

EMPLOYEES — THE CITY’S MOST IMPORTANT ASSET

The City, like most local governmental units, provides services and can therefore be classified as a labor-intensive organization. Any organization that provides services can expect a substantial portion of its budget to be allocated for personnel costs. The following chart illustrates the City’s personnel costs.

Key Personnel Statistics		
	General <u>Fund</u>	Total <u>City</u>
Total Budget	\$112.5 Million	\$240.7 Million
Employees	809	1135
Personnel Costs	\$82.7 Million	\$104.9 Million
Percentage		
Personnel	77.4	43.5
Salary	51.9	29.6
Fringe Benefits	25.5	13.9

To help contain personnel costs, the City has taken several steps in the past to economize its use of personnel while maintaining service quality. These steps include:

- eliminating inefficient or ineffective services;
- improving the method of delivery for certain services;
- contracting certain specialized and/or seasonal services to private contractors; and
- adding certain key positions.

As part of the City’s budget preparation process, departments consider the aforementioned means of reducing personnel costs while maintaining service levels and quality. When departments prepare their personnel and dollar budgets, they give consideration to current and future practices in the context of the above factors. The 2010 budget was developed using these steps as guideposts to ensure that quality services are being delivered with the lowest possible personnel costs. All departments and agencies prepared budgets by analyzing their operations in light of the above factors.

EMPLOYMENT TRENDS

Since 2009, 75.50 full-time equivalent positions have been eliminated, a decrease of 6.7%, across program lines in legislative and management, public safety, community development, public works, and human services.

CITY OF ROCKFORD, ILLINOIS 2010 BUDGET PERSONNEL AUTHORIZATION ALL FUNDS						
PROGRAMS AND AGENCIES	<u>2007</u>	<u>2008</u>	<u>2009</u>	2008-2009 INCREASE (DECREASE)	<u>2010</u>	2009-2010 INCREASE (DECREASE)
LEGISLATIVE & MANAGEMENT						
MAYOR	8.00	8.00	8.00	0.00	6.00	(2.00)
COUNCIL				0.00		0.00
LEGAL	19.00	20.00	20.00	0.00	17.00	(3.00)
FINANCE	33.00	34.00	34.00	0.00	32.00	(2.00)
INFORMATION SERVICES	10.00	10.00	8.00	(2.00)	6.00	(2.00)
HUMAN RESOURCES	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>	<u>6.00</u>	<u>(1.00)</u>
LEGISLATIVE & MGMT TOTAL	<u>77.00</u>	<u>79.00</u>	<u>77.00</u>	<u>(2.00)</u>	<u>67.00</u>	<u>(10.00)</u>
COMMUNITY DEVELOPMENT						
CD ADMINISTRATION	2.00	2.00	2.00	0.00	1.50	(0.50)
CD CODE ENFORCEMENT	0.00	13.00	13.00	0.00	12.20	(0.80)
CD PLANNING	15.50	11.25	6.30	(4.95)	5.30	(1.00)
CD CONSTRUCTION SERVICES	21.00	19.00	25.00	6.00	18.00	(7.00)
CD SANITATION	0.00	0.00	0.00	0.00	0.00	0.00
CD DEVELOPMENT	<u>16.50</u>	<u>8.75</u>	<u>7.50</u>	<u>(1.25)</u>	7.00	<u>(0.50)</u>
COMM DEVELOPMENT TOTAL	<u>55.00</u>	<u>54.00</u>	<u>53.80</u>	<u>(0.20)</u>	<u>44.00</u>	<u>(9.80)</u>
HUMAN SERVICES						
HUMAN SERVICES	92.50	92.50	90.75	(1.75)	97.85	7.10
DRUG FREE INITIATIVE	0.00	0.00	0.00	0.00	0.00	0.00
TUBERCULOSIS SANITARIUM	0.00	0.00	0.00	0.00	0.00	0.00
LIBRARY	<u>103.20</u>	<u>109.20</u>	<u>115.10</u>	<u>5.90</u>	<u>82.00</u>	<u>(33.10)</u>
HUMAN SERVICES TOTAL	<u>195.70</u>	<u>201.70</u>	<u>205.85</u>	<u>4.15</u>	<u>179.85</u>	<u>(26.00)</u>
PUBLIC SAFETY						
POLICE	338.00	339.00	345.00	6.00	318.00	(27.00)
FIRE	282.00	282.00	282.00	0.00	282.00	0.00
911 COMMUNICATIONS	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>	<u>0.00</u>	<u>53.00</u>	<u>0.00</u>
PUBLIC SAFETY TOTAL	<u>673.00</u>	<u>674.00</u>	<u>680.00</u>	<u>6.00</u>	<u>653.00</u>	<u>(27.00)</u>
PUBLIC WORKS						
ADMINISTRATION	6.50	6.50	4.50	(2.00)	3.50	(1.00)
ENGINEERING	4.50	4.50	10.00	5.50	7.45	(2.55)
STREETS & SEWERS	40.50	39.50	40.00	0.50	38.00	(2.00)
TRAFFIC	18.00	18.00	12.40	(5.60)	13.00	0.60
CAPITAL PROJECT	15.80	15.80	16.30	0.50	17.05	0.75
PARKING SYSTEM	9.00	9.00	9.00	0.00	8.50	(0.50)
SANITATION	3.00	1.00	0.00	(1.00)	0.00	0.00
PROPERTY & EQUIPMENT	28.00	28.00	0.00	(28.00)	0.00	0.00
BUILDING MAINTENANCE	0.00	0.00	12.00	12.00	12.00	0.00
EQUIPMENT MAINTENANCE	0.00	0.00	11.00	11.00	11.00	0.00
CENTRAL STORES	0.00	0.00	3.90	3.90	3.90	0.00
WATER	<u>74.70</u>	<u>75.70</u>	<u>75.00</u>	<u>(0.70)</u>	<u>77.00</u>	<u>2.00</u>
PUBLIC WORKS TOTAL	<u>200.00</u>	<u>198.00</u>	<u>194.10</u>	<u>(3.90)</u>	<u>191.40</u>	<u>(2.70)</u>
NON OPERATING						
CITY HALL REHAB MGMT	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>1,200.70</u>	<u>1,206.70</u>	<u>1,210.75</u>	<u>4.05</u>	<u>1,135.25</u>	<u>(75.50)</u>

