



News Release

October 9, 2018

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City Council Hears National Resource Network Recommendations for Cost Savings

Any Recommendation Must be Approved by City Council Before Implementation

ROCKFORD, III. – Members of the National Resource Network (NRN) tonight presented a detailed set of recommendations to the Rockford City Council designed to help the City close a projected seven-year budget deficit of \$81 million. The City's 2018 general fund operating budget is approximately \$140 million. In its report, NRN noted that with no action the City would effectively run out of money in 2023.

NRN does not advise that the City implement all recommendations simultaneously, nor does NRN assert that the City must adopt all of the recommendations. The plan provides the means to fix the structural deficit while identifying resources for re-investment. The initiatives are data-driven and based on benchmark research, best practices, and are sensitive to Rockford's unique circumstances. Many initiatives would bring Rockford's service delivery and revenue structure in line with those of other Illinois cities.

The City of Rockford has faced budget challenges since the economic downturn following 9/11, and made worse by the Great Recession of 2008, which resulted in decreased property values and widespread job losses. The decline in the City's equalized assessed value, development of retail in surrounding communities, and high unemployment led to decreased City revenue needed to provide basic services such as police, fire and public works. In the last decade, state-mandated pension contributions also have skyrocketed, putting an added strain on City resources. To adjust to those changing economic conditions, the City has taken a number of steps, including reducing staff, outsourcing certain services and implementing a utility tax.

NRN is a non-profit organization with urban policy experts that support economically challenged cities. NRN has spent the last eight months learning about the City's budget, analyzing data, reviewing the operations of comparable communities, and developing suggestions to help improve its financial forecast.

Among the recommendations:

- Hire civilians for Rockford Police Department positions that do not require sworn officers. Shift sworn officers currently assigned to those positions to patrol as current patrol officers leave the department.
- Bring police staffing more in line with the city's population, aligned with a decline in violent crime and calls for service, through department attrition, ultimately reducing FTEs by 22 over five years.
- Reduce emergency medical calls by expanding the City's Mobile Integrated Health program and assigning a registered nurse to 911 dispatch.
- Bring fire staffing more in line with the city's population through a department hiring freeze and attrition, ultimately reducing FTEs by 27.
- Evaluate fire station locations and study a potential station closure.
- Increase employee contributions to health insurance costs.
- Consider selling the City's water system or consider a payment-in-lieu-of-taxes (PILOT), which would represent the taxes a water utility would pay the City if it were a private entity.
- Evaluate property assessment practices to ensure Rockford's equalized assessed value is in line with comparable communities.
- Gain additional revenue for reinvestment in the parking system by charging for on-street parking, while being sensitive to demand and concerns from residents and businesses.
- Charge fees for rental registry on a per unit basis, while offering discounts to landlords who register a large number of units on one property or who comply with related training.
- Implement a vacant property registry and charge a \$250 annual registration fee, which is comparable to other Illinois cities.
- Conduct a comprehensive review of City fees and fines, which considers the cost of personnel, service levels and comparable rates.
- Explore market-based revenue opportunities, such as advertising and naming rights, to generate additional revenue.
- Consider outsourcing work in a managed competition process where City departments bid against private services providers to compete on cost.
- Consider contracting with a private entity to provide or supplement public transit services.
- Review opportunities to sell or repurpose underutilized or vacant city properties.
- Consider consolidating library services through a regional library district, which would allow the district to reduce its tax levy relative to separate library systems. This could allow the City to commit additional resources to general services without increasing the overall tax burden.

Important points about the NRN report:

- Items in the report are the NRN's RECOMMENDATIONS to achieve balanced budgets over the next seven years.
- Most, if not all, items in the report will need to be approved by City Council and the City's collective bargaining groups before implementation.
- City Council will NOT vote on this plan in its entirety. The Council will pass a balanced budget each year, while also looking forward to the next five years.

- The plan is adaptable. As factors in the community and the workplace change, so will the plan.
- The City received a grant in January of 2018 to cover the cost of the majority of the services from NRN.

About National Resource Network

In 2013, the National Resource Network began as a technical assistance program funded by the U.S. Department of Housing and Urban Development. The Network is led by a group of leading experts from the private and public sectors, including Enterprise Community Partners, PFM, HR&A Advisors, New York University's Robert F. Wagner Graduate School of Public Service and the International City/County Management Association. The Network develops and delivers innovative solutions to American cities to help them address their toughest economic challenges. More information about the National Resource Network is available online at <http://nationalresourcenetwork.org>. You can also follow the National Resource Network on Twitter [@NatlResourceNet](https://twitter.com/NatlResourceNet).

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