

# **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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$12,387,023	\$13,130,963	\$13,495,072	\$14,205,164	\$710,092
CONTRACTUAL	358,869	369,901	371,190	392,350	21,160
SUPPLIES	-	84	70	2,200	2,130
OTHER	<u>99,900</u>	<u>109,200</u>	<u>111,600</u>	<u>126,600</u>	<u>15,000</u>
TOTAL EXPENSE	<u>12,845,792</u>	<u>13,610,148</u>	<u>13,977,932</u>	<u>14,726,314</u>	<u>748,382</u>
	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<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	\$4,610,184	\$936,964
POLICE PENSION REPLACE TAX	<u>862,600</u>	<u>776,300</u>	<u>1,096,852</u>	<u>834,825</u>	<u>(262,027)</u>
TOTAL CITY CONTRIBUTION	5,178,816	4,494,070	4,770,072	5,445,009	674,937
INTEREST INCOME	11,037,385	13,442,657	3,450,000	5,900,000	2,450,000
APPRECIATION(DEPRECIATION)	<u>(8,966,330)</u>	<u>685,597</u>	<u>4,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>
INVESTMENT INCOME	2,071,055	14,128,254	7,450,000	10,900,000	3,450,000
EMPLOYEE CONTRIBUTIONS	<u>1,986,500</u>	<u>2,020,881</u>	<u>2,000,800</u>	<u>2,144,400</u>	<u>143,600</u>
TOTAL	<u>\$9,236,371</u>	<u>\$20,643,205</u>	<u>\$14,220,872</u>	<u>\$18,489,409</u>	<u>\$4,268,537</u>
ACTUARY'S CONTRIBUTION					
REQUIREMENT	\$5,178,816	\$4,463,520	\$4,770,072	\$5,445,009	\$674,937

# **Police and Fire Pension Fund**

## **FIRE PENSION FUND BUDGET SUMMARY**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$12,929,522	\$14,119,143	\$15,051,061	\$14,962,234	(\$88,827)
CONTRACTUAL	480,220	444,880	514,975	302,400	(212,575)
SUPPLIES	-	84	100	-	(100)
OTHER	<u>101,700</u>	<u>109,200</u>	<u>111,600</u>	<u>129,660</u>	<u>18,060</u>
TOTAL EXPENSE	<u>13,511,442</u>	<u>14,673,307</u>	<u>15,677,736</u>	<u>15,394,294</u>	<u>(283,442)</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FIRE DEPARTMENT TRANSFER					
FIRE PENSION PROPERTY TAX	\$4,483,682	\$4,192,187	\$4,133,879	\$5,775,959	\$1,642,080
FIRE PENSION REPLACE TAX	<u>1,174,300</u>	<u>931,600</u>	<u>1,642,182</u>	<u>996,727</u>	<u>(645,455)</u>
TOTAL CITY CONTRIBUTION	5,657,982	5,123,787	5,776,061	6,772,686	996,625
INTEREST INCOME	6,757,037	9,951,925	4,000,000	5,500,000	1,500,000
APPRECIATION(DEPRECIATION)	<u>3,344,267</u>	<u>1,710,618</u>	<u>4,000,000</u>	<u>5,000,000</u>	<u>1,000,000</u>
INVESTMENT INCOME	10,101,304	11,662,543	8,000,000	10,500,000	2,500,000
EMPLOYEE CONTRIBUTIONS	<u>1,798,076</u>	<u>1,873,315</u>	<u>1,969,100</u>	<u>1,985,800</u>	<u>16,700</u>
TOTAL	<u>\$17,557,362</u>	<u>\$18,659,645</u>	<u>\$15,745,161</u>	<u>\$19,258,486</u>	<u>\$3,513,325</u>
ACTUARY'S CONTRIBUTION					
REQUIREMENT	\$7,045,842	\$5,082,279	\$5,776,061	\$6,772,686	\$996,625

## **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 2012, the Police plan earned \$2.3 million in interest income while the Fire plan earned \$2.9 million in interest income.
- The Police and Fire plans also realized \$11.2 and \$7.0 million respectively on the sale of investments.
- In addition, reflecting fair market value adjustments of investments, the Police Pension Fund recorded a gain of \$685,600 while the Fire Pension Fund recorded a gain of \$1.7 million.
- Investment expenses were \$197,000 for Police and \$375,200 for Fire.
- Approximate annual rates of return were above the assumption rate of 7.5%, with 9.29% for Police and 8.53% 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.

