

Finance Department

Mission Statement

It is the mission of the Finance Department to account for all municipal resources and to apply such resources in a manner that is most beneficial to the citizens of Rockford.

Primary Functions → There are four primary operating functions within the Finance Department.

- **Administration** → The Administration division is responsible for the management of the financial affairs of the city and the supervision of personnel operations within the Finance Department.
- **Central Services** → The Central Services division is responsible for financial planning, risk management, centralized purchasing, and mail/printing services for the City.
- **Accounting** → The purpose of the Accounting division is to provide financial reporting, payroll processing, accounts payable and receivable, fixed asset reporting, special tax collections, billing, and auditing functions.
- **Revenue** → The purpose of the Revenue Division is to collect various revenues, manage the police and fire pension funds, ensure payment to retirees is processed, and invest idle City funds.

2004 Accomplishments →

- Received the Distinguished Budget Award from the Government Finance Officer's Association for the 20th consecutive year.
- Received the Certificate of Achievement for Excellence in Financial Reporting for the 24th consecutive year from the Government Finance Officer's Association.
- Implemented a new comprehensive Banking Services agreement.

2005 Goals and Objectives →

- Achieving the Distinguished Budget Presentation Award from the Government Finance Officer's Association for the 21st consecutive year.
- Achieving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association for the 25th consecutive year.
- Seek competitive proposals for brokerage services and transition to a new provider if necessary.
- Recommend and implement changes to business license rates and requirements as well as develop better enforcement measures.
- Implement the building, permitting, and licensing functions within Munis.

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- Improve customer service.

Budget Summary

FINANCE DEPARTMENT BUDGET SUMMARY					
APPROPRIATION	2003 <u>ACTUAL</u>	2004 <u>BUDGET</u>	2004 <u>ACTUAL</u>	2005 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
PERSONNEL	\$1,958,179	\$1,802,251	\$2,089,285	\$2,426,495	\$624,244
CONTRACTUAL	764,839	819,973	858,631	932,480	112,507
SUPPLIES	43,009	40,070	13,052	40,780	710
OTHER	2,037,482	3,170,230	3,159,845	3,020,685	(149,545)
CAPITAL	0	50,000	0	0	(50,000)
ENCUMBRANCE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$4,803,509</u>	<u>\$5,882,524</u>	<u>\$6,120,813</u>	<u>\$6,420,440</u>	<u>\$537,916</u>

STAFFING REVIEW					
TOTAL	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	INCREASE <u>(DECREASE)</u>
TOTAL	<u>37.25</u>	<u>34.25</u>	<u>33.00</u>	<u>34.00</u>	<u>1.00</u>

FUNDING SOURCE	2004 <u>AMOUNT</u>	2004 <u>PERCENTAGE</u>	2005 <u>AMOUNT</u>	2005 <u>PERCENTAGE</u>
PROPERTY TAXES				
FRINGE BENEFIT REIMBURSEMENTS	\$175,493	3.0	\$193,444	3.0
PURCHASE OF SERVICES	1,337,100	22.7	1,438,100	22.4
FROM OTHER GOVERNMENTS	0	0.0	61,050	1.0
GENERAL REVENUES	<u>4,369,931</u>	<u>74.3</u>	<u>4,727,846</u>	<u>74.6</u>
TOTAL	<u>\$5,882,524</u>	<u>100.0</u>	<u>\$6,420,440</u>	<u>101.0</u>

Budget Analysis

The 2005 budget is \$6,420,440, which is an increase of \$537,900 (7.8%) from the 2004 budget. This increase is predominantly caused by increases in personnel expenses, which increase \$624,200. Salaries increased \$67,900 from 2004, reflecting salary increases, the conversion of one senior clerk position to an accountant, and the addition of a Grants Coordinator. The \$225,000 salary savings that was budgeted in 2004 was also eliminated, and \$225,000 in salary adjustments for 2005 were added. IMRF charges increased \$19,100 due to a rate increase and personnel changes and health insurance costs went up \$65,700, due to premium increases and changes in coverage. To accommodate expenses related to the early retirement program, \$16,000 was added to retiree health insurance.

