

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$14,691,555	\$14,631,319	\$15,371,972	\$15,772,729	\$1,141,410
CONTRACTUAL	409,014	392,350	392,129	410,925	18,575
SUPPLIES	0	2,200	0	0	(2,200)
OTHER	<u>126,600</u>	<u>112,500</u>	<u>116,900</u>	<u>106,503</u>	<u>(5,997)</u>
TOTAL EXPENSE	<u>15,227,169</u>	<u>15,138,369</u>	<u>15,881,001</u>	<u>16,290,157</u>	<u>1,151,788</u>
FUNDING SOURCE	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>INCREASE</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
POLICE DEPARTMENT TRANSFER					
POLICE PENSION PROPERTY TAX	\$3,619,410	\$4,608,968	\$5,287,122	\$6,881,319	\$1,594,197
POLICE PENSION REPLACE TAX	<u>790,300</u>	<u>1,096,852</u>	<u>926,566</u>	<u>1,004,250</u>	<u>77,684</u>
TOTAL CITY CONTRIBUTION	4,409,710	5,705,820	6,213,688	7,885,569	1,671,881
INTEREST INCOME	10,742,457	6,613,696	5,900,000	5,350,000	(550,000)
FV APPRECIATION(DEPRECIATION)	<u>11,708,810</u>	<u>5,290,879</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
INVESTMENT INCOME	22,451,267	11,904,575	10,900,000	10,350,000	(550,000)
EMPLOYEE CONTRIBUTIONS	<u>2,028,926</u>	<u>2,131,555</u>	<u>2,008,400</u>	<u>2,029,200</u>	<u>20,800</u>
TOTAL	<u>\$28,889,903</u>	<u>\$19,741,950</u>	<u>\$19,122,088</u>	<u>\$20,264,769</u>	<u>\$1,142,681</u>
ACTUARY'S CONTRIBUTION					
REQUIREMENT	\$4,770,072	\$5,487,578	\$6,213,688	\$7,885,569	\$1,671,881

Police and Fire Pension Fund

FIRE PENSION FUND BUDGET SUMMARY

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$15,700,060	\$15,411,101	\$16,135,612	\$16,598,129	\$1,187,028
CONTRACTUAL	404,981	302,400	357,270	390,575	88,175
OTHER	<u>121,900</u>	<u>112,700</u>	<u>116,800</u>	<u>103,667</u>	<u>(9,033)</u>
TOTAL EXPENSE	<u>16,226,941</u>	<u>15,826,201</u>	<u>16,609,682</u>	<u>17,092,371</u>	<u>1,266,170</u>
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FIRE DEPARTMENT TRANSFER					
FIRE PENSION PROPERTY TAX	\$4,077,998	\$5,658,956	\$6,190,579	\$7,328,157	\$0
FIRE PENSION REPLACE TAX	<u>948,400</u>	<u>1,642,182</u>	<u>1,259,794</u>	<u>1,297,588</u>	<u>693,782</u>
TOTAL CITY CONTRIBUTION	5,026,398	7,301,138	7,450,373	8,625,745	693,782
INTEREST INCOME	10,290,712	11,015,409	5,500,000	4,800,000	<u>(700,000)</u>
FV APPRECIATION(DEPRECIATION)	<u>10,448,712</u>	<u>(1,891,892)</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>(1,000,000)</u>
INVESTMENT INCOME	20,739,424	9,123,517	10,500,000	6,800,000	<u>(1,700,000)</u>
EMPLOYEE CONTRIBUTIONS	<u>1,873,315</u>	<u>1,953,524</u>	<u>1,880,700</u>	<u>1,885,900</u>	<u>56,900</u>
TOTAL	<u>\$27,639,137</u>	<u>\$18,378,179</u>	<u>\$19,831,073</u>	<u>\$17,311,645</u>	<u>(\$949,318)</u>
ACTUARY'S CONTRIBUTION REQUIREMENT	\$5,776,061	\$6,798,599	\$7,450,373	\$8,625,745	\$693,782

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 2015, the Police plan earned \$3.1 million in interest income while the Fire plan earned \$3.2 million in interest income.
- The Police and Fire plans also realized \$4.2 and \$2.8 million respectively on the sale of investments.
- In addition, reflecting fair market value adjustments of investments, the Police Pension Fund estimated a gain of \$32.6 million while the Fire Pension Fund estimated a gain of \$11.7 million.
- Investment expenses were \$296,000 for Police and \$282,000 for Fire.
- Approximate annual rates of return were below the assumption rate of 7.5%, with 0.9% for Police and 0.2% for Fire.
- Police contribution requirement increases to \$7,885,569. The increase in the contribution requirement is due to the increase in the annual payroll. The percent funded in 2014 was 63.9%.
- Fire contribution requirement increases to \$8,625,745. The increase in the contribution requirement is due to the increase in the annual payroll. The percent funded in 2014 was 59.2%.

