



## **News Release**

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### **Mayor and Finance Department Present Balanced Budget for 2019**

**ROCKFORD, Ill. –** Mayor Tom McNamara and the City's Finance Department presented a balanced 2019 budget of \$156.8 million to the City Council for its review and approval. Tonight's presentation is the first opportunity aldermen have to view the budget. The City is required to pass the 2019 budget by March 30, 2019, though City leaders are working to have a final budget in place by the end of the year.

As recommended by the City's auditing firm, the City is consolidating the first of several funds into the general fund to comply with common practices in municipal accounting. The 2019 budget reflects the consolidation of the sanitation fund and the audit fund into the general fund, increasing the general fund by approximately \$9.4 million on both the expense and revenue side. This consolidation into the general fund makes the budget seem disproportionately larger than the previous year, due to the restructuring of funds.

Important items included in the proposed budget:

- Overall staff reduction of 11 FTEs from 2018 to 2019.
- A flat property tax levy. Maintaining a flat levy leaves approximately \$1.5 million in revenue the City could otherwise have collected from property taxpayers.
- Year two of the five-year vehicle replacement program. The 2019 budget includes \$5.8 million in equipment purchases, offset by \$5.8 million in revenue from lease proceeds.
- Increase of 2 percent in pension contribution as mandated by the State to approximately \$17.5 million. This covers police, fire and other city employees. (The contribution just five years ago was \$10.5 million.)
- \$240,000 to replace the Police Records Management System, which is at its end of life this year. The new system allows participating law enforcement agencies in the county to access each other's records.
- Equalized assessed valuation (EAV) expected to increase an estimated 4 percent in 2018. An increased EAV equates to an increase in property value and a lower property tax rate.

The City has already begun implementing some of the National Resource Network recommendations, which allowed the Finance Department to present a balanced proposed budget. Among those recommendations already in process:

- Increased health care insurance premiums for non-represented employees, resulting in a 2019 budget savings of \$323,000.
- Ongoing sale of city-owned properties.
- Implemented “Notice to Appear” ordinance. Notice to Appear ordinances allow the City to process violations for certain crimes in an administrative hearing process as opposed to a court proceeding. This allows the City to retain fines and frees up police resources to deal with more serious crimes.

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