



**City of Rock Falls**

**Fiscal Year 2017**

**Budget**

# City of Rock Falls



## Mayor

William B. Wescott

## Council Members

### Ward 1

Daehle Reitzel  
George Logan

### Ward 2

Glen Kuhlemier  
Brian Snow

### Ward 3

James Schuneman  
Rod Kleckler

### Ward 4

Lee Folsom

## Clerk

Eric Arduini

## City Treasurer

Kay Abner

## City Administrator

Robbin Blackert

## Rock Falls At A Glance

Rock Falls prides itself on our hard-working, friendly people and businesses that are both capable and willing to serve and help you in any way.

Founded on the south bank of the Rock River in eastern Whiteside County in 1867 by A.P. Smith, we are on your way no matter where your destination. Centrally located between the Iowa/Illinois Quad Cities to our southwest and Rockford on our northeast, Rock Falls is located at the intersection of Illinois Routes 30 and 40 and is adjacent to Interstate 88 with two interchanges. Downtown Chicago is only two hours away and the western suburbs are only an hour's drive.

The Rock River remains our community's most valuable recreational asset and is a part of the 330-mile long Rock River Water Trail which is recognized by the National Water Trails System. Home to some of the world's best cat fishing, which has been featured on television outdoor shows, the Rock



River is also a quiet Mecca for recreational boating. The historical Hennepin Canal runs through the city's east side with strolling and bike paths. The City offers peaceful, scenic park views with tennis courts, ball diamonds, soccer fields, picnic shelters, canoes and paddle boats and plenty of parking.

Rock Falls is very proud of its workforce, the schools, healthcare facilities, recreation, clubs and organizations and most importantly, its people. By pulling together, we are making things happen in Rock Falls.

I invite and encourage YOU to stop and enjoy our town.

Find out why we are 'Proud of our Past' and confident of our Future!

William B. Wescott, Mayor

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