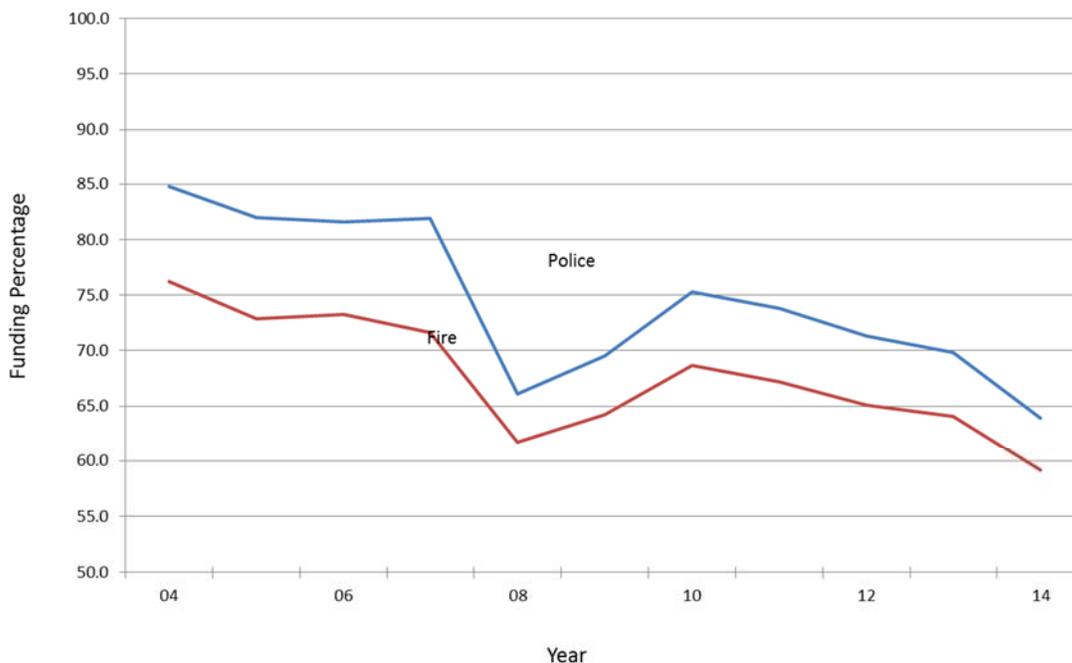
Police and Fire Pension Fund

OPERATIONAL INFORMATION

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 (previously expired 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.