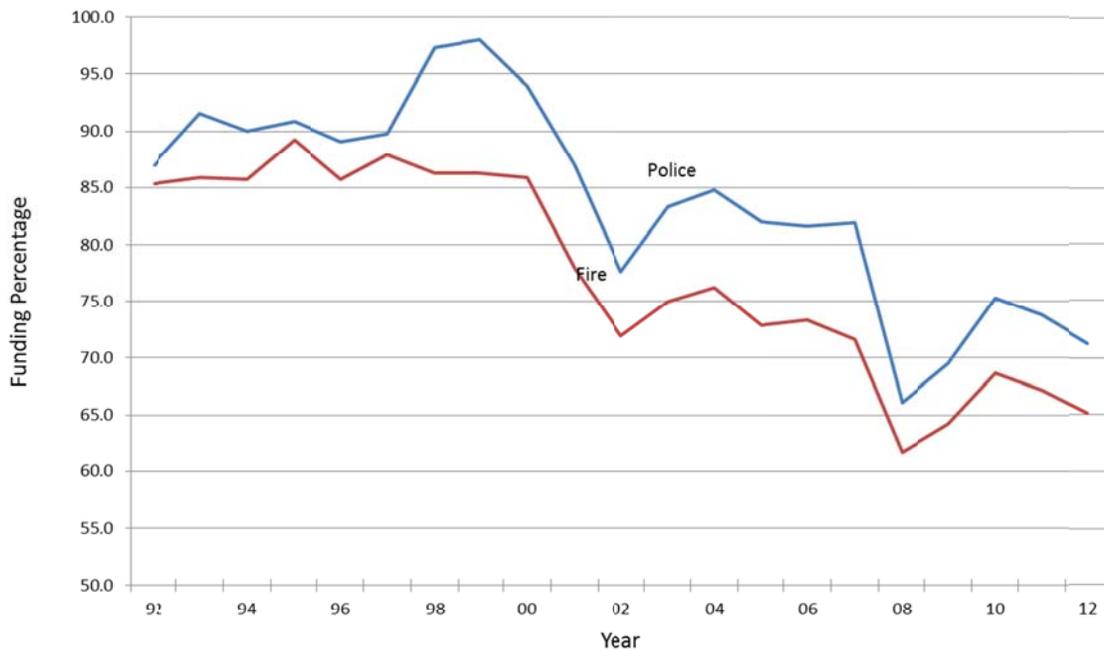
Effective July 1, 2004, the State changed the surviving spouse formula for the Fire Pension from 54% of ending salary to 100% of ending pension. To help fund this increased benefit, the firefighter contribution from salary was increased from 8.455% to 9.455%, an addition of \$166,400 and the municipal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



