$1,524,000</u>	<u>\$1,524,000</u>	<u>\$1,524,000</u>	<u>\$0</u>
TOTAL	<u>\$1,274,000</u>	<u>\$1,524,000</u>	<u>\$1,524,000</u>	<u>\$1,524,000</u>	<u>\$0</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL REVENUES	<u>\$1,524,000</u>	<u>\$1,274,000</u>	<u>\$1,524,000</u>	<u>\$1,524,000</u>	<u>\$0</u>
TOTAL	<u>\$1,524,000</u>	<u>\$1,274,000</u>	<u>\$1,524,000</u>	<u>\$1,524,000</u>	<u>\$0</u>

BUDGET HIGHLIGHTS

- The 2014 RMTD budget, July 1, 2013, to June 30, 2014, proposes spending \$15,773,805.
- 2014 operating revenue from the District is estimated at \$1,890,991. Overall, District revenues account for 12% of the necessary funding with the remaining \$13,882,814 (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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
CITY SUBSIDY	\$1,524	\$1,524	\$1,524	\$1,524	\$1,524

Rockford Mass Transit District Subsidy

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

REVENUES	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FEDERAL	\$1,060	\$1,060	\$1,065	\$1,065	\$1,065
STATE	10,754	11,242	11,753	12,288	12,847
LOCAL	463	479	496	513	531
CITY	1,524	1,524	1,524	1,524	1,524
OTHER	<u>114</u>	<u>118</u>	<u>122</u>	<u>126</u>	<u>130</u>
	<u>13,915</u>	<u>14,423</u>	<u>14,960</u>	<u>15,516</u>	<u>16,097</u>
DISTRICT	<u>1,800</u>	<u>1,854</u>	<u>1,909</u>	<u>1,967</u>	<u>2,026</u>
	<u>15,715</u>	<u>16,277</u>	<u>16,869</u>	<u>17,483</u>	<u>18,123</u>
EXPENDITURES	<u>16,545</u>	<u>17,295</u>	<u>18,081</u>	<u>18,904</u>	<u>19,765</u>
EXCESS(DEFICIT)	<u>(830)</u>	<u>(1,018)</u>	<u>(1,212)</u>	<u>(1,421)</u>	<u>(1,642)</u>
BEGINNING BALANCE	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>
ENDING BALANCE	<u>\$1,070</u>	<u>\$882</u>	<u>\$688</u>	<u>\$479</u>	<u>\$258</u>

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 preceding 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			Evening			Paratransit		
	Ridership	Change	% Change	Ridership	Change	%Change	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 2014

- Install fiber optic connections to enhance Internet service to the Rockford community.
- Continue to explore federated searching systems.
- Replace servers at various library locations.
- Purchase eReaders for circulation to the Rockford community.
- Create a maker space at the Nordlof Center.
- Shift Information Technology to the Cloud.
- Continue to work with ComEd with remediation project at the Main Library.
- Select a new library architect through the Qualifications-Based Selection process.

Rockford Public Library

ROCKFORD PUBLIC LIBRARY BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$4,245,864	\$4,668,269	\$4,245,298	\$4,791,567	\$123,298
CONTRACTUAL	1,215,205	1,645,778	1,491,171	1,729,718	83,940
SUPPLIES	1,192,774	1,478,834	1,372,405	1,480,852	2,018
OTHER	308,067	91,670	71,895	136,604	44,934
INTEREST	0	239,394	229,269	230,000	(9,394)
CAPITAL	<u>181,725</u>	<u>436,852</u>	<u>489,531</u>	<u>253,390</u>	<u>(183,462)</u>
TOTAL	<u>\$7,143,635</u>	<u>\$8,560,797</u>	<u>\$7,899,569</u>	<u>\$8,622,131</u>	<u>\$61,334</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
LIBRARY OPERATIONS	\$6,825,276	\$6,957,324	\$6,900,000	\$7,029,855	\$129,855
LIBRARY MAINTENANCE	300,064	298,898	300,000	300,000	0
REPLACEMENT TAXES	754,314	728,847	755,000	755,000	0
FINES	145,389	128,440	135,180	123,800	(11,380)
NON-RESIDENT FEES	18,148	17,644	17,500	15,000	(2,500)
SERVICE CHARGES	20,214	20,688	30,000	29,726	(274)
RENTS AND REIMBURSEMENTS	3,451	10,245	28,000	94,000	66,000
INTEREST INCOME/ENDOWMENTS	152,397	71,020	7,000	7,000	0
STATE OF ILLINOIS	180,193	161,034	155,000	155,000	0
MISCELLANEOUS	<u>59,523</u>	<u>70,740</u>	<u>80,750</u>	<u>112,750</u>	<u>32,000</u>
TOTAL	<u>\$8,458,969</u>	<u>\$8,464,880</u>	<u>\$8,408,430</u>	<u>\$8,622,131</u>	<u>\$213,701</u>

Rockford Public Library

ROCKFORD PUBLIC LIBRARY AUTHORIZED POSITIONS

POSITION TITLE	POSITION	2013	2013	2014	2014	FTE	INCREASE/
	RANGE	FTE	EMPLOYEES	FTE	EMPLOYEES	CHANGE	(DECREASE)
LIBRARY DIRECTOR	E-41	1.00	1	1.00	1	0.00	0.00
ASSISTANT DIRECTOR	E-38	2.00	2	2.00	2	0.00	0.00
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	3.00	3	3.00	5	0.00	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	1.00	1	(1.00)	(1.00)
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		4.75	5	4.00	4	(0.75)	(1.00)
LIBRARIAN		7.00	7	6.00	6	(1.00)	(1.00)
LIBRARIAN ASSISTANT		16.00	18	16.50	18	0.50	0.00
SENIOR LIBRARY CLERK		1.00	1	1.00	1	0.00	0.00
LIBRARY CLERK		21.00	28	22.00	31	1.00	3.00
MAINTENANCE ASSISTANT		2.00	2	3.00	3	1.00	1.00
SENIOR PAGE		1.00	2	1.00	2	0.00	0.00
PAGES		10.00	15	11.00	18	1.00	3.00
TOTAL PERSONNEL		86.25	102	87.00	108	0.75	6.00

BUDGET HIGHLIGHTS

- Salaries increase \$135,600 due to a 3% increase in salary.
- Service contracts increase \$60,400 for additional costs to maintain the Norlof Center.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$8,531	\$9,429	\$9,606	\$9,932	\$10,110
Expenses	<u>8,875</u>	<u>9,261</u>	<u>9,664</u>	<u>10,085</u>	<u>10,526</u>
Excess (Deficit)	<u>(344)</u>	<u>168</u>	<u>(58)</u>	<u>(153)</u>	<u>(416)</u>
Beginning Balance	2,209	1,865	2,033	1,975	1,822
Ending Balance	<u>\$1,865</u>	<u>\$2,033</u>	<u>\$1,975</u>	<u>\$1,822</u>	<u>\$1,406</u>

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	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Library Rate	35.1	32.1	32.0	34.0	34.0

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

Rockford Public Library

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 2014 include:

EQUIPMENT	QUANTITY	BUDGET EACH	AMOUNT
Printers	5	3,000	\$15,000
Cloud Services	1	15,000	15,000
Replacement Servers-Main, East, Rockton Centre & Montague	3	5,000	15,000
Staff & Public Scanners	6	5,500	33,000
Digital Technology Upgrades	1	15,000	15,000
Adobe Cloud Version	1	20,000	20,000
Carpeting-Rock River Branch	1	35,680	35,680
Service Desk-Rock River Branch	1	16,105	16,105
Mandated Elevator Updates-Main & Montague	1	16,105	16,105
Carpeting-Nordlof Center Lobby & Theater	1	25,600	25,600
Mandated Elevator Updates-Nordlof Center	1	2,900	2,900
Nordlof Center Ductless A/C	1	9,000	9,000
Nordlof Center Studio Upgrades	1	30,000	30,000
B&W Copier with Fax-Administration	1	5,000	<u>5,000</u>
TOTAL			\$253,390

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 2014

- Add a minimum of three additional cameras to the closed circuit police cameras system.
- Reduce graffiti incidents by 5%.
- Reduce violent crime offenses by 5%.
- Reduce property crime offenses by 5%.
- Maintain Citizen, Junior and Youth Academies.
- Establish pilot geographic policing district.
- Maintain staff attendance at neighborhood events.
- Maintain accreditation standards through Commission on Accreditation for Law Enforcement Agencies and prepare for 2014 reaccreditation.
- Implement final stages of the strategic plan objectives.

Police Department

POLICE DEPARTMENT BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$37,144,554	\$37,690,092	\$37,399,950	\$37,846,540	\$156,448
CONTRACTS	7,471,213	8,398,290	8,222,298	8,647,146	248,856
SUPPLIES	458,965	576,280	520,851	811,421	235,141
OTHER	0	460,000	460,000	700,048	240,048
CAPITAL	<u>124,818</u>	<u>2,295,500</u>	<u>2,294,852</u>	<u>1,366,100</u>	<u>(929,400)</u>
TOTAL	<u>\$45,199,550</u>	<u>\$49,420,162</u>	<u>\$48,897,951</u>	<u>\$49,371,255</u>	<u>(\$48,907)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
POLICE PROTECTION	\$10,047,794	\$9,988,628	\$9,999,000	\$9,480,059	(\$518,941)
POLICE PENSION	4,316,216	3,714,271	3,673,220	4,652,753	979,533
SCHOOL CROSSING GUARD	10,001	11,270	11,349	11,349	0
FRINGE BENEFIT REIMBURSEMI	1,443,815	1,597,350	1,731,740	1,791,923	60,183
911 FRINGE BENEFIT REIMBURS	457,330	449,454	469,260	490,817	21,557
REPLACEMENT TAXES	862,600	776,300	922,800	834,825	(87,975)
MAGISTRATE FINES	586,269	648,418	600,000	825,000	225,000
FEES	418,850	1,050,251	856,000	861,000	5,000
PARKING SYSTEM PURCHASE SEF	129,500	124,600	123,700	131,200	7,500
FROM OTHER GOVERNMENTS	1,502,588	2,066,878	2,751,656	2,239,656	(512,000)
PROPERTY FORFEITURES	200,816	56,932	51,500	55,000	3,500
CAPITAL LEASE FUNDS	0	0	2,295,500	1,366,100	(929,400)
GENERAL REVENUES	<u>24,156,127</u>	<u>24,715,198</u>	<u>25,325,126</u>	<u>26,631,573</u>	<u>1,306,447</u>
TOTAL	<u>\$44,131,906</u>	<u>\$45,199,550</u>	<u>\$48,810,851</u>	<u>\$49,371,255</u>	<u>\$560,404</u>

Police Department

POLICE DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
SWORN				
CHIEF	PS-4	1.00	1.00	0.00
DEPUTY CHIEF	PS-3	2.00	2.00	0.00
ASSISTANT DEPUTY CHIEF	PS-2	2.00	2.00	0.00
LIEUTENANT	PS-1	8.00	8.00	0.00
SERGEANT	P-3	32.00	32.00	0.00
INVESTIGATOR	P-2	70.00	70.00	0.00
PATROL OFFICER	P-1	167.00	172.00	5.00
CIVILIAN				
DIRECTOR OF ADMINISTRATION SERVICES	PS-2	1.00	0.00	(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	0.00	(0.50)
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	<u>8.00</u>	<u>8.00</u>	<u>0.00</u>
REDUCTION IN FORCE				
TOTAL PERSONNEL		<u>319.00</u>	<u>322.50</u>	<u>3.50</u>

BUDGET HIGHLIGHTS

- Salaries increase due to general step and longevity increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands. These increases are offset by a decrease in overtime expenses and a reduction in health insurance rates. In addition, staffing increases 3.5 total with an increase in Patrol Officers, funded by a new hiring grant, and the elimination of the Senior Office Assistant position.
- Building maintenance expense increases to reflect the City's increased percentage of usage at the Public Safety Building as the County continues to vacate the property.
- Contractual expenses increase due to adjustment in purchase of service charges.
- Supplies expenses increase due to the need to replace issued firearms and implementation of a Pilot Police District substation.
- Other expenses of \$700,048 will cover estimated lease payments for vehicles acquired in 2012 and 2013.
- Capital expenses of \$1,366,100 reflect planned vehicle purchases for 2014, which will be offset by lease revenue for the division and for which lease payments will commence in 2015.

Police Department

CAPITAL EQUIPMENT

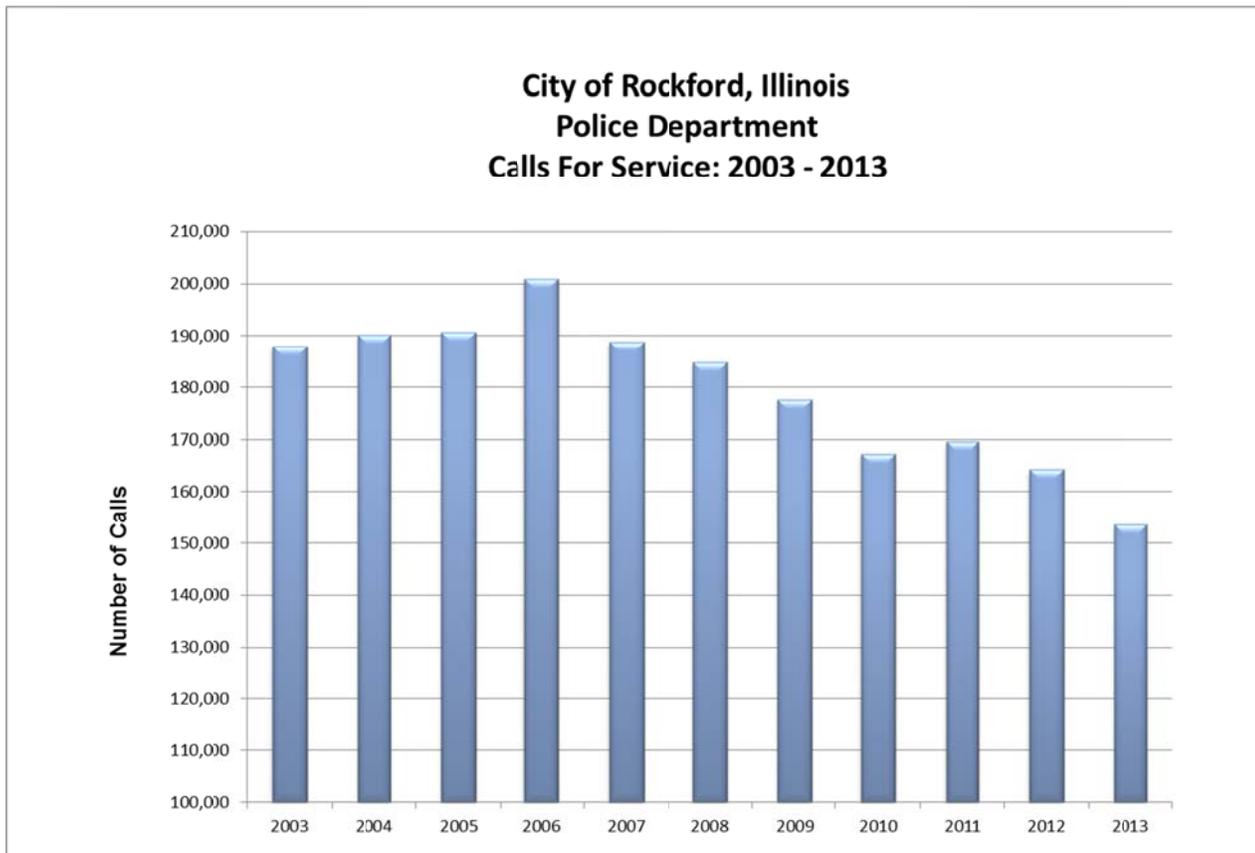
Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Squad Car	24	37,700	904,800
Unmarked Car	9	37,700	339,300
SUV	1	26,000	26,000
Squad Roll	1	25,000	25,000
ID Van	1	25,000	25,000
Van	1	23,000	23,000
SWAT Van	<u>1</u>	23,000	<u>23,000</u>
TOTAL	38		\$1,366,100

POLICE DEPARTMENT PERFORMANCE MEASURES

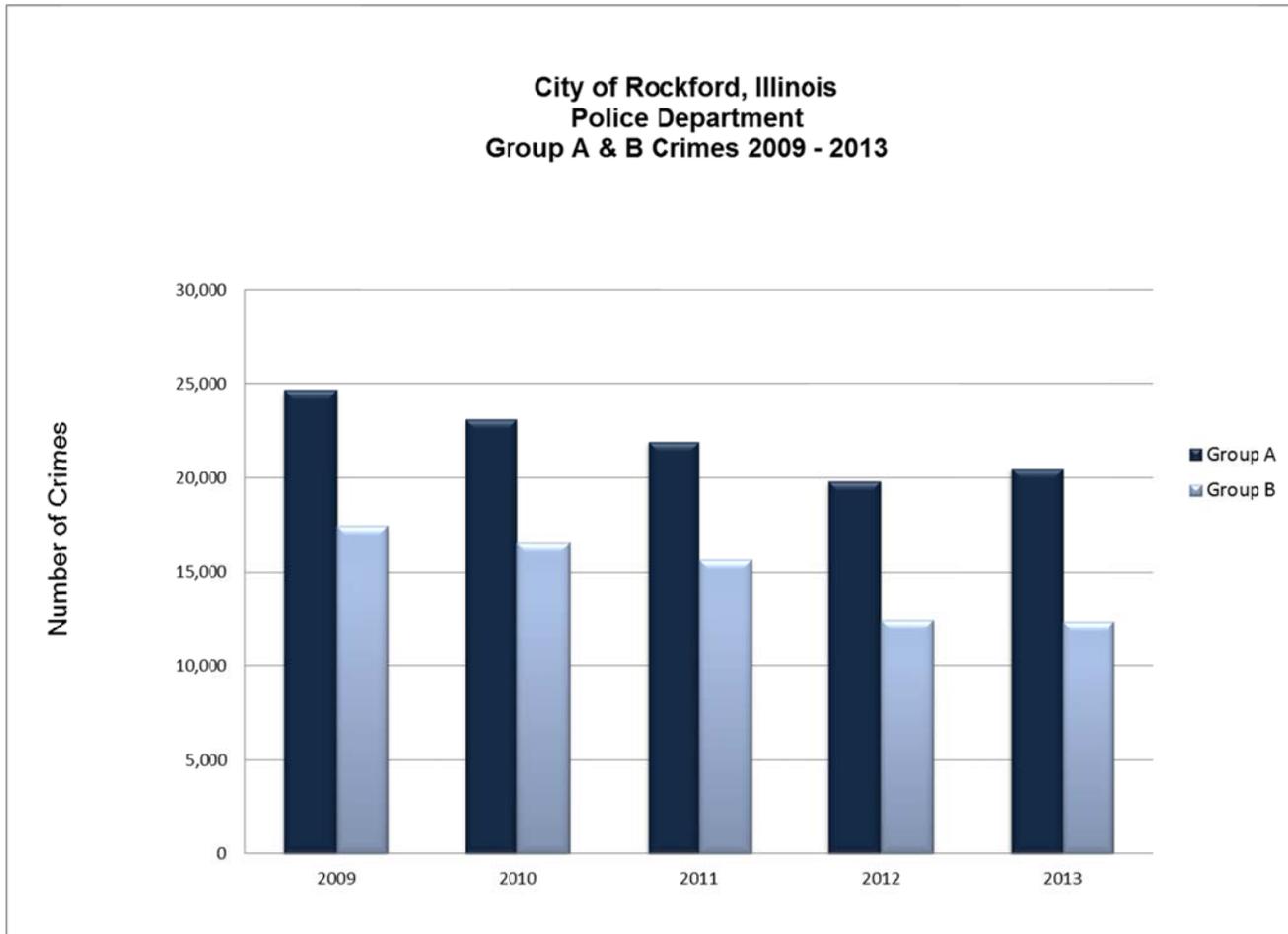
	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
GROUP A OFFENSES	19,854	20,428	20,504	18,269
GROUP B OFFENSES	12,447	14,284	12,345	11,897
% GROUP A OFFENSES CLEARED	34.80%	35.40%	34.60%	34.68%

OPERATIONAL INFORMATION



Police Department

The chart above demonstrates slight variations in calls over the past ten years with a slight spike in 2006. Calls are down by 18.3% since 2003. Calls in 2014 are estimated to decrease slightly from 2013.



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 2013, the amount of Group A Crimes have decreased by 35.6% to 20,504 and Group B crimes have decreased by 35.6% to 12,345. Crimes in 2014 are estimated to decrease from 2013'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 2014

- 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 two engines, one quint, and three 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 as well as Rules and Regulations.

Fire Department

FIRE DEPARTMENT BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$36,834,257	\$37,304,037	\$37,665,946	\$35,677,548	(\$1,626,489)
CONTRACTUAL	3,632,161	3,555,264	3,850,144	3,475,542	(79,722)
SUPPLIES	1,399,923	874,370	875,501	657,590	(216,780)
OTHER	0	453,122	453,122	838,530	385,408
CAPITAL	<u>3,527,125</u>	<u>3,568,928</u>	<u>3,568,896</u>	<u>3,025,700</u>	<u>(543,228)</u>
TOTAL	<u>\$45,393,466</u>	<u>\$45,755,721</u>	<u>\$46,413,609</u>	<u>\$43,674,910</u>	<u>(\$2,080,811)</u>

FUNDING SOURCE	2011	2012	2013	2014	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
FIRE PROTECTION	\$10,047,794	\$10,691,650	\$9,021,000	\$9,480,059	\$459,059
FIRE PENSION	5,200,985	4,187,971	4,133,879	5,711,872	1,577,993
FRINGE BENEFIT REIMBURSEMENTS	1,508,502	1,771,836	1,762,850	1,739,932	(22,918)
911 FRINGE BENEFIT REIMBURSEMENT	158,047	170,793	188,258	198,896	10,638
REPLACEMENT TAX	1,035,100	931,600	1,642,182	996,727	(645,455)
AMBULANCE CHARGES	4,164,967	4,302,328	4,000,000	4,500,000	500,000
OTHER CHARGES	147,161	282,443	135,000	277,000	142,000
AIRPORT REIMBURSEMENT	1,071,316	1,212,633	1,143,000	192,000	(951,000)
CAPITAL LEASE FUNDS	0	0	0	3,025,700	3,025,700
GENERAL REVENUES	<u>22,059,594</u>	<u>21,842,212</u>	<u>18,783,110</u>	<u>17,552,724</u>	<u>(1,230,386)</u>
TOTAL	<u>\$45,393,466</u>	<u>\$45,393,466</u>	<u>\$40,809,279</u>	<u>\$43,674,910</u>	<u>\$2,865,631</u>

FIRE DEPARTMENT AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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	19.00	19.00	0.00
LIEUTENANT	F-5	30.00	30.00	0.00
FIRE INSPECTOR	F-4	6.00	6.00	0.00
DRIVER ENGINEER	F-3	48.00	48.00	0.00
FIREFIGHTER	F-1	159.00	138.00	(21.00)
FIRE EQUIPMENT SPECIALIST	F-1	2.00	2.00	0.00
SENIOR CLERK	A-19	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>280.00</u>	<u>259.00</u>	<u>(21.00)</u>

Fire Department

BUDGET HIGHLIGHTS

- Salaries increase \$357,800 due to general step and longevity increases, staff movement due to retirements, and budgeting wage increases in accordance with final offers made in contract arbitration for the firefighters union. Increases are offset by a reduction of staffing, caused by the elimination of the service agreement between the City and the Airport and minimum manning language changes awarded in arbitration. Overtime expenses decrease from the amended 2013 budget with manning relief, and the elimination of a significant expense related to hirebacks.
- Salary adjustments for non-union staff include a 2% wage increase and salary study adjustments to pay bands for a total cost of \$36,900.
- The pension contribution for 2014 increases \$896,600.
- Health insurance and worker's compensation rates were reduced to help balance the budget, resulting in reductions of \$1.6 million and \$107,000, respectively.
- 911 dispatch charges increase \$55,400 due to general cost increases in the division.
- Other expenses of \$838,530 include lease payments for vehicles purchased in 2012 and 2013.
- Capital expenses of \$3,025,700 reflect planned vehicle purchases for 2014, which will be offset by lease proceeds for the department and for which lease payments will commence in 2015.