CITY OF ROCKFORD, ILLINOIS
FUNDING PERCENTAGES OF POLICE AND FIRE PENSION FUNDS
2004-2014



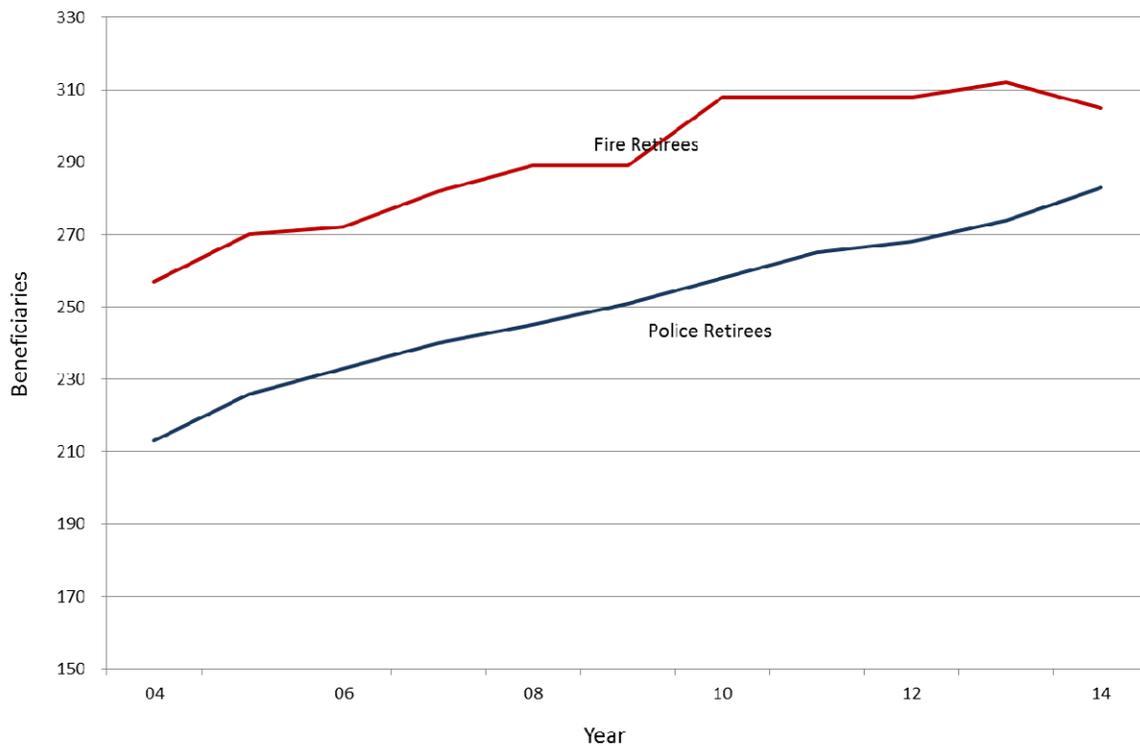
Police and Fire Pension Fund

ROCKFORD PENSION PLANS

	<u>Police</u>	<u>Fire</u>	<u>IMRF/SS</u>
Employees	Sworn	Sworn	All Other
2016 Employer Rate	77.03%	83.22%	18.86%
2016 Employee Rate	9.910%	9.455%	10.70%
Social Security Included	No	No	Yes (6.2%)
Plan Administration	Local	Local	State
Retirement Age	50/55	50/55	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/Average of 8 Highest Consecutive Years in Last 10	Last Pay/Average of 8 Highest Consecutive Years in Last 10	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.

CITY OF ROCKFORD, ILLINOIS BENEFICIARIES OF POLICE AND FIRE PENSION FUNDS 2004-2014



Police and Fire Pension Fund

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 2016, estimated rates are 37.9 cents for the Police plan and 44.4 cents for the Fire plan. 2015 rates are 32.1 and 38.8 cents respectively. The property tax rate increase is due to the plan cost increase.

Both plans utilize the Finance Department's staff. The Police pension fund will also utilize a consultant, \$65,000, and a custodian, \$4,900, as well as three money managers at an estimated cost of \$231,000 (2014-\$295,749). The Fire pension uses a consultant, \$65,000, a custodian, \$6,600, and four money managers at an estimated cost of \$233,000 (2014-\$341,418). Each fund pays the State Department of Insurance \$8,000 annually for oversight services.

POLICE PENSION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$26,259	\$27,647	\$29,133	\$30,728	\$32,424
Expenditures	<u>16,315</u>	<u>16,909</u>	<u>17,521</u>	<u>18,152</u>	<u>18,802</u>
Excess (Deficit)	<u>9,944</u>	<u>10,738</u>	<u>11,611</u>	<u>12,576</u>	<u>13,622</u>
Beginning Balance	<u>204,151</u>	<u>214,095</u>	<u>224,832</u>	<u>236,443</u>	<u>249,019</u>
Ending Balance	<u>\$214,095</u>	<u>\$224,832</u>	<u>\$236,443</u>	<u>\$249,019</u>	<u>\$262,641</u>
Property Tax Rates (in cents)	44.0	48.7	53.9	59.5	61.8

FIRE PENSION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$25,430	\$26,704	\$28,059	\$29,507	\$31,050
Expenditures	<u>17,702</u>	<u>18,338</u>	<u>18,993</u>	<u>19,668</u>	<u>20,363</u>
Excess (Deficit)	<u>7,728</u>	<u>8,366</u>	<u>9,066</u>	<u>9,839</u>	<u>10,686</u>
Beginning Balance	<u>178,519</u>	<u>186,247</u>	<u>194,613</u>	<u>203,679</u>	<u>213,518</u>
Ending Balance	<u>\$186,247</u>	<u>\$194,613</u>	<u>\$203,679</u>	<u>\$213,518</u>	<u>\$224,204</u>
Property Tax Rates (in cents)	53.4	59.0	65.1	71.7	74.3

The 2017-2021 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 eleven 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.