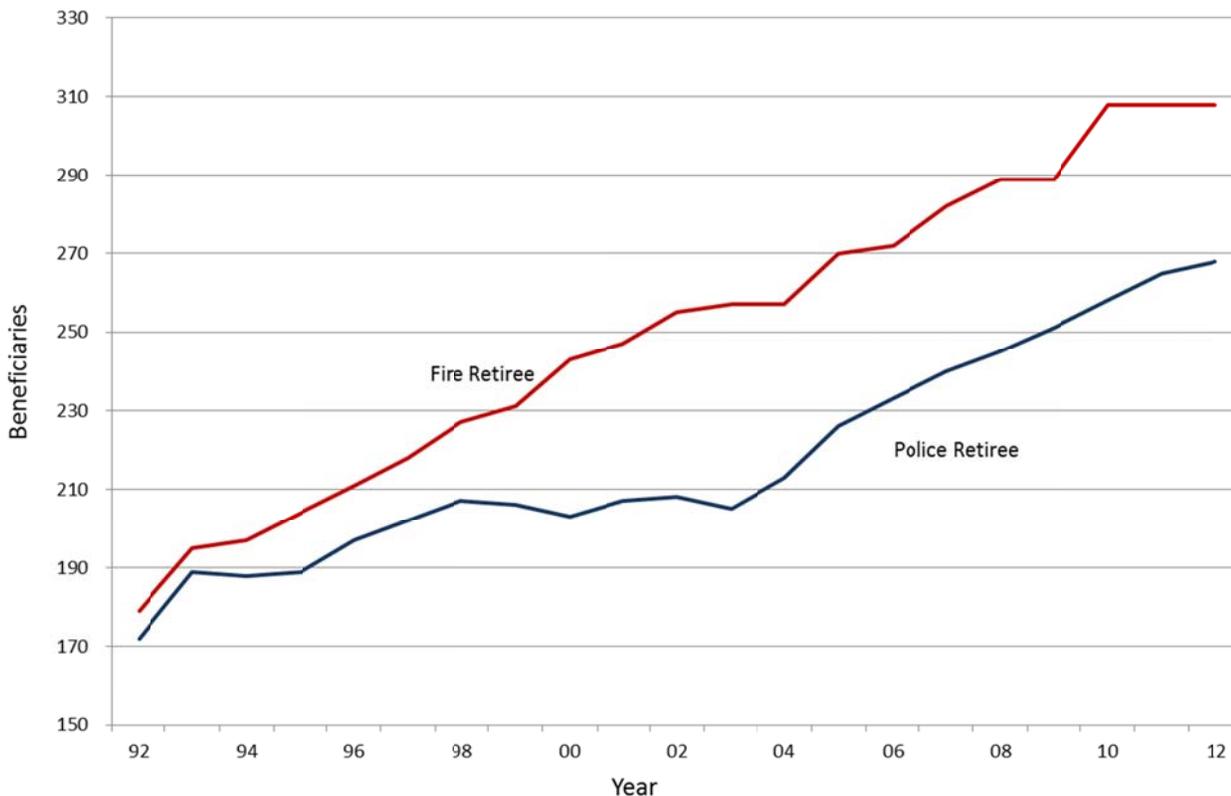
## ROCKFORD PENSION PLANS

	<u>Police</u>	<u>Fire</u>	<u>IMRF/SS</u>
Employees	Sworn	Sworn	All Other
2013 Employer Rate	23.63%	27.73%	19.87%
2013 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 2013, estimated rates are 23.9 cents for the Police plan and 26.8 cents for the Fire plan. 2012 rates are estimated at 20.9 and 23.5 cents respectively. The property tax rate increase is due to the plan cost increase. For the Fire plan, 3.4 cents for 2012 and 3.0 cents for 2013 are exempt from tax caps.

Both plans utilize the Finance Department's staff. The Police pension fund will also utilize a consultant, \$40,000, and a custodian, \$2,200, as well as six money managers at an estimated cost of \$199,000 (2012-\$150,001). The Fire pension uses a consultant, \$65,000, a custodian, \$8,500, and ten money managers at an estimated cost of \$401,000 (2012-\$302,183). 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)	<u>8,264</u>	<u>8,900</u>	<u>9,604</u>	<u>10,368</u>	<u>11,211</u>
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)	<u>6,455</u>	<u>6,961</u>	<u>7,518</u>	<u>8,136</u>	<u>8,826</u>
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.

**CITY OF ROCKFORD**  
**NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**  
**POLICE PENSION FUND**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>CHANGE</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>14-13</b>
71276 Pension Payment	12,998,636	13,495,072	14,205,164	710,092
71277 Contribution Refund	132,327	-	-	-
<b>TOTAL PERSONNEL</b>	<b>13,130,963</b>	<b>13,495,072</b>	<b>14,205,164</b>	<b>710,092</b>
72212 Postage	1,915	2,250	2,500	250
72214 Travel	838	2,740	2,500	(240)
72215 Dues	1,550	2,650	2,650	-
72218 Service Contracts	190,423	249,200	235,700	(13,500)
72221 Admin Srvc Fee	-	-	-	-
72281 Legal	105,287	75,000	110,000	35,000
72284 Medical Expenses	20,973	37,000	35,000	(2,000)
72290 Education	1,880	2,150	4,000	1,850
72292 Consulting Fee	39,000	-	-	-
72299 Misc Contracts	8,035	200	-	(200)
<b>TOTAL CONTRACTUAL</b>	<b>369,901</b>	<b>371,190</b>	<b>392,350</b>	<b>21,160</b>
75560 Office Supplies	84	70	2,200	2,130
<b>TOTAL OFFICE SUPPLIES</b>	<b>84</b>	<b>70</b>	<b>2,200</b>	<b>2,130</b>
77725 P/S-GF	109,200	111,600	126,600	15,000
<b>TOTAL OTHER</b>	<b>109,200</b>	<b>111,600</b>	<b>126,600</b>	<b>17,130</b>
<b>TOTAL POLICE PENSION FUND</b>	<b>13,610,148</b>	<b>13,977,932</b>	<b>14,726,314</b>	<b>748,382</b>

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
FIRE PENSION FUND**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>CHANGE 14-13</b>
71276 Pension Payment	14,119,049	15,051,061	14,962,234	(88,827)
71277 Contribution Refund	94	-	-	-
<b>TOTAL PERSONNEL</b>	<b>14,119,143</b>	<b>15,051,061</b>	<b>14,962,234</b>	<b>(88,827)</b>
72212 Postage	1,951	2,200	2,600	400
72214 Travel	309	1,300	-	(1,300)
72215 Dues	775	2,275	2,500	225
72218 Service Contracts	351,888	491,500	274,500	(217,000)
72281 Legal	13,667	12,100	14,000	1,900
72284 Medical Expenses	1,775	2,500	2,500	-
72290 Education	1,480	2,800	3,300	500
72292 Consulting Fees	65,000	-	-	-
72299 Misc Contracts	8,035	300	3,000	2,700
<b>TOTAL CONTRACTUAL</b>	<b>444,880</b>	<b>514,975</b>	<b>302,400</b>	<b>(212,575)</b>
75560 Office Supplies	84	100	-	(100)
<b>TOTAL OFFICE SUPPLIES</b>	<b>84</b>	<b>100</b>	<b>-</b>	<b>(100)</b>
77725 P/S-GF	109,200	111,600	129,360	17,760
77784 Investment	-	-	300	300
<b>TOTAL OTHER</b>	<b>109,200</b>	<b>111,600</b>	<b>129,660</b>	<b>18,060</b>
<b>TOTAL FIRE PENSION FUND</b>	<b>14,673,307</b>	<b>15,677,736</b>	<b>15,394,294</b>	<b>(283,442)</b>