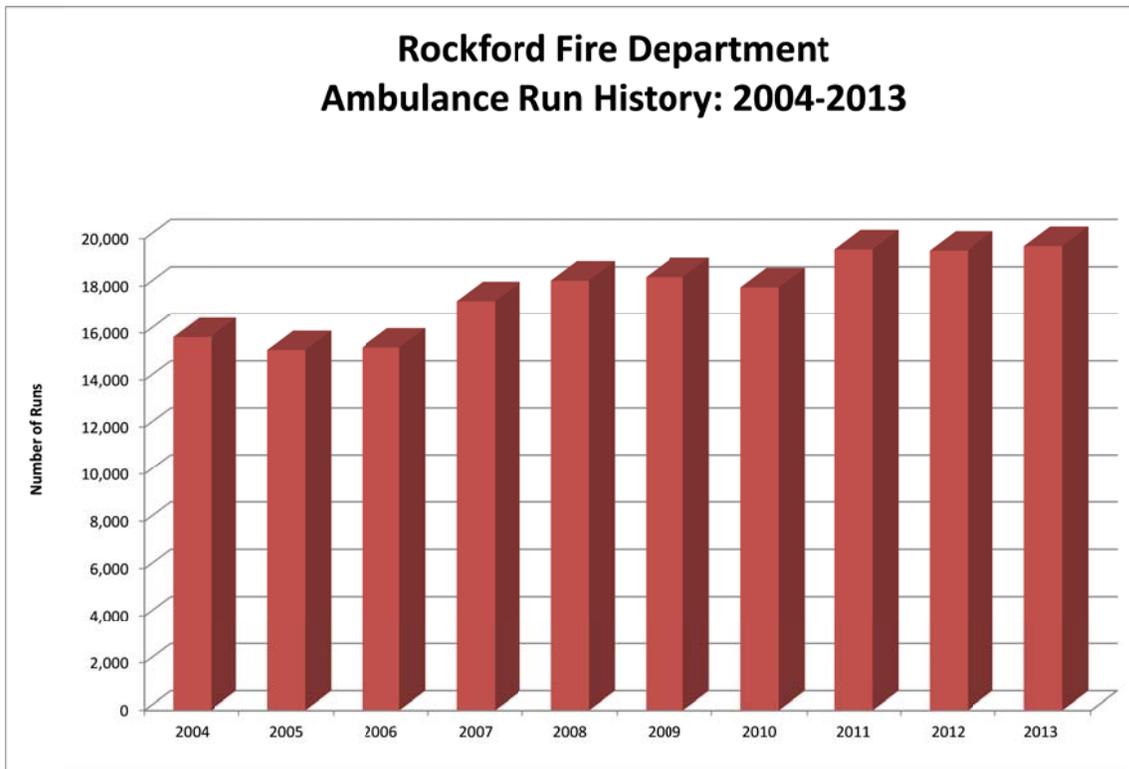
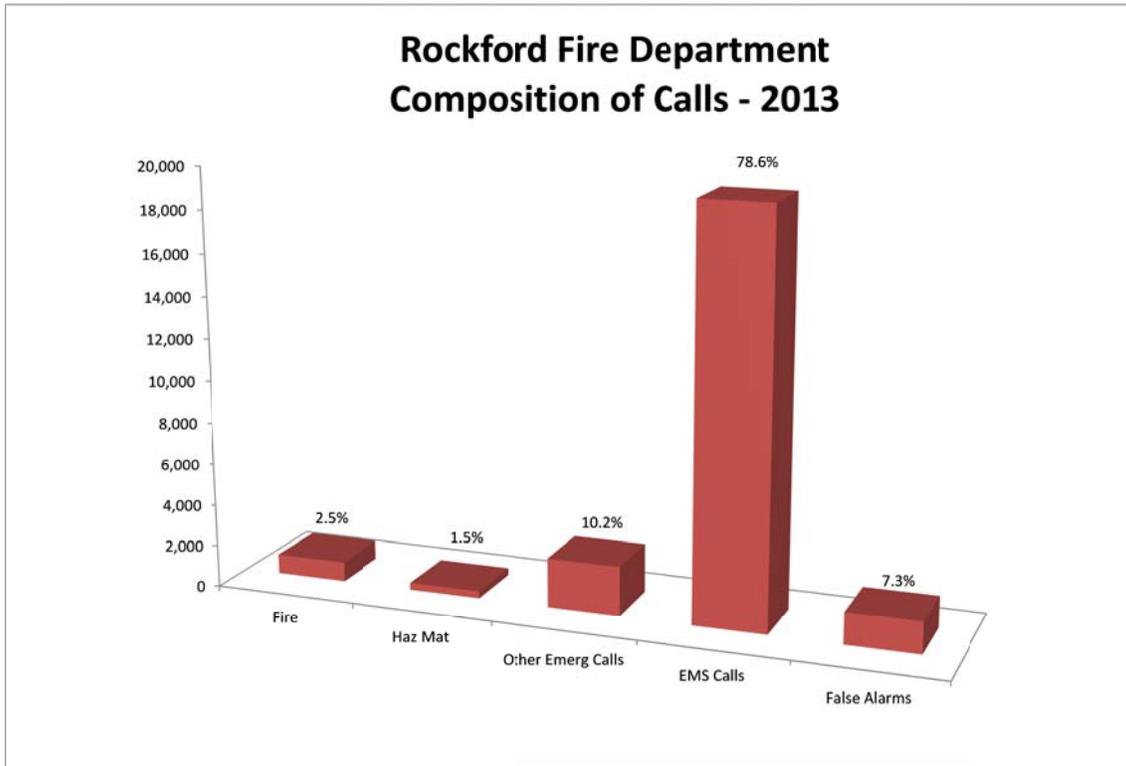
CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Ambulance	3	270,000	810,000
Quint	1	920,000	920,000
Engine	2	580,000	1,160,000
SUV	2	26,000	52,000
Van	2	23,000	46,000
Unmarked squad	<u>1</u>	37,700	<u>37,700</u>
TOTAL	11		\$3,025,700

Fire Department

OPERATIONAL INFORMATION



Fire Department

FIRE DEPARTMENT PERFORMANCE MEASURES

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
EMS & SEARCH/RESCUE INCIDENTS	19,506	20,207	19,804	19,900
TOTAL FIRES	933	813	759	760
STRUCTURE FIRE INCIDENTS (RESIDENTIAL)	228	230	251	230
STRUCTURE FIRE INCIDENTS (COMMERCIAL)	58	60	46	40
VEHICLE FIRE INCIDENTS	123	118	114	100
OUTSIDE FIRE INCIDENTS	292	140	134	160
OPEN BURNING INCIDENTS	232	265	214	230
INSPECTIONS	5,676	6,000	5,286	5,000
ARSONS	85	82	99	82
PUBLIC EDUCATION ACTIVITIES	285	300	153	200

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 2014

- Complete APCO EMD (Emergency Medical Dispatch) Certifications so that training can be conducted and controlled in house.
- Research the probationary period for both the Call Taker and Dispatcher training phases.

911 COMMUNICATIONS FUND BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$5,225,958	\$5,184,936	\$5,371,387	\$5,278,074	\$93,138
CONTRACTUAL	161,515	152,380	173,579	173,055	20,675
SUPPLIES	<u>15,897</u>	<u>8,650</u>	<u>15,640</u>	<u>9,865</u>	<u>1,215</u>
TOTAL	<u>\$5,403,370</u>	<u>\$5,345,966</u>	<u>\$5,560,606</u>	<u>\$5,460,994</u>	<u>\$115,028</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PURCHASE OF SERVICES					
POLICE DEPARTMENT	\$3,313,119	\$3,149,129	\$3,283,675	\$3,346,212	\$62,537
ETS BOARD	0	0	242,545	239,967	(2,578)
COUNTY	896,822	906,657	570,400	570,400	0
FIRE ALARM	1,223,081	1,347,407	1,249,346	1,304,717	55,069
INTEREST	<u>0</u>	<u>1,510</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$5,433,022</u>	<u>\$5,404,703</u>	<u>\$5,345,966</u>	<u>\$5,461,296</u>	<u>\$115,028</u>

911 COMMUNICATIONS FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ <u>(DECREASE)</u>
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	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>53.00</u>	<u>53.00</u>	<u>0.00</u>

911 Communications

BUDGET HIGHLIGHTS

- Personnel expenses increase largely due to an increase in overtime of \$109,750, to reflect actual expenditures over the last several years. In addition, general wage increases for AFSCME, IAFF and non-represented employees increase wages \$153,526. Wage increases are offset by a reduction in health insurance of \$162,900 due to rate decreases.
- 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 \$239,967.
- Police call taking and dispatch expenses are \$3,346,212 and Fire dispatch is \$1,304,717 (total City expense \$4,650,929).

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$5,734,044	\$6,037,948	\$6,357,960	\$6,694,931	\$7,049,763
Expenditures	<u>5,734,044</u>	<u>6,037,948</u>	<u>6,357,960</u>	<u>6,694,931</u>	<u>7,049,763</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The 2015-2019 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

	2012	2013	2013	2014
	ACTUAL	BUDGET	ACTUAL	BUDGET
TOTAL NON-EMERGENCY CALLS	106,712	106,000	101,971	105,000
TOTAL EMERGENCY CALLS	131,809	135,000	117,484	120,000
TOTAL POLICE DISPATCHES	168,848	180,000	153,646	160,000
TOTAL FIRE DISPATCHES	28,997	28,000	28,676	30,000

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 2014

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

BOARD OF FIRE AND POLICE COMMISSIONERS BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>DECREASE</u>
PERSONNEL	\$34,977	\$46,870	\$31,843	\$20,988	(\$25,882)
CONTRACTUAL	122,827	143,560	113,487	262,765	119,205
SUPPLIES	<u>2,662</u>	<u>2,300</u>	<u>1,521</u>	<u>2,300</u>	<u>0</u>
TOTAL	<u>\$160,466</u>	<u>\$192,730</u>	<u>\$146,851</u>	<u>\$286,053</u>	<u>\$93,323</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>DECREASE</u>
GENERAL REVENUES	<u>\$177,975</u>	<u>\$160,466</u>	<u>\$218,485</u>	<u>\$286,053</u>	<u>\$67,568</u>

BUDGET HIGHLIGHTS

- Personnel expenses decrease due to a reduction in need for temporary staffing to conduct background investigations on new applicants.
- Consulting fees expense increases \$116,600 due to testing being required for Police sergeants as well as Fire district chiefs and lieutenants.

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 2014

- Support staff in the implementation of 2014 ward capital plans.
- Continue training modules for OSHA safety compliance committee and provide support to staff involved.
- Continue to support cross training needs of all staff.
- Complete standard operating procedures for all areas of work in the division.
- Continue to support staff in providing and analyzing data for RockStat.
- Continue to work with operations managers on process improvements as needed.
- Begin monthly, quarterly and yearly reports on parking system management information.
- Continue to provide City-wide support on administrative and operational needs for special events.
- Continue training modules in emergency management including participating in the county wide emergency management disaster drill to be held in May.

PUBLIC WORKS ADMINISTRATION BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$362,732	\$284,001	\$308,213	\$296,316	\$12,315
CONTRACTUAL	78,087	72,250	73,798	58,740	(13,510)
SUPPLIES	<u>2,338</u>	<u>5,100</u>	<u>2,127</u>	<u>9,100</u>	<u>4,000</u>
TOTAL	<u>\$443,157</u>	<u>\$361,351</u>	<u>\$384,138</u>	<u>\$364,156</u>	<u>\$2,805</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PROPERTY TAXES					
REIMBURSEMENTS	\$46,810	\$42,602	\$45,088	\$48,109	\$3,021
INTERDIVISIONAL PURCHASE OF SERVICES	241,100	256,300	262,000	269,800	7,800
GENERAL REVENUES	<u>93,243</u>	<u>144,255</u>	<u>54,263</u>	<u>46,247</u>	<u>(8,016)</u>
TOTAL	<u>\$381,153</u>	<u>\$443,157</u>	<u>\$361,351</u>	<u>\$364,156</u>	<u>\$2,805</u>

PUBLIC WORKS ADMINISTRATION DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ <u>(DECREASE)</u>
DIRECTOR	E-15	1.00	1.00	0.00
PW SUPERINTENDENT	E-12	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>2.00</u>	<u>2.00</u>	<u>0.00</u>

Public Works Administration Division

BUDGET HIGHLIGHTS

- Personnel expenses increase for a budgeted 2% salary adjustment and salary study recommendations to adjust pay bands.

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-signalized 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 2014

- 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.
- Continue the traffic sign inventory and replacement program.
- Finalize and implement the City's Storm Water Master Plan.
- Complete a minimum of two intersection traffic safety studies.
- Continue entering all asset inventories into GIS from the arterial and collector streets videos.
- Continue inspections for industrial high risk run off program and for illicit discharge of pollutants into our storm sewer system.
- Expand the Food Truck, Cart and Kiosk vending areas
- Continue to coordinate with the parking management vendor.
- Continue Emergency management training for staff.
- Partner with RRDP for expansion of the outdoor city market and creation of an indoor city market.
- Complete a revised Watershed Assessment and drainage study of the Airport East Watershed.
- Complete design and construction on paved drainage ditch and Keith Creek wall repairs.
- Complete the revisions to the Stormwater Technical Manual and the Stormwater Management Ordinance.
- Begin study of removal of obsolete traffic signals and signage.
- Modernization of signals at Rockton and Custer Avenues, Rockton Avenue and Halsted Road, and 9th Street and 18th Avenue.
- Start replacement of 7th Street Corridor lighting.

Engineering Division

ENGINEERING DIVISION BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$864,057	\$652,901	\$762,420	\$665,502	\$12,601
CONTRACTUAL	630,031	183,795	164,094	215,245	31,450
SUPPLIES	5,190	30,750	13,617	30,750	0
OTHER	0	23,900	23,900	6,012	(17,888)
CAPITAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,000</u>	<u>90,000</u>
TOTAL	<u>\$1,499,278</u>	<u>\$891,346</u>	<u>\$964,031</u>	<u>\$1,007,509</u>	<u>\$116,163</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT:	\$85,012	\$122,802	\$95,864	\$103,742	\$7,878
FEES	15,821	15,443	13,000	14,700	1,700
WATER PURCHASE OF SERVICES	0	0	457,280	471,840	14,560
CAPITAL LEASE FUNDS	0	0	0	90,000	90,000
GENERAL REVENUES	<u>654,927</u>	<u>1,361,033</u>	<u>325,202</u>	<u>327,227</u>	<u>2,025</u>
TOTAL	<u>\$755,760</u>	<u>\$1,499,278</u>	<u>\$891,346</u>	<u>\$1,007,509</u>	<u>\$116,163</u>

ENGINEERING DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
CITY ENGINEER	E-12	0.40	0.40	0.00
WATER ENGINEER	E-11	1.00	1.00	0.00
ENGINEERING OPERATIONS MANAGER	E-11	0.40	0.40	0.00
STORM WATER PROJECT MANAGER	E-8	0.40	0.40	0.00
PROJECT MANAGER	E-8	0.50	0.50	0.00
ASST OPERATIONS MANAGER	E-8	0.50	0.50	0.00
SENIOR ENGINEERING TECHNICIAN	E-6	2.80	2.80	0.00
CUSTOMER RELATIONS TECH	E-4	1.00	1.00	0.00
SR OFFICE ASSISTANT	E-4	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>8.00</u>	<u>8.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel expenses adjust slightly as wage increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands. These increases are offset by reductions in IMRF and health insurance rates.
- The balance of changes in the budget include small adjustments in purchase of services charges.
- Significant 2012 expenses for contractual were related to grant projects which have since ended, and contractual expense for 2013 and 2014 reflect regular activity levels.
- Other expenses of \$6,012 will cover estimated lease payments for vehicles acquired in 2012 and 2013.
- Capital expenses of \$90,000 reflect planned vehicle purchases for 2014, which will be offset by lease revenue for the division and for which lease payments will commence in 2015.

Engineering Division

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Sedan	2	19,000	38,000
SUV	<u>2</u>	26,000	<u>52,000</u>
TOTAL	4		\$90,000

ENGINEERING DIVISION PERFORMANCE MEASUREMENTS

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
SITE PLANS REVIEWED	75	75	103	75
% OF SITE PLANS REVIEWED, LESS THAN 14 DAYS	98%	95%	99%	95%
DEVELOPMENT PLANS REVIEWED	25	15	25	20
% OF DEV PLANS REVIEWED, LESS THAN 21 DAYS	100%	95%	96%	95%
ROW PERMITS ISSUED	1,397	1,300	1,958	1,500
% OF ROW PERMITS ISSUED IN 1 DAY	98%	95%	98%	95%
DRIVEWAY PERMITS ISSUED	110	110	103	105
% OF DRIVEWAY PERMITS ISSUED IN 1 DAY	100%	95%	100%	95%
INDUSTRIAL HIGH RISK INSPECTIONS	57	50	60	100
EROSION CONTROL INSPECTIONS	64	60	248	300
ILLICIT DISCHARGE INVESTIGATIONS	19	10	27	20
NPDES PERMIT WATER/STORMWATER SAMPLES	19	24	61	40

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 2014

- Maintain the master sidewalk list and layer in GIS to track sidewalk repairs.
- Complete and put into practice the results of the water main corrosion test pilot study of East Rockford.
- Keep the CIP neighborhood program under budget allowing more projects to be completed.
- Complete the construction of the Blackhawk and Seminary road improvements.
- Complete the construction of Morgan Street.
- Coordinate with IDOT on Phase II of North Main Street (Yonge Street to north of Riverside Boulevard).
- Coordinate with IDOT on Phase II of West State Street (Independence Avenue to Day Avenue).
- Provide a minimum of 15 hours of training each for staff.
- Continue design of Harrison Avenue reconstruction from 20th Street to 11th Street.
- Complete design of Airport Dr. and Falcon Rd. reconstruction and have construction underway.
- Coordinate with IDOT on the South Main Street projects.
- Continue investment into a city-wide sidewalk transition plan for federal ADA compliance.
- Continue work on regional transportation issues through active participation in the Rockford Metropolitan Agency for Planning (RMAP).
- Begin the Phase I study and design of the Jefferson Street Bridge reconstruction.
- Complete design work and begin construction of the Ingersoll Indoor Sports Complex.
- Continue to move forward with enhancements to the downtown streetscape areas.
- Continue program support for the Water Division, including analysis of existing systems and facilities within the design cycle of road projects.
- Coordinate with IDOT on completion of Phase I of West State Street (Kent Creek to Independence Avenue).
- Continue investment into repairing our arterial and collector roads.
- Continue investment into arterial sidewalk and bike path connections throughout the city.

Capital Projects Fund

- Continue our local bridge program with deck replacement on the Harrison Avenue Rock River Bridge and replacement of the Railroad Avenue Keith Creek Bridge.

CAPITAL PROJECTS DIVISION BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$1,120,778	\$1,657,395	\$1,372,153	\$1,720,588	\$63,193
CONTRACTUAL	5,963,831	505,125	7,097,268	757,325	252,200
SUPPLIES	63,561	22,460	193,472	16,700	(5,760)
OTHER	1,233,658	499,080	1,332,110	521,105	22,025
CAPITAL	<u>18,038,444</u>	<u>43,250,940</u>	<u>19,185,478</u>	<u>47,744,282</u>	<u>4,493,342</u>
TOTAL	<u>\$26,420,272</u>	<u>\$45,935,000</u>	<u>\$29,180,481</u>	<u>\$50,760,000</u>	<u>\$4,825,000</u>

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

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
STATE MOTOR FUEL TAX	2,272,183	3,034,986	3,000,000	3,200,000	200,000
LOCAL SALES TAX	15,292,506	15,586,806	15,100,000	15,500,000	400,000
WATER REPLACEMENT IMPROVEMENI	1,851,523	4,717,972	4,550,000	4,800,000	250,000
OTHER GOVERNMENTS/PRIVATE	10,047,163	4,099,907	22,085,000	26,260,000	4,175,000
INTERFUND TRANSFERS	2,400,000	1,200,000	1,200,000	1,150,000	(50,000)
INTEREST INCOME	<u>958,388</u>	<u>236,591</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>
TOTAL	<u>\$32,821,763</u>	<u>\$28,876,262</u>	<u>\$45,935,000</u>	<u>\$51,110,000</u>	<u>\$5,175,000</u>

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

Capital Projects Fund

CAPITAL PROJECTS DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
CITY ENGINEER	E-11	0.60	0.60	0.00
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-11	0.60	0.60	0.00
CIP OPERATIONS MANAGER	E-11	0.00	1.00	1.00
STORM WATER PROJECT MANAGER	E-10	0.60	0.60	0.00
ASST TRAFFIC ENGINEER	E-10	0.00	1.00	1.00
SR PROJECT MANAGER	E-9	2.00	1.00	(1.00)
PROJECT MANAGER	E-8	3.50	3.50	0.00
ASST OPERATIONS MANAGER	E-8	0.50	0.50	0.00
ENVIRONMENTAL PROJECT COORDINATOR	E-7	1.00	1.00	0.00
STORM WATER/ENVIRON COORDINATOR	E-7	0.00	1.00	1.00
SENIOR CONSTRUCTION TECHNICIAN	E-6	1.00	1.00	0.00
SENIOR ENGINEERING TECHNICIAN	E-6	4.20	2.20	(2.00)
CIP ACCOUNTING TECHNICIAN	E-6	1.00	1.00	0.00
SENIOR ADMIN ASSISTANT	E-6	1.00	1.00	0.00
TOTAL PERSONNEL		18.00	18.00	0.00

BUDGET HIGHLIGHTS

- Personnel expenses adjust slightly as wage increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands are implemented. These increases are offset by reductions in IMRF and health insurance rates.
- The balance of changes in the budget include minor adjustments to contractual and supply accounts to adjust for actual expense, as well as in purchase of service charges. Computer supplies decrease after the purchase of desktop computers in 2013.

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

	2015	2016	2017	2018	2019
Revenues	\$52,643	\$54,223	\$55,850	\$57,526	\$59,252
Expenses	<u>52,643</u>	<u>54,223</u>	<u>55,850</u>	<u>57,526</u>	<u>59,252</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The 2015-2019 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

	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATE</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
APPROPRIATION					
TRANSFERS TO					
GENERAL FUND	\$1,200,000	\$1,200,000	\$1,200,000	\$1,150,000	(\$50,000)
CAPITAL PROJECTS FUND	<u>3,114,312</u>	<u>3,000,000</u>	<u>1,012,042</u>	<u>3,200,000</u>	<u>200,000</u>
TOTAL	<u>\$4,314,312</u>	<u>\$4,200,000</u>	<u>\$2,212,042</u>	<u>\$4,350,000</u>	<u>\$150,000</u>
	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	(DECREASE)
STATE MOTOR FUEL TAX	\$4,485,613	\$4,509,838	\$4,300,000	\$4,503,500	\$203,500
INTEREST INCOME	<u>6,031</u>	<u>10,990</u>	<u>243,000</u>	<u>253,000</u>	<u>10,000</u>
TOTAL	<u>\$4,491,644</u>	<u>\$4,520,828</u>	<u>\$4,543,000</u>	<u>\$4,756,500</u>	<u>\$213,500</u>

BUDGET HIGHLIGHTS

The 2014 budget calls for \$3.2 million in transfers to the Capital Projects Fund and \$1,150,000 to the General Fund for eligible street lighting expenses. The General Fund, in turn, will transfer \$1,150,000 to the Capital Projects Fund for projects.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$4,768	\$4,779	\$4,790	\$4,802	\$4,814
Expenses	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>
Excess (Deficit)	<u>368</u>	<u>379</u>	<u>390</u>	<u>402</u>	<u>414</u>
Beginning Balance	<u>8,446</u>	<u>8,814</u>	<u>9,193</u>	<u>9,583</u>	<u>9,985</u>
Ending Balance	<u>\$8,814</u>	<u>\$9,193</u>	<u>\$9,583</u>	<u>\$9,985</u>	<u>\$10,399</u>

Motor Fuel Tax Fund

The 2015-2019 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 2014

- Monitor forestry activities to meet demands of emerald ash borer crisis, to include additional removals.
- Modify and/or improve process to replant trees to meet a goal of 1,000 trees per year.
- Continue to work with CIP to integrate a corridor maintenance plan to coincide with newly reconstructed gateway arterial streets.
- Continue training for forestry personnel to prepare for Arborist certification.
- Search out forestry grants to further tree replanting efforts.
- Focus appropriate level of manpower for pothole patching when needed to address seasonal issues.
- Continue to outsource labor and services as needed to maintain City streets, rights of way, and drainage areas.

Street Maintenance Division

STREET MAINTENANCE DIVISION BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$2,573,838	\$2,721,924	\$2,946,017	\$2,378,017	(\$343,907)
CONTRACTUAL	3,833,063	4,485,530	4,381,687	4,207,405	(278,125)
SUPPLIES	1,249,789	1,116,000	1,154,084	1,384,000	268,000
OTHER	92,559	447,890	447,890	577,092	129,202
CAPITAL	<u>0</u>	<u>2,182,007</u>	<u>4,857,846</u>	<u>1,884,000</u>	<u>(298,007)</u>
TOTAL	\$7,749,249	<u>\$10,953,351</u>	<u>\$13,787,524</u>	<u>\$10,430,514</u>	<u>(\$522,837)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
STREET AND BRIDGE	\$1,997,769	\$1,878,910	\$2,098,800	\$1,584,000	(\$514,800)
REIMBURSEMENTS	435,596	440,009	403,669	411,309	7,640
OTHER GOVERNMENTS	360,599	350,000	350,000	350,000	0
TRANSFERS FROM OTHER FUNDS	957,265	2,204,550	2,365,814	2,629,435	263,621
CAPITAL LEASE FUNDS	0	0	0	1,884,000	1,884,000
GENERAL REVENUES	<u>3,842,150</u>	<u>2,875,780</u>	<u>3,133,410</u>	<u>3,571,770</u>	<u>438,360</u>
TOTAL	<u>\$7,593,379</u>	<u>\$7,749,249</u>	<u>\$8,351,693</u>	<u>\$10,430,514</u>	<u>\$2,078,821</u>

STREET MAINTENANCE DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
MAINTENANCE SUPERVISOR	E-7	2.00	2.00	0.00
SENIOR EQUIPMENT OPERATOR	A-26	2.00	1.00	(1.00)
SENIOR TREE TRIMMER	A-26	1.00	2.00	1.00
TREE TRIMMER	A-24	6.00	5.00	(1.00)
EQUIPMENT OPERATOR	A-23	5.00	4.00	(1.00)
SENIOR CLERK	A-23	2.00	2.00	0.00
SENIOR SECRETARY	A-20	1.00	1.00	0.00
MAINTENANCE WORKER	A-20	<u>12.00</u>	<u>14.00</u>	<u>2.00</u>
TOTAL PERSONNEL		<u>31.00</u>	<u>31.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel budget numbers reflect wage adjustments associated with the new AFSCME contract, a 2% wage increase for non-represented staff, and salary study recommendations to adjust pay bands. In addition, some reclassification of positions has occurred as retirements and other changes in the division presented opportunities for reorganization.
- The street sweeping contract increased \$175,000, accounting for the increase in contractual expenses. Those are offset by reductions in fuel and vehicle maintenance, due to vehicle replacements.
- Estimated lease payments for capital acquired in 2012 and 2013 are budgeted at \$359,931.

