

## CITIZEN'S BUDGET HIGHLIGHTS

The City's goal in developing the 2010 budget was to continue offering citizens basic services, economic development efforts, a continuing capital improvements program, and fiscal stability. Development and adoption of this budget was premised on maintaining a level of service equivalent to 2009, making incremental improvements where possible, and continuing to comply with the limitations of the Property Tax Extension Limitation Law (Taxcaps).

### PROGRAM EXPENDITURES

The budget appropriation in 2010 is \$244.3 million for all funds, an increase of \$3.6 million from the 2009 appropriation of \$240.7 million. Major program changes for 2010 include:

Community Development's appropriation increases \$7.8 million. In 2009, the responsibility of the Sanitation Fund was moved from the Public Works department to Community Development creating a significant increase in the Community Development appropriation. Other increases include the removal of the 2009 salary adjustments and furlough days. Decreases are the result of a reduction in permanent salaries, health insurance and IMRF costs.

Public Safety's appropriation decreases \$2.3 million. Decreases are the result of layoffs and retirements in Police, Fire, and 911 Communications budgets. Increases include a major jump in pension costs for the Fire and Police Departments.

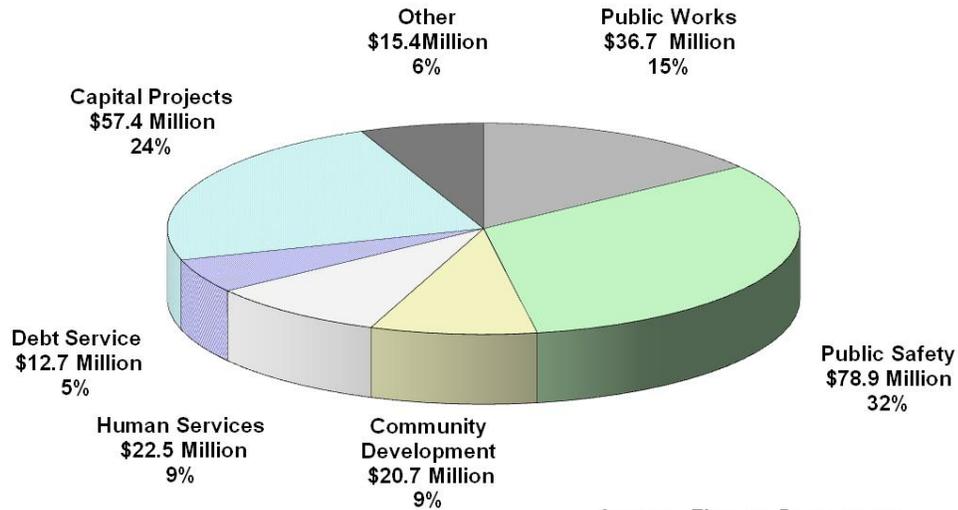
Human Services' appropriation decreases \$0.4 million from 2009. Major decreases occurred due to a reduction in library staff and library operating hours. This led to further reductions in contractual costs and supply costs. Increases for Human Services are due to an increase in Head Start and Weatherization personnel.

The Public Works budget increases \$6.2 million dollars from the previous year's budget. Personnel costs increased and as a result, IMRF and Health insurance also increased. The Street Maintenance Division's supply budget increased in order to cover additional expense for salt used in snow operations. The Public Works Water Division has an increase in contractual expenses due to an increase in service contracts and the purchasing of new computers. The department has an increase in its supply budget for water supplies as well as an increase in other expenses due to depreciation. In 2009, the responsibility of the Sanitation Fund was moved from the Public Works Department to Community Development resulting in a decrease.

The budget for Debt Service increases \$1.4 million from 2009 to 2010. While plans are still being formulated, the City anticipates two 2010 sales, in winter and spring. A refunding of seven 1999 – 2001 street referendum, TIF district, and

water issues, \$13.465 million, is planned. In addition, to finish the \$75 million water program a last \$3.2 million issue will be necessary in spring.

**City of Rockford, Illinois  
2010 Budget -- Where The Money Goes  
\$244.3 Million -- All Funds**



(2009-\$240.7 Million)

Source: Finance Department

The Capital Projects Fund budget for 2010 increased \$5.7 million from the previous year. Currently, the City is in the midst of a four year \$75 million water improvement program that is being financed by bond issues and participation in a state loan program. This debt will be repaid by water revenues. When this program is complete at the end of 2010, the City will finance future water improvements on a cash basis.

In the Other category, the \$0.3 million dollar is due to increases in pension and health insurance expenses.

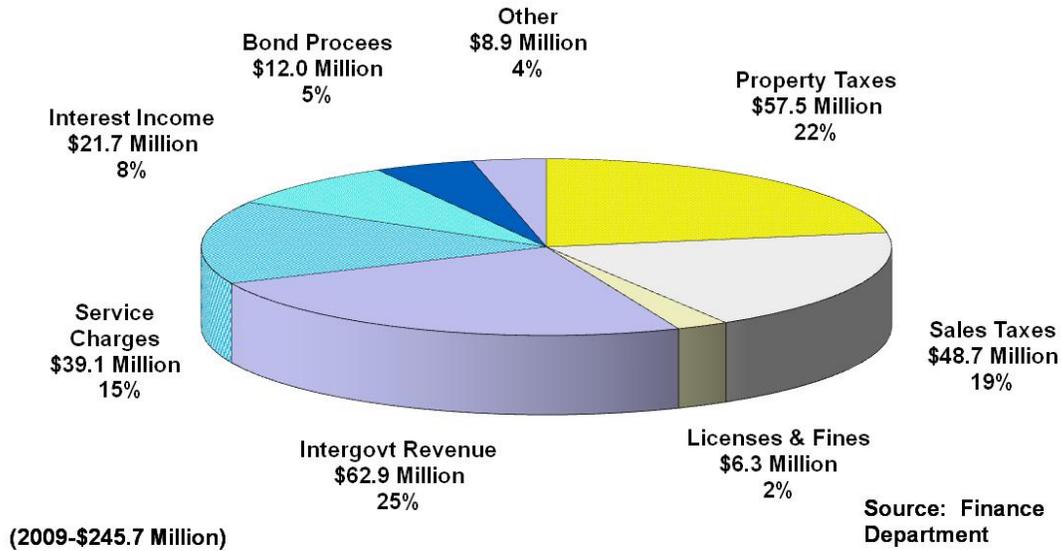
**REVENUES**

For 2010, the revenue budget is \$256.9 million for all funds, an increase of \$8.5 million from 2009's \$248.4 million.