# 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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$6,325,205	\$6,369,974	\$6,997,948	\$7,174,431	\$176,483
CONTRACTUAL	<u>246</u>	<u>260</u>	<u>250</u>	<u>250</u>	<u>0</u>
TOTAL	<u>\$6,325,451</u>	<u>\$6,370,234</u>	<u>\$6,998,198</u>	<u>\$7,174,681</u>	<u>\$176,483</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 SECURITY	<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>

<b>FUNDING SOURCE</b>	2011	2012	2013	2014	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
IMRF FUND	\$3,190,674	\$3,015,036	\$3,219,787	\$3,342,671	\$122,884
REPLACEMENT TAXES	308,100	277,300	328,700	328,200	(500)
INTERFUND TRANSFERS	3,654,574	3,732,155	3,449,710	3,503,809	54,099
INTEREST INCOME	<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>\$7,184,680</u>	<u>\$176,483</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 77.5% funded (2010 market value).
- The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2014 estimated rate is 20.61 cents, a slight increase from the prior year's 18.9 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	\$7,688	\$8,226	\$8,802	\$9,418	\$10,077
Expenses	<u>7,677</u>	<u>8,214</u>	<u>8,789</u>	<u>9,404</u>	<u>10,062</u>
Excess (Deficit)	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
Beginning Balance	<u>76</u>	<u>87</u>	<u>99</u>	<u>112</u>	<u>126</u>
Ending Balance	<u>\$87</u>	<u>\$99</u>	<u>\$112</u>	<u>\$126</u>	<u>\$141</u>
Property Tax Rates (in cents)	23.9	27.3	29.3	31.5	33.8

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.

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
IMRF RETIREMENT FUND**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>CHANGE 14-13</b>
71251 IMRF Retirement	6,369,974	6,997,948	7,174,431	176,483
<i>TOTAL PERSONNEL</i>	6,369,974	6,997,948	7,174,431	176,483
72282 Audit	260	250	250	-
<i>TOTAL CONTRACTUAL</i>	260	250	250	-
<b>TOTAL IMRF RETIREMENT FUND</b>	<b>6,370,234</b>	<b>6,998,198</b>	<b>7,174,681</b>	<b>176,483</b>

# 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 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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$18,109,845	\$18,222,702	\$21,627,400	\$20,326,300	(\$1,301,100)
SUPPLIES	16,513	0	500	500	0
OTHER EXPENSE	<u>1,212,100</u>	<u>155,360</u>	<u>179,075</u>	<u>171,340</u>	<u>(7,735)</u>
TOTAL	<u>\$19,338,458</u>	<u>\$18,378,062</u>	<u>\$21,806,975</u>	<u>\$20,498,140</u>	<u>(\$1,308,835)</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<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	\$17,431,828	(\$1,407,253)
EMPLOYEE PREMIUMS	1,067,685	1,075,245	1,094,665	1,226,316	131,651
RETIREES	2,269,368	2,081,298	1,987,990	1,906,974	(81,016)
OTHER	341,126	740,883	(112,000)	(70,000)	42,000
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	\$20,579,318	(\$1,308,618)

## **BUDGET HIGHLIGHTS**

- 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.
- Revenue reflects a 5% reduction in premiums from 2013, and changes in coverage elections from year to year.

# **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	\$21,512	\$22,469	\$23,473	\$24,526	\$25,629
Expenses	<u>21,506</u>	<u>22,560</u>	<u>23,667</u>	<u>24,829</u>	<u>26,049</u>
Excess (Deficit)	<u>6</u>	<u>(91)</u>	<u>(194)</u>	<u>(303)</u>	<u>(420)</u>
Beginning Balance	<u>5,692</u>	<u>5,698</u>	<u>5,607</u>	<u>5,413</u>	<u>5,110</u>
Ending Balance	<u>\$5,698</u>	<u>\$5,607</u>	<u>\$5,413</u>	<u>\$5,110</u>	<u>\$4,690</u>
Rate Increase	5.0	5.0	5.0	5.0	5.0
Reserve Percentage	26.5	25.3	23.7	21.8	19.6

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.