Street Maintenance Division

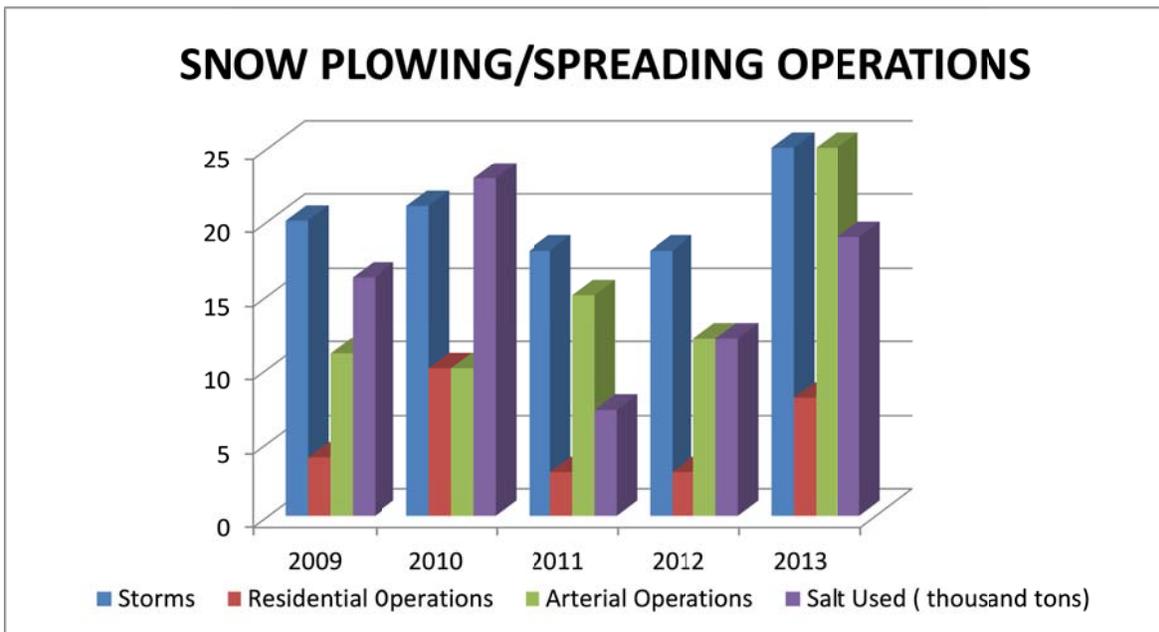
- Capital expense of \$1,884,000 reflect planned vehicle purchases for 2014, which will be offset by lease proceeds for the division and for which lease payments will commence in 2015.
- A transfer from the Sanitation Fund will cover both street sweeping and forestry operation in the Street Division, accounting for 26% of the total revenue for the budget unit.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Snow & Ice Dumps	10	160,000	1,600,000
Standard Dump Truck	2	46,000	92,000
Pickup Truck	2	31,000	62,000
Arrowboard Truck	1	28,000	28,000
Skid Steer	2	32,000	64,000
Boom Mower	1	28,000	28,000
Slope Mower	<u>1</u>	10,000	<u>10,000</u>
TOTAL	19		\$1,884,000

OPERATIONAL INFORMATION



Street Maintenance Division

STREET DIVISION PERFORMANCE MEASUREMENTS

	2012	2013	2013	2014
	ACTUAL	BUDGET	ACTUAL	BUDGET
AVERAGE OPEN POTHOLE REQUESTS	29	100	234	150
AVG DAYS TO CLOSE POTHOLE REQUESTS	4	5	50	40
MILES OF STREET SWEEP	2,952	3,000	1,897	2,500
TREES TRIMMED	2,541	3,000	1,523	2,500
TREES REMOVED	1,061	1,000	1,183	1,200
TREES PLANTED	278	1,000	756	1,000
AVERAGE OPEN FORESTRY REQUESTS	516	300	300	250
AVG DAYS TO CLOSE FORESTRY REQUESTS	80	60	175	60
TOTAL REQUESTS	8,376	9,000	7,724	9,000
AVG DAYS TO CLOSE REQUESTS	24	20	79	45
TOTAL OPEN REQUESTS	626	500	766	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 2014

- Continue to institute phase one plan for centralized traffic control center.
- Research and develop a plan to reduce energy consumption for street lights.
- Continue 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.
- Research pricing options including outside contractor for City striping.
- Work with Fire Department to endorse new preemption system.
- Upgrade pedestrian signals to LED.
- Replace aging light poles on N. Second Street.
- Replace all defective loops around town.
- Upgrade Harrison Avenue lighting poles.
- Replace fiber optics on State Street between Buckley and Perryville.
- Upgrade M2 through M40 type controllers to M50 type.

Traffic Division

TRAFFIC DIVISION BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$906,322	\$968,978	\$917,596	\$959,637	(\$9,341)
CONTRACTUAL	2,377,763	2,479,325	2,463,748	2,514,565	35,240
SUPPLIES	209,733	341,000	263,840	341,000	0
OTHER	24,000	48,017	64,407	102,791	54,774
CAPITAL	0	<u>154,217</u>	<u>1,640</u>	<u>146,000</u>	<u>(8,217)</u>
TOTAL	<u>\$3,517,818</u>	<u>\$3,991,537</u>	<u>\$3,711,231</u>	<u>\$4,063,993</u>	<u>\$72,456</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
FRINGE BENEFIT REIMBURSEMENT	\$145,945	\$156,052	\$166,189	\$174,692	\$8,503
PURCHASE OF SERVICES	23,700	24,000	24,500	24,500	0
FROM OTHER GOVERNMENTS	0	0	180,000	180,000	0
I-FIBR JULIE LOCATES	0	0	25,000	25,000	0
TRANSFERS FROM OTHER FUNDS	2,400,000	1,200,000	1,200,000	1,200,000	0
CAPITAL LEASE FUNDS	0	0	0	146,000	146,000
GENERAL REVENUES	<u>1,604,154</u>	<u>2,137,766</u>	<u>2,218,631</u>	<u>2,313,801</u>	<u>95,170</u>
TOTAL	<u>\$4,173,799</u>	<u>\$3,517,818</u>	<u>\$3,814,320</u>	<u>\$4,063,993</u>	<u>\$249,673</u>

PUBLIC WORKS TRAFFIC DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>11.00</u>	<u>11.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel expenses decrease slightly due to a reduction in health insurance rates which is offset by an increase for general step and longevity increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands.
- Contractual expenses increase due to adjustment in purchase of services charges.
- Other expenses increase \$54,800 to cover estimated lease payments for vehicles acquired in 2012 and 2013.
- Capital expenses of \$146,000 reflect planned vehicle purchases for 2014, which will be offset by lease revenue for the division and for which lease payments will commence in 2015.

Traffic Division

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Light Duty Bucket Truck	1	35,000	35,000
Light Duty Flatbed Truck	1	46,000	46,000
Pickup Truck	1	25,000	25,000
Sunray Display Board Trailer	1	20,000	20,000
Traffic Speed Trailer	<u>1</u>	20,000	<u>20,000</u>
TOTAL	5		\$146,000

TRAFFIC DIVISION PERFORMANCE MEASURES

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
SIGNAL BULB OUTAGE REPAIRED W/IN 24 HOURS	98%	95%	95%	95%
STREET LIGHT OUTAGE REPAIRED W/IN 5 DAYS	99%	95%	95%	95%
SIGN REPAIR/REPLACE W/IN 5 DAYS	98%	95%	95%	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 2014

- Install solar sinks in parking lot 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 lot 38 and seal coat Lot SS, Lot M, Lot O and Lot Q.
- Continue to work with ABM in managing the parking system for the City and looking for ways to increase revenue including advertising.
- Install new illuminated parking signs at all four decks and new signage for all surface lots.
- Continue to upgrade landscape at all decks and parking lots.
- Aerate grass and install water spigot in Lot G.
- Install sprinkler system and new mulch at Lot SS.
- Irrigate and upgrade landscaping at Lot F and X.

PARKING DIVISION BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$519,125	\$247,634	\$231,976	\$236,310	(\$11,324)
CONTRACTUAL	477,950	1,171,600	1,193,080	1,083,913	(87,687)
SUPPLIES	41,550	34,500	23,568	42,500	8,000
OTHER	<u>1,315,178</u>	<u>1,355,376</u>	<u>993,770</u>	<u>1,184,078</u>	<u>(171,298)</u>
TOTAL	<u>\$2,353,803</u>	<u>\$2,809,110</u>	<u>\$2,442,394</u>	<u>\$2,546,801</u>	<u>(\$262,309)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PARKING FEES	\$1,279,816	\$1,039,743	\$1,367,900	\$1,242,741	(\$125,159)
FINES	433,696	372,193	516,000	500,800	(15,200)
RENTAL/INTEREST INCOME	119,169	54,788	116,100	138,700	22,600
PURCHASE OF SERVICES	23,700	24,000	25,100	25,500	400
FEDERAL GOVERNMENT	<u>30,544</u>	<u>87,719</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$1,886,925</u>	<u>\$1,578,443</u>	<u>\$2,025,100</u>	<u>\$1,907,741</u>	<u>(\$117,359)</u>

Parking Division

PARKING DIVISION AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (DECREASE)
PARKING SYSTEMS SUPERVISOR	E-7	1.00	1.00	0.00
PARKING LOT ATTENDANT	A-17	2.50	0.00	(2.50)
PARKING SYSTEM REPAIRER	A-22	2.00	2.00	0.00
PARKING CONTROL OFFICER	A-19	<u>3.00</u>	<u>0.00</u>	<u>(3.00)</u>
TOTAL PERSONNEL		<u>8.50</u>	<u>3.00</u>	<u>(5.50)</u>

BUDGET HIGHLIGHTS

- Personnel expenses decrease \$11,300 due to a reduction in health insurance rates and employee agency wages.
- Contractual expenses decrease \$87,700 due to adjustments in purchase of service charges.
- Purchase of service decrease \$157,000 due to reassessment of services provided by the Finance Department to the system with the change in management of the parking system.
- The 2014 net is a loss of \$639,060; net of depreciation, it is a gain of \$60,940.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Pickup Truck	1	25,000	25,000
SUV	1	26,000	<u>26,000</u>
TOTAL			51,000

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

	2015	2016	2017	2018	2019
Revenues	\$1,965	\$2,024	\$2,085	\$2,147	\$2,212
Expenses	<u>2,664</u>	<u>2,724</u>	<u>2,788</u>	<u>2,796</u>	<u>2,865</u>
Excess (Deficit)	<u>(699)</u>	<u>(700)</u>	<u>(703)</u>	<u>(649)</u>	<u>(653)</u>
Beginning Balance	<u>14,983</u>	<u>14,284</u>	<u>13,584</u>	<u>12,881</u>	<u>12,232</u>
Ending Balance	<u>\$14,284</u>	<u>\$13,584</u>	<u>\$12,881</u>	<u>\$12,232</u>	<u>\$11,579</u>

The 2015-2019 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 and signage added.

Parking Division

PARKING FUND PERFORMANCE MEASURES

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
TOTAL PARKING SPACES	4,504	4,233	4,233	4,233
TOTAL SHORT-TERM PARKING LEASES	1,404	1,300	1,300	1,300
TOTAL LONG-TERM PARKING LEASES	2,500	2,375	2,375	2,375
HANDICAPPED PARKING SPACES	155	158	158	158
DOLLAR AMOUNT OF TICKETS ISSUED	398,796	514,825	510,000	515,000
NUMBER OF TICKETS ISSUED	14,909	18,440	18,000	19,000

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 2014

- Work with IT on 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 three and five.
- 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.
- Replace chiller for City Hall.
- Repair or replace the sound system in Council Chambers at City Hall.
- Replace salt dome door at City Yards.
- Remodel and repaint administration building at City Yards.
- Repairs to roof and exterior modernization of Building 8 at City Yards.
- Repair roof on Central Garage.
- Remodel break room cabinets on the 2nd floor of City Hall.
- Replace the obsolete mercury lights in Central Garage.
- Update the mods for the north and south elevators at City Hall.
- Expand programming controls at RMAP for remote access.
- Create city-wide asset list.
- Expansion of indoor heated storage for Water, Street, Traffic and Property Divisions.
- Replace south wall at City Yards.

Property Division

PROPERTY FUND BUDGET SUMMARY

FUNDING SOURCE	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$782,142	\$854,792	\$781,497	\$802,464	(\$52,328)
CONTRACTUAL	1,080,423	986,150	1,080,550	918,915	(67,235)
SUPPLIES	399,173	205,600	236,567	238,800	33,200
OTHER	<u>248,469</u>	<u>225,560</u>	<u>218,159</u>	<u>244,720</u>	<u>19,160</u>
TOTAL	<u>2,510,207</u>	<u>2,272,102</u>	<u>2,316,773</u>	<u>2,204,899</u>	<u>(67,203)</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE (DECREASE)
BUILDING RENTAL CHARGES					
GENERAL FUND	\$1,325,560	\$1,335,265	\$1,409,690	\$1,406,640	(\$3,050)
OTHER FUNDS	892,493	987,434	982,510	961,610	(20,900)
EXTERNAL	53,073	36,672	0	0	0
FEDERAL GRANT	0	118,040	0	0	0
MISCELLANEOUS	0	2,829	0	0	0
TRANSFER FROM STREET DIV	19,159	19,159	19,159	19,159	0
TRANSFER FROM WATER FUND	5,404	5,404	5,404	5,404	0
GRAFFITI RECOVERY	7,829	7,366	0	0	0
INTEREST INCOME	<u>29,096</u>	<u>14,925</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
PROPERTY FUND TOTAL	<u>2,332,614</u>	<u>2,527,094</u>	<u>2,436,763</u>	<u>2,412,813</u>	<u>(23,950)</u>

PROPERTY FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ (DECREASE)
PROPERTY SUPERVISOR	E-8	1.00	1.00	0.00
MAINTENANCE REPAIR WORKER	A-24	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>10.00</u>	<u>10.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel expenses decrease due to a reduction in health insurance rates which are offset slightly by increases in wages due to general longevity and step increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands.

Property Division

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Pickup Truck	2	25,000	<u>50,000</u>
TOTAL			50,000

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$2,485	\$2,560	\$2,637	\$2,716	\$2,797
Expenses	<u>2,271</u>	<u>2,339</u>	<u>2,409</u>	<u>2,481</u>	<u>2,555</u>
Excess (Deficit)	<u>214</u>	<u>221</u>	<u>228</u>	<u>235</u>	<u>242</u>
Beginning Balance	<u>594</u>	<u>808</u>	<u>1,029</u>	<u>1,257</u>	<u>1,492</u>
Ending Balance	<u>\$808</u>	<u>\$1,029</u>	<u>\$1,257</u>	<u>\$1,492</u>	<u>\$1,734</u>

The 2015-2019 five-year forecast assumes operations will continue as they are programmed for 2014 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 2014

- Continue to evaluate snow and ice fleet to ensure a continuous effective operation during critical snow and ice events.
- Train mechanics in the repair of the new snow and ice equipment and other new specialized 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.
- Continue to implement more online diagnostics and repair in the shop for International and Ford.

EQUIPMENT FUND BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	886,648	874,879	846,149	838,536	(36,343)
CONTRACTUAL	959,332	860,330	917,897	973,120	112,790
SUPPLIES	2,014,377	2,065,130	1,953,992	2,008,110	(57,020)
OTHER	<u>102,280</u>	<u>110,360</u>	<u>110,360</u>	<u>98,900</u>	<u>(11,460)</u>
TOTAL	<u>3,962,637</u>	<u>3,910,699</u>	<u>3,828,398</u>	<u>3,918,666</u>	<u>7,967</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
VEHICLE REPAIR CHARGES					
GENERAL FUND	1,870,850	1,606,644	1,634,400	1,769,900	135,500
OTHER FUNDS	504,071	642,624	636,400	673,700	37,300
FUEL CHARGES					
GENERAL FUND	1,252,182	1,182,251	1,252,820	1,231,310	(21,510)
OTHER FUNDS	311,806	329,135	328,150	333,550	5,400
MISCELLANEOUS	261	181,256	0	0	0
INTEREST INCOME	<u>19,858</u>	<u>5,523</u>	<u>0</u>	<u>0</u>	<u>0</u>
EQUIPMENT FUND TOTAL	<u>3,959,028</u>	<u>3,947,433</u>	<u>3,851,770</u>	<u>4,008,460</u>	<u>156,690</u>

Equipment Division

EQUIPMENT FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ <u>(DECREASE)</u>
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	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>9.00</u>	<u>9.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Outside vehicle repairs increase \$98,000 to reflect actual expenses based on prior year experience.
- The fuel budget declines slightly, a reflection of the projected fuel cost price remaining the same as well as a decrease in gallons. 477,000 gallons are budgeted to be purchased for the year, a reduction from 2013's 482,000 gallons, for a total fuel savings of \$16,000.

CAPITAL EQUIPMENT

Planned capital replacements under the City-wide leasing program for 2014 include:

VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Pickup Truck	1	25,000	25,000
Sedan	2	19,000	<u>38,000</u>
TOTAL			63,000

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$4,129	\$4,253	\$4,381	\$4,512	\$4,647
Expenses	<u>4,036</u>	<u>4,157</u>	<u>4,282</u>	<u>4,410</u>	<u>4,542</u>
Excess (Deficit)	<u>93</u>	<u>96</u>	<u>99</u>	<u>102</u>	<u>105</u>
Beginning Balance	<u>481</u>	<u>574</u>	<u>670</u>	<u>769</u>	<u>871</u>
Ending Balance	<u>\$574</u>	<u>\$670</u>	<u>\$769</u>	<u>\$871</u>	<u>\$976</u>

The 2015-2019 five-year forecast assumes operations will continue as they are programmed for 2014 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 2014

- Integrate low-lead brass into existing inventory and monitor performance for deficiencies.
- 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.
- Update parts supply needed to support vehicles coming on-line through the leasing program.

CENTRAL SUPPLY FUND BUDGET SUMMARY

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	286,739	302,440	293,080	323,613	21,173
CONTRACTUAL	52,151	53,870	48,260	52,065	(1,805)
SUPPLIES	36,560	31,500	35,164	31,500	0
OTHER	<u>23,000</u>	<u>24,160</u>	<u>24,160</u>	<u>23,900</u>	<u>(260)</u>
TOTAL	<u>\$398,450</u>	<u>\$411,970</u>	<u>\$400,664</u>	<u>\$431,078</u>	<u>\$19,108</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
INVENTORY CONTROL CHARGES					
STREET DIVISION	91,800	91,800	100,800	106,800	6,000
TRAFFIC DIVISION	42,080	46,200	46,200	48,950	2,750
PARKING DIVISION	29,630	21,000	21,000	22,250	1,250
PROPERTY UNIT	52,250	42,000	42,000	44,500	2,500
EQUIPMENT UNIT	34,430	37,800	37,800	40,050	2,250
WATER DIVISION	167,330	172,200	172,200	182,450	10,250
INTEREST INCOME	<u>8,292</u>	<u>3,674</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$425,812</u>	<u>\$414,674</u>	<u>\$420,000</u>	<u>\$445,000</u>	<u>\$25,000</u>

Central Supply Division

CENTRAL SUPPLY FUND AUTHORIZED POSITIONS

POSITION TITLE	POSTION RANGE	2013 EMPLOYEES	2014 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	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>4.00</u>	<u>4.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel expenses increase as wages increase, including a budgeted 2% salary adjustment for non-union employees and salary study recommendations to adjust pay bands. Health insurance expense increases as well with employee changes in coverage.
- Contractual expenses reduce slightly due to changes in purchase of services charges.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$444	\$457	\$480	\$504	\$529
Expenses	<u>444</u>	<u>457</u>	<u>471</u>	<u>485</u>	<u>500</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>9</u>	<u>19</u>	<u>29</u>
Beginning Balance	<u>27</u>	<u>27</u>	<u>27</u>	<u>36</u>	<u>55</u>
Ending Balance	<u>\$27</u>	<u>\$27</u>	<u>\$36</u>	<u>\$55</u>	<u>\$84</u>

The 2015-2019 five-year forecast assumes operations will continue as they are programmed for 2014 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 2014

- Initiate asset management in Distribution Section.
- Develop long-term infrastructure replacement 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 through the use of 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.
- Improve customer service by improving internal systems and responsiveness.
- 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 (SharePoint) across the organization and through implementation of accountability programs for managers and supervisors.
- Continue implementation of laptop program to make field operations more efficient.
- Implement stakeholder participation program.
- Complete cost of service study.

Water Division

WATER FUND BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$5,496,979	\$6,039,302	\$5,807,355	\$5,987,501	(\$51,801)
CONTRACTUAL	4,405,760	5,638,330	4,669,409	6,211,555	573,225
SUPPLIES	943,990	1,324,200	1,056,300	1,306,230	(17,970)
OTHER	8,653,045	8,240,214	8,442,706	8,886,526	646,312
INTEREST	<u>2,078,758</u>	<u>2,127,000</u>	<u>1,957,870</u>	<u>1,950,000</u>	<u>(177,000)</u>
TOTAL	<u>\$21,578,532</u>	<u>\$23,369,046</u>	<u>\$21,933,640</u>	<u>\$24,341,812</u>	<u>\$972,766</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
WATER USER FEES	\$21,908,636	\$23,644,538	\$23,564,000	\$23,988,000	\$424,000
INSTALLATIONS & CONNECTIONS	639,556	862,130	636,000	581,000	(55,000)
INTEREST INCOME	820,656	316,638	200,000	200,000	0
FROM OTHER GOVERNMENTS	2,273,425	0	0	0	0
MISCELLANEOUS	34,380	149,996	115,000	65,000	(50,000)
PURCHASE OF SERVICES	<u>92,971</u>	<u>96,900</u>	<u>99,000</u>	<u>73,740</u>	<u>(25,260)</u>
TOTAL	<u>\$25,769,624</u>	<u>\$25,070,202</u>	<u>\$24,614,000</u>	<u>\$24,907,740</u>	<u>\$293,740</u>

WATER FUND AUTHORIZED PERSONNEL

POSITION TITLE	POSITION RANGE	2013 EMPLOYEES	2014 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-8	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	1.00	1.00	0.00
ACCOUNTANT	E-7	1.00	1.00	0.00
WATER PROGRAM COORDINATOR	E-7	0.00	1.00	1.00
WATER QUALITY TECHNICIAN	A-26	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	0.00	(1.00)
ENGINEERING TECHNICIAN	E-5	1.00	0.00	(1.00)
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
WATER UTILITY TECHNICIAN	A-25	0.00	2.00	2.00
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	0.00	(1.00)
SENIOR CLERK	A-19	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>64.00</u>	<u>64.00</u>	<u>0.00</u>

Water Division

BUDGET HIGHLIGHTS

- Personnel expenses decrease due to a reduction in health insurance rates and a slight decrease in overtime expenses. These decreases are offset by an increase in wages for general longevity and step increases, a budgeted 2% salary adjustment, and salary study recommendations to adjust pay bands.
- Contractual expenses increase due to adjustments in purchase of services charges.
- Supply expenses decrease as expenses for meter purchases and treatment chemicals decline.
- Other expenses of \$579,954 will cover estimated lease interest and depreciation for vehicles acquired in 2012 and 2013.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$25,808	\$26,737	\$27,700	\$28,697	\$29,730
Expenses	<u>25,559</u>	<u>26,837</u>	<u>28,179</u>	<u>29,588</u>	<u>31,067</u>
Excess (Deficit)	<u>249</u>	<u>(100)</u>	<u>(479)</u>	<u>(891)</u>	<u>(1,337)</u>
Beginning Balance	<u>124,036</u>	<u>124,285</u>	<u>124,185</u>	<u>123,706</u>	<u>122,815</u>
Ending Balance	<u>\$124,285</u>	<u>\$124,185</u>	<u>\$123,706</u>	<u>\$122,815</u>	<u>\$121,478</u>
Bond Issues	\$0	\$0	\$0	\$0	\$0
Rate Increases	3.6%	3.6%	3.6%	3.6%	3.6%

The 2015-2019 five-year forecast assumes annual 3.6% rate increases with consumption decreasing each year due to increased conservation efforts. 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 2014 include vehicles under the City-wide leasing program and other equipment:

FIXED ASSETS

EQUIPMENT	QUANTITY	BUDGET EACH	TOTAL BUDGET
FCS Software for Meter Reading	1	48,000	48,000
Analytics Software for Meter Reading	1	105,000	105,000
Upgrades to SCADA System	1	200,000	200,000
Rebuild Cage in Cedar St. Garage	1	175,000	<u>175,000</u>
TOTAL			\$528,000

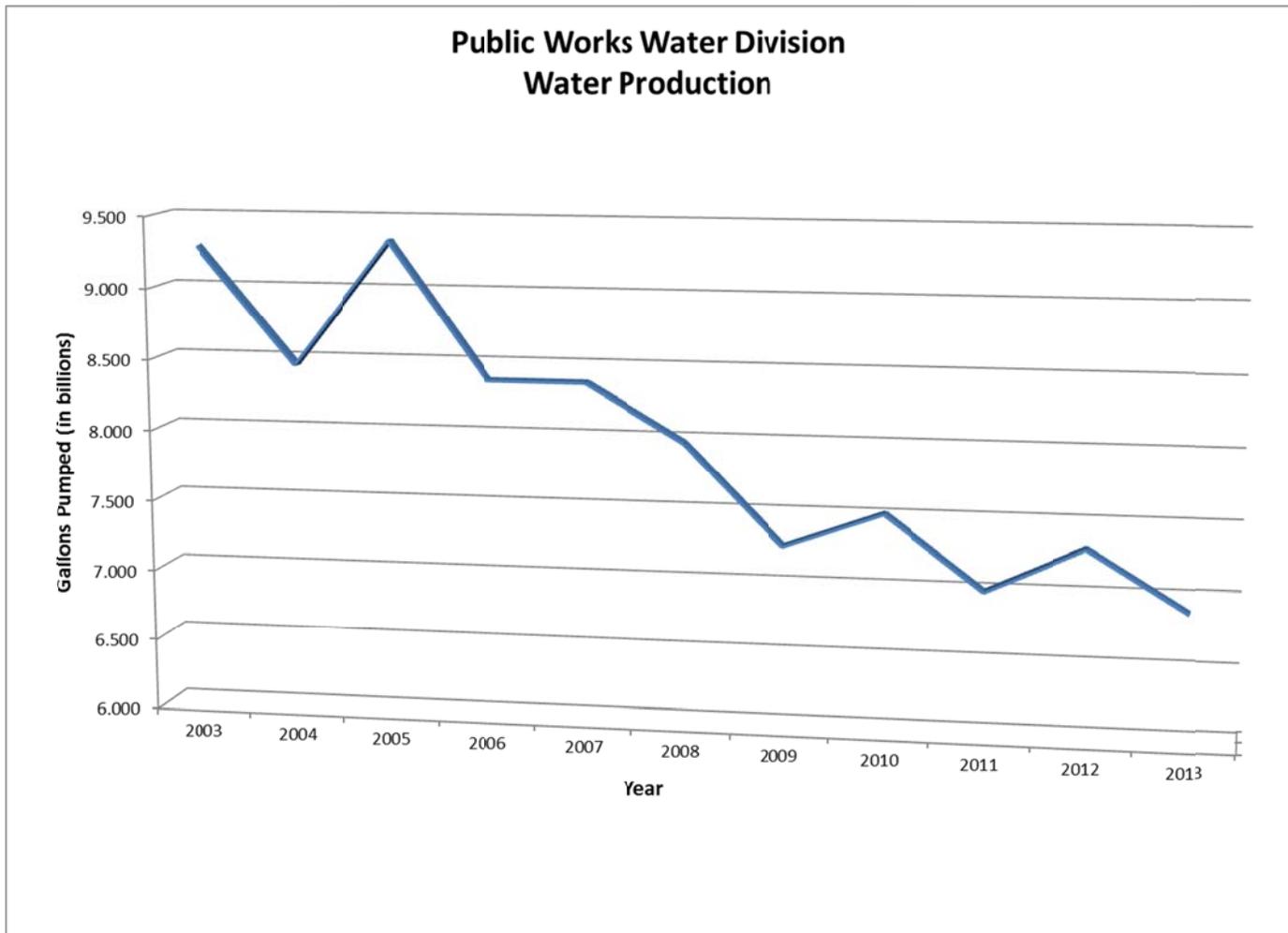
VEHICLE	QUANTITY	BUDGET EACH	TOTAL BUDGET
Double Axle Dump Truck	2	105,000	210,000
Heavy Duty Flatbed Truck	1	46,000	46,000
Sedan	1	19,000	19,000
Supervisor Pickup Truck	1	31,000	31,000
Service Pickup Truck	1	31,000	31,000
Service Truck	1	31,000	31,000
SUV	4	26,000	104,000
Van	3	23,000	69,000
Forklift	1	28,000	28,000
Backhoe	<u>2</u>	85,000	<u>170,000</u>
TOTAL	17		\$739,000