Staffing for 2009 was 1,210.75 positions, a increase of 4.05 FTE over 2008. 2 positions were eliminated from IT and 3.9 eliminated from Public Works while Human Services increased 4.15 and Police increased 6.0 positions.

2010 EMPLOYMENT

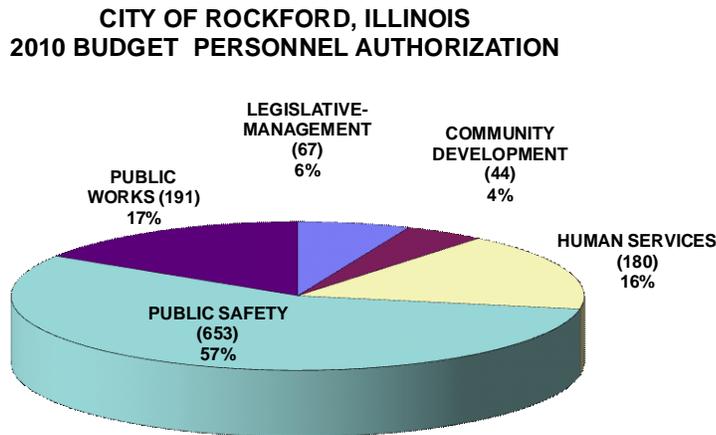
Staffing for the 2010 budget by program is provided in the Personnel Authorization Schedule. Employment has decreased to 1,135.25 positions.

The Public Safety group saw the largest change. Police total FTE decreased by 27.00, for reductions of 22 sworn officer and 5 civilian positions.

In the Legislative and Management group, there is an overall decrease of 10.00 FTE. Reductions include two positions in each IT Department, Finance Department and Mayor's Office. The Legal Department reduced their staff by two attorneys and one clerk. Human Resources eliminated one clerk position.

In the Human Services group, there is a large decrease of 26.0 FTE. Additions include staffing for the Human Services. Reductions include 33 library positions related to budget staff reductions.

In the Public Works group, there is an overall decrease of 2.70 FTE. Reductions include two positions in the Streets Division and other savings related to division restructuring.



2009-1,212, 2008-1,208, 2007-1,201
SOURCE: FINANCE DEPARTMENT

2010 CHANGES IN COMPENSATION

The majority of the City's work force is organized into five collective bargaining units.

