



News Release

September 16, 2019

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Mayor and Finance Department Present Balanced Budget for 2020
Projected city tax rate decreases 4.4 percent—drops below 3 percent for first time since 2011

ROCKFORD, III. – Mayor Tom McNamara and the City's Finance Department presented a balanced 2020 budget of \$163 million to the City Council for its review and approval. Tonight's presentation is the first opportunity aldermen have to view the budget. The City is required to pass the 2020 budget by March 31, 2020, though City leaders are working to have a final budget in place by the end of the year.

While the City anticipates receiving some revenue from a casino and recreational cannabis in 2020, those items are not calculated into the proposed budget. Without a clear understanding of projected tax revenue and timing of issuance of a temporary license by the Illinois Gaming Board, no new revenue is programmed into the 2020 budget. In addition, without definitive rules setting forth the time frame for issuance of new recreational cannabis licenses, , as well as an unknown sales volume, cannabis accounts for no revenue incorporated into the proposed budget.

Important items included in the proposed budget:

- No increase in property taxes. Maintaining a flat levy leaves approximately \$1.05 million in revenue the City could otherwise have collected from property taxpayers.
- Year three of the five-year vehicle replacement program. The 2020 budget includes \$3.825 million in equipment purchases, offset by \$3.825 million in revenue from lease proceeds.
- Increase of \$2.189 million (12.4 percent) in the City's public safety pension contribution for 2020. The total pension contribution for 2020 is \$19.9 million. (The contribution just six years ago was \$10.5 million.)
- \$310,000 in essential improvement to fire stations.
- Equalized assessed valuation (EAV) expected to increase an estimated 7 percent in 2019. An increased EAV equates to an increase in property value and a lower property tax rate.

- The City's projected tax rate is 2.98, a 4.4 percent decrease from 2018 and the first time the rate has dropped below 3.0 since 2011.

The City has implemented numerous recommendations by the National Resource Network and the Finance Task Force, including:

- Successfully negotiated employee health contribution increases with all but one employee group.
- Implemented billing convenience fees in lieu of water system PILOT or sale.
- Ongoing sale of city-owned properties.
- Invested in crime prevention strategies with long-term payoff, including Family Peace Center.
- Increased ambulance collections through fee schedule revisions with no cost to Rockford residents.
- Established a vacant and foreclosing property registry.

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