WATER FUND PERFORMANCE MEASURES

	2012 ACTUAL	2013 BUDGET	2013 ACTUAL	2014 BUDGET
EMERGENCY REPAIR TIME (HOURS)	1.30	3.00	0.90	2.00
% OF TOTAL REPAIRS THAT ARE PLANNED	84%	80%	71%	80%
EMERGENCY JULIE LOCATE RESPONSE TIME	0.50	2.00	0.50	1.00
BACKLOG OF NON-EMERGENCY REPAIRS (WKLY AVG)	20	25	47	65
WATER MAIN FLUSHED (MILES)	493	240	275	240
AVG DAYS TO CORRECT METER PROBLEM	23	30	28	30
% CITIZENS RECEIVING FIRST CHOICE SCHEDULE	96%	90%	96%	90%
% MEETING DEMAND FOR WATER PUMPED	149%	110%	168%	110%
WATER QUALITY COMPLAINTS	19	108	11	48
% OF TOTAL PRODUCTION FROM REHAB WELLS	84%	80%	86%	80%
NEW WATER CONNECTIONS	41	96	28	48

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 23%, to 6.9 billion gallons in 2013. The average production for the past seven years is 7.509 billion gallons, which is more than estimated 2014 production of 7.0 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$12,387,023	\$4,463,520	\$13,664,412	\$14,205,164	\$9,741,644
CONTRACTUAL	358,869	383,950	463,259	392,350	8,400
SUPPLIES	0	200	0	2,200	2,000
OTHER	<u>99,900</u>	<u>109,200</u>	<u>111,600</u>	<u>126,600</u>	<u>17,400</u>
TOTAL EXPENSE	<u>12,845,792</u>	<u>4,956,870</u>	<u>14,239,271</u>	<u>14,726,314</u>	<u>9,769,444</u>
FUNDING SOURCE	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>INCREASE</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
POLICE DEPARTMENT TRANSFER					
POLICE PENSION PROPERTY TAX	\$4,316,216	\$3,717,770	\$3,673,220	\$4,652,753	\$979,533
POLICE PENSION REPLACE TAX	<u>862,600</u>	<u>776,300</u>	<u>790,300</u>	<u>834,825</u>	<u>44,525</u>
TOTAL CITY CONTRIBUTION	5,178,816	4,494,070	4,463,520	5,487,578	1,024,058
INTEREST INCOME	11,037,385	13,442,657	5,800,000	5,900,000	100,000
FV APPRECIATION(DEPRECIATION)	<u>(8,966,330)</u>	<u>685,597</u>	<u>1,500,000</u>	<u>5,000,000</u>	<u>3,500,000</u>
INVESTMENT INCOME	2,071,055	14,128,254	7,300,000	10,900,000	3,600,000
EMPLOYEE CONTRIBUTIONS	<u>1,986,500</u>	<u>2,020,881</u>	<u>1,981,300</u>	<u>2,031,900</u>	<u>50,600</u>
TOTAL	<u>\$9,236,371</u>	<u>\$20,643,205</u>	<u>\$13,744,820</u>	<u>\$18,419,478</u>	<u>\$4,674,658</u>
ACTUARY'S CONTRIBUTION					
REQUIREMENT	\$5,178,816	\$4,463,520	\$4,463,520	\$5,487,578	\$1,024,058

Police and Fire Pension Fund

FIRE PENSION FUND BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$12,929,522	\$6,295,842	\$14,757,795	\$14,962,234	\$8,666,392
CONTRACTUAL	480,220	509,700	369,016	302,400	(207,300)
SUPPLIES	0	200	0	0	(200)
OTHER	<u>101,700</u>	<u>99,900</u>	<u>111,600</u>	<u>129,660</u>	<u>29,760</u>
TOTAL EXPENSE	<u>13,511,442</u>	<u>6,905,642</u>	<u>15,238,411</u>	15,394,294	8,488,652
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FIRE DEPARTMENT TRANSFER					
FIRE PENSION PROPERTY TAX	\$5,200,985	\$4,192,187	\$4,133,879	\$5,711,872	\$0
FIRE PENSION REPLACE TAX	<u>1,035,100</u>	<u>931,600</u>	<u>948,400</u>	<u>1,086,727</u>	<u>693,782</u>
TOTAL CITY CONTRIBUTION	6,236,085	5,123,787	5,082,279	5,776,061	693,782
INTEREST INCOME	9,142,053	9,951,925	4,700,000	5,500,000	(700,000)
FV APPRECIATION(DEPRECIATION)	<u>(6,046,886)</u>	<u>1,710,618</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>(1,000,000)</u>
INVESTMENT INCOME	3,095,167	11,662,543	9,700,000	8,000,000	(1,700,000)
EMPLOYEE CONTRIBUTIONS	<u>1,699,844</u>	<u>1,873,315</u>	<u>1,912,200</u>	<u>1,891,900</u>	<u>56,900</u>
TOTAL	<u>\$11,031,096</u>	<u>\$18,659,645</u>	<u>\$16,694,479</u>	<u>\$15,745,161</u>	<u>(\$949,318)</u>
ACTUARY'S CONTRIBUTION REQUIREMENT	\$7,045,842	\$5,082,279	\$5,776,061	\$6,798,599	\$693,782

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 2013, the Police plan earned \$3.3 million in interest income while the Fire plan earned \$3.8 million in interest income.
- The Police and Fire plans also realized \$7.5 and \$6.5 million respectively on the sale of investments.
- In addition, reflecting fair market value adjustments of investments, the Police Pension Fund recorded a gain of \$11.7 million while the Fire Pension Fund recorded a gain of \$10.4 million.
- Investment expenses were \$289,100 for Police and \$349,200 for Fire.
- Approximate annual rates of return were above the assumption rate of 7.5%, with 14.4% for Police and 15.2% for Fire.
- Police contribution requirement increases to \$5,445,009. The increase in the contribution requirement is due to the increase in the annual payroll. The percent funded in 2012 was 71.3%.
- Fire contribution requirement increases to \$6,772,686. The increase in the contribution requirement is due to the increase in the annual payroll. The percent funded in 2012 was 65.1%.

Police and Fire Pension Fund

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.

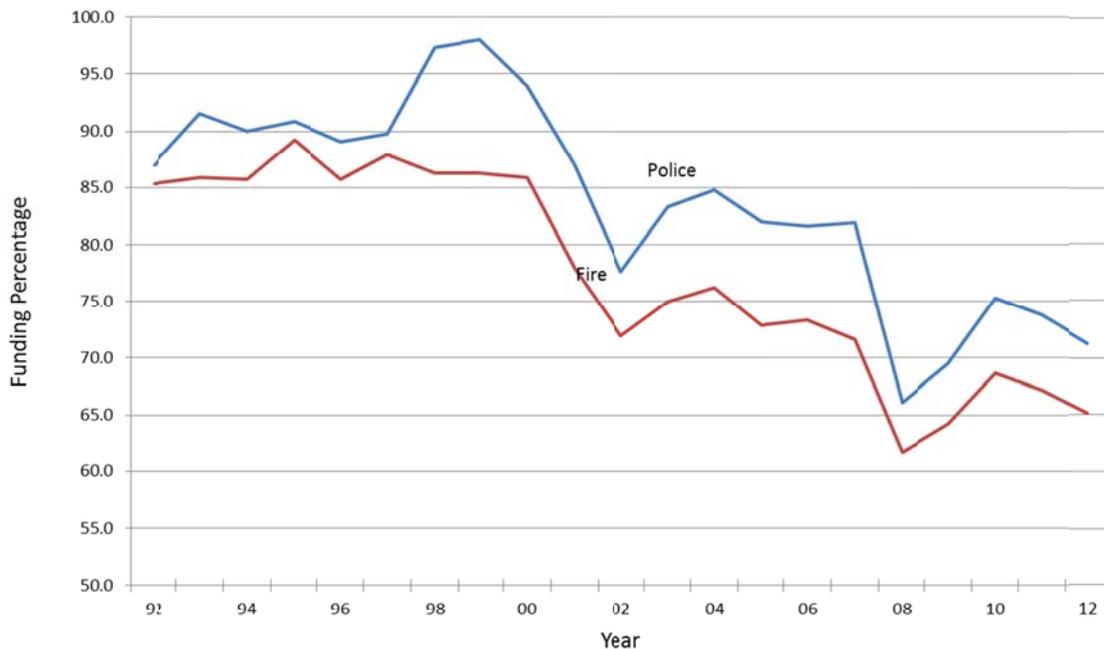
Effective July 1, 2004, the State changed the surviving spouse formula for the Fire Pension from 54% of ending salary to 100% of ending pension. To help fund this increased benefit, the firefighter contribution from salary was increased from 8.455% to 9.455%, an addition of \$166,400 and the municipal 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

**CITY OF ROCKFORD, ILLINOIS
FUNDING PERCENTAGES OF POLICE AND FIRE PENSION FUNDS
1992-2012**



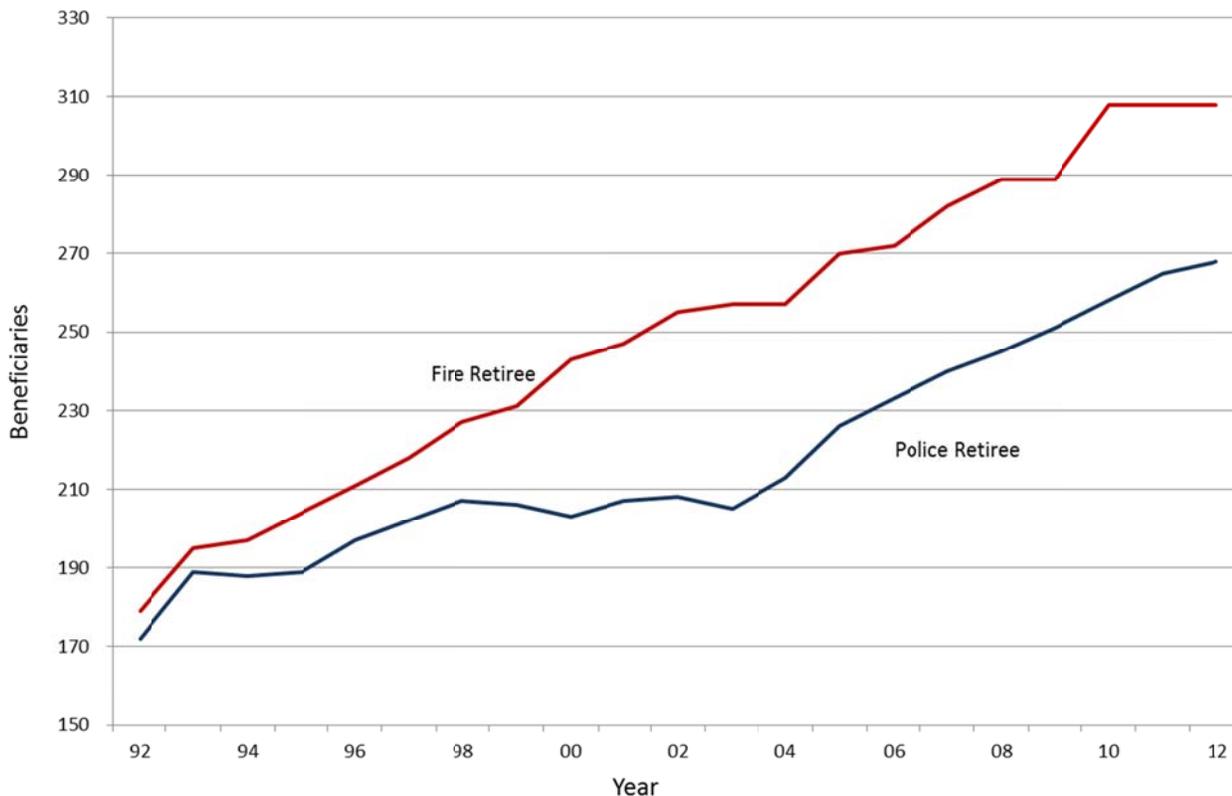
ROCKFORD PENSION PLANS

	<u>Police</u>	<u>Fire</u>	<u>IMRF/SS</u>
Employees	Sworn	Sworn	All Other
2014 Employer Rate	69.28%	74.78%	19.61%
2014 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

CITY OF ROCKFORD, ILLINOIS BENEFICIARIES OF POLICE AND FIRE PENSION FUNDS 1992-2012



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 2014, estimated rates are 27.7 cents for the Police plan and 34.0 cents for the Fire plan. 2013 rates are estimated at 23.9 and 26.8 cents respectively. The property tax rate increase is due to the plan cost increase.

Both plans utilize the Finance Department's staff. The Police pension fund will also utilize a consultant, \$65,000, and a custodian, \$4,700, as well as eight money managers at an estimated cost of \$158,000 (2013-\$225,628). The Fire pension uses a consultant, \$65,000, a custodian, \$8,500, and eleven money managers at an estimated cost of \$329,000 (2013-\$275,276). 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$23,441	\$24,637	\$25,919	\$27,277	\$28,733
Expenditures	<u>15,177</u>	<u>15,738</u>	<u>16,315</u>	<u>16,909</u>	<u>17,521</u>
Excess (Deficit)	8,264	8,900	9,604	10,368	11,211
Beginning Balance	<u>182,946</u>	<u>191,210</u>	<u>200,110</u>	<u>209,714</u>	<u>220,082</u>
Ending Balance	<u>\$191,210</u>	<u>\$200,110</u>	<u>\$209,714</u>	<u>\$220,082</u>	<u>\$231,293</u>
Property Tax Rates (in cents)	29.9	32.2	34.6	37.2	39.9

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$22,940	\$24,046	\$25,220	\$26,474	\$27,819
Expenditures	<u>16,485</u>	<u>17,085</u>	<u>17,702</u>	<u>18,338</u>	<u>18,993</u>
Excess (Deficit)	6,455	6,961	7,518	8,136	8,826
Beginning Balance	<u>162,638</u>	<u>169,093</u>	<u>176,054</u>	<u>183,572</u>	<u>191,708</u>
Ending Balance	<u>\$169,093</u>	<u>\$176,054</u>	<u>\$183,572</u>	<u>\$191,708</u>	<u>\$200,534</u>
Property Tax Rates (in cents)	36.6	39.2	42.1	45.1	48.2

The 2015-2019 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$6,369,974	\$6,997,948	\$6,809,849	\$7,198,243	\$200,295
CONTRACTUAL	<u>260</u>	<u>250</u>	<u>201</u>	<u>250</u>	<u>0</u>
TOTAL	<u>\$6,370,234</u>	<u>\$6,998,198</u>	<u>\$6,810,050</u>	<u>\$7,198,493</u>	<u>\$200,295</u>

RATES APPLIED	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
IMRF	12.53	12.81	13.18	13.67	13.41
SOCIAL SEC	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>
TOTAL	<u>20.18</u>	<u>20.46</u>	<u>20.83</u>	<u>21.32</u>	<u>21.06</u>

FUNDING SOURCE	2011	2012	2013	2014	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES	\$3,190,674	\$3,015,036	\$3,219,787	\$3,349,372	\$129,585
IMRF FUND	308,100	277,300	328,700	328,200	(500)
REPLACEMENT TAXES	3,654,574	3,732,155	3,449,710	3,520,920	71,210
INTERFUND TRANSFERS	<u>17,130</u>	<u>5,465</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
TOTAL	<u>\$7,170,478</u>	<u>\$7,029,956</u>	<u>\$7,008,197</u>	<u>\$7,208,492</u>	<u>\$200,295</u>

BUDGET HIGHLIGHTS

- The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2014. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2013's \$110,100.
- The 2014 IMRF rate decreases slightly to 13.67% due to the performance of equity markets. The City's IMRF plan is 71.5% funded (2012 market value).
- The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2014 estimated rate is 21.27 cents.

IMRF Pension Fund

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$7,713	\$8,253	\$8,831	\$9,449	\$10,110
Expenses	<u>7,702</u>	<u>8,241</u>	<u>8,818</u>	<u>9,435</u>	<u>10,095</u>
Excess (Deficit)	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
Beginning Balance	<u>65</u>	<u>76</u>	<u>88</u>	<u>101</u>	<u>115</u>
Ending Balance	<u>\$76</u>	<u>\$88</u>	<u>\$101</u>	<u>\$115</u>	<u>\$130</u>
Property Tax Rates (in cents)	23.9	27.3	29.4	31.5	33.9

The 2015-2019 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 and 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$18,222,702	\$21,627,400	\$20,016,648	\$20,851,800	(\$775,600)
SUPPLIES	0	500	24	500	0
OTHER EXPENSE	<u>155,360</u>	<u>179,075</u>	<u>179,075</u>	<u>161,500</u>	<u>(17,575)</u>
TOTAL	<u>\$18,378,062</u>	<u>\$21,806,975</u>	<u>\$20,195,747</u>	<u>\$21,013,800</u>	<u>(\$793,175)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
EMPLOYER PREMIUMS	\$17,044,452	\$18,230,923	\$18,839,081	\$13,771,668	(\$5,067,413)
EMPLOYEE PREMIUMS	1,067,685	1,075,245	1,094,665	1,390,246	295,581
RETIREES	2,269,368	2,081,298	1,987,990	1,582,754	(405,236)
OTHER	341,126	740,883	(112,000)	42,000	154,000
INTEREST INCOME	<u>241,958</u>	<u>117,800</u>	<u>78,200</u>	<u>84,200</u>	<u>6,000</u>
TOTAL	\$20,964,589	\$22,246,149	\$21,887,936	\$16,870,868	(\$5,017,068)

BUDGET HIGHLIGHTS

- As a budget deficit reduction measure, and to align the health fund balance with the policy of 25% of expenses, premiums were reduced 23% over the previous year. The result is a deficit budget in the fund, and fund balance will be utilized to cover operating expenses.
- A reduction in overall expenses 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.
- The implementation of a wellness clinic mid-year is included in this budget, with the goal of positively impacting employee health and reducing overall medical expenses to the fund.

Health Insurance Fund

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$22,394	\$23,395	\$24,446	\$25,547	\$26,702
Expenses	<u>22,361</u>	<u>23,459</u>	<u>24,611</u>	<u>25,820</u>	<u>27,090</u>
Excess (Deficit)	<u>33</u>	<u>(64)</u>	<u>(165)</u>	<u>(273)</u>	<u>(388)</u>
Beginning Balance	<u>1,468</u>	<u>1,500</u>	<u>1,436</u>	<u>1,271</u>	<u>998</u>
Ending Balance	<u>\$1,501</u>	<u>\$1,436</u>	<u>\$1,271</u>	<u>\$998</u>	<u>\$610</u>
Rate Increase	38.5	5.0	5.0	5.0	5.0
Reserve Percentage	6.6	6.4	5.8	4.9	3.7

The 2015-2019 five year plan assumes that medical costs will increase up to 10% 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 2015-2019. 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

APPROPRIATION	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CONTRACTUAL	<u>\$72,086</u>	<u>\$168,307</u>	<u>\$57,598</u>	<u>\$167,380</u>	<u>(\$927)</u>
TOTAL	<u>\$72,086</u>	<u>\$168,307</u>	<u>\$57,598</u>	<u>\$167,380</u>	<u>(\$927)</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
GENERAL FUND TRANSFERS	<u>\$51,989</u>	<u>\$172,524</u>	<u>\$135,297</u>	<u>\$134,910</u>	<u>(\$387)</u>
OTHER FUND TRANSFERS	<u>29,145</u>	<u>0</u>	<u>32,760</u>	<u>32,220</u>	<u>(540)</u>
INTEREST INCOME	<u>279</u>	<u>1,918</u>	<u>900</u>	<u>3,200</u>	<u>2,300</u>
TOTAL	<u>\$81,413</u>	<u>\$174,442</u>	<u>\$168,957</u>	<u>\$170,330</u>	<u>\$1,373</u>

BUDGET HIGHLIGHTS

- The property tax rate for unemployment, collected in the general fund, is unlimited by statute. The 2014 estimated rate is 0.92 cents, 0.14 cents higher than the previous 0.78 cents.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	<u>\$206</u>	<u>\$211</u>	<u>\$216</u>	<u>\$222</u>	<u>\$227</u>
Expenses	<u>62</u>	<u>63</u>	<u>65</u>	<u>66</u>	<u>68</u>
Excess (Deficit)	<u>144</u>	<u>148</u>	<u>151</u>	<u>156</u>	<u>159</u>
Beginning Balance	<u>153</u>	<u>297</u>	<u>445</u>	<u>596</u>	<u>752</u>
Ending Balance	<u>\$297</u>	<u>\$445</u>	<u>\$596</u>	<u>\$752</u>	<u>\$911</u>

The 2015-2019 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 2014. For the 2015 – 2019 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$1,861,721	\$2,586,971	\$1,950,496	\$2,665,179	\$78,208
OTHER EXPENSE	<u>83,500</u>	<u>92,400</u>	<u>92,400</u>	<u>85,900</u>	<u>(6,500)</u>
TOTAL	<u>\$1,945,221</u>	<u>\$2,679,371</u>	<u>\$2,042,896</u>	<u>\$2,751,079</u>	<u>\$71,708</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	\$2,525,473	\$2,423,945	\$2,401,743	\$2,396,326	<u>(\$5,417)</u>
OTHER FUND TRANSFERS	294,712	269,609	277,378	263,715	<u>(13,663)</u>
REIMBURSEMENTS	53,278	23,676	0	0	0
INTEREST INCOME	<u>62,262</u>	<u>39,559</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
TOTAL	<u>\$2,935,725</u>	<u>\$2,756,789</u>	<u>\$2,694,121</u>	<u>\$2,675,041</u>	<u>(\$19,080)</u>

BUDGET HIGHLIGHTS

- Rates were decreased 4% in 2014 due to positive fund performance and an acceptable fund balance, and to help address a general fund deficit.
- 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 2013 estimated rate is 13.99 cents, 1.12 cents higher than the previous 12.87 cents.

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

	2015	2016	2017	2018	2019
Revenues	\$2,901	\$3,045	\$3,197	\$3,356	\$3,523
Expenses	<u>2,889</u>	<u>3,033</u>	<u>3,185</u>	<u>3,344</u>	<u>3,511</u>
Excess (Deficit)	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Beginning Balance	<u>730,482</u>	<u>730,494</u>	<u>730,506</u>	<u>730,518</u>	<u>730,530</u>
Ending Balance	<u>\$730,494</u>	<u>\$730,506</u>	<u>\$730,518</u>	<u>\$730,530</u>	<u>\$730,542</u>
Expense Rate Change	5%	5%	5%	5%	5%

Worker's Compensation Fund

The 2015-2019 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$206,983</u>	<u>\$240,000</u>	<u>\$183,127</u>	<u>\$208,100</u>	<u>(\$31,900)</u>
TOTAL	<u>\$206,983</u>	<u>\$240,000</u>	<u>\$183,127</u>	<u>\$208,100</u>	<u>(\$31,900)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
AUDITING	<u>\$182,240</u>	<u>\$144,770</u>	<u>\$180,990</u>	<u>\$139,950</u>	<u>(\$41,040)</u>
INTERFUND TRANSFERS	<u>55,710</u>	<u>62,400</u>	<u>59,010</u>	<u>68,151</u>	<u>9,141</u>
TOTAL	<u>\$237,950</u>	<u>\$207,170</u>	<u>\$240,000</u>	<u>\$208,101</u>	<u>(\$31,899)</u>

BUDGET HIGHLIGHTS

- The Fund reimburses the Finance Department for staff costs associated with auditing. 2014 costs include \$92,300 for auditors, \$108,400 for internal staff costs, and \$7,500 for printing the annual report in the newspaper.
- The property tax rate for auditing is unlimited by statute. The 2014 proposed rate is 1.17 cents.

AUDITING FUND 2015-2019 FINANCIAL FORECAST (IN 000'S)

	2015	2016	2017	2018	2019
Revenues	\$214	\$220	\$227	\$234	\$241
Expenses	<u>220</u>	<u>227</u>	<u>233</u>	<u>240</u>	<u>248</u>
Excess (Deficit)	<u>(6)</u>	<u>(7)</u>	<u>(6)</u>	<u>(6)</u>	<u>(7)</u>
Beginning Balance	<u>0</u>	<u>(6)</u>	<u>(13)</u>	<u>(19)</u>	<u>(25)</u>
Ending Balance	<u>(\$6)</u>	<u>(\$13)</u>	<u>(\$19)</u>	<u>(\$25)</u>	<u>(\$32)</u>
Property Tax Rates	1.1	1.1	1.1	1.1	1.1

The 2015-2019 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.