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$6,881,459	\$6,954,501	\$6,467,995	\$7,098,732	\$144,231
CONTRACTUAL	<u>223</u>	<u>300</u>	<u>300</u>	<u>225</u>	<u>(75)</u>
TOTAL	<u>\$6,881,682</u>	<u>\$6,954,801</u>	<u>\$6,468,295</u>	<u>\$7,098,957</u>	<u>\$144,156</u>

RATES APPLIED	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
IMRF	13.18	13.67	13.41	12.54	12.66
SOCIAL SEC	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>
TOTAL	<u>20.83</u>	<u>21.32</u>	<u>21.06</u>	<u>20.19</u>	<u>20.31</u>

FUNDING SOURCE	2013	2014	2015	2016	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES	\$3,024,950	\$3,339,101	\$3,357,266	\$3,298,000	<u>(\$59,266)</u>
REPLACEMENT TAXES	282,300	328,700	328,200	325,000	<u>(\$3,200)</u>
INTERFUND TRANSFERS	4,098,374	3,520,920	3,391,179	3,475,957	84,778
INTEREST INCOME	<u>(18,536)</u>	<u>32,098</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
TOTAL	<u>\$7,387,088</u>	<u>\$7,220,819</u>	<u>\$7,086,645</u>	<u>\$7,108,957</u>	<u>\$22,312</u>

BUDGET HIGHLIGHTS

- The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2016. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2015's \$110,100.
- The 2016 IMRF rate increases slightly to 12.66% due to the performance of equity markets. The City's IMRF plan is 77.64% funded (2015 market value).
- The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2016 rate is 0.2386.

IMRF Pension Fund

IMRF PENSION FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$7,607	\$8,139	\$8,709	\$9,319	\$9,971
Expenses	<u>7,596</u>	<u>8,128</u>	<u>8,697</u>	<u>9,306</u>	<u>9,957</u>
Excess (Deficit)	<u>11</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>
Beginning Balance	<u>65</u>	<u>76</u>	<u>87</u>	<u>99</u>	<u>112</u>
Ending Balance	<u>\$76</u>	<u>\$87</u>	<u>\$99</u>	<u>\$112</u>	<u>\$126</u>
Property Tax Rates (in cents)	26.5	30.3	32.6	35.0	37.5

The 2017-2021 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.

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 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 and 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. In 2014, the opening of a wellness center with clinic services for employees and their families is expected to have a positive impact on expense in 2015 and going forward. 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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$18,982,979	\$21,760,300	\$20,635,032	\$21,807,800	\$47,500
SUPPLIES	119	500	5,176	500	0
OTHER EXPENSE	<u>161,500</u>	<u>161,500</u>	<u>161,500</u>	<u>169,600</u>	<u>8,100</u>
TOTAL	<u>\$19,144,598</u>	<u>\$21,922,300</u>	<u>\$20,801,708</u>	<u>\$21,977,900</u>	<u>\$55,600</u>

	2014	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
EMPLOYER PREMIUMS	\$18,172,740	\$14,338,873	\$17,035,112	\$16,300,273	(\$734,839)
EMPLOYEE PREMIUMS	1,362,246	466,425	1,371,734	1,267,110	(104,624)
RETIREES	1,896,262	1,511,929	2,465,461	2,366,999	(98,462)
OTHER	563,857	681,399	(79,000)	(57,000)	22,000
INTEREST INCOME	<u>(399,185)</u>	<u>656,781</u>	<u>94,600</u>	<u>119,900</u>	<u>25,300</u>
TOTAL	\$21,595,920	\$17,655,407	\$20,887,907	\$19,997,282	(\$890,625)

BUDGET HIGHLIGHTS

- In 2015, health premiums were increased 16% from deficit rates in 2014. For 2016, premiums decrease 3.5% to generate a \$500,000 savings in the general fund.
- Medical expenses are not expected to change significantly.

Health Insurance Fund

HEALTH INSURANCE FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$23,228	\$24,269	\$25,365	\$26,518	\$27,732
Expenses	<u>23,900</u>	<u>24,774</u>	<u>25,684</u>	<u>26,631</u>	<u>27,615</u>
Excess (Deficit)	<u>(672)</u>	<u>(505)</u>	<u>(319)</u>	<u>(113)</u>	<u>117</u>
Beginning Balance	<u>7,994</u>	<u>7,177</u>	<u>6,505</u>	<u>5,999</u>	<u>5,680</u>
Ending Balance	<u>\$7,322</u>	<u>\$6,672</u>	<u>\$6,186</u>	<u>\$5,886</u>	<u>\$5,797</u>
Rate Increase	5.0	5.0	5.0	5.0	5.0
Reserve Percentage	33.4	29.0	25.3	22.5	20.6

The 2017-2021 five year plan assumes that medical costs will increase 3% 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 38% per year for 2017-2021.