**CITY OF ROCKFORD**  
**NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**  
**HEALTH INSURANCE FUND**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>CHANGE</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>14-13</b>
72211 Printing	1,718	500	-	(500)
72212 Postage	-	1,500	2,000	500
72215 Dues	-	4,000	4,000	-
72218 Service Contracts	29,230	87,000	92,000	5,000
72221 Admin Service Fee	716,772	762,500	787,300	24,800
72222 Medical Claims	12,843,702	15,352,000	14,200,000	(1,152,000)
72223 Dental	1,173,884	1,222,000	1,200,000	(22,000)
72224 Life Insurance	279	-	-	-
72234 Pharmacy	2,497,944	3,089,000	3,030,000	(59,000)
72241 Insurance	844,130	981,400	895,000	(86,400)
72282 Audit	1,041	1,000	1,000	-
72284 Medical Fees	-	12,500	-	(12,500)
72288 Miscellaneous Prof Fee	-	4,000	-	(4,000)
72292 Consulting Fee	114,002	110,000	115,000	5,000
72299 Miscellaneous Cont	-	-	-	-
<b>TOTAL CONTRACTUAL</b>	<b>18,222,702</b>	<b>21,627,400</b>	<b>20,326,300</b>	<b>(1,301,100)</b>
75560 Office Supplies	-	500	500	-
<b>TOTAL SUPPLIES</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>-</b>
77725 Purchase of Services	155,360	179,075	171,340	(7,735)
<b>TOTAL OTHER</b>	<b>155,360</b>	<b>179,075</b>	<b>171,340</b>	<b>(7,735)</b>
<b>TOTAL HEALTH INSURANCE FUND</b>	<b>18,378,062</b>	<b>21,806,975</b>	<b>20,498,140</b>	<b>(1,308,835)</b>

# 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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$104,483</u>	<u>\$72,086</u>	<u>\$168,307</u>	<u>\$166,480</u>	<u>(\$1,827)</u>
TOTAL	<u>\$104,483</u>	<u>\$72,086</u>	<u>\$168,307</u>	<u>\$166,480</u>	<u>(\$1,827)</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	<u>\$51,989</u>	<u>\$172,524</u>	<u>\$135,297</u>	<u>\$134,010</u>	<u>(\$1,287)</u>
OTHER FUND TRANSFERS	<u>29,145</u>	<u>-</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>3,000</u>	<u>2,100</u>
TOTAL	<u>\$81,413</u>	<u>\$174,442</u>	<u>\$168,957</u>	<u>\$169,230</u>	<u>\$273</u>

## **BUDGET HIGHLIGHTS**

- The property tax rate for unemployment, collected in the general fund, is unlimited by statute. The 2014 estimated rate is 0.82 cents, 0.045 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).

**CITY OF ROCKFORD**  
**NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**  
**UNEMPLOYMENT COMPENSATION FUND**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>CHANGE 14-13</b>
72229 Unemployment Benefit	71,826	168,057	166,230	<b>(1,827)</b>
72282 Audit	260	250	250	-
<b>TOTAL CONTRACTUAL</b>	<b>72,086</b>	<b>168,307</b>	<b>166,480</b>	<b>(1,827)</b>
 <b>TOTAL UNEMPLOYMENT COMPENSATION FUND</b>	 <b>72,086</b>	 <b>168,307</b>	 <b>166,480</b>	 <b>(1,827)</b>

# 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**

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
CONTRACTUAL	\$1,483,367	\$1,861,721	\$2,586,971	\$2,660,579	\$73,608
OTHER EXPENSE	<u>82,800</u>	<u>83,500</u>	<u>92,400</u>	<u>90,500</u>	<u>(1,900)</u>
<b>TOTAL</b>	<u>\$1,566,167</u>	<u>\$1,945,221</u>	<u>\$2,679,371</u>	<u>\$2,751,079</u>	<u>\$71,708</u>

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
GENERAL FUND TRANSFERS	\$2,525,473	\$2,423,945	\$2,401,743	\$2,465,201	\$63,458
OTHER FUND TRANSFERS	294,712	269,609	277,378	285,628	8,250
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>
<b>TOTAL</b>	<u>\$2,935,725</u>	<u>\$2,756,789</u>	<u>\$2,694,121</u>	<u>\$2,765,829</u>	<u>\$71,708</u>

## **BUDGET HIGHLIGHTS**

- Rates were unchanged for 2014 due to positive fund performance and an acceptable fund balance.
- 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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues	\$2,903	\$3,048	\$3,199	\$3,359	\$3,526
Expenses	<u>2,889</u>	<u>3,033</u>	<u>3,185</u>	<u>3,344</u>	<u>3,511</u>
Excess (Deficit)	<u>14</u>	<u>15</u>	<u>14</u>	<u>15</u>	<u>15</u>
Beginning Balance	<u>912,050</u>	<u>912,064</u>	<u>912,079</u>	<u>912,093</u>	<u>912,108</u>
Ending Balance	<u>\$912,064</u>	<u>\$912,079</u>	<u>\$912,093</u>	<u>\$912,108</u>	<u>\$912,123</u>

Expense Rate Change	5%	5%	5%	5%	5%
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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.