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 went 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

<u>ISSUE AND AMOUNT</u>	<u>PAYMENT SOURCE</u>	<u>FINAL LEVY YEAR</u>
1995 \$1,745,924 Kishwaukee Trunk Sewer (RRWRD)	6	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, 6	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, Series D-\$2.850 Taxable Alternate Southwest Rockford Econ Dev	3,6	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 Taxable), Series C-\$6.865 GOBA Refunding)	5,8	2026
2007 \$8.75 GOB Alternate (Series D-\$3.5 Water, Series E-\$1.1 Preston Central TIF, Series F-\$1.1Sewer, Series G-\$3.05 Library)	2	2026
2008 \$12.15 GOB Alternate (Series A-\$9.0 Water, Series B-\$1.3 TIF (\$1.1 Airport, \$0.2 Jackson School), Series C-\$1.85 Taxable Parking	2,3,4	2028
2009 \$2.6 GOB Alternate (Series A-\$1.65 TIF (\$0.35 River North, \$1.3 Main Whitman), Series B-\$0.95 Taxable Global Trade #1)	3	2029, 2024
2009 \$8.065 Series C - GOB Alternate Refunding Taxable (Metro Center)	5,8	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 Water, Series G-\$1.33 7th Street TIF District)	1,2,3	2015, 2018,
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 Springfield Corners TIF, Series A-\$3.22 GO)	2, 3, 6	2016, 2021

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 Parking Fund Revenues
- 5 Redevelopment Fund Revenues
- 6 Sales Taxes
- 7 Off Track Betting Revenues
- 8 Private, Other

Debt Management

DEBT MANAGEMENT FUND BUDGET SUMMARY

	2011	2012	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
BOND INTEREST	\$5,807,906	\$5,131,641	\$4,761,521	\$4,481,409	(\$650,232)
BOND PRINCIPAL	<u>9,015,000</u>	<u>8,330,000</u>	<u>8,295,000</u>	<u>12,834,574</u>	<u>4,504,574</u>
TOTAL	<u>\$14,822,906</u>	<u>\$13,461,641</u>	<u>\$13,056,521</u>	<u>\$17,315,983</u>	<u>\$3,854,342</u>

Actuals exclude water system debt

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
DEBT SERVICE-CITYWIDE	<u>\$5,546,650</u>	<u>\$4,866,320</u>	<u>\$4,849,256</u>	<u>\$4,145,768</u>	(\$703,488)
	5,546,650	4,866,320	4,849,256	4,145,768	(703,488)
ABATEMENTS-TAX EXEMPT					
PUBLIC WORKS WATER	6,697,874	6,527,549	5,776,777	5,323,076	(453,701)
SALES TAX	579,573	574,773	579,573	404,036	(175,537)
TIF DISTRICTS	2,608,586	2,716,535	2,467,629	2,547,766	80,138
REDEVELOPMENT FUND	910,893	1,000,905	1,080,193	1,089,368	9,175
OTHER	<u>819,519</u>	<u>814,394</u>	<u>809,269</u>	<u>804,144</u>	(5,125)
	11,616,445	11,634,156	10,713,441	10,168,390	(545,051)
ABATEMENTS-TAXABLE					
TIF DISTRICTS	946,660	519,010	698,635	692,888	(5,747)
SALES TAX	319,844	333,593	321,094	333,593	12,499
REDEVELOPMENT FUND	441,868	441,868	441,868	1,814,721	1,372,853
PARKING	<u>171,312</u>	<u>167,750</u>	<u>164,188</u>	<u>160,623</u>	(3,565)
	1,879,684	1,462,221	1,625,785	3,001,825	1,376,040
TOTAL	<u>\$19,042,779</u>	<u>\$17,962,697</u>	<u>\$17,188,481</u>	<u>\$17,315,983</u>	<u>\$127,502</u>

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.
- In 2014, the City plans to issue bonds to fund the construction of a multi-use indoor sports facility at the former Ingersoll facility and for the construction of a new Fire Station 3.

Debt Management

DEBT SERVICE FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$15,637	\$14,483	\$12,975	\$10,296	\$9,923
Expenditures	<u>15,637</u>	<u>14,483</u>	<u>12,975</u>	<u>10,296</u>	<u>9,923</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Ending Balance	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
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)	25.4	17.2	12.0	6.3	0.9

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 2015-2019 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.

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.

OTB SPECIAL PROJECTS FUND BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
TRANSFER TO REDEVELOP	0	\$75,000	\$50,000	\$75,000	0
ARTS	<u>25,000</u>	0	0	0	0
TOTAL	<u>\$25,000</u>	<u>\$75,000</u>	<u>\$50,000</u>	<u>\$75,000</u>	<u>\$0</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTB RECEIPTS	\$98,310	\$97,469	\$95,000	\$100,000	\$5,000
INTEREST INCOME	0	0	700	1,100	400
TOTAL	<u>\$98,310</u>	<u>\$97,469</u>	<u>\$95,700</u>	<u>\$101,100</u>	<u>\$5,400</u>

BUDGET HIGHLIGHTS

- Income budgeted at \$101,100 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 2015-2019 five year forecast assumes no revenue growth and expenditure of revenue for Redevelopment Fund reimbursement. Future excess funds will reimburse the Redevelopment Fund for past advances, \$700,000, made in 2005 – 2007 with the reimbursement complete by 2020.

OTB SPECIAL PROJECTS FUND 2015-2019 FINANCIAL FORECAST (IN 000'S)

	2015	2016	2017	2018	2019
Revenues	\$101	\$101	\$101	\$101	\$101
Expenditures	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Excess (Deficit)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Beginning Balance	<u>57</u>	<u>58</u>	<u>60</u>	<u>61</u>	<u>62</u>
Ending Balance	<u>\$58</u>	<u>\$60</u>	<u>\$61</u>	<u>\$62</u>	<u>\$63</u>

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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$1,706,470	\$1,736,950	\$2,023,761	\$2,218,600	\$481,650
SUPPLY	0	0	115	0	0
OTHER	<u>303,200</u>	<u>451,700</u>	<u>451,700</u>	<u>470,500</u>	<u>18,800</u>
TOTAL	<u>\$2,009,670</u>	<u>\$2,188,650</u>	<u>\$2,475,576</u>	<u>\$2,689,100</u>	<u>\$500,450</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
JUDGMENTS	1,008,520	1,077,980	1,287,000	1,485,000	198,000
SERVICE CHARGES	0	0	485,450	1,049,710	564,260
PROP DAMAGE REIMBURSEMENTS	27,211	170,055	115,000	115,000	0
MISCELLANEOUS	7,479	24,806	0	0	0
INTEREST INCOME	<u>3,615</u>	<u>11,244</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,046,825</u>	<u>1,284,085</u>	<u>1,887,450</u>	<u>2,649,710</u>	<u>762,260</u>

BUDGET HIGHLIGHTS

- Increases in contractual expenses result from an increase in costs related to defense against claims, \$100,000 in legal expenses. In addition, City losses increase \$25,000 to reflect actual experience.
- Claims expenses increase \$365,000 for two reasons; to make funds available for upcoming claim payments as agreed to by Council, and to address a growing fund balance issue with the fund.
- 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 \$18,800 due to wage increases and other fringe adjustments.

Risk Management Fund

RISK MANAGEMENT FUND FIVE YEAR FINANCIAL FORECAST (In 000's)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$2,650	\$2,656	\$2,663	\$2,670	\$2,676
Expenses	<u>2,227</u>	<u>2,287</u>	<u>2,350</u>	<u>2,416</u>	<u>2,485</u>
Excess (Deficit)	<u>423</u>	<u>369</u>	<u>313</u>	<u>254</u>	<u>191</u>
Beginning Balance	<u>(4,593)</u>	<u>(4,170)</u>	<u>(3,801)</u>	<u>(3,488)</u>	<u>(3,234)</u>
Ending Balance	<u>(\$4,170)</u>	<u>(\$3,801)</u>	<u>(\$3,488)</u>	<u>(\$3,234)</u>	<u>(\$3,043)</u>
Property Tax Rates	6.9	6.9	6.8	6.7	6.5

The five-year forecast assumes that primarily small claims will be paid out of this fund with the exception of one or two legal settlements annually. In addition, it is assumed that large claims in excess of liability insurance limits, which 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 and all expenses are covered by the grant. 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

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$522,018	\$533,960	\$533,384	\$508,585	(\$25,375)
CONTRACTUAL	<u>1,630</u>	<u>1,990</u>	<u>1,990</u>	<u>1,080</u>	<u>(910)</u>
TOTAL	<u>\$523,648</u>	<u>\$535,950</u>	<u>\$535,374</u>	<u>\$509,665</u>	<u>(\$26,285)</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FEDERAL	<u>\$517,711</u>	<u>\$523,648</u>	<u>\$535,950</u>	<u>\$509,665</u>	<u>(\$26,285)</u>
	<u>\$517,711</u>	<u>\$523,648</u>	<u>\$535,950</u>	<u>\$509,665</u>	<u>(\$26,285)</u>

WORKFORCE INVESTMENT BOARD AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2013 EMPLOYEES	2014 EMPLOYEES	INCREASE/ (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	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>6.00</u>	<u>6.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Salaries decrease slightly due to a reduction in hours for the WIB Plan and Quality Assurance Manager.
- A 2% wage increase is budgeted for all department staff for a total cost of \$7,000 which is offset by reductions in IMRF and health insurance rates.

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	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2013 <u>ESTIMATED</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$699,132	\$683,212	734,714	\$666,323	(\$16,889)
CONTRACTUAL	752,596	188,940	442,395	288,150	99,210
SUPPLIES	14,756	5,558	21,146	11,495	5,937
OTHER	12,600	12,600	12,600	15,700	3,100
CAPITAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,600</u>	<u>22,600</u>
TOTAL	<u>\$1,479,084</u>	<u>\$890,310</u>	<u>\$1,210,855</u>	<u>\$1,004,268</u>	<u>\$113,958</u>

FUNDING SOURCE	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
CURRENT FUNDS					
FEDERAL	\$275,151	\$534,467	\$651,782	\$671,264	\$19,482
STATE	827,195	943,634	189,208	187,211	(1,997)
LOCAL MATCH	173,403	76,289	92,302	72,302	(20,000)
CITY PORTION	82,361	79,327	76,292	76,292	0
GRANTS	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>(600,000)</u>
TOTAL	<u>\$1,358,110</u>	<u>\$1,633,717</u>	<u>\$1,609,584</u>	<u>\$1,007,069</u>	<u>(\$602,515)</u>

RMAP AUTHORIZED POSITIONS

POSITION TITLE	POSITION <u>RANGE</u>	2013 <u>EMPLOYEES</u>	2014 <u>EMPLOYEES</u>	INCREASE/ <u>(DECREASE)</u>
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	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>6.00</u>	<u>7.00</u>	<u>1.00</u>

BUDGET HIGHLIGHTS

- Personnel expenses decrease slightly due to a reduction in health insurance rates which is offset by a budgeted 2% salary adjustment.
- Contractual expenses increase for additional outside consultant expenses.

Capital Replacement Fund

MISSION STATEMENT

It is the mission of the Capital Replacement Fund to provide for the replacement of vehicles and the repair and replacement of facilities.

PRIMARY FUNCTIONS

The primary function is to account for all capital expenditures. The primary expense of the fund is capital lease payments for vehicles, funded by proceeds from the sale of vehicles beyond their useful life, by revenue generated by video gaming establishments, and by transfers from operating departments in the general fund.

CAPITAL REPLACEMENT FUND BUDGET SUMMARY

	2012	2013	2013	2014	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$0	\$0	\$1,407,228	\$2,714,674	\$2,714,674
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$1,407,228</u>	<u>\$2,714,674</u>	<u>\$2,714,674</u>

	2011	2012	2013	2014	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	\$0	\$0	\$0	\$2,114,674	\$2,114,674
OTHER FUND TRANSFERS	0	0	0	120,000	120,000
VIDEO GAMING	<u>0</u>	<u>0</u>	<u>0</u>	<u>480,000</u>	<u>480,000</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,714,674</u>	<u>\$2,714,674</u>

BUDGET HIGHLIGHTS

- The fund is created to account for the payment of capital leases, offsetting general fund revenues by designated capital revenue, proceeds from the sale of vehicles and video gaming revenue.
- The fund will make lease payments for all general fund budget units for leases committed thus far.

Capital Replacement Fund

LEASE AGREEMENT SUMMARY

2012				
<i>Vehicles</i>	<i>Leasing Company</i>	<i>Lease Term</i>	<i>Lease Rate</i>	<i>Annual Payment</i>
4 GMC Yukons	PNC Equipment Finance	5 years	2.54%	45,184.21
1 stock engine, 1 stock aerial, 2 custom aerials and related equipment	Oshkosh Capital	8 years	2.65%	345,413.02
28 Chevy Caprices, 18 Chevy Impalas plus related equipment	JP Morgan Chase	4 years	1.27%	446,696.06
10 snow & ice, 3 water dumps, 2 chippers, 2 patchers, 2 clam loaders, 2 buckets, 1 sewer truck, 1 backhoe	JP Morgan Chase	10 years	1.85%	370,809.59
42 cars, trucks, SUVs	US Bancorp	5 years	1.27%	245,880.78
Total				1,453,983.66

2013				
<i>Vehicles</i>	<i>Leasing Company</i>	<i>Lease Term</i>	<i>Lease Rate</i>	<i>Annual Payment</i>
4 ambulances and related equipment	US Bancorp	5 years	1.125%	218,491.23
4 engines and related equipment	JPMorgan Chase	7 years	1.520%	353,012.58
10 snow dumps, 2 water dumps, patcher truck, endloader, forklift, backhoe, breaker, 2 message boards, 2 fire day cab tractors with	Fifth Third Equipment Finance	10 years	2.460%	296,675.50
Marked and unmarked squad cars	JPMorgan Chase	4 years	1.280%	378,044.53
Cars, trucks, SUVs	Fifth Third Equipment	5 years	1.260%	283,405.54
Total				1,529,629.38

Totals do not match due to the inclusion of vehicles for non-general fund units. Those lease payments will be made by the respective funds directly.

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
SUMMARY-ALL FUNDS**

	GENERAL GOVERNMENT				PROPRIETARY	FIDUCIARY	TOTALS			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE	TRUST PENSION	ELIMINATIONS	2014	2013
REVENUES										
PROPERTY TAX										
CITY WIDE	\$39,325,864	\$7,593,194	\$14,356,034			\$5,024,555		\$1,500,000	\$64,799,647	\$64,883,828
TAXABLE BONDS			3,001,825						3,001,825	1,625,785
SPECIAL DISTRICTS		4,120,505	0						4,120,505	4,619,555
LESS, PROVISION FOR ABATEMENT			13,170,215						13,170,215	12,339,226
LESS, PROVISION FOR UNCOLLECTIBLE TAXES	<u>393,259</u>	<u>116,719</u>	<u>41,876</u>			<u>50,246</u>		<u>15,000</u>	<u>587,100</u>	<u>587,405</u>
NET TAX LEVY	38,932,605	11,596,980	4,145,768			4,974,309		1,485,000	58,164,662	58,202,537
TAX LEVY REIMBURSEMENTS	<u>5,809,260</u>	<u>700</u>	<u>0</u>			<u>0</u>		<u>3,463,981</u>	<u>2,345,979</u>	<u>0</u>
PROPERTY TAXES PRIOR TO ADJUSTMENTS	44,741,865	11,597,680	4,145,768			4,974,309		4,948,981	60,510,641	58,202,537
LESS, PROVISION FOR ACCOUNTING INTERPRETATION		(1,883)							(1,883)	770,717
LESS, TAX CAP EFFECTS		0	0			0			0	<u>320,394</u>
TOTAL PROPERTY TAXES	44,741,865	11,599,563	4,145,768			4,974,309		4,948,981	60,512,524	57,111,426
OTHER TAXES	<u>30,863,777</u>	<u>5,315,800</u>	<u>0</u>	<u>\$15,500,000</u>		<u>0</u>		<u>0</u>	<u>51,679,577</u>	<u>50,321,900</u>
TOTAL TAXES	75,605,642	16,915,363	4,145,768	15,500,000		4,974,309		4,948,981	112,192,101	107,433,326
LICENSES, PERMITS & INSPECTION FEES	3,747,860	100,000							3,847,860	3,580,200
INTERGOVERNMENTAL	22,377,289	22,603,711	940,000	\$26,260,000		1,138,567		328,200	72,991,367	83,780,775
CHARGES FOR SERVICES	4,843,700	9,772,800			\$24,569,000	10,787,750		11,071,073	38,902,177	37,689,130
FINES, FORFEITURES & PENALTIES	1,130,000	110,000			500,800				1,740,800	2,092,200
REVENUE FROM USE OF MONEY & PROPERTY	100,000	557,277		200,000	1,581,441	132,200	\$11,400,000	283,169	13,687,749	12,498,206
FAIR VALUE ADJUSTMENT							10,000,000		10,000,000	6,500,000
OTHER REVENUE & INCOME			120,000			3,014,980			3,134,980	4,023,618
RESTRICTED RECEIPTS	6,574,000						4,130,200		10,704,200	3,893,500
MISCELLANEOUS	<u>11,208,657</u>	<u>116,476</u>	<u>120,000</u>	<u>0</u>	<u>65,000</u>	<u>115,000</u>	<u>0</u>	<u>10,009,657</u>	<u>1,615,476</u>	<u>1,142,250</u>
TOTAL REVENUES	125,587,148	50,175,627	5,325,768	41,960,000	26,716,241	20,162,806	25,530,200	26,641,080	268,816,710	262,633,205
OTHER ADDITIONS										
TRANSFERS	1,150,000	1,309,612	9,381,813	9,150,000	99,240	23,907,896	12,286,177	56,726,114	558,624	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	1,150,000	1,309,612	9,381,813	9,150,000	99,240	23,907,896	12,286,177	56,726,114	558,624	4,759,055
ELIMINATIONS	0	0	0	0	0	0	0	0	0	<u>738,488</u>
TOTAL REVENUES & OTHER ADDITIONS	<u>126,737,148</u>	<u>51,485,239</u>	<u>14,707,581</u>	<u>51,110,000</u>	<u>26,815,481</u>	<u>44,070,792</u>	<u>37,816,377</u>	<u>83,367,194</u>	<u>269,375,424</u>	<u>268,130,748</u>
APPROPRIATION	126,644,369	55,853,222	20,030,657	50,760,000	26,888,613	47,771,291	30,120,608	87,134,634	270,934,126	249,668,927
NON-APPROPRIATION EXPENSES										
PROVISION FOR ACCOUNTING INTERPRETATION									0	0
TRANSFER TO WATER UTILITY				(4,800,000)					(4,800,000)	(4,275,000)
TRANSFER TO PARKING UTILITY									0	0
COMMUNITY DEVELOPMENT									0	0
LEGAL REQUIREMENT FOR DEBT SERVICE	0	0	(5,323,076)	0	0	0	0	(5,323,076)	0	0
PROJECTED EXPENDITURES & TRANSFERS	<u>126,644,369</u>	<u>55,853,222</u>	<u>14,707,581</u>	<u>45,960,000</u>	<u>26,888,613</u>	<u>47,771,291</u>	<u>30,120,608</u>	<u>\$81,811,558</u>	<u>266,134,126</u>	<u>245,393,927</u>
ADJUSTMENT FOR ENTERPRISE FUND PROJECTS				(4,800,000)					(4,800,000)	(4,275,000)
PROJECTED EXCESS TO AMORTIZE PRIOR YR EXPENSE									0	0
PROJECTED EXCESS (DEFICIT) OF REVENUES									0	0
OVER EXPENDITURES AND ADJUSTMENTS	92,779	(4,367,983)	0	350,000	(73,132)	(3,700,499)	7,695,769	(3,066)	(3,066)	2,010,611
BEGINNING BALANCE, JANUARY 1	32,168,324	21,845,955	8,208,657	18,565,920	148,860,468	8,531,066	307,395,939		545,576,329	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	<u>\$32,261,103</u>	<u>\$17,477,972</u>	<u>\$8,208,657</u>	<u>\$18,915,920</u>	<u>\$148,787,336</u>	<u>\$4,830,567</u>	<u>\$315,091,708</u>		<u>\$545,573,263</u>	<u>\$499,674,901</u>

CITY OF ROCKFORD, ILLINOIS
BUDGET PROGRAM SUMMARY BY EXPENDITURE CLASSIFICATION
2014 BUDGET

AGENCIES	2013 BUDGET	INCREASE (DECREASE)	2014 BUDGET	SALARY EXPENSE	FRINGE BENEFITS	CONTRACTUAL EXPENSE	SUPPLY EXPENSE	OTHER EXPENSE	INTEREST EXPENSE	CAPITAL EXPENSE	DEBT REQUIREMENT
LEGISLATIVE & MANAGEMENT											
MAYOR	\$629,727	\$31,023	\$660,750	\$367,295	\$133,465	\$147,840	\$12,150				
COUNCIL	576,702	(40,706)	535,996	168,000	165,516	201,580	900				
LEGAL	1,592,576	73,436	1,666,012	933,461	413,981	294,870	23,700				
FINANCE	6,985,809	(241,605)	6,744,204	1,976,705	894,127	1,207,305	30,200	\$2,635,867			
INFORMATION TECH	2,706,421	240,597	2,947,018	320,653	122,180	1,921,685	51,200	531,300			
ELECTION COMMISSION	981,280	(184,789)	796,491	301,270	75,677	343,144	51,400			\$25,000	
HUMAN RESOURCES	709,347	(18,566)	690,781	380,974	148,227	154,780	6,800				
COMMUNITY DEVELOPMENT											
ADMINISTRATION	241,417	(11,941)	229,476	136,070	56,608	32,150	1,420	3,228			
DEVELOPMENT	3,684,848	340,708	4,025,556	413,627	213,629	167,693	2,000	3,228,607			
REDEVELOPMENT	3,333,039	741,857	4,074,896			3,680		4,071,216			
TOURISM PROMOTION	1,790,000	(202,200)	1,587,800			1,152,680		435,120			
TAX INCREMENT DISTRICTS	6,273,376	5,977	6,279,353	0	0	30,300	0	6,189,679	59,374	0	0
SANITATION	9,690,746	2,610,631	12,301,377			8,238,900	500	4,061,977			
PLANNING	527,457	79,562	607,019	357,342	145,946	98,755	1,970	3,006			
CONST SERVICES	3,071,516	410,069	3,481,585	1,475,252	714,706	1,194,380	7,550	26,697		63,000	
HUMAN SERVICES											
HUMAN SERVICES	13,707,475	(344,634)	13,362,841	4,250,769	2,095,184	1,982,713	754,300	4,279,875			
TUBERCULOSIS SANITARIUM	168,300	1,700	170,000			170,000					
LIBRARY	8,408,430	213,701	8,622,131	3,394,632	1,396,935	1,729,718	1,480,852	136,604	230,000	253,390	
MASS TRANSIT	1,274,000	250,000	1,524,000			1,524,000					
PUBLIC SAFETY											
POLICE	45,833,351	3,537,904	49,371,255	26,022,852	11,823,688	8,647,146	811,421	700,048		1,366,100	
FIRE	40,809,279	2,865,631	43,674,910	23,160,934	12,516,614	3,475,542	657,590	838,530		3,025,700	
911 COMMUNICATIONS	5,345,966	115,028	5,460,994	3,788,604	1,489,470	173,055	9,865				
FIRE/POLICE COMMISSION	218,485	67,568	286,053	17,000	3,988	262,765	2,300				
PUBLIC WORKS											
ADMINISTRATION	361,351	2,805	364,156	219,207	77,109	58,740	9,100				
ENGINEERING	891,346	116,163	1,007,509	471,177	194,325	215,245	30,750	6,012		90,000	
CAPITAL PROJECT	45,935,000	4,825,000	50,760,000	1,211,033	509,555	757,325	16,700	521,105		47,744,282	
MOTOR FUEL TAX	4,200,000	150,000	4,350,000					4,350,000			
STREETS & SEWERS	8,351,693	2,078,821	10,430,514	1,612,302	765,715	4,207,405	1,384,000	577,092		1,884,000	
TRAFFIC	3,814,320	249,673	4,063,993	685,573	274,064	2,514,565	341,000	102,791		146,000	
PARKING	2,418,195	128,606	2,546,801	155,904	80,406	1,083,913	42,500	1,184,078			
PROPERTY	2,272,102	(67,203)	2,204,899	532,829	269,635	918,915	238,800	244,720			
EQUIPMENT	3,910,699	7,967	3,918,666	566,033	272,503	973,120	2,008,110	98,900			
CENTRAL SUPPLY	411,970	19,108	431,078	227,280	96,333	52,065	31,500	23,900			
WATER	24,022,766	319,046	24,341,812	3,661,952	2,325,549	6,211,555	1,306,230	8,667,392	2,169,134		
NON-OPERATING FUNDS											
POLICE PENSION	5,252,932	9,473,382	14,726,314		14,205,164	392,350	2,200	126,600			
FIRE PENSION	6,402,736	8,991,558	15,394,294		14,962,234	302,400		129,660			
IMRF PENSION	6,998,198	200,295	7,198,493		7,198,243	250					
WORKMEN'S COMPENSATION	2,679,371	67,108	2,746,479			2,660,579		85,900			
UNEMPLOYMENT INSURANCE	168,307	(927)	167,380			167,380					
HEALTH INSURANCE	21,806,975	(793,175)	21,013,800			20,851,800	500	161,500			
AUDITING	240,000	(31,900)	208,100			208,100					
DEBT SERVICE	17,188,481	127,502	17,315,983						4,481,409		\$12,834,574
OTB PROJECTS	75,000	0	75,000					75,000			
RISK MANAGEMENT	2,188,650	500,450	2,689,100			2,218,600		470,500			
RMAP	890,310	113,958	1,004,268	477,317	189,006	288,150	11,495	15,700		22,600	
WIB OPS	535,950	(26,285)	509,665	357,065	151,520	1,080					
CAPITAL REPLACEMENT	0	2,714,674	2,714,674						276,404	2,438,270	
ADJUSTMENTS	0	0	0								
ELIMINATIONS	(83,102,599)	(4,032,035)	(87,134,634)	(4,871,598)	(22,938,135)	(23,561,483)	(2,344,290)	(27,641,252)	(1,621,954)	0	(4,155,922)
TOTAL	\$236,473,300	\$35,675,542	\$272,148,842	\$72,771,514	\$51,043,167	\$53,676,735	\$6,984,713	\$16,341,352	\$5,594,367	\$57,058,342	\$8,678,652
BUDGET PERCENTAGE	100		100.0	26.7	18.8	19.7	2.6	6.0	2.1	21.0	3.1