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

	2014 <u>ACTUAL</u>	2015 <u>BUDGET</u>	2015 <u>ESTIMATED</u>	2016 <u>BUDGET</u>	INCREASE (DECREASE)
APPROPRIATION					
CONTRACTUAL	\$48,960	\$169,060	\$53,878	\$166,725	(\$2,335)
TOTAL	\$48,960	\$169,060	\$53,878	\$166,725	(\$2,335)

	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>BUDGET</u>	2016 <u>BUDGET</u>	INCREASE (DECREASE)
FUNDING SOURCE					
GENERAL FUND TRANSFERS	\$175,356	\$173,933	\$134,478	\$134,478	\$0
OTHER FUND TRANSFERS	0	0	33,282	32,022	(1,260)
INTEREST INCOME	(6,477)	21,588	2,500	9,700	7,200
TOTAL	\$168,879	\$195,521	\$170,260	\$176,200	\$5,940

BUDGET HIGHLIGHTS

- The property tax rate for unemployment, collected in the general fund, is unlimited by statute. The 2016 rate is 0.0104.

UNEMPLOYMENT COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN \$000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$216	\$222	\$227	\$233	\$239
Expenses	65	66	68	70	71
Excess (Deficit)	151	156	159	163	168
Beginning Balance	445	596	752	911	1,074
Ending Balance	\$596	\$752	\$911	\$1,074	\$1,242

The 2017-2021 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 2016. For the 2017 – 2021 planning period, the rate will be 2.0% (\$180).

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$3,017,884	\$2,750,260	\$2,749,112	\$2,650,250	(\$100,010)
OTHER EXPENSE	85,900	94,490	94,490	96,900	2,410
TOTAL	<u>\$3,103,784</u>	<u>\$2,844,750</u>	<u>\$2,843,602</u>	<u>\$2,747,150</u>	<u>(\$97,600)</u>

	2012	2013	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	\$2,739,052	\$2,739,052	\$2,465,201	\$2,423,942	(\$41,259)
OTHER FUND TRANSFERS	316,858	316,858	264,960	303,140	38,180
REIMBURSEMENTS	1,382	1,382	0	0	0
INTEREST INCOME	<u>(113,988)</u>	<u>(113,988)</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
TOTAL	<u>\$2,943,304</u>	<u>\$2,943,304</u>	<u>\$2,745,161</u>	<u>\$2,742,082</u>	<u>(\$3,079)</u>

BUDGET HIGHLIGHTS

- Rates remained the same as 2015 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 balance at the start of 2012.
- The property tax rate for worker's compensation, collected in the general fund, is unlimited by statute. The 2015 rate is estimated at 17.52 cents, 0.54 cents higher than the previous 16.98 cents.

Worker's Compensation Fund

WORKER'S COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN \$000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$3,277	\$3,440	\$3,612	\$3,791	\$3,980
Expenses	<u>3,180</u>	<u>3,339</u>	<u>3,506</u>	<u>3,681</u>	<u>3,866</u>
Excess (Deficit)	<u>97</u>	<u>101</u>	<u>106</u>	<u>110</u>	<u>114</u>
Beginning Balance	<u>880,924</u>	<u>881,021</u>	<u>881,122</u>	<u>881,228</u>	<u>881,338</u>
Ending Balance	<u>\$881,021</u>	<u>\$881,122</u>	<u>\$881,228</u>	<u>\$881,338</u>	<u>\$881,452</u>
Expense Rate Change	5%	5%	5%	5%	5%

The 2017-2021 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.

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	<u>\$197,420</u>	<u>\$215,100</u>	<u>\$215,100</u>	<u>\$191,730</u>	<u>(\$23,370)</u>
TOTAL	<u>\$197,420</u>	<u>\$215,100</u>	<u>\$215,100</u>	<u>\$191,730</u>	<u>(\$23,370)</u>

	2013	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
AUDITING	\$144,770	\$180,990	\$155,800	\$128,060	(\$27,740)
INTERFUND TRANSFERS	<u>62,400</u>	<u>59,010</u>	<u>59,299</u>	<u>63,670</u>	<u>4,371</u>
TOTAL	<u>\$207,170</u>	<u>\$240,000</u>	<u>\$215,099</u>	<u>\$191,730</u>	<u>(\$23,369)</u>

BUDGET HIGHLIGHTS

- The Fund reimburses the Finance Department for staff costs associated with auditing. 2016 costs include \$87,800 for auditors, \$100,903 for internal staff costs, and \$3,000 for printing the annual report in the newspaper.
- The property tax rate for auditing is unlimited by statute. The 2016 proposed rate is 1.28 cents.

The 2017-2021 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.

