

Off-Track Betting Special Projects Fund

Mission Statement

It is the mission of the Off-Track Betting (OTB) Fund to finance projects from off-track betting receipts, as determined by the Mayor and Council.

Primary Functions → The primary function of the OTB Fund is to account for OTB revenues and to allocate those revenues for special projects.

Fund Highlights → The State Legislature approved a horse racing bill in December 1986 that included a provision for race tracks to operate off-track betting parlors in Illinois. A facility was opened in Rockford on November 18, 1987. The City and the County each receives one percent of the handle.

The City utilizes receipts for financing nonrecurring projects, the Rockford arts and property tax relief. Past undertakings have included property tax relief, contribution to the arts, certain road projects and fire station construction.

As part of its City Hall renovation project, the City issued three General Obligation Certificate issues (1990 - \$1,355,000; 1991 - \$4,000,000; and 1992 - \$5,050,000) totaling \$10,405,000. Debt service, 1990-2008, was scheduled to be derived from four revenue streams: the East Side TIF District, off-track betting income, redevelopment sales taxes and existing property taxes.

For the last three remaining debt service payments, 2005 - \$269,298, 2006 - \$403,040, 2007 - \$453,780, the amounts to come from this fund were reduced by \$200,000 for 2005 and \$250,000 annually for 2006 and 2007, a total of \$700,000. Were this not done, this fund would have been negative until 2026. The funding source for the difference was interest earnings and Redevelopment Fund.

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Budget Summary

OTB PROJECTS BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
TRANSFER TO REDEVELOP	\$0	\$0	\$50,200	\$75,000	\$24,800
ARTS	85,000	25,000	0	0	0
TOTAL	<u>\$85,000</u>	<u>\$25,000</u>	<u>\$50,200</u>	<u>\$75,000</u>	<u>\$24,800</u>
FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
OTB RECEIPTS	\$98,229	\$98,310	\$90,000	\$95,000	\$5,000
INTEREST INCOME	0	0	0	700	700
TOTAL	<u>\$98,229</u>	<u>\$98,310</u>	<u>\$90,000</u>	<u>\$95,700</u>	<u>\$5,700</u>

Budget Analysis

- Income budgeted at \$95,700 was increased to historical actual.
- A \$75,000 transfer to redevelopment is budgeted to pay back debt service paid from the redevelopment fund in previous years.

Five Year Financial Forecast

The 2014-2018 five year forecast assumes no revenue growth and expenditure of revenue for Redevelopment Fund reimbursement. With debt service completed in 2007, the fund's deficit should be eliminated in 2012. Future excess funds will reimburse the Redevelopment Fund for past advances, \$700,000, made in 2005 – 2007 with the reimbursement complete by 2020.

OTB SPECIAL PROJECTS FUND 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$96	\$96	\$96	\$101	\$101
Expenditures	100	100	100	100	100
Excess (Deficit)	(4)	(4)	(4)	1	1
Beginning Balance	57	53	50	46	46
Ending Balance	<u>\$53</u>	<u>\$50</u>	<u>\$46</u>	<u>\$46</u>	<u>\$47</u>

**CITY OF ROCKFORD
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS
OTB SPECIAL PROJECTS FUND**

	2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	CHANGE 13-12
76709 Loans and Grants	25,000	50,200	25,000	75,000	24,800
TOTAL OTHER	25,000	50,200	25,000	75,000	24,800
TOTAL OTB SPECIAL PROJECTS	25,000	50,200	25,000	75,000	24,800