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
PERSONNEL AUTHORIZATION
ALL FUNDS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	2012-2013 INCREASE (DECREASE)	<u>2014</u>	2013-2014 INCREASE (DECREASE)
PROGRAMS AND AGENCIES						
LEGISLATIVE & MANAGEMENT						
MAYOR	5.00	4.00	4.00	0.00	4.00	0.00
LEGAL	12.00	12.00	12.00	0.00	12.00	0.00
FINANCE	32.00	32.00	36.00	4.00	36.00	0.00
INFORMATION SERVICES	6.00	6.00	4.00	(2.00)	4.00	0.00
HUMAN RESOURCES	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>5.00</u>	<u>0.00</u>
LEGISLATIVE & MGMT TOTAL	<u>60.00</u>	<u>59.00</u>	<u>61.00</u>	<u>2.00</u>	<u>61.00</u>	<u>0.00</u>
COMMUNITY DEVELOPMENT						
CD ADMINISTRATION	1.50	1.50	1.50	0.00	1.50	0.00
CD CODE ENFORCEMENT	10.20	10.20	0.00	(10.20)	0.00	0.00
CD PLANNING	4.30	4.30	4.30	0.00	4.30	0.00
CD CONSTRUCTION SERVICES	15.00	15.00	25.20	10.20	25.20	0.00
CD DEVELOPMENT	<u>8.00</u>	<u>8.00</u>	<u>7.00</u>	<u>(1.00)</u>	<u>7.00</u>	<u>0.00</u>
COMM DEVELOPMENT TOTAL	<u>39.00</u>	<u>39.00</u>	<u>38.00</u>	<u>(1.00)</u>	<u>38.00</u>	<u>0.00</u>
HUMAN SERVICES						
HUMAN SERVICES	99.00	90.58	96.35	5.77	95.50	(0.85)
LIBRARY	<u>84.50</u>	<u>86.00</u>	<u>86.25</u>	<u>0.25</u>	<u>87.00</u>	<u>0.75</u>
HUMAN SERVICES TOTAL	<u>183.50</u>	<u>176.58</u>	<u>182.60</u>	<u>6.02</u>	<u>182.50</u>	<u>(0.10)</u>
PUBLIC SAFETY						
POLICE	318.00	318.00	319.00	1.00	322.50	3.50
FIRE	278.00	280.00	280.00	0.00	259.00	(21.00)
911 COMMUNICATIONS	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>	<u>0.00</u>	<u>53.00</u>	<u>0.00</u>
PUBLIC SAFETY TOTAL	<u>649.00</u>	<u>651.00</u>	<u>652.00</u>	<u>1.00</u>	<u>634.50</u>	<u>(17.50)</u>
PUBLIC WORKS						
ADMINISTRATION	2.00	2.00	2.00	0.00	2.00	0.00
ENGINEERING	5.50	10.00	9.50	(0.50)	8.00	(1.50)
STREETS & SEWERS	32.00	31.00	31.00	0.00	31.00	0.00
TRAFFIC	11.00	11.00	11.00	0.00	11.00	0.00
CAPITAL PROJECT	18.50	17.00	16.50	(0.50)	18.00	1.50
PARKING SYSTEM	8.50	8.50	8.50	0.00	3.00	(5.50)
BUILDING MAINTENANCE	10.00	10.00	10.00	0.00	10.00	0.00
EQUIPMENT MAINTENANCE	10.00	10.00	9.00	(1.00)	9.00	0.00
CENTRAL STORES	4.00	4.00	4.00	0.00	4.00	0.00
WATER	<u>72.00</u>	<u>72.00</u>	<u>64.00</u>	<u>(8.00)</u>	<u>64.00</u>	<u>0.00</u>
PUBLIC WORKS TOTAL	<u>173.50</u>	<u>175.50</u>	<u>165.50</u>	<u>(10.00)</u>	<u>160.00</u>	<u>(5.50)</u>
TOTAL	<u>1,105.00</u>	<u>1,101.08</u>	<u>1,099.10</u>	<u>(1.98)</u>	<u>1,076.00</u>	<u>(23.10)</u>
ANNUAL PERSONNEL CHANGE		(3.92)	(1.98)		(23.10)	
ANNUAL PERCENTAGE CHANGE		(0.40)	(0.20)		(2.10)	

**CITY OF ROCKFORD, ILLINOIS
2014-2019 GENERAL FUND FORECAST**

REVENUE SUMMARY

	2013	2014	2015	2016	2017	2018	2019
	ACTUAL	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION
PROPERTY TAXES	43,821,567	44,354,285	45,019,599	45,919,991	46,838,391	47,775,159	48,730,662
OTHER TAXES	30,943,799	30,823,025	31,614,779	32,148,199	32,692,288	33,247,259	33,813,329
LICENSE AND PERMITS	4,071,059	3,817,860	4,208,119	4,304,853	4,404,599	4,507,456	4,613,524
INTERGOVERNMENTAL	27,619,522	22,735,621	24,682,499	25,362,430	24,984,630	25,704,483	26,445,857
CHARGES FOR SERVICE	4,829,147	4,843,700	4,966,017	5,112,513	5,263,405	5,418,823	5,578,904
FINES	1,240,854	1,130,000	1,269,800	1,307,071	1,345,444	1,384,950	1,425,625
MISCELLANEOUS	776,589	1,278,500	1,513,739	1,446,978	1,481,173	1,516,352	1,552,543
REIMBURSEMENT FOR SERVICES	9,985,651	11,180,157	10,431,462	10,709,904	10,996,701	11,292,104	11,596,368
LEASE PROCEEDS	6,318,865	6,574,000	4,561,000	2,666,000	2,698,000	3,954,000	4,274,000
TOTAL	129,607,053	126,737,148	128,267,014	128,977,939	130,704,631	134,800,586	138,030,812

EXPENSE SUMMARY

	2013	2014	2015	2016	2017	2018	2019
	ACTUAL	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION
PERSONNEL	89,158,561	87,197,755	92,788,677	96,125,373	99,658,295	103,340,902	107,181,574
CONTRACTUAL	24,461,636	24,581,292	24,633,169	25,184,128	25,765,655	26,362,130	26,973,950
SUPPLIES	2,931,200	3,372,251	3,486,707	3,567,543	3,650,274	3,734,943	3,821,598
OTHER	2,967,433	4,893,271	5,896,135	6,660,822	6,897,495	7,052,201	7,238,264
CAPITAL	7,785,257	6,599,800	4,561,000	2,666,000	2,698,000	3,954,000	4,274,000
TOTAL	127,304,087	126,644,369	131,365,688	134,203,866	138,669,719	144,444,178	149,489,387
SURPLUS (DEFICIT)	2,302,966	92,779	(3,098,674)	(5,225,927)	(7,965,088)	(9,643,592)	(11,458,575)
	2%	0%	-2%	-4%	-6%	-7%	-8%

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
SPECIAL REVENUE FUNDS**

	MOTOR FUEL		COMMUNITY	REDEVELOPMENT	TOURISM	TAX INCREMENT	HUMAN	TUBERCULOSIS			OTB SPECIAL		TOTAL
REVENUES	TAX	SANITATION	DEVELOPMENT	TAX	PROMOTION	FINANCING	SERVICES	SANITARIUM	LIBRARY	RMAP	PROJECTS	ELIMINATIONS	
PROPERTY TAXES													
CITY WIDE		\$21,000						\$168,300	\$7,403,894				\$7,593,194
SPECIAL DISTRICTS						\$4,120,505							4,120,505
LESS, UNCOLLECTIBLE TAXES		<u>200</u>				<u>40,797</u>		<u>1,683</u>	<u>74,039</u>				<u>116,719</u>
NET TAX LEVY		20,800				4,079,708		166,617	7,329,855				11,596,980
TAX LEVY REIMBURSEMENTS		<u>700</u>				<u>0</u>		<u>0</u>	<u>0</u>				<u>700</u>
PROPERTY TAXES PRIOR ADJUST		21,500				4,079,708		166,617	7,329,855				11,597,680
LESS, PROVISION FOR ACCTG INT		<u>(200)</u>				<u>0</u>		<u>(1,683)</u>	<u>0</u>				<u>(1,883)</u>
LESS, TAX CAP EFFECTS		<u>0</u>				<u>0</u>		<u>0</u>	<u>0</u>				<u>0</u>
TOTAL PROPERTY TAXES		21,700				4,079,708		168,300	7,329,855				11,599,563
OTHER TAXES		<u>0</u>			<u>\$3,725,000</u>	<u>\$1,590,800</u>	<u>0</u>	<u>0</u>	<u>0</u>				<u>5,315,800</u>
TOTAL TAXES		21,700		3,725,000	1,590,800	4,079,708		168,300	7,329,855				16,915,363
LICENSES, PERMITS & FEES											\$100,000		100,000
INTERGOVERNMENTAL	\$4,503,500		\$3,982,493				\$12,276,941		910,000	\$930,777			22,603,711
SERVICE CHARGES		9,718,000							54,800				9,772,800
FINES									110,000				110,000
REVENUE, RENTS & INTEREST	253,000	109,300	76,000			15,677		1,200	101,000		1,100		557,277
OTHER REVENUE & INCOME													\$0
MISCELLANEOUS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>116,476</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>116,476</u>
TOTAL REVENUES	4,756,500	9,849,000	4,058,493	3,725,000	1,590,800	4,095,385	12,276,941	169,500	8,622,131	930,777	101,100	0	50,175,627
OTHER ADDITIONS													
TRANSFERS				433,320		800,000				76,292			1,309,612
PROCEEDS FROM SALE OF BONDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES & ADDITIONS	<u>4,756,500</u>	<u>9,849,000</u>	<u>4,058,493</u>	<u>4,158,320</u>	<u>1,590,800</u>	<u>4,895,385</u>	<u>12,276,941</u>	<u>169,500</u>	<u>8,622,131</u>	<u>1,007,069</u>	<u>101,100</u>	<u>0</u>	<u>51,485,239</u>
APPROPRIATION	4,350,000	12,301,377	4,025,556	4,074,896	1,587,800	6,279,353	13,362,841	<u>170,000</u>	8,622,131	1,004,268	75,000	0	55,853,222
NON EXPENSE APPROPRIATION								<u>0</u>					0
EXPENDITURES AND TRANSFERS	<u>4,350,000</u>	<u>12,301,377</u>	<u>4,025,556</u>	<u>4,074,896</u>	<u>1,587,800</u>	<u>6,279,353</u>	<u>13,362,841</u>	<u>170,000</u>	<u>8,622,131</u>	<u>1,004,268</u>	<u>75,000</u>	<u>0</u>	<u>55,853,222</u>
EXCESS (DEFICIT)													
OF REVENUES OVER													
EXPENDITURES	406,500	(2,452,377)	32,937	83,424	3,000	(1,383,968)	(1,085,900)	(500)	0	2,801	26,100		(4,367,983)
BEGINNING BALANCE,													
JANUARY 1	11,640,420	5,518,509	986,626	(362,491)	305,019	(3,645,672)	869,243	131,619	6,538,294	(209,417)	73,805		21,845,955
ENDING BALANCE, DECEMBER 31	<u>\$12,046,920</u>	<u>\$3,066,132</u>	<u>\$1,019,563</u>	<u>(\$279,067)</u>	<u>\$308,019</u>	<u>(\$5,029,640)</u>	<u>(\$216,657)</u>	<u>\$131,119</u>	<u>\$6,538,294</u>	<u>(\$206,616)</u>	<u>\$99,905</u>		<u>\$17,477,972</u>

CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCE DISTRICTS
(PAGE 1 OF 2)

	<u>EAST SIDE</u>	<u>EAST RIVER</u>	<u>WEST SIDE #1</u>	<u>WEST SIDE #2</u>	<u>RIVER NORTH</u>	<u>SOUTH ROCKFORD</u>
REVENUES						
PROPERTY TAXES						
SPECIAL DISTRICTS	\$319,051	\$85,706	\$424,011	\$2,475	\$35,062	\$122,276
LESS, UNCOLLECTIBLE TAXES	<u>3,159</u>	<u>849</u>	<u>4,198</u>	<u>25</u>	<u>347</u>	<u>1,211</u>
NET TAX LEVY	315,892	84,857	419,813	2,450	34,715	121,065
INTERGOVERNMENTAL						
REVENUE, RENTS & INTEREST	0	0	0	113	1,836	0
OTHER REVENUE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	315,892	84,857	419,813	2,563	36,551	121,065
OTHER ADDITIONS						
TRANSFERS	0	150,000	300,000	0	0	100,000
PROCEEDS FROM SALE OF BONDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES & ADDITIONS	315,892	234,857	719,813	2,563	36,551	221,065
APPROPRIATION	415,076	187,034	713,305	0	40,310	389,625
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	415,076	187,034	713,305	0	40,310	389,625
EXCESS (DEFICIT)						
OF REVENUES OVER						
EXPENDITURES	(99,184)	47,823	6,508	2,563	(3,759)	(168,560)
BEGINNING BALANCE,						
JANUARY 1	(6,558)	(75,285)	135,605	7,529	122,430	141,538
ENDING BALANCE, DECEMBER 31	<u>(\$105,742)</u>	<u>(\$27,462)</u>	<u>\$142,113</u>	<u>\$10,092</u>	<u>\$118,671</u>	<u>(\$27,022)</u>

	<u>ASSISTED LIVING</u>	<u>STATE KILBURN</u>	<u>STATE CENTRAL</u>	<u>SPRINGFIELD CORNERS</u>	<u>NORTH MAIN</u>	<u>MAIN AUBURN</u>
REVENUES						
PROPERTY TAXES						
SPECIAL DISTRICTS	\$0	\$9,090	\$123,725	\$212,508	\$67,367	\$6,616
LESS, UNCOLLECTIBLE TAXES	<u>0</u>	<u>90</u>	<u>1,225</u>	<u>2,104</u>	<u>667</u>	<u>66</u>
NET TAX LEVY	0	9,000	122,500	210,404	66,700	6,550
INTERGOVERNMENTAL						
REVENUE, RENTS & INTEREST	3	576	1,087	0	0	1,081
OTHER REVENUE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	3	9,576	123,587	210,404	66,700	7,631
OTHER ADDITIONS						
TRANSFERS	0	0	0	200,000	0	0
PROCEEDS FROM SALE OF BONDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES & ADDITIONS	3	9,576	123,587	410,404	66,700	7,631
APPROPRIATION	0	0	200,000	454,128	215,765	10,000
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	0	0	200,000	454,128	215,765	10,000
EXCESS (DEFICIT)						
OF REVENUES OVER						
EXPENDITURES	3	9,576	(76,413)	(43,724)	(149,065)	(2,369)
BEGINNING BALANCE,						
JANUARY 1	223	38,382	43,490	(326,508)	(586,831)	72,094
ENDING BALANCE, DECEMBER 31	\$226	\$47,958	<u>(\$32,923)</u>	<u>(\$370,232)</u>	<u>(\$735,896)</u>	\$69,725

	<u>MAIN WHITMAN</u>	<u>SEVENTH STREET</u>	<u>MIDTOWN</u>	<u>BROADWAY</u>	<u>STATE ALPINE</u>	<u>JEFFERSON 3RD</u>	<u>MULFORD STATE</u>	<u>TOTAL RETAIL TIF DISTRICTS</u>
REVENUES								
PROPERTY TAXES								
SPECIAL DISTRICTS	\$33,349	\$874,674	\$19,251	\$28,197	\$138,067	\$38,865	\$41,257	\$2,581,546
LESS, UNCOLLECTIBLE TAXES	<u>330</u>	<u>8,660</u>	<u>191</u>	<u>279</u>	<u>1,367</u>	<u>385</u>	<u>408</u>	<u>25,560</u>
NET TAX LEVY	33,019	866,014	19,060	27,918	136,700	38,480	40,849	2,555,986
INTERGOVERNMENTAL								0
REVENUE, RENTS & INTEREST	0	0	818	1,071	4,026	0	0	10,611
OTHER REVENUE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	33,019	866,014	19,878	28,989	140,726	38,480	40,849	2,566,597
OTHER ADDITIONS								
TRANSFERS	0	50,000	0	0	0	0	0	800,000
PROCEEDS FROM SALE OF BONDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES & ADDITIONS	33,019	916,014	19,878	28,989	140,726	38,480	40,849	3,366,597
APPROPRIATION	100,210	1,045,028	25,000	0	210,429	37,740	0	4,043,650
NON EXPENSE APPROPRIATION								
EXPENDITURES AND TRANSFERS	100,210	1,045,028	25,000	0	210,429	37,740	0	4,043,650
EXCESS (DEFICIT)								
OF REVENUES OVER								
EXPENDITURES	(67,191)	(129,014)	(5,122)	28,989	(69,703)	740	40,849	(677,053)
BEGINNING BALANCE,								
JANUARY 1	(408,823)	(124,316)	54,507	71,425	268,411	(42,705)	3,461	(642,951)
ENDING BALANCE, DECEMBER 31	<u>(\$476,014)</u>	<u>(\$253,330)</u>	\$49,385	\$100,414	\$198,708	<u>(\$41,965)</u>	\$44,310	<u>(1,288,984)</u>

CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
SPECIAL REVENUE FUNDS - TAX INCREMENT FINANCE DISTRICTS
(PAGE 2 OF 2)

	LINCOLNWOOD #1	LINCOLNWOOD #2	HOPE 6	GARRISON	RIVER OAKS	JACKSON SCHOOL
REVENUES						
PROPERTY TAXES						
SPECIAL DISTRICTS	\$76,070	\$47,439	\$163,387	\$75,088	\$42,303	\$57,671
LESS, UNCOLLECTIBLE TAXES	753	470	1,618	743	419	571
NET TAX LEVY	75,317	46,969	161,769	74,345	41,884	57,100
INTERGOVERNMENTAL						
REVENUE, RENTS & INTEREST	2,241	828	0	0	0	0
OTHER REVENUE	0	0	0	0	0	0
TOTAL REVENUES	77,558	47,797	161,769	74,345	41,884	57,100
OTHER ADDITIONS						
TRANSFERS						
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	77,558	47,797	161,769	74,345	41,884	57,100
APPROPRIATION	88,688	79,631	271,752	165,786	310,896	115,733
NON EXPENSE APPROPRIATION						
EXPENDITURES AND TRANSFERS	88,688	79,631	271,752	165,786	310,896	115,733
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(11,130)	(31,834)	(109,983)	(91,441)	(269,012)	(58,633)
BEGINNING BALANCE, JANUARY 1	149,399	55,181	(300,135)	(354,846)	(1,353,853)	(29,018)
ENDING BALANCE, DECEMBER 31	\$138,269	\$23,347	(\$410,118)	(\$446,287)	(\$1,622,865)	(\$87,651)

	TOTAL RESIDENTIAL TIF DISTRICTS	ROCKFORD GLOBAL TRADE PARK #1	ROCKFORD GLOBAL TRADE PARK #2	ROCKFORD GLOBAL TRADE PARK #3	PRESTON CENTRAL
REVENUES					
PROPERTY TAXES					
SPECIAL DISTRICTS	\$461,958	\$744,976	\$182,810	\$25,250	\$77,164
LESS, UNCOLLECTIBLE TAXES	4,574	7,376	1,810	250	764
NET TAX LEVY	457,384	737,600	181,000	25,000	76,400
INTERGOVERNMENTAL	0				
REVENUE, RENTS & INTEREST	3,069	0	146	702	0
OTHER REVENUE	0	0	0	0	0
TOTAL REVENUES	460,453	737,600	181,146	25,702	76,400
OTHER ADDITIONS					
TRANSFERS	0	0	0	0	0
PROCEEDS FROM SALE OF BONDS	0	0	0	0	0
TOTAL REVENUES & ADDITIONS	460,453	737,600	181,146	25,702	76,400
APPROPRIATION	1,032,486	856,872	197,700	0	109,258
NON EXPENSE APPROPRIATION					
EXPENDITURES AND TRANSFERS	1,032,486	856,872	197,700	0	109,258
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(572,033)	(119,272)	(16,554)	25,702	(32,858)
BEGINNING BALANCE, JANUARY 1	(1,833,272)	(23,905)	9,746	46,778	(1,309,679)
ENDING BALANCE, DECEMBER 31	(2,405,305)	(\$143,177)	(\$6,808)	\$72,480	(\$1,342,537)

	KISHWAUKEE HARRISON #1	KISHWAUKEE HARRISON #2	TOTAL INDUSTRIAL TIF DISTRICTS	TOTAL ALL TIF DISTRICTS
REVENUES				
PROPERTY TAXES				
SPECIAL DISTRICTS	\$46,695	\$106	\$1,077,001	\$4,120,505
LESS, UNCOLLECTIBLE TAXES	462	1	10,663	40,797
NET TAX LEVY	46,233	105	1,066,338	4,079,708
INTERGOVERNMENTAL				
REVENUE, RENTS & INTEREST	1,141	8	1,997	15,677
OTHER REVENUE	0	0	0	0
TOTAL REVENUES	47,374	113	1,068,335	4,095,385
OTHER ADDITIONS				
TRANSFERS			0	800,000
PROCEEDS FROM SALE OF BONDS	0	0	0	0
TOTAL REVENUES & ADDITIONS	47,374	113	1,068,335	4,895,385
APPROPRIATION	39,298	89	1,203,217	6,279,353
NON EXPENSE APPROPRIATION				
EXPENDITURES AND TRANSFERS	39,298	89	1,203,217	6,279,353
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	8,076	24	(134,882)	(1,383,968)
BEGINNING BALANCE, JANUARY 1	76,041	550	(1,200,469)	(3,645,672)
ENDING BALANCE, DECEMBER 31	\$84,117	\$574	(\$1,335,351)	(\$5,029,640)

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
INTERNAL SERVICE FUNDS**

	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
REVENUES													
PROPERTY TAXES				\$1,500,000			\$3,383,205			\$141,350			\$5,024,555
LESS, UNCOLLECTIBLE TAXES				<u>15,000</u>			<u>33,833</u>			<u>1,413</u>			<u>50,246</u>
NET TAX LEVY				1,485,000			3,349,372			139,937			4,974,309
TAX LEVY REIMBURSEMENTS				<u>0</u>			<u>250</u>	<u>260</u>	<u>260</u>			<u>770</u>	<u>0</u>
PROPERTY TAXES PRIOR ADJUST				1,485,000			3,349,622	260	260	139,937		770	4,974,309
LESS, PROVISION FOR ACCTG INT				<u>0</u>									<u>0</u>
LESS, TAX CAP EFFECTS				<u>0</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
TOTAL PROPERTY TAXES				1,485,000			3,349,622	260	260	139,937		770	4,974,309
INTERGOVERNMENTAL						\$810,367	328,200						1,138,567
SERVICE CHARGES	\$2,349,790	\$4,002,730	\$445,000	1,049,710	\$3,199,280							258,760	10,787,750
FINES AND PENALTIES													
RENTS AND INTEREST	20,000						10,000	3,000	15,000		\$84,200		132,200
OTHER REVENUE											3,014,980		3,014,980
RESTRICTED RECEIPTS													
MISCELLANEOUS	<u>0</u>	<u>0</u>	<u>0</u>	<u>115,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>115,000</u>
TOTAL REVENUES	2,369,790	4,002,730	445,000	2,649,710	3,199,280	810,367	3,687,822	3,260	15,260	139,937	3,099,180	259,530	20,162,806
OTHER ADDITIONS													
TRANSFERS	<u>24,563</u>	<u>0</u>	<u>0</u>			<u>4,650,929</u>	<u>3,520,920</u>	<u>166,880</u>	<u>2,660,041</u>	<u>68,151</u>	<u>13,771,688</u>	<u>955,186</u>	<u>23,907,986</u>
TOTAL REVENUES & ADDITIONS	<u>2,394,353</u>	<u>4,002,730</u>	<u>445,000</u>	<u>2,649,710</u>	<u>3,199,280</u>	<u>5,461,296</u>	<u>7,208,742</u>	<u>170,140</u>	<u>2,675,301</u>	<u>208,088</u>	<u>16,870,868</u>	<u>1,214,716</u>	<u>44,070,792</u>
APPROPRIATION	<u>2,204,899</u>	<u>3,918,666</u>	<u>431,078</u>	<u>2,689,100</u>	<u>2,947,018</u>	<u>5,460,994</u>	<u>7,198,493</u>	<u>167,380</u>	<u>2,746,479</u>	<u>208,100</u>	<u>21,013,800</u>	<u>1,214,716</u>	<u>47,771,291</u>
AND TRANSFERS	<u>2,204,899</u>	<u>3,918,666</u>	<u>431,078</u>	<u>2,689,100</u>	<u>2,947,018</u>	<u>5,460,994</u>	<u>7,198,493</u>	<u>167,380</u>	<u>2,746,479</u>	<u>208,100</u>	<u>21,013,800</u>	<u>1,214,716</u>	<u>47,771,291</u>
PROJECTED EXCESS (DEFICIT)													
OF REVENUES OVER													
EXPENDITURES	189,454	84,064	13,922	(39,390)	252,262	302	10,249	2,760	(71,178)	(13)	(4,142,932)		-3,700,500
BEGINNING BALANCE,													
JANUARY 1	995,553	713,151	256,227	(5,210,893)	1,377,717	1,333	73,081	102,536	824,458	49	9,397,854		8,531,066
ADJUSTMENT FOR NON-RECURRING													
TRANSFERS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
ENDING BALANCE, DECEMBER 31	<u>\$1,185,007</u>	<u>\$797,215</u>	<u>\$270,149</u>	<u>(\$5,250,283)</u>	<u>\$1,629,979</u>	<u>\$1,635</u>	<u>\$83,330</u>	<u>\$105,296</u>	<u>\$753,280</u>	<u>\$37</u>	<u>\$5,254,922</u>		<u>\$4,830,567</u>

**CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
PROPRIETARY, FIDUCIARY, DEBT SERVICE FUND TYPES**

	PROPRIETARY			FIDUCIARY			DEBT SERVICE		
	<u>WATER</u>	<u>PARKING</u>	<u>TOTAL</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TOTAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL REPLACEMENT</u>	<u>TOTAL</u>
<u>REVENUES</u>									
PROPERTY TAXES									
CITY WIDE							\$14,356,034		\$14,356,034
TAXABLE BONDS							3,001,825		3,001,825
LESS, PROVISION FOR ABATEMENT							13,170,215		13,170,215
LESS, PROVISION FOR UNCOLLECTABLE TAXES							<u>41,876</u>		<u>41,876</u>
NET TAX LEVY							4,145,768		4,145,768
TAX LEVY REIMBURSEMENTS									
TOTAL PROPERTY TAXES							4,145,768		4,145,768
INTERGOVERNMENTAL							460,000	480,000	940,000
SERVICE CHARGES	\$24,569,000		\$24,569,000						
FINES AND PENALTIES		\$500,800	500,800						
REVENUE, RENTS & INTEREST	200,000	1,381,441	1,581,441	\$5,900,000	\$5,500,000	\$11,400,000			
FAIR VALUE ADJUSTMENT				5,000,000	5,000,000	10,000,000			
OTHER REVENUE								120,000	120,000
MEMBER CONTRIBUTIONS				2,144,400	1,985,800	4,130,200			
MISCELLANEOUS	<u>65,000</u>	<u>0</u>	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>		<u>120,000</u>
TOTAL REVENUES	<u>24,834,000</u>	<u>1,882,241</u>	<u>26,716,241</u>	<u>13,044,400</u>	<u>12,485,800</u>	<u>25,530,200</u>	<u>4,725,768</u>	<u>600,000</u>	<u>5,325,768</u>
OTHER ADDITIONS									
TRANSFERS	<u>73,740</u>	<u>25,500</u>	<u>99,240</u>	<u>5,487,578</u>	<u>6,798,599</u>	<u>12,286,177</u>	<u>7,267,139</u>	<u>2,114,674</u>	<u>9,381,813</u>
TOTAL REVENUES & ADDITIONS	<u>24,907,740</u>	<u>1,907,741</u>	<u>26,815,481</u>	<u>18,531,978</u>	<u>19,284,399</u>	<u>37,816,377</u>	<u>11,992,907</u>	<u>2,714,674</u>	<u>14,707,581</u>
APPROPRIATION	24,341,812	2,546,801	26,888,613	14,726,314	15,394,294	30,120,608	17,315,983	2,714,674	20,030,657
NON-APPROPRIATION EXPENSES									
LEGAL REQUIREMENT FOR DEBT SERVICE							(5,323,076)		(5,323,076)
PROJECTED EXPENDITURES									
AND TRANSFERS	<u>24,341,812</u>	<u>2,546,801</u>	<u>26,888,613</u>	<u>14,726,314</u>	<u>15,394,294</u>	<u>30,120,608</u>	<u>11,992,907</u>	<u>2,714,674</u>	<u>14,707,581</u>
PROJECTED EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	565,928	(639,060)	(73,132)	3,805,664	3,890,105	7,695,769	0	0	0
BEGINNING BALANCE, JANUARY 1	132,423,519	16,436,949	148,860,468	162,840,479	144,555,460	307,395,939	8,208,657	0	8,208,657
ENDING BALANCE, DECEMBER 31	<u>\$132,989,447</u>	<u>\$15,797,889</u>	<u>\$148,787,336</u>	<u>\$155,807,420</u>	<u>\$140,569,120</u>	<u>\$315,091,708</u>	<u>\$8,208,657</u>	<u>\$0</u>	<u>\$8,208,657</u>

CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
DEBT SERVICE 2013-2019

	2013	2014	2015	2016	2017	2018	2019
REVENUES							
PT TAXES-CITY	\$4,898,237	\$4,187,644	\$2,830,134	\$1,980,208	\$1,052,505	\$155,491	\$166,962
UNCOLLECTIBLE	<u>(48,982)</u>	<u>(41,876)</u>	<u>(28,301)</u>	<u>(19,802)</u>	<u>(10,525)</u>	<u>(1,555)</u>	<u>(1,670)</u>
	4,849,255	4,145,768	2,801,833	1,960,406	1,041,980	153,936	165,292
ABATEMENTS-EXEMPT							
TIF DISTRICTS	2,467,629	2,547,766	2,140,327	2,364,689	2,476,477	1,945,389	1,505,988
WATER	5,776,777	5,323,076	5,347,799	5,320,949	5,081,166	4,612,250	4,597,725
SALES TAX	579,573	404,036	432,500	416,500	0	0	0
REDEVELOPMENT/TOURISM	1,074,618	1,079,393	1,072,068	1,058,018	1,047,430	219,793	230,513
OTHER	<u>814,844</u>	<u>814,119</u>	<u>832,763</u>	<u>824,975</u>	<u>816,788</u>	<u>693,200</u>	<u>713,575</u>
	10,713,441	10,168,390	9,825,457	9,985,131	9,421,861	7,470,632	7,047,801
ABATEMENTS-TAXABLE							
TIF DISTRICTS	698,635	692,888	694,077	214,004	207,755	241,014	282,383
SALES TAX	321,094	333,593	319,844	330,750	315,375	0	0
REDEVELOPMENT	441,868	1,814,721	1,813,593	1,815,668	1,815,693	2,263,668	2,265,773
PARKING	164,188	160,623	181,875	176,875	171,875	166,875	161,675
OTHER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,625,785</u>	<u>3,001,825</u>	<u>3,009,389</u>	<u>2,537,297</u>	<u>2,510,698</u>	<u>2,671,557</u>	<u>2,709,831</u>
TOTAL REVENUES	<u>17,188,482</u>	<u>17,315,983</u>	<u>15,636,679</u>	<u>14,482,834</u>	<u>12,974,539</u>	<u>10,296,125</u>	<u>9,922,924</u>
DEBT SERVICE							
KISHWAUKEE TRUNK-SANITARY DIST	119,073	119,073	59,536	59,536	59,536	59,536	59,536
2002 8,000,000 STREET GOB	864,145	868,595	0	0	0	0	0
2002 2,200,000 WATER ALT	235,478	240,695	0	0	0	0	0
2002 3,000,000 GO 7TIF ALT	328,065	324,415	0	0	0	0	0
2002 1,300,000 SPRINGFIELD CR TIF	125,003	126,348	127,388	127,388	127,388	127,388	127,388
2003 8,200,000 STREET GOB	875,025	885,775	884,000	884,000	884,000	884,000	884,000
2003 2,200,000 WATER ALT	235,353	232,478	239,200	239,200	239,200	239,200	239,200
2004 8,500,000 STREET GOB	870,470	870,870	869,300	869,300	869,300	869,300	869,300
2004 2,200,000 WATER ALT	235,415	237,415	233,805	233,805	233,805	233,805	233,805
2004 2,000,000 TAXABLE TIF	244,060	243,350	242,075	242,075	242,075	242,075	242,075
2004 3,200,000 EQUIPMENT ALT	416,000	0	0	0	0	0	0
2004 1,650,000 NORTH MAIN TIF	160,963	206,963	200,963	200,963	200,963	200,963	200,963
2004 3,000,000 GLOBAL PARK #1 TIF	327,438	317,438	357,438	357,438	357,438	357,438	357,438
2004 3,070,000 SRTIF REFUND	354,118	358,518	362,318	362,318	362,318	362,318	362,318
2005 8,700,000 STREET GOB	914,860	924,860	933,260	933,260	933,260	933,260	933,260
2005 2,200,000 WATER ALT	231,555	234,430	236,430	236,430	236,430	236,430	236,430
2005 915,000 GLOBAL PARK TIF #1	161,600	145,600	0	0	0	0	0
2005 560,000 LINCOLNWOOD 2 TIF	71,631	79,632	67,231	67,231	67,231	67,231	67,231
2005 1,795,000 SPRINGFIELD TIF	197,469	192,469	212,469	212,469	212,469	212,469	212,469
2005 2,450,000 RIVER OAKS TIF	299,588	290,587	281,588	281,588	281,588	281,588	281,588
2005 1,500,000 GARRISON TIF	164,462	160,463	156,462	156,462	156,462	156,462	156,462
2005 530,000 LINCOLNWOOD 1 REF	91,688	88,687	85,688	85,688	85,688	85,688	85,688
2005 2,850,000 LOWE'S ALT	321,094	333,593	319,844	319,844	319,844	319,844	319,844
2006 \$15,000,000 WATER ALT	1,188,000	1,182,625	1,201,125	1,201,125	1,201,125	1,201,125	1,201,125
2006 2,500,000 HOPE 6 TIF	248,813	267,250	259,375	259,375	259,375	259,375	259,375
2007 16,700,000 METRO CENTER TAX	0	1,372,856	1,371,725	1,371,725	1,371,725	1,371,725	1,371,725
2007 6,300,000 METRO CENTER	465,575	469,975	468,775	468,775	468,775	468,775	468,775
2007 6,865,000 CORONADO REFUND	950,500	960,875	959,750	959,750	959,750	959,750	959,750
2007 1,100,000 PRESTON CENTRAL TIF	91,863	89,613	87,363	87,363	87,363	87,363	87,363
2007 1,100,000 NW SEWER ALT	44,500	344,500	432,500	432,500	432,500	432,500	432,500
2007 3,500,000 LIBRARY ALT	229,269	224,144	243,988	243,988	243,988	243,988	243,988
2007 3,500,000 WATER	268,294	287,106	279,888	279,888	279,888	279,888	279,888
2008 9,000,000 WATER	702,125	712,125	721,125	721,125	721,125	721,125	721,125
2008 1,100,000 GLOBAL PARK #1TIF	87,000	135,250	131,750	131,750	131,750	131,750	131,750
2008 200,000 JACKSON SCHOOL TIF	29,687	28,812	27,937	27,937	27,937	27,937	27,937
2008 1,850,000 PARKING ALT	164,187	160,625	181,875	181,875	181,875	181,875	181,875
2009 350,000 RIVER NORTH TIF	25,818	25,325	30,135	30,135	30,135	30,135	30,135
2009 1,300,000 MAIN WHITMAN TIF	95,895	94,063	111,928	111,928	111,928	111,928	111,928
2009 950,000 TAX GLOBAL TRADE #1 TIF	93,575	90,925	88,250	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	731,300	0	0	0	0	0	0
2009 4,325,000 WATER REFUND	481,488	238,288	236,988	236,988	236,988	236,988	236,988
2009 1,330,000 7TIF REFUND	286,500	288,400	0	0	0	0	0
2009 1,350,000 SPRINGFIELD CORNERS TIF	138,752	135,377	132,002	132,002	132,002	132,002	132,002
2009 350,000 RIVER TIF	35,973	35,098	34,223	34,223	34,223	34,223	34,223
2010 3,400,000 WATER	<u>257,375</u>	<u>254,000</u>	<u>250,625</u>	<u>246,875</u>	<u>246,875</u>	<u>246,875</u>	<u>246,875</u>
	\$14,902,910	\$15,321,354	\$13,562,190	\$13,558,440	\$13,558,440	\$13,558,440	\$13,558,440

CITY OF ROCKFORD, ILLINOIS
 EQUALIZED ASSESSED VALUATIONS, LEVIES, AND TAX RATES
 (RATES ARE DOLLARS PER ONE HUNDRED EAV)
 (YEARS ARE LEVY YEARS, NOT COLLECTION YEARS)

FUND	2011 ACTUAL	FINAL LEVY 2012	EST. FINAL 2013	2012-2013 INCREASE (DECREASE)	2012 RATES	2013 SUBMITTED RATES	2013 EST FINAL RATES	2012-13 INCREASE DECREASE	RATE LIMITS
TAX LEVIES FOR OPERATIONS									
GENERAL FUND									
CORPORATE	\$5,727,563	\$7,395,607	\$6,406,244	(989,363)	0.4327	0.4317	0.4044	(0.0010)	0.4375
POLICE PROTECTION	10,051,608	10,162,764	9,480,059	(682,705)	0.5946	0.6000	0.5984	0.0054	0.60
POLICE PENSION	3,737,670	3,642,255	4,652,753	1,010,498	0.2131	0.3000	0.2937	0.0869	U/L
SCHOOL CROSSING	11,349	11,964	11,349	(615)	0.0007	0.0008	0.0007	0.0001	0.050
FIRE PROTECTION	10,759,040	10,162,764	9,480,059	(682,705)	0.5946	0.6000	0.5984	0.0054	0.60
FIRE PENSION	3,576,526	3,659,347	5,130,423	1,471,076	0.2141	0.3302	0.3239	0.1161	U/L
FIRE PENSION-93-69	637,810	444,386	581,449	137,063	0.0260	0.0367	0.0367	0.0107	U/L
JUDGMENTS	1,301,375	1,389,561	1,500,000	110,439	0.0813	0.0978	0.0947	0.0165	U/L
STREET & BRIDGE	<u>1,890,419</u>	<u>1,736,349</u>	<u>1,584,000</u>	<u>(152,349)</u>	<u>0.1016</u>	<u>0.1013</u>	<u>0.1000</u>	<u>(0.0003)</u>	0.100
TOTAL GENERAL FUND	37,693,360	38,604,997	38,826,336	221,339	2.2587	2.4985	2.4509	0.2398	
SANITATION	20,807	35,892	35,500	(392)	0.0021	0.0023	0.0022	0.0002	0.100
SANITARIUM	155,106	160,663	160,000	(663)	0.0094	0.0103	0.0101	0.0009	0.050
LIBRARY	7,000,564	7,281,004	7,029,855	(251,149)	0.4260	0.4438	0.4438	0.0178	0.60
LIBRARY-MAINTENANCE	300,754	300,811	300,000	(811)	0.0176	0.0189	0.0189	0.0013	0.020
IMRF PENSION	3,034,019	3,044,044	3,370,000	325,956	0.1781	0.2146	0.2127	0.0365	U/L
UNEMPLOYMENT TAX	143,757	141,862	145,000	3,138	0.0083	0.0092	0.0092	0.0009	U/L
WORKMEN'S COMPENSATION	1,783,716	2,199,710	2,216,812	17,102	0.1287	0.1399	0.1399	0.0112	U/L
AUDITING	<u>185,370</u>	<u>138,443</u>	<u>185,400</u>	<u>46,957</u>	<u>0.0081</u>	<u>0.0117</u>	<u>0.0117</u>	<u>0.0036</u>	U/L
LEVIES-OPERATIONS	<u>50,317,453</u>	<u>51,907,426</u>	<u>52,268,903</u>	<u>140,138</u>	<u>3.0370</u>	<u>3.3492</u>	<u>3.2994</u>	<u>0.3122</u>	
LEVIES DEBT SERVICE					2.8178	3.0898	3.0400		
EXISTING DEBT	5,551,648	4,780,567	4,167,130	(613,437)	0.2797	0.2630	0.2630	(0.0167)	U/L
PROPOSED DEBT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>U/L</u>
LEVIES DEBT SERVICE	<u>5,551,648</u>	<u>4,780,567</u>	<u>4,167,130</u>	<u>(613,437)</u>	<u>0.2797</u>	<u>0.2630</u>	<u>0.2630</u>	<u>(0.0167)</u>	
TOTAL TAX LEVIES	<u>55,869,101</u>	<u>56,687,993</u>	<u>56,436,033</u>	<u>(473,299)</u>	<u>3.3167</u>	<u>3.6122</u>	<u>3.5624</u>	<u>0.2955</u>	
LESS, TOWNSHIP ROAD AND BRIDGE	918,171	945,000	945,000	0	0.0553	0.0597	0.0597	0.0044	
ESTIMATED TC EXTENSION	41,477,541	42,936,225	43,412,599						
TAX EXTENSION LIMIT (CAP)	40,839,731	42,936,225	43,845,127						
TOTAL CITY/LIBRARY EXT	<u>54,950,930</u>	<u>55,742,993</u>	<u>55,491,033</u>	<u>(473,299)</u>					
CITY ONLY EXTENSION	47,649,612	48,161,178	48,161,178						
CITY ONLY LESS DEBT SERVICE	42,097,964	43,380,611	43,994,048	182,385	(431,051.8700)				
LIBRARY TAX RATE	0.3860	0.4422	0.4627	0.0205					
	0.3860		0.0000						
CITY TAX RATE									
OPERATIONS	2.2256	2.5381	2.7771	0.2887					
DEBT SERVICE	<u>0.2935</u>	<u>0.2797</u>	<u>0.2630</u>	<u>(0.0167)</u>					
CITY TAX RATE	<u>2.5191</u>	<u>2.8178</u>	<u>3.0401</u>	<u>0.2720</u>					
	2.5191		(0.0497)						
TOTAL TAX RATE	2.9051	3.2600	3.5028	0.2925					
RATIO DEBT TO TOTAL EQUALIZED ASSESSED VALUATION	0.101	0.086	0.075	(0.0120)					
	1,891,533,215	1,709,176,711	1,584,176,486	(125,000,225)					

CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
SCHEDULE OF TRANSFERS PURCHASE OF SERVICES
(IN DOLLARS)

TRANSFER FROM

TRANSFER TO

	<u>GENERAL</u>	<u>CAPITAL PROJECT</u>	<u>RMAP</u>	<u>PROPERTY</u>	<u>EQUIPMENT</u>	<u>STORES</u>	<u>WATER</u>	<u>POLICE PENSION</u>	<u>FIRE PENSION</u>	<u>IMRF PENSION</u>	<u>HEALTH INSURANCE</u>	<u>UNEMPLOY INSURANCE</u>	<u>WORK COMP</u>	<u>AUDITING</u>
GENERAL		1,150,000		1,406,640	3,001,210	155,750	73,740	5,487,578	6,798,599	3,153,029	10,408,285	134,910	2,396,326	129,965
GENERAL-TRAFFIC														
INFO TECHNOLOGY	31,300			42,340	400					67,529	50,778	720	897	
911 COMM										797,880	663,962	9,540	10,608	910
MOTOR FUEL TAX	1,150,000	3,200,000												
CAPITAL PROJECT	444,805		76,300	73,020	55,050					250,411	234,920	3,240	9,581	10,500
PARKING	295,728			124,820	35,430	22,250				32,163	41,184	540	4,467	475
SANITATION	4,061,977													750
PW BLDG MT	90,100			18,460	49,270	44,500				106,849	139,308	1,800	21,678	650
PW EQUIP MT	73,500			110,760	35,730	40,050				119,207	122,616	1,620	26,660	900
PW STORES	23,900			9,230	4,950					47,865	47,112	720	636	125
WATER	2,702,438			345,780	600,110	182,450				864,286	787,696	11,520	152,299	11,500
BLOCK GRANT	986,424			26,100	3,000					87,109	117,000	1,260	4,311	8,000
REDEVELOPMENT	101,525			211,100			18,000							900
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	117,300													
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					223,310					858,453	1,081,000		31,268	17,700
RMAP	15,700									98,552	83,096	1,260	1,310	600
LIBRARY										714,910			18,155	15,700
POLICE PENSION	126,600													
FIRE PENSION	129,360													
IMRF PENSION	3,153,029													275
WK COMP-PERS	85,900													
HEALTH	161,500													1,100
UNEMPLOYMENT INS	134,910													275
WORK COMP	2,396,326													275
AUDITING	129,965													7,500
JUDGMENTS	<u>470,500</u>													
	<u>16,989,587</u>	<u>4,350,000</u>	<u>76,300</u>	<u>2,368,250</u>	<u>4,008,460</u>	<u>445,000</u>	<u>91,740</u>	<u>5,487,578</u>	<u>6,798,599</u>	<u>7,198,243</u>	<u>13,776,957</u>	<u>167,130</u>	<u>2,678,196</u>	<u>208,100</u>

CITY OF ROCKFORD, ILLINOIS
2014 BUDGET
SCHEDULE OF TRANSFERS PURCHASE OF SERVICES
(IN DOLLARS)

TRANSFER FROM

	<u>INFO TECH</u>	<u>RISK MGMT</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>REPLACEMENT</u>	<u>TIF-WEST</u> <u>SIDE 1</u>	<u>TIF-7TH</u> <u>STREET</u>	<u>TIF-EAST</u> <u>RIVER</u>	<u>TIF-S</u> <u>ROCKFORD</u>	<u>TIF-SFIELD</u> <u>CORNERS</u>	<u>911 COMM</u>	<u>MVPS</u>	<u>TOTAL</u>
GENERAL	2,364,570	1,546,980	597,167	2,114,405						4,650,929	255,029	45,825,112
GENERAL-TRAFFIC											50,100	50,100
INFO TECHNOLOGY		5,650									2,256	201,870
911 COMM	35,760	11,610										1,530,270
MOTOR FUEL TAX												4,350,000
CAPITAL PROJECT	65,770	481,560									9,720	1,714,877
PARKING		6,230	186,150								2,052	751,489
SANITATION												4,062,727
PW BLDG MT	18,410	124,900										615,925
PW EQUIP MT	11,000	9,560										551,603
PW STORES	11,860	870										147,268
WATER	212,120	291,470									2,256	6,163,925
BLOCK GRANT	43,470	11,520									3,948	1,292,142
REDEVELOPMENT			2,464,091									2,795,616
TOURISM/PROMOTIC			433,320									435,120
TIF-EAST SIDE					300,000							325,000
TIF-RIVER EAST			40,062					100,000				140,062
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 #			88,688									88,688
TIF-LINCOLNWOOD #			79,631									79,631
TIF-SPRINGFIELD COF			449,230									449,230
TIF-NORTH MAIN			206,963									206,963
TIF-RKFD GLOBAL PA			689,213									806,513
TIF-RIVER OAKS			290,588									290,588
TIF-GARRISON			160,463									160,463
TIF-HOPE 6			267,250									267,250
TIF-STATE ALPINE												40,000
TIF-RIVER NORTH			25,310									25,310
TIF-MAIN WHITMAN			94,078									94,078
TIF-JACKSON SCHOOL			28,813			50,000						93,813
TIF-PRESTON CENTRA			89,613									89,613
TIF-STATE CENTRAL									200,000			200,000
HUMAN SERVICES	406,310	103,420										2,721,461
RMAP	30,010	1,840									4,788	237,156
LIBRARY			230,000								8,500	987,265
POLICE PENSION												126,600
FIRE PENSION												129,360
IMRF PENSION												3,153,304
WK COMP-PERS												85,900
HEALTH												162,600
UNEMPLOYMENT INS												135,185
WORK COMP												2,396,601
AUDITING												137,465
JUDGMENTS												<u>470,500</u>
	<u>3,199,280</u>	<u>2,595,610</u>	<u>8,146,876</u>	<u>2,114,405</u>	<u>300,000</u>	<u>50,000</u>	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>	<u>4,650,929</u>	<u>338,649</u>	<u>86,439,889</u>

CITY OF ROCKFORD, ILLINOIS
2013 RESULTS OF OPERATIONS (UNAUDITED)
2014 BUDGET

FUND	BEGINNING	REVENUES	EXPENDITURES	EXCESS	ENDING
	BALANCE				
	<u>1/1/13</u>				<u>12/31/13</u>
GENERAL-OPERATING	\$32,168,324	129,465,835	127,304,087	\$2,161,748	\$34,330,072
SPECIAL REVENUE					
MOTOR FUEL TAX	9,673,378	4,396,789	2,212,042	2,184,747	11,858,125
SANITATION	5,041,069	9,064,871	9,271,638	(206,767)	4,834,302
COMMUNITY DEVELOPMENT	986,626	4,104,563	3,499,908	604,655	1,591,281
REDEVELOPMENT TAX	(362,491)	4,015,246	2,346,259	1,668,987	1,306,496
TOURISM PROMOTION TAX	305,019	1,532,095	1,532,095	0	305,019
TAX INCREMENT DISTRICTS	(2,353,775)	4,507,607	5,604,600	(1,096,993)	(3,450,768)
HUMAN SERVICES	869,243	17,356,398	16,491,429	864,969	1,734,212
TUBERCULOSIS SANITARIUM	163,211	154,353	235,460	(81,107)	82,104
LIBRARY	7,859,537	8,568,112	7,899,569	668,543	8,528,080
OTB SPECIAL PROJECTS	73,805	112,784	50,000	62,784	136,589
RMAP PLANNING	(62,665)	933,268	1,210,855	(277,587)	(340,252)
DEBT SERVICE	8,208,657	11,744,620	13,056,521	(1,311,901)	6,896,756
CAPITAL REPLACEMENT	0	652,755	1,407,228	(754,473)	(754,473)
CAPITAL PROJECT	18,565,920	22,953,119	29,180,481	(6,227,362)	12,338,558
ENTERPRISE					
WATER SYSTEM	132,423,519	22,718,285	21,933,640	784,645	133,208,164
PARKING SYSTEM	16,436,949	1,581,404	2,442,393	(860,989)	15,575,960
INTERNAL SERVICE					
PUBLIC WORKS PROPERTY	995,553	2,386,725	2,316,773	69,952	1,065,505
PUBLIC WORKS EQUIPMENT	713,151	3,555,250	3,828,398	(273,148)	440,003
PUBLIC WORKS CENTRAL STORES	256,227	410,472	400,664	9,808	266,035
911 COMMUNICATIONS	1,333	5,565,630	5,569,028	(3,398)	(2,065)
IMRF PENSION	73,081	6,797,860	6,810,050	(12,190)	60,891
UNEMPLOYMENT INSURANCE	102,536	168,135	57,598	110,537	213,073
WORKER'S COMPENSATION	824,458	2,928,358	2,042,896	885,462	1,709,920
AUDITING	49	177,027	138,127	38,900	38,949
RISK MANAGEMENT	(5,210,893)	1,902,176	2,475,576	(573,400)	(5,784,293)
INFORMATION TECHNOLOGY	1,377,717	2,784,523	2,647,950	136,573	1,514,290
HEALTH INSURANCE	9,397,854	20,187,800	20,195,747	(7,947)	9,389,907
PENSION					
POLICE PENSION	162,840,479	29,852,376	14,239,271	15,613,105	178,453,584
FIRE PENSION	144,555,460	29,310,252	15,238,411	14,071,841	158,627,301