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
WORKER'S COMPENSATION FUND**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>CHANGE</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>14-13</b>
72221 Admin Service Fee	104,647	50,000	100,000	-
72225 WC Temporary Benefit	972,396	500,000	750,000	-
72226 WC Indemnity Benefit	163,877	1,581,721	1,210,319	<b>(371,402)</b>
72227 WC Medical/Legal	525,097	350,000	500,000	-
72241 Insurance	95,444	105,000	100,000	(5,000)
72282 Audit	260	250	260	-
<b>TOTAL CONTRACTUAL</b>	<b>1,861,721</b>	<b>2,586,971</b>	<b>2,660,579</b>	<b>(376,402)</b>
77725 Purchase of Services	83,500	92,400	90,500	<b>(1,900)</b>
<b>TOTAL OTHER</b>	<b>83,500</b>	<b>92,400</b>	<b>90,500</b>	<b>(1,900)</b>
<b>TOTAL WORKER'S COMPENSATION FUND</b>	<b>1,945,221</b>	<b>2,679,371</b>	<b>2,751,079</b>	<b>(378,302)</b>

# 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**

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
CONTRACTUAL	<u>\$250,492</u>	<u>\$206,983</u>	<u>\$240,000</u>	<u>\$208,100</u>	<u>(\$31,900)</u>
TOTAL	<u>\$250,492</u>	<u>\$206,983</u>	<u>\$240,000</u>	<u>\$208,100</u>	<u>(\$31,900)</u>

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
PROPERTY TAXES					
AUDITING	\$182,240	\$144,770	\$180,990	\$139,950	<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 1.0 cents.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
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.

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
AUDITING FUND**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>CHANGE 14-13</b>
72211 Printing	7,258	3,000	7,500	4,500
72282 Audit	199,725	237,000	200,600	(36,400)
<b>TOTAL CONTRACTUAL</b>	<b>206,983</b>	<b>240,000</b>	<b>208,100</b>	<b>(31,900)</b>
<b>TOTAL AUDITING FUND</b>	<b>206,983</b>	<b>240,000</b>	<b>208,100</b>	<b>(31,900)</b>

# **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 has gone 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
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
BOND INTEREST	\$5,807,906	\$5,131,641	\$4,329,146	\$4,481,409	\$152,263
BOND PRINCIPAL	<u>9,015,000</u>	<u>8,330,000</u>	<u>12,859,335</u>	<u>12,834,574</u>	<u>(24,761)</u>
TOTAL	<u>\$14,822,906</u>	<u>\$13,461,641</u>	<u>\$17,188,481</u>	<u>\$17,315,983</u>	<u>\$127,502</u>

Actuals exclude water system debt

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
<b>PROPERTY TAXES</b>					
DEBT SERVICE-CITYWIDE	<u>\$5,546,650</u>	<u>\$4,866,320</u>	<u>\$4,849,256</u>	<u>\$4,145,768</u>	<u>(\$703,488)</u>
	5,546,650	4,866,320	4,849,256	4,145,768	<u>(703,488)</u>
<b>ABATEMENTS-TAX EXEMPT</b>					
PUBLIC WORKS WATER DIVIS	6,697,874	6,527,549	5,776,777	5,323,076	<u>(453,701)</u>
SALES TAX	579,573	574,773	579,573	404,036	<u>(175,537)</u>
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>	<u>(5,125)</u>
	11,616,445	11,634,156	10,713,441	10,168,390	<u>(545,051)</u>
<b>ABATEMENTS-TAXABLE</b>					
TIF DISTRICTS	946,660	519,010	698,635	692,888	<u>(5,747)</u>
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>	<u>(3,565)</u>
	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.
- The City plans to issue bonds to fund the construction of a multi-use indoor sports facility at the former Ingersoll facility.

# 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.

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
DEBT MANAGEMENT FUNDS**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 13-14</b>
78783 GO Bond Principal	5,131,641	4,329,146	4,481,409	152,263
78833 GO Bond Interest	8,330,000	12,859,335	12,834,574	(24,761)
<b>TOTAL OTHER</b>	<b>13,461,641</b>	<b>17,188,481</b>	<b>17,315,983</b>	<b>127,502</b>
<b>TOTAL DEBT MANAGEMENT</b>	<b>13,461,641</b>	<b>17,188,481</b>	<b>17,315,983</b>	<b>127,502</b>

# 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**

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
TRANSFER TO REDEVELOP	\$0	\$0	\$75,000	\$75,000	\$0
ARTS	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$0</u>
<b>FUNDING SOURCE</b>	2011	2012	2013	2014	INCREASE (DECREASE)
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
OTB RECEIPTS	\$98,310	\$97,469	\$95,000	\$100,000	\$5,000
INTEREST INCOME	<u>0</u>	<u>0</u>	<u>700</u>	<u>1,100</u>	<u>400</u>
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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
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>

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

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>8 MO ACTUAL</b>	<b>2014 BUDGET</b>	<b>CHANGE 14-13</b>
76709 Loans and Grants	25,000	75,000	50,000	75,000	-
<b>TOTAL OTHER</b>	<b>25,000</b>	<b>75,000</b>	<b>50,000</b>	<b>75,000</b>	<b>-</b>
<b>TOTAL OTB SPECIAL PROJECTS FI</b>	<b>25,000</b>	<b>75,000</b>	<b>50,000</b>	<b>75,000</b>	<b>-</b>

# 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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$846,784	\$1,706,470	\$1,736,950	\$2,218,600	\$481,650
SUPPLY	0	31	0	0	0
OTHER	<u>329,118</u>	<u>303,200</u>	<u>451,700</u>	<u>470,500</u>	<u>18,800</u>
TOTAL	<u>\$1,175,902</u>	<u>\$2,009,701</u>	<u>\$2,188,650</u>	<u>\$2,689,100</u>	<u>\$500,450</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<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
PROPERTY DAMAGE REIMBURSEMENT	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>1,248,035</u>	<u>1,887,450</u>	<u>2,649,710</u>	<u>762,260</u>

## **BUDGET HIGHLIGHTS**

- Increases in contractual 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 that 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.