AUDITING FUND 2017-2021 FINANCIAL FORECAST (IN 000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$197	\$203	\$209	\$215	\$221
Expenses	<u>203</u>	<u>209</u>	<u>215</u>	<u>222</u>	<u>228</u>
Excess (Deficit)	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>(7)</u>	<u>(7)</u>
Beginning Balance	<u>0</u>	<u>(6)</u>	<u>(12)</u>	<u>(18)</u>	<u>(25)</u>
Ending Balance	<u>(\$6)</u>	<u>(\$12)</u>	<u>(\$18)</u>	<u>(\$25)</u>	<u>(\$33)</u>
Property Tax Rates	0.9	0.9	0.9	0.9	0.9

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 went 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 and for additional five years on March 15, 2016. 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 A1 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>
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)	5	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)	2,3,6,7	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)		2018
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	2028
2009 \$8.065 Series C - GOB Alternate Refunding Taxable (Metro Center)	3	2029, 2024
2009 \$1.7 GOB Alternate (Series D-\$1.35 Springfield Corners TIF, Series E-\$0.35 River East TIF)	5,8	2026
2009 \$13.585 Refunding (Series E-\$7.93 GOB Street, Series F-\$4.325 Water, Series G-\$1.33 7th Street TIF District)	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)		2014, 2018,
2010 \$3.4 GOB Alternate Water	1,2,3	2015
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
2014 \$5.3 Fire Station #3		2023
2014 \$14.025 Refunding (Series A-\$4.65 Capital, \$6.305 Neighborhood Revi \$3.070 GO, Series B-\$8.5 Street Improvements, \$8.7 Capital Improvments, SeriesC-\$2.0 7th Street, \$2.85 Lowes Distribution, \$16.7 Metro Center Improvements)		2016,2027
2015 \$16.52 GOB Ingersoll Project		2034

- 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

APPROPRIATION	2014 <u>ACTUAL</u>	2015 <u>BUDGET</u>	2015 <u>ESTIMATED</u>	2016 <u>BUDGET</u>	INCREASE (DECREASE)
BOND INTEREST	\$2,298,467	\$3,976,308	\$3,976,308	\$3,763,322	(\$212,986)
BOND PRINCIPAL	<u>7,670,000</u>	<u>12,055,033</u>	<u>12,055,033</u>	<u>11,757,702</u>	(297,331)
TOTAL	<u>\$9,968,467</u>	<u>\$16,031,341</u>	<u>\$16,031,341</u>	<u>\$15,521,024</u>	(\$510,317)

Actuals exclude water system debt

FUNDING SOURCE	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>BUDGET</u>	2016 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
DEBT SERVICE-CITYWIDE	<u>\$4,849,256</u>	<u>\$4,176,793</u>	<u>\$3,055,549</u>	<u>\$3,616,765</u>	\$561,216
	4,849,256	4,176,793	3,055,549	3,616,765	561,216
ABATEMENTS-TAX EXEMPT					
PUBLIC WORKS WATER	5,776,777	5,837,826	5,826,107	5,563,868	(262,239)
SALES TAX	579,573	404,036	432,500	416,500	(16,000)
TIF DISTRICTS	2,467,629	2,259,366	2,407,650	2,966,072	558,422
REDEVELOPMENT FUND	1,080,193	1,089,368	534,675	839,675	305,000
OTHER	<u>809,269</u>	<u>804,144</u>	<u>823,988</u>	<u>817,800</u>	(6,188)
	10,713,441	10,394,740	10,024,920	10,603,915	578,995
ABATEMENTS-TAXABLE					
TIF DISTRICTS	698,635	692,888	681,825	350,852	(330,973)
SALES TAX	321,094	333,593	382,594	330,750	(51,844)
REDEVELOPMENT FUND	441,868	1,814,721	1,704,578	441,868	(1,262,710)
PARKING	<u>164,188</u>	<u>160,623</u>	<u>181,875</u>	<u>176,874</u>	(5,001)
	1,625,785	3,001,825	2,950,872	1,300,344	(1,650,528)
TOTAL	<u>\$17,188,481</u>	<u>\$17,573,358</u>	<u>\$16,031,341</u>	<u>\$15,521,024</u>	(\$510,317)

BUDGET HIGHLIGHTS

- 2015 sales included a \$16.52 million bond issue to fund the construction of a multi-use indoor sports facility at the former Ingersoll facility. Redevelopment Fund revenues, offset by a contribution from the Rockford Park District and Reclaiming First, will be utilized for debt service payments. In addition, \$6.335 million in bonds were issued in November 2015 to finance repairs to the Concourse Parking Deck.
- 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.

Debt Management

DEBT SERVICE FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$14,053	\$11,407	\$11,025	\$10,419	\$10,249
Expenditures	<u>14,053</u>	<u>11,407</u>	<u>11,025</u>	<u>10,419</u>	<u>10,249</u>
Excess (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Tax Rate (Cents)	27.8	22.4	19.4	17.9	16.6

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 2017-2021 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.

