



Media Release

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Contact:

Wester Wuori, Chief of Staff

Phone: 779-348-7328

E-mail: Wester.Wuori@rockfordil.gov

Finance Task Force Finalizes Recommendations

Group Presents Nearly 90 Ideas to City Council to Reduce Budget Deficit

ROCKFORD, Ill. – The City of Rockford Finance Task Force presented a detailed list of recommendations to the City Council Monday night to help close the gap on a projected **\$10.2 million deficit in the \$139 million 2018 budget**. Task Force Chair Michele Petrie, Branch President of Wintrust Commercial Bank, delivered the results of the group's work, which began in June.

Revenue shortfalls and significant increases in obligated pension costs have driven the growth of the budget deficit. In addition, the State of Illinois budget passed earlier this year reduced municipal funding, with Rockford losing \$2.4 million, further adding to the deficit.

The full list of recommendations from the task force is included with the memo to Council and includes 75 general recommendations and a list of 11 items that must be negotiated with collective bargaining units. Among the key recommendations, along with estimated annual savings:

- Prosecute low-level criminal offenses as ordinance violations, through an administrative hearing process (\$187,000)
- Implement opt-out business license (\$440,000)
- Charge for annual rental property owner registration (\$500,000)
- Enforce and inspect commercial backflow preventers, currently required by local ordinance (\$440,000)
- Reduce Police and Fire overtime (\$400,000)
- Fund asphalt maintenance (pothole patching) from capital funds (\$1,400,000)
- Implement stormwater maintenance fee (\$500,000)
- Replace copper phone lines with fiber network connections (\$100,000)

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The group identified two areas which merit additional study.

OVERTIME

- The City incurs significant overtime costs, particularly in public safety departments. While both departments had good justification for the expense, the task force believes that review from an outside group familiar with police and fire operations could provide some benefit to help reduce that cost. Scheduling, staffing levels, and training policies should be reviewed to identify best practices that may reduce costs.

WELLNESS CENTER

- The City spends approximately \$800,000 on the contract for services at the City's wellness center. The group suggests further review of the model as an effective tool for reducing costs and that alternative models be researched and assessed. Should the model be justified, the group suggests aggressive marketing or incentives to utilize the center, as well as looking at providing service to outside groups to maximize usage.

Should City Council approve all of the recommendations provided, the City will still fall short of balancing the current \$10.2 million budget deficit. To balance the budget, the task force suggests the following:

Home Rule

After considering the City's operations and revenue mix, it became evident to the task force that the lack of home rule was significantly restricting options. The group, after learning what home rule means, recommends that the issue be put to the voters to decide, and that home rule would give the City the ability to prioritize services and responsibly fund them.

Utility Tax

The City has not yet levied a utility tax on electric or gas service. As one of the few larger communities in the state, as well as the local area not charging the tax, the task force recommends this as an option should home rule fail.

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Finance Task Force—add two

Per the terms adopted by City Council when they appointed the task force in April, Council members will review the task force's recommendations and take action on the items within 60 days of receipt.

Appointed task force members are: Ald. Frank Beach, R-10, Ald. Ann Thompson-Kelly, D-7, Ald. Kevin Frost, R-4, Howie Sorenson of Lindstrom & Sorenson, Douglas Beale of First Midwest Group, Noel Nickel of SwedishAmerican Health System, Chris Black of the Rock River Water Reclamation District and Michelle Petrie of Wintrust Commercial Bank. Representing city labor unions are Rockford Firefighters Local 413 President Christopher Scrol, Rockford Police Detective Eric Jones and AFSCME Representative Garry Cacciapaglia.

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