**RISK MANAGEMENT FUND  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 14-13</b>
72211 Printing	1,188	-	-	-
72212 Postage	345	-	-	-
72214 Travel	6,470	-	-	-
72218 Service Contracts	1,084	1,500	1,500	-
72246 Risk-Administration	33,363	38,000	35,000	(3,000)
72247 Risk-Policies	413,843	627,450	622,100	(5,350)
72248 Risk-Claims	668,284	770,000	1,135,000	365,000
72249 Risk-City Losses	224,787	200,000	225,000	25,000
72281 Legal	357,106	100,000	200,000	100,000
<b>TOTAL CONTRACTUAL</b>	<b>1,706,470</b>	<b>1,736,950</b>	<b>2,218,600</b>	<b>481,650</b>
75525 Food	31	-	-	-
<b>TOTAL SUPPLIES</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>
77725 Purch. Serv-Gen.	303,200	451,700	470,500	18,800
<b>TOTAL OTHER</b>	<b>303,200</b>	<b>451,700</b>	<b>470,500</b>	<b>18,800</b>
<b>TOTAL RISK MANAGEMENT</b>	<b>2,009,701</b>	<b>2,188,650</b>	<b>2,689,100</b>	<b>500,450</b>

# 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**

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
PERSONNEL	\$516,081	\$522,018	\$533,960	\$528,018	(\$5,942)
CONTRACTUAL	<u>\$1,630</u>	<u>\$1,630</u>	<u>\$1,990</u>	<u>\$1,080</u>	(\$910)
TOTAL	<u>\$517,711</u>	<u>\$523,648</u>	<u>\$535,950</u>	<u>\$529,098</u>	(\$6,852)

	2011	2012	2013	2014	INCREASE (DECREASE)
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	
FEDERAL	<u>\$517,711</u>	<u>\$523,648</u>	<u>\$535,950</u>	<u>\$529,098</u>	(\$6,852)
	<u>\$517,711</u>	<u>\$523,648</u>	<u>\$535,950</u>	<u>\$529,098</u>	(\$6,852)

## **WORKFORCE INVESTMENT BOARD AUTHORIZED POSITIONS**

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

## **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.

**WORKFORCE INVESTMENT BOARD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>BUDGET CHANGE 14-13</b>
71112 Salaries Permanent	348,919	355,555	350,064	(5,491)
71126 Merit Pay	-	-	-	-
71129 Salary Adjustment	-	-	7,001	
71251 IMRF	71,477	75,804	73,723	(2,081)
71253 Unemployment	1,111	1,080	1,080	-
71262 Worker's Comp	978	1,031	1,016	(15)
71263 Health Insurance	99,071	100,490	95,134	(5,356)
71264 Life Insurance	462	-	-	-
<b>TOTAL PERSONNEL</b>	<b>522,018</b>	<b>533,960</b>	<b>528,018</b>	<b>(12,943)</b>
71264 Risk Management	1,630	1,990	1,080	(910)
<b>TOTAL CONTRACTUAL</b>	<b>1,630</b>	<b>1,990</b>	<b>1,080</b>	<b>(910)</b>
<b>TOTAL WORKFORCE INVESTMENT BOARD</b>	<b>523,648</b>	<b>535,950</b>	<b>529,098</b>	<b>(13,853)</b>

# 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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$598,029	\$699,132	\$683,212	\$687,482	\$4,270
CONTRACTUAL	814,516	752,596	188,940	288,720	99,780
SUPPLIES	16,685	14,756	5,558	11,495	5,937
OTHER	9,200	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>
<b>TOTAL</b>	<u>\$1,438,430</u>	<u>\$1,479,084</u>	<u>\$890,310</u>	<u>\$1,025,997</u>	<u>\$135,687</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
<b>CURRENT FUNDS</b>					
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	-
GRANTS	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>(600,000)</u>
<b>TOTAL</b>	<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**

	<b>POSITION</b>	<b>2013</b>	<b>2014</b>	<b>INCREASE/</b>
<b>POSITION TITLE</b>	<u>RANGE</u>	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>	<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>
<b>TOTAL PERSONNEL</b>		<b>6.00</b>	<b>7.00</b>	<b>1.00</b>