The 2010 revenue budget emphasizes:

- A stable property tax rate.
- Continued emphasis on user fees including systematically updating the rates to keep pace with costs.
- Ongoing efforts to aggressively capture federal and state revenues.

**City of Rockford, Illinois  
2010 Budget -- Where The Money Comes From  
\$256.9 Million -- All Funds**



Major revenue changes for 2010 include:

Sales tax decreased \$5.2 million due to current economic conditions.

Replacement taxes decrease \$652,000 as a result of the economic downturn.

Service charges increase \$3.0 million from the previous year total of \$36.1 million due to an increase in ambulance fees.

Intergovernmental revenues from federal, state, and local governments are projected to increase \$7.3 million from 2009.

The State Income Tax decreases \$2.1 million due to high unemployment.

Property taxes increase \$0.7 million from the 2009 total of \$56.8 million due to an increase in the EAV and annexations.

### ACCOUNT EXPENDITURES

The 2010 City Budget, when viewed from a line item rather than a program perspective, illustrates the fact that almost two-thirds of the budget is attributable to personnel and infrastructure improvements. This reflects the fact that the City is a labor intensive service organization with 1,200 employees and has a considerable investment in streets, bridges, buildings, and water and sewer systems that must be maintained and renewed.

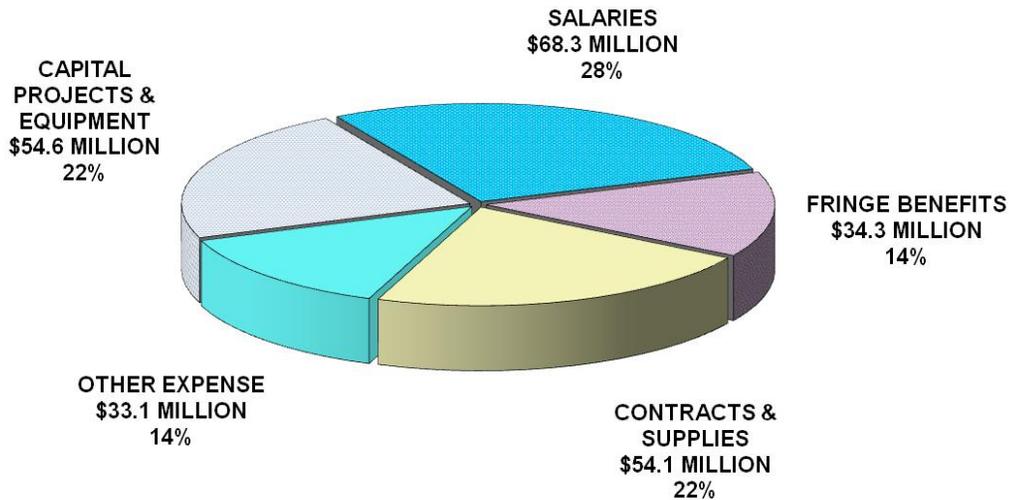
Major spending changes by account type for 2010 are:

Salaries decreased \$3.1 million as a result of layoffs, wage freezes and an early retirement program.

Fringe benefits increased \$0.7 million as a result of health insurance premium increases and pension increases.

Contractual and supply accounts increased \$2.0 million. City Council, Finance, and Development contributed to this increase as a result of an increase in service contracts. The Fire and Police Commission had an increase in contractual expenses due testing that needs to take place for 2010. Furthermore, the Water Department had an increase in its water power expense as well as treatment backwash, the Health Insurance Fund went up due to administrative service fees, and RMAP had an increase in other contractual account.

**City of Rockford, Illinois  
2010 Budget -- \$244.3 Million  
All Funds Combined By Account Classification**



(2009-\$240.7 MILLION)

SOURCE: FINANCE OFFICE

Capital projects increase \$4.4 million from the 2009 budget, with available funding for transportation and economic development initiatives, as well as new and on going water projects.

Other expenses are projected to decrease \$0.4 million.

## COUNCIL CHANGES TO THE BUDGET

The Council received the budget on December 12, 2009 and referred it to the Finance Committee. The Committee, after holding two budget hearings with departments, approved the budget on March 22, 2010.

## WHAT THE 2010 BUDGET WILL COST THE TAXPAYER

The 2010 budget continues stability for the Rockford homeowner. For a homeowner with a \$100,000 home, the rate and cost for 2007, 2008, 2009, and 2010 are shown below.

Property Tax Bill (City Portion Only)  
For Home With \$100,000 Market Value  
2007-2010

<u>Year</u>	<u>Rate</u>	<u>Bill</u>
2007	\$2.52	\$714
2008	2.53	704
2009	2.55	723
2010	2.52	714

The City continues to use and to selectively adjust user fees so that those who use certain services pay for them rather than passing the costs on to all taxpayers through property taxes. Through a combination of property taxes and user charges, quality city services will be offered at a reasonable cost to the residents of Rockford.