Contractual services increased \$112,500 from the 2004 budget. Major increases include microcomputer charges (\$25,200), miscellaneous contractual (\$13,600) to cover banking fees, and printing (\$19,200), postage (\$28,200), and service contracts (\$17,000) to reflect the new vehicle sticker letter costs.

Supplies increase \$710 in 2005, due to small increases in small tools (\$400) and office supplies (\$280).

Other expenses decreased \$149,500 in 2005. The primary increases are in the transfer to debt service, which increased \$12,100 and the payment to Winnebago County for animal control

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(\$118,000). Development and sales tax expenses also increased \$50,000 due to an increase in the Pella sales tax rebate agreement. 2004 expenses included payment for two of the four installments to the Anderson Group; 2005 will have one, a reduction of \$100,000. The CIP transfer was also reduced by \$250,000.

In 2004, the Finance Department spent \$6,120,813, or 104.1% of the budgeted allocation.

Capital Equipment

There are no capital items budgeted for 2005.

Personnel Review

FINANCE DEPARTMENT							
		2004 BUDGET		2005 BUDGET			
	POSITION RANGE	DOLLARS BUDGETED	NUMBER OF EMPLOYEES	DOLLARS BUDGETED	NUMBER OF EMPLOYEES		EMPLOYEE CHANGE
SALARIES							
FINANCE DIRECTOR	E-14	\$104,168	1.00	\$108,742	1.00		0.00
MANAGER	E-11/E-10	221,457	3.00	229,416	3.00		0.00
PRINCIPAL ACCOUNTANT	E-8	69,353	1.00	56,930	1.00		0.00
FINANCIAL ANALYST	E-8	89,892	2.00	95,808	2.00		0.00
GRANTS COORDINATOR	E-8	0	0.00	41,142	1.00		1.00
SENIOR ACCOUNTANT	E-7	140,700	3.00	147,527	3.00		0.00
ACCOUNTANT	E-6	74,837	2.00	113,352	3.00		1.00
SENIOR ADMIN. ASSISTANT	E-6	36,709	1.00	38,320	1.00		0.00
ACCOUNTING TECHNICIAN	E-5	48,945	1.00	50,963	1.00		0.00
SENIOR ACCOUNT CLERK	A-21	251,745	7.00	228,019	6.00		(1.00)
PURCHASING TECHNICIAN	A-23	81,740	2.00	86,453	2.00		0.00
ACCOUNT CLERK	A-19	318,044	10.00	308,836	10.00		0.00
TEMPORARY		0		1,000			
OVERTIME		1,500		1,500			
MERIT PAY		17,805		19,819			
SALARY ADJUSTMENTS		0		225,000			
SALARY SAVINGS		<u>(225,000)</u>		<u>0</u>			
	SUBTOTAL	<u>1,231,895</u>	33.00	<u>1,752,827</u>	34.00		1.00
BENEFITS							
ILLINOIS MUNICIPAL RETIREMENT		234,997		254,141			
UNEMPLOYMENT TAX		0		1,836			
WORKER'S COMPENSATION		2,331		2,443			
HEALTH INSURANCE		320,980		386,672			
RETIREE HEALTH INSURANCE		0		16,000			
LIFE INSURANCE		168		336			
PARKING BENEFITS		<u>11,880</u>		<u>12,240</u>			
	SUBTOTAL	<u>570,356</u>		<u>673,668</u>			
	TOTAL	<u>\$1,802,251</u>	<u>33.00</u>	<u>\$2,426,495</u>	<u>34.00</u>		

Performance Measures

	2002 Actual	2003 Actual	2004 Actual	2005 Projected
Purchase Orders issued	6,568	9,800	10,994	11,000
Bids/RFP's issued	174	105	131	130
Consecutive Years receiving GFOA Budget Award	18	19	20	21
Consecutive Years receiving GFOA Financial Reporting Award	23	24	25	26