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 PROJECTS BUDGET SUMMARY

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
TRANSFER TO REDEVELOP	\$90,000	\$100,000	\$100,000	\$90,000	(\$10,000)
TOTAL	\$90,000	\$100,000	\$100,000	\$90,000	(\$10,000)

	2013	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTB RECEIPTS	\$95,000	\$90,000	\$100,000	\$90,000	(\$10,000)
INTEREST INCOME	700	0	1,100	2,300	1,200
TOTAL	\$95,700	\$90,000	\$101,100	\$92,300	(\$8,800)

BUDGET HIGHLIGHTS

- Income budgeted at \$92,300 was decreased to historical actual.
- There is \$50,000 payment for Rockford Area Arts Council and \$40,000 budget for administration of Rockford Community Partners organization.

OTB SPECIAL PROJECTS FUND FIVE YEAR FORECAST

The 2017-2021 five year forecast assumes no revenue growth and expenditure of revenue for economic development.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$102	\$102	\$102	\$103	\$103
Expenditures	90	90	75	75	75
Excess (Deficit)	12	12	27	28	27
Beginning Balance	93	105	117	144	172
Ending Balance	\$105	\$117	\$144	\$172	\$199

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CONTRACTUAL	\$6,300,832	\$2,769,800	\$3,524,132	\$3,752,630	\$982,830
OTHER	<u>470,500</u>	<u>413,100</u>	<u>413,150</u>	<u>416,700</u>	<u>3,600</u>
TOTAL	<u>\$6,771,332</u>	<u>\$3,182,900</u>	<u>\$3,937,282</u>	<u>\$4,169,330</u>	<u>\$986,430</u>

	2013	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES					
JUDGMENTS	1,746,930	2,486,039	1,609,930	2,945,640	1,335,710
SERVICE CHARGES	0	0	1,088,070	1,172,460	84,390
PROP DAMAGE REIMBURSEMENTS	181,233	119,163	115,000	115,000	0
MISCELLANEOUS	1,841	207,199	0	0	0
INTEREST INCOME	<u>(24,138)</u>	<u>(125,505)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,905,866</u>	<u>2,686,896</u>	<u>2,813,000</u>	<u>4,233,100</u>	<u>1,420,100</u>

BUDGET HIGHLIGHTS

- Increases in expenses occur primarily in claims processing services, policy premium increases, and an increase in the claims expenses.
- General fund purchase of services increases \$3,600 due to wage increases.

Risk Management Fund

RISK MANAGEMENT FUND FIVE YEAR FINANCIAL FORECAST (In 000's)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues	\$4,557	\$4,563	\$4,570	\$4,577	\$4,584
Expenses	<u>4,034</u>	<u>4,107</u>	<u>4,184</u>	<u>4,265</u>	<u>4,350</u>
Excess (Deficit)	<u>523</u>	<u>456</u>	<u>386</u>	<u>312</u>	<u>234</u>
Beginning Balance	<u>(7,060)</u>	<u>(6,537)</u>	<u>(6,081)</u>	<u>(5,695)</u>	<u>(5,383)</u>
Ending Balance	<u>(\$6,537)</u>	<u>(\$6,081)</u>	<u>(\$5,695)</u>	<u>(\$5,383)</u>	<u>(\$5,149)</u>
Property Tax Rates	15.3	15.3	15.0	14.7	14.4

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 in excess of liability insurance limits, which 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.

Workforce Investment Board

MISSION STATEMENT

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$510,406	\$533,674	\$539,405	\$538,805	\$5,131
CONTRACTUAL	<u>1,080</u>	<u>1,130</u>	<u>1,130</u>	<u>1,290</u>	<u>160</u>
TOTAL	<u>\$511,486</u>	<u>\$534,804</u>	<u>\$540,535</u>	<u>\$540,095</u>	<u>\$5,291</u>

	2013	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
FEDERAL	<u>\$535,374</u>	<u>\$511,486</u>	<u>\$534,804</u>	<u>\$540,095</u>	<u>\$5,291</u>
	<u>\$535,374</u>	<u>\$511,486</u>	<u>\$534,804</u>	<u>\$540,095</u>	<u>\$5,291</u>

WORKFORCE INVESTMENT BOARD AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2015 EMPLOYEES	2016 EMPLOYEES	INCREASE/ (DECREASE)
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	102	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		<u>6.00</u>	<u>6.00</u>	<u>0.00</u>

BUDGET HIGHLIGHTS

- Personnel expenses increase due to a 2% wage increase budgeted for all department staff offset by a decrease in health insurance rates.