CITY'S EMPLOYEE UNIONS

<u>Unit</u>	<u>Employees</u>	<u>Percentage Of Total</u>
Police Sworn	271.0	31.0%
Fire Sworn	266.0	30.0
Public Works/Clerical (AFSCME)	222.5	25.1
Community Development (AFSCME)	18.0	2.0
Human Services (AFSCME)	51.9	5.9
Library (AFSCME)	<u>56.0</u>	<u>6.0</u>
	885.4	100.0%

Labor agreements are in negotiation for police and fire employee groups in 2010. All non-union groups were given no wage increase for 2010.

2006-2010 SALARY AND BENEFIT ADJUSTMENTS BY EMPLOYEE GROUP

<u>Year</u>	<u>Police Sworn</u>	<u>Fire Sworn</u>	<u>AFSCME</u>	<u>AFSCME B</u>	<u>Exempt</u>
2006	3.50	3.50	3.50	3.50	2.50
2007	3.50	3.50	3.50	3.50	3.00
2008	4.00	4.00	4.00	4.00	2.50
2009	Currently bargaining	0	4.00	4.00	-3.33
2010	Currently bargaining	2.00	Currently bargaining	Currently bargaining	0

From the late 1970's to the 1980's the City paid the total cost of health insurance premiums. In 1988, the Community Development AFSCME group and the exempt employees each began contributing to their health insurance costs. In 2004, employee contributions more than doubled as an effort to control rising health insurance costs. In 2007, the City introduced a new health savings (HSA) option in addition to the traditional PPO plan for health insurance premiums. Annual premium costs for the HSA in 2010 are \$6,526 for single, \$13,052 for single plus one, and \$19,578 for family. Annual premium costs for the traditional PPO plan in 2010 are \$6,994 for single, \$13,988 for single plus one, and \$20,982 for family.

EMPLOYEE FRINGE BENEFITS

Total employee compensation includes not only salaries but also all direct fringe benefits necessary to fund a position. Fringe benefits are often not considered during compensation review and the ramifications of this hidden cost are often not realized until later budget years.

For the City, direct dollar fringe benefits average from 48% to 68.8% of salaries. While fringe benefits vary by employee group, the selection of Police Sworn, Fire Sworn, Finance (office), and Public Works Streets Division (field) illustrates the four typical groups.

BENEFITS AS A SALARY PERCENTAGE

<u>Benefits</u>	<u>Sworn</u>		<u>Non-Sworn</u>	
	<u>Police</u>	<u>Fire</u>	<u>Office</u>	<u>Field</u>
Pension	31.2	36.9	20.2	22.6
Worker's Comp	3.4	4.7	0.2	4.8
Health	26.7	26.8	26.5	35.0
Other	<u>1.0</u>	<u>0.4</u>	<u>1.1</u>	<u>0.2</u>
Total	62.3	68.8	48.0	62.6

	<u>Average Costs Per Budgeted Position</u>			
Salary	\$67,012	\$68,759	\$51,747	\$43,062
Fringe Benefits	<u>41,736</u>	<u>47,375</u>	<u>24,825</u>	<u>26,913</u>
Total	\$108,748	\$116,134	\$76,572	\$69,975

As shown above, 2010 fringe benefits range from 48.0 percent for office personnel to 65.6 percent for fire personnel, while average costs per position range from \$69,905 for field personnel to \$97,254 for firefighters. Costs increase primarily because of salary adjustments, health insurance, and pension increases.

In 2008, fringe benefits ranged from 43.4 percent for office personnel to 65.6 percent for fire personnel, while costs per position ranged from \$69,905 for the field to \$97,254 for fire. In 2009, the fringe benefit range was from 45.5 percent for police personnel to 62.6 percent for fire personnel, while costs per position range from \$66,852 for field to \$113,384 for fire.

Overall, 2010 fringe benefits, except for health insurance and pension, continue to remain fairly stable. Direct fringe benefits are discussed individually in the Non-Operating Funds section of the budget.

In addition to direct fringe benefit costs, certain indirect fringe benefits, such as vacations and sick leave, may add approximately six to eight percent to the fringe benefit percentages. These costs are not, unless additional positions are budgeted to compensate for this lost time, an addition in dollars, rather they represent a loss in service units delivered. Employees, as this section illustrates, are a key component of the City's budget both in terms of delivering services to citizens and as the single largest expense.