## **BUDGET HIGHLIGHTS**

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

**ROCKFORD AREA METROPOLITAN AGENCY FOR PLANNING  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**

		2012	2013	8 MONTH	2014	CHANGE
		ACTUAL	BUDGET	ACTUAL	BUDGET	14-13
71112	Permanent	430,102	458,807	307,047	467,958	9,151
71113	Temporary	58,968	-	28,074	-	-
71122	Overtime	691	-	1,004	-	-
71129	Salary Adjustment	-	9,176	-	9,359	183
71251	IMRF	88,380	97,818	64,868	98,552	734
71253	Unemployment	1,380	1,260	1,048	1,260	-
71262	Worker's Comp	1,207	1,331	893	1,357	26
71263	Health Insurance	105,669	101,062	64,883	95,654	(5,408)
71264	Life Insurance	495	546	357	546	-
71265	Retiree Health	8,424	8,424	5,616	8,008	(416)
71271	Parking	3,816	4,788	3,192	4,788	-
<b>TOTAL PERSONNEL</b>		<b>699,132</b>	<b>683,212</b>	<b>476,982</b>	<b>687,482</b>	<b>4,270</b>
72203	Wireless	540	1,380	579	7,200	5,820
72211	Printing	1,724	10,000	812	6,500	(3,500)
72212	Postage	111	1,000	53	1,000	-
72213	Telephone	3,839	3,000	2,558	4,000	1,000
72214	Travel	9,972	12,000	4,165	12,000	-
72215	Dues	13,358	8,000	5,381	7,500	(500)
72216	Subscriptions	397	1,000	260	500	(500)
72217	Advertising	50	1,000	-	500	(500)
72218	Service Contracts	20,401	55,000	9,281	51,000	(4,000)
72219	Other Contractual	653,402	-	195,406	88,500	88,500
72231	Building Utilities	4,930	-	4,330	5,000	5,000
72259	Janitorial	13,763	-	8,029	14,000	14,000
72263	Microcomputer	14,340	34,680	23,120	30,580	(4,100)
72267	Risk Management	1,630	2,430	1,620	1,840	(590)
72272	Building Rental	9,600	48,000	32,000	50,000	2,000
72282	Auditing	600	1,450	-	600	(850)
72290	Education	3,939	10,000	2,926	8,000	(2,000)
<b>TOTAL CONTRACTUAL SERVICES</b>		<b>752,596</b>	<b>188,940</b>	<b>290,520</b>	<b>288,720</b>	<b>99,780</b>
75520	Small Tools	-	-	-	1,500	1,500
75525	Food	441	558	273	995	437
75560	General Office	11,380	5,000	9,663	5,000	-
75570	Computer Noncapital	2,935	-	-	4,000	4,000
<b>TOTAL SUPPLIES</b>		<b>14,756</b>	<b>5,558</b>	<b>9,936</b>	<b>11,495</b>	<b>5,937</b>
77725	POS General Fund	12,600	12,600	8,400	15,700	3,100
<b>TOTAL OTHER</b>		<b>12,600</b>	<b>12,600</b>	<b>8,400</b>	<b>15,700</b>	<b>3,100</b>
79911	Building Improvements	-	-	-	9,600	9,600
79920	Office Equipment	-	-	-	13,000	13,000
<b>TOTAL CAPITAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>22,600</b>	<b>22,600</b>
<b>TOTAL RMAP</b>		<b>1,479,084</b>	<b>890,310</b>	<b>785,838</b>	<b>1,025,997</b>	<b>135,687</b>

# **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**

	2011	2012	2013	2014	INCREASE
<b>APPROPRIATION</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER EXPENSE	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,700,256</u>	<u>\$2,700,256</u>
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,700,256</u>	<u>\$2,700,256</u>

	2011	2012	2013	2014	INCREASE
<b>FUNDING SOURCE</b>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,100,256</u>	<u>\$2,100,256</u>
SALE OF ASSETS	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>	<u>120,000</u>
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>\$2,700,256</u>	<u>\$2,700,256</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**

<b>2012</b>					
<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%	446,695.98	
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					1,453,983.58

<b>2013</b>					
<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%	353,012.73	
10 snow dumps, 2 water dumps, patcher truck, endloader, forklift, backhoe, breaker, 2 fire day cab tractors with equipment	Fifth Third Equipment Finance	10 years	2.460%	297,575.48	
Marked and unmarked squad cars	JPMorgan Chase	4 years	TBD	446,696.00	
Cars, trucks, SUVs	TBD	5 years	TBD	238,897.00	
Total					1,554,672.44

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  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
CAPITAL REPLACEMENT FUND**

	<b>2012 ACTUAL</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>CHANGE 14-13</b>
78788 Lease Principal	-	-	280,107	280,107
788390 Lease Interest	-	-	2,420,149	2,420,149
<b>TOTAL CONTRACTUAL</b>	-	-	<b>2,700,256</b>	<b>2,700,256</b>
 <b>TOTAL CAPITAL REPLACEMENT</b>	 -	 -	 <b>2,700,256</b>	 <b>2,700,256</b>