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$703,257	\$687,510	689,297	\$694,963	\$7,453
CONTRACTUAL	396,424	522,573	444,468	254,823	(267,750)
SUPPLIES	13,476	15,500	13,989	15,500	0
OTHER	15,700	12,500	12,500	12,600	100
CAPITAL	<u>0</u>	<u>22,600</u>	<u>0</u>	<u>18,100</u>	<u>(4,500)</u>
TOTAL	<u>\$1,128,857</u>	<u>\$1,260,683</u>	<u>\$1,160,254</u>	<u>\$995,986</u>	<u>(\$264,697)</u>

	2013	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
CURRENT FUNDS					
FEDERAL	\$557,868	\$785,116	\$674,068	\$674,068	\$0
STATE	337,174	301,830	187,211	187,211	0
LOCAL MATCH	70,103	138,301	72,302	72,302	0
CITY PORTION	<u>76,292</u>	<u>76,292</u>	<u>76,292</u>	<u>76,292</u>	<u>0</u>
TOTAL	<u>1,041,437</u>	<u>1,301,539</u>	<u>1,009,873</u>	<u>1,009,873</u>	<u>0</u>

RMAP AUTHORIZED POSITIONS

POSITION TITLE	POSITION RANGE	2015 EMPLOYEES	2016 EMPLOYEES	INCREASE/ (DECREASE)
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	2.00	2.00	0.00
SENIOR ADMIN ASSISTANT	105	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL PERSONNEL		7.00	7.00	0.00

BUDGET HIGHLIGHTS

- Personnel expenses increase due to an increase in salaries and a budgeted 2% salary adjustment.
- Other contractual expenses decrease \$250,000 from the adjusted 2015 budget.

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

	2014	2015	2015	2016	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
OTHER EXPENSE	<u>\$2,776,243</u>	<u>\$3,590,308</u>	<u>\$3,643,300</u>	<u>\$4,204,179</u>	<u>\$613,871</u>
TOTAL	<u>\$2,776,243</u>	<u>\$3,590,308</u>	<u>\$3,643,300</u>	<u>\$4,204,179</u>	<u>\$613,871</u>

	2013	2014	2015	2016	INCREASE
FUNDING SOURCE	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
GENERAL FUND TRANSFERS	<u>\$1,336,236</u>	<u>\$1,657,884</u>	<u>\$2,530,308</u>	<u>\$2,681,491</u>	<u>\$151,183</u>
OTHER FUND TRANSFERS	<u>197,782</u>	<u>303,669</u>	<u>120,000</u>	<u>120,000</u>	<u>0</u>
VIDEO GAMING	<u>454,974</u>	<u>1,213,184</u>	<u>940,000</u>	<u>1,150,000</u>	<u>210,000</u>
TOTAL	<u>\$1,988,992</u>	<u>\$3,174,737</u>	<u>\$3,590,308</u>	<u>\$3,951,491</u>	<u>\$361,183</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

2012				
<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 aerals 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%	446,696.06
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				1,453,983.66

2013				
<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%	353,012.58
10 snow dumps, 2 water dumps, patcher truck, endloader, forklift, backhoe, breaker, 2 message boards, 2 fire day cab tractors with	Fifth Third Equipment Finance	10 years	2.460%	296,675.50
Marked and unmarked squad cars	JPMorgan Chase	4 years	1.280%	378,044.53
Cars, trucks, SUVs	Fifth Third Equipment	5 years	1.260%	283,405.54
Total				1,529,629.38

2014				
<i>Vehicles</i>	<i>Leasing Company</i>	<i>Lease Term</i>	<i>Lease Rate</i>	<i>Annual Payment</i>
2 ambulances	PNC	4 years	1.42%	142,064.54
2 engines and related equipment	US Bancorp	7 years	2.01%	179,298.76
1 bomb trailer, 1 SWAT vehicle, 1 Patcher, 4 snow plows, 1 chipper, 1 backhoe, 2 slope mowers, 2 water dumps	US Bancorp	10 years	2.29%	190,449.14
16 Chevy Caprices, 14 Chevy Impalas plus related equipment	PNC	4 years	1.45%	264,502.15
21 cars, trucks, SUVs	JPMorgan Chase	5 years	2.00%	228,155.99
Total				1,004,470.58

2015				
<i>Vehicles</i>	<i>Leasing Company</i>	<i>Lease Term</i>	<i>Lease Rate</i>	<i>Annual Payment</i>
1 ambulance	JPMorgan Chase	4 years	2.10%	78,498.11
1 aerial	JPMorgan Chase	8 years	2.10%	136,268.86
Total				214,766.97

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.