



News Release

March 12, 2018

Contact:

Laura Maher, Strategic Communications Manager

Phone: 779-348-7331

E-mail: Laura.Maher@rockfordil.gov

Council Considers Two Versions of Balanced 2018 Budget *Home Rule and Non-Home Rule Budgets Presented by City Staff*

ROCKFORD, Ill. – At tonight’s City Council Finance & Personnel Committee meeting, City staff presented two versions of the 2018 City of Rockford budget for aldermen to consider. Budgets built with Home Rule authority and without Home Rule authority will be under consideration at the March 19 and March 26 Finance & Personnel Committee and City Council meetings. The City is required to adopt a balanced budget by March 31. Rockford residents will vote on Home Rule in the March 20 election.

In building the budget, Mayor McNamara, City staff and the Council focused on the Guiding Principles developed during strategic planning sessions in summer 2017. Those principles include statements prioritizing public safety, sound financial management, neighborhood health and general services.

The **Home Rule version** of the budget includes:

- A \$400,000 reduction in the property tax levy, the fifth straight year the City has reduced or kept flat its levy
- A \$1 million refund of general fund overpayments into the unemployment fund
- A \$1.7 million refund of general fund overpayments into the workers compensation fund
- Adding \$280,000 in net costs after a federal grant to add five new officers to the Rockford Police Department was awarded, bringing the department over 300 officers for the first time in 10 years
- An additional \$100,000 for neighborhood blight reduction and abandoned home demolitions
- Nearly \$450,000 in police department scheduling cost reductions
- Savings and revenue enhancement projects of more than \$3.5 million based on recommendations from the citizen-led Finance Task Force that would be implemented in 2018
- **Increased revenue of about \$2.9 million from a 1 percent increase in the redevelopment fund tax (including the hotel/motel tax)**
- **About \$460,000 from revenue derived from increased fees on gaming machines (from \$25 per machine to \$1,000)**
- **Nearly \$535,000 in projected revenue from fire department lift assists at privately-run nursing and care facilities**

--more--

The **non-Home Rule version** of the budget includes:

- A \$400,000 reduction in the property tax levy, the fifth straight year the City has reduced or kept flat its levy
- A \$1 million refund of general fund overpayments into the unemployment fund
- A \$1.7 million refund of general fund overpayments into the workers compensation fund
- Adding \$280,000 in net costs after a federal grant to add five new officers to the Rockford Police Department was awarded, bringing the department over 300 officers for the first time in 10 years
- An additional \$100,000 for neighborhood blight reduction and abandoned home demolitions
- Nearly \$450,000 in police department scheduling cost reductions
- Savings and revenue enhancement projects of more than \$3.5 million based on recommendations from the citizen-led Finance Task Force that would be implemented in 2018
- **A Utility Tax on gas and electric services that will generate approximately \$3.5 million in 2018.**

Revenue shortfalls and significant increases in obligated pension costs have contributed significantly to the growth of the budget deficit. The City's State-mandated pension contributions have increased from \$9.5 million in 2013 to \$17.3 million in 2018. In addition, the State of Illinois budget passed in 2017 reduced municipal funding, with Rockford losing \$2.4 million, further adding to the deficit.

The citizen-led Finance Task Force was made up of local experts in accounting, finance and operations, elected officials and union representatives. The group began meeting in June 2017 to review the city's operating funds and came up with recommendations to help close the gap in the budget. The group met 18 times and all meetings were open to the public and media.

Appointed task force members were: Ald. Frank Beach, R-10, Ald. Ann Thompson-Kelly, D-7, Ald. Kevin Frost, R-4, Howie Sorenson of Lindstrom & Sorenson, Douglas Beale of First Midwest Group, Noel Nickel of SwedishAmerican Health System, Chris Black of the Rock River Water Reclamation District and Michelle Petrie of Wintrust Commercial Bank. Representing city labor unions were Rockford Firefighters Local 413 President Christopher Scrol, Rockford Police Detective Eric Jones and AFSCME Representative Garry Cacciapaglia.

###