CITY OF ROCKFORD, IL
2014 BUDGET
SUMMARY OF THREE YEAR EXPENSES AND REVENUES

	2011 ACTUAL REVENUE	2011 ACTUAL EXPENSE	2011 EXCESS (DEFICIT)	2012 ACTUAL REVENUE	2012 ACTUAL EXPENSE	2012 EXCESS (DEFICIT)	2013 ACTUAL REVENUE	2013 ACTUAL EXPENSE	2013 EXCESS (DEFICIT)	2014 BUDGETED REVENUE	2014 BUDGETED EXPENSE	2014 EXCESS (DEFICIT)
GENERAL-OPERATING	116,111,146	111,343,191	4,767,955	122,166,915	117,751,203	4,415,712	129,465,835	127,304,087	2,161,748	126,737,148	126,644,369	92,779
SPECIAL REVENUE												
MOTOR FUEL TAX	4,170,103	5,700,000	(1,529,897)	4,525,924	1,200,000	3,325,924	4,396,789	2,212,042	2,184,747	4,756,500	4,350,000	406,500
SANITATION	8,663,659	7,894,896	768,763	9,365,802	8,466,687	899,115	9,064,871	9,271,638	(206,767)	11,220,680	12,301,377	(1,080,697)
COMMUNITY DEVELOPMENT	4,533,528	4,298,126	235,402	3,843,247	5,405,193	(1,561,946)	4,104,563	3,499,908	604,655	4,058,493	4,025,556	32,937
REDEVELOPMENT TAX	4,419,459	3,212,269	1,207,190	5,347,374	4,273,641	1,073,733	4,015,246	2,346,259	1,668,987	4,158,320	4,074,896	83,424
TOURISM PROMOTION TAX	1,941,243	1,637,547	303,696	1,742,289	1,637,917	104,372	1,532,095	1,532,095	-	1,590,800	1,587,800	3,000
TAX INCREMENT DISTRICTS	5,933,351	7,954,207	(2,020,856)	5,455,991	5,821,484	(365,493)	4,507,607	5,604,600	(1,096,993)	4,895,385	6,279,353	(1,383,968)
HUMAN SERVICES	16,046,479	16,511,969	(465,490)	15,998,346	15,686,383	311,963	17,356,398	16,491,429	864,969	12,276,941	13,362,841	(1,085,900)
TUBERCULOSIS SANITARIUM	156,760	134,422	22,338	155,256	94,980	60,276	154,353	235,460	(81,107)	169,500	170,000	(500)
LIBRARY	8,417,728	7,219,534	1,198,194	8,454,413	7,017,731	1,436,682	8,568,112	7,899,569	668,543	8,622,131	8,622,131	-
OTB SPECIAL PROJECTS	98,360	25,000	73,360	99,849	25,000	74,849	112,784	50,000	62,784	101,100	75,000	26,100
RMAP PLANNING	1,299,119	1,438,430	(139,311)	1,099,903	1,482,530	(382,627)	933,268	1,210,855	(277,587)	1,007,069	1,004,268	2,801
DEBT SERVICE	12,920,449	14,818,337	(1,897,888)	20,175,557	20,308,619	(133,062)	11,744,620	13,056,521	(1,311,901)	17,315,983	17,315,983	-
CAPITAL REPLACEMENT	0	0	-	0	0	-	652,755	1,407,228	(754,473)	2,714,674	2,714,674	-
CAPITAL PROJECT	17,553,777	16,000,367	1,553,410	18,460,047	25,153,208	(6,693,161)	22,953,119	29,180,481	(6,227,362)	51,110,000	50,760,000	350,000
ENTERPRISE												
WATER SYSTEM	23,015,834	20,660,615	2,355,219	24,998,165	21,385,125	3,613,040	22,718,285	21,933,640	784,645	24,907,740	24,341,812	565,928
PARKING SYSTEM	1,881,626	2,046,746	(165,120)	1,504,179	1,382,504	121,675	1,581,404	2,442,393	(860,989)	1,907,741	2,546,801	(639,060)
INTERNAL SERVICE												
PUBLIC WORKS PROPERTY	3,050,147	2,631,190	418,957	2,882,711	2,509,374	373,337	2,386,725	2,316,773	69,952	2,394,353	2,204,899	189,454
PUBLIC WORKS EQUIPMENT	3,873,179	4,080,237	(207,058)	3,996,210	3,934,895	61,315	3,555,250	3,828,398	(273,148)	4,002,730	3,918,666	84,064
PUBLIC WORKS CENTRAL STORES	424,039	390,062	33,977	414,669	398,159	16,510	410,472	400,664	9,808	445,000	431,078	13,922
911 COMMUNICATIONS	5,426,388	5,434,401	(8,013)	5,378,882	5,378,882	-	5,565,630	5,569,028	(3,398)	5,461,296	5,460,994	302
IMRF PENSION	6,337,199	6,325,451	11,748	6,375,152	6,598,069	(222,917)	6,797,860	6,810,050	(12,190)	7,208,742	7,198,493	10,249
UNEMPLOYMENT INSURANCE	239,404	104,483	134,921	175,255	61,434	113,821	168,135	57,598	110,537	170,140	167,380	2,760
WORKER'S COMPENSATION	2,264,628	1,566,167	698,461	2,755,385	1,901,893	853,492	2,928,358	2,042,896	885,462	2,675,301	2,746,479	(71,178)
AUDITING	250,492	250,492	-	95,319	95,319	-	177,027	138,127	38,900	208,088	208,100	(12)
RISK MANAGEMENT	1,284,653	1,893,808	(609,155)	1,634,562	2,009,701	(375,139)	1,902,176	2,475,576	(573,400)	2,649,710	2,689,100	(39,390)
INFORMATION TECHNOLOGY	2,341,902	2,607,960	(266,058)	2,495,732	2,615,492	(119,760)	2,784,523	2,647,950	136,573	3,199,280	2,947,018	252,262
HEALTH INSURANCE	20,908,852	19,615,259	1,293,593	22,248,093	19,206,783	3,041,310	20,187,800	20,195,747	(7,947)	16,870,868	21,013,800	(4,142,932)
PENSION												
POLICE PENSION	5,899,872	12,845,792	(6,945,920)	20,266,502	13,610,147	6,656,355	29,852,376	14,239,271	15,613,105	18,531,978	14,726,314	3,805,664
FIRE PENSION	16,887,891	14,008,728	2,879,163	18,729,571	14,673,305	4,056,266	29,310,252	15,238,411	14,071,841	19,284,399	15,394,294	3,890,105
	296,351,267	292,649,686	3,701,581	330,841,300	310,085,658	20,755,642	349,888,688	321,638,694	28,249,994	360,652,090	359,283,476	1,368,614

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

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

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

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

The minimum level of the General Fund balance shall be:

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

The City's cash balances policy is:

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

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

**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 Sennissippi 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 | |
| 2013 | \$ 93,645 | \$149,000 | |

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|---|--|--------|
| ▪ Educational Attainment (2010) | | |
| (25+ Years of Age) | | |
| Less than 9 th Grade | | 6.00% |
| 9 th to 12 th 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) | | | |
| | City of | Winnebago | State of |
| Year | Rockford | County | 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% |
| 2013 | 13.1% | 11.6% | 9.2% |

- | | | |
|---|--|-------|
| ▪ 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 Aviators Baseball Team
- Rock River Raptors Arena Football Team

▪ City of Rockford Tax Rate/\$100 EAV

Year	Rate	City % of Total
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%
2012	\$3.2600	25.3%

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.

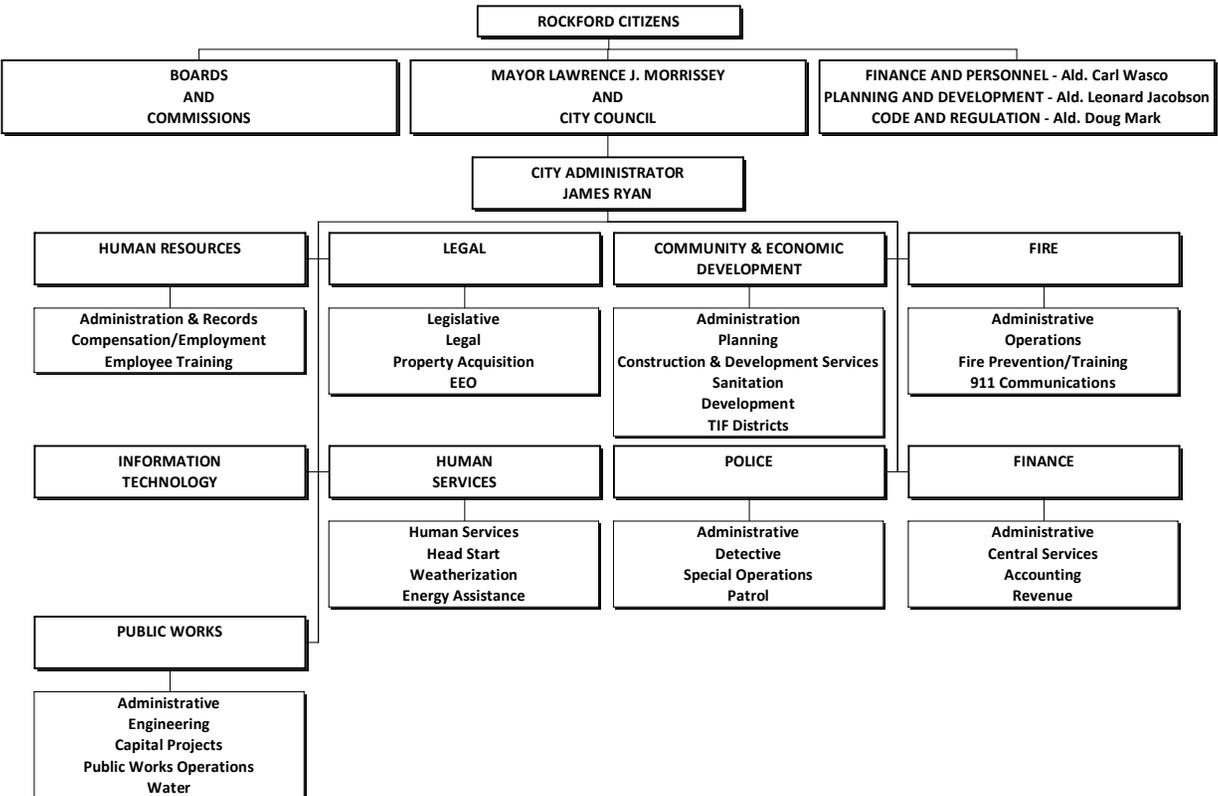
Transfers In/Out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

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.

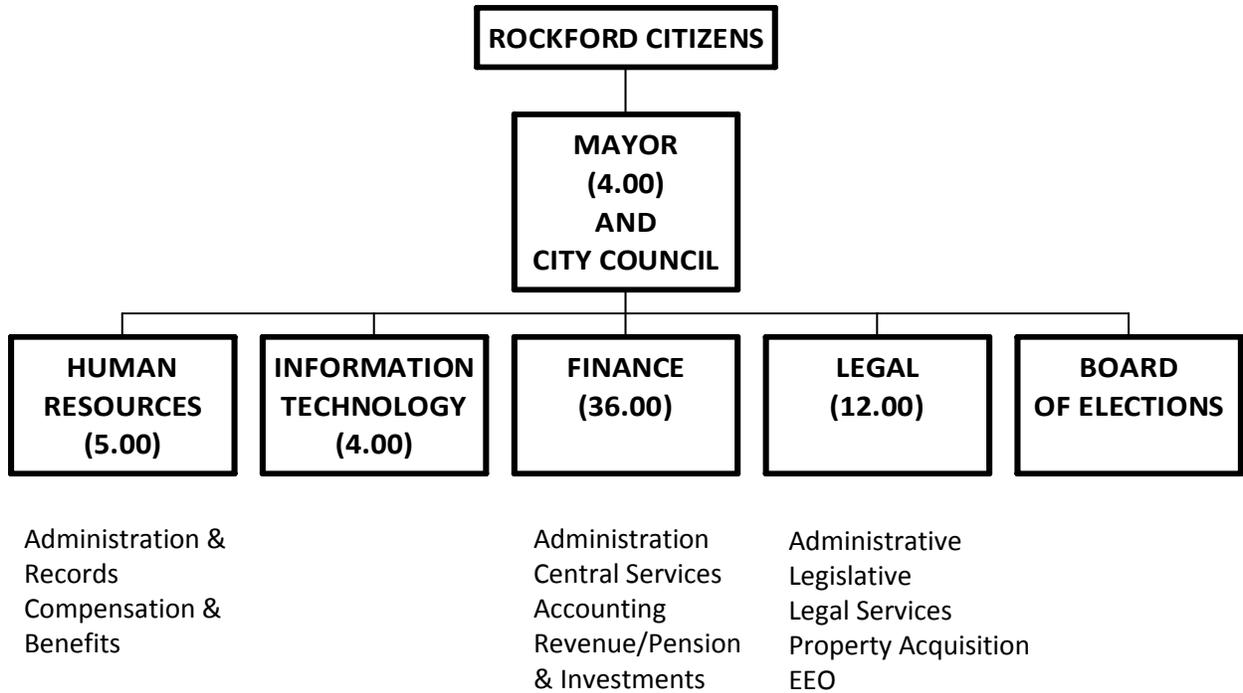
CITY OF ROCKFORD, ILLINOIS ORGANIZATION CHART



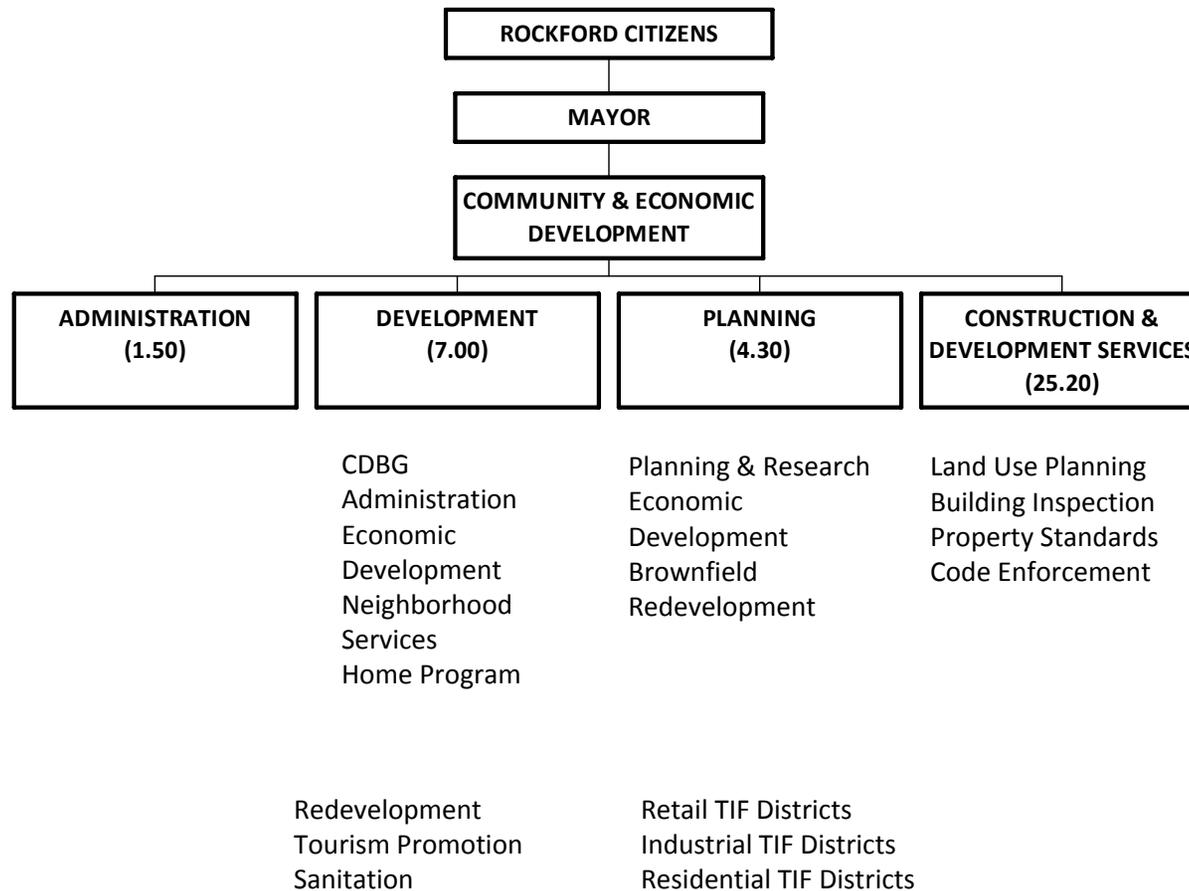
Board of Election Commission
 Building Board of Appeals
 Community Action Program Board
 Community Development Citizens Participation Committee
 Electrical Commissions
 Fire and Police Commission
 911 Communication Board

Greater Rockford Airport Authority
 Historical Preservation Commission
 Homestead Board
 Liquor Commission
 Mechanical Board
 Metro Authority
 Personnel Appeals Board

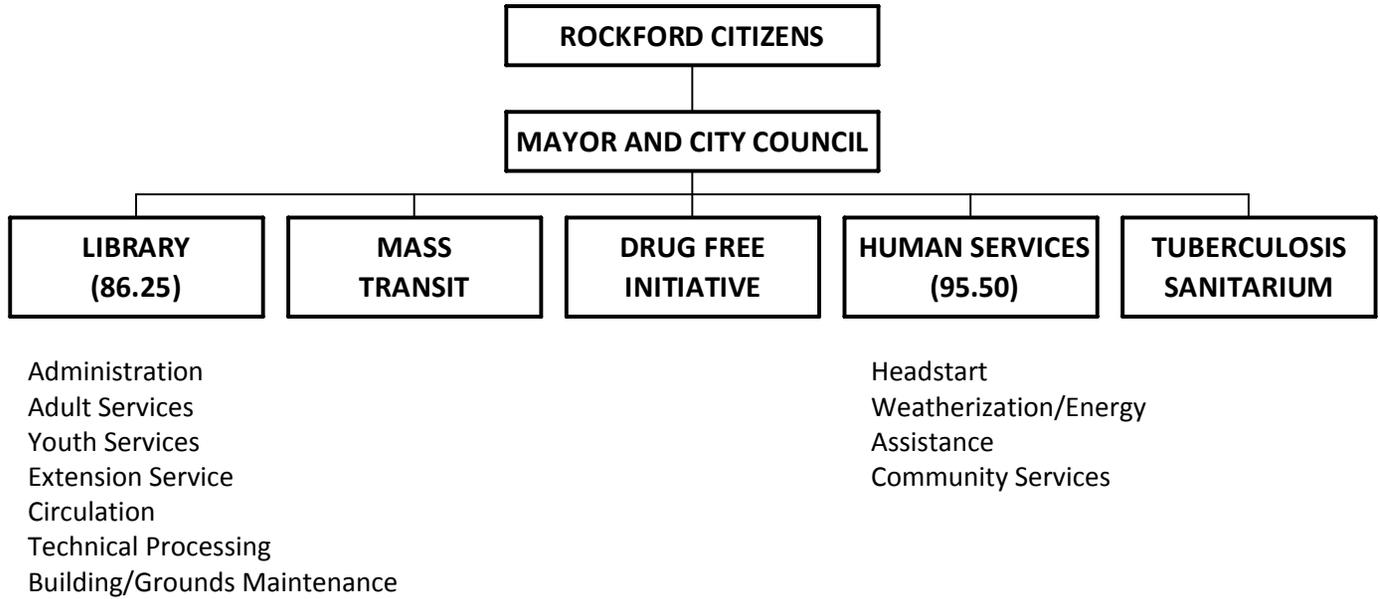
Rockford Housing Authority
 Rockford Library Board
 Rockford Local Development Corporation
 Rockford Mass Transit District
 Traffic Commission
 Zoning Board of Appeals
 Fair Housing Board



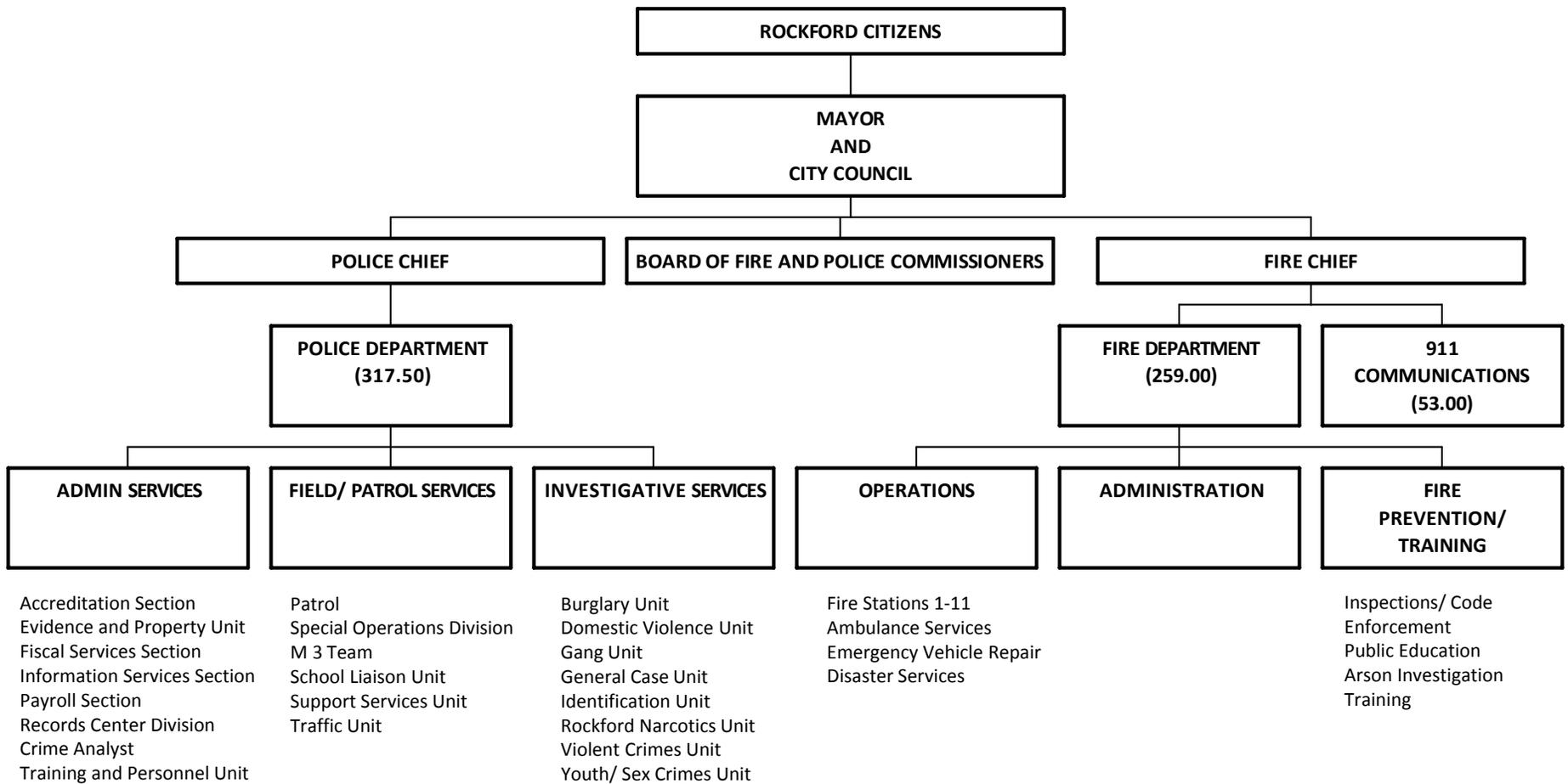
61.00 EMPLOYEES



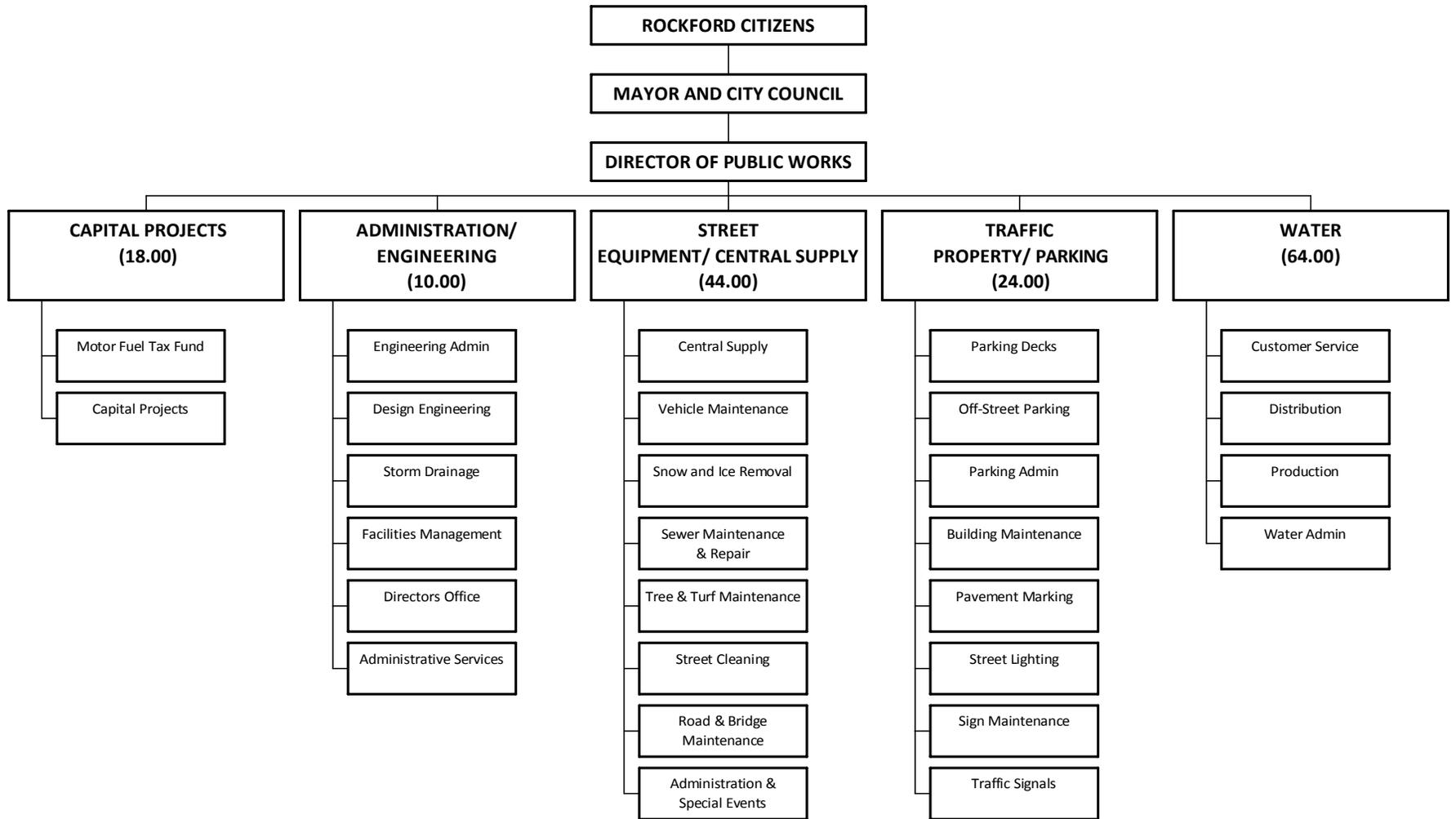
38.00 EMPLOYEES



181.75 EMPLOYEES



629.50 EMPLOYEES



160.00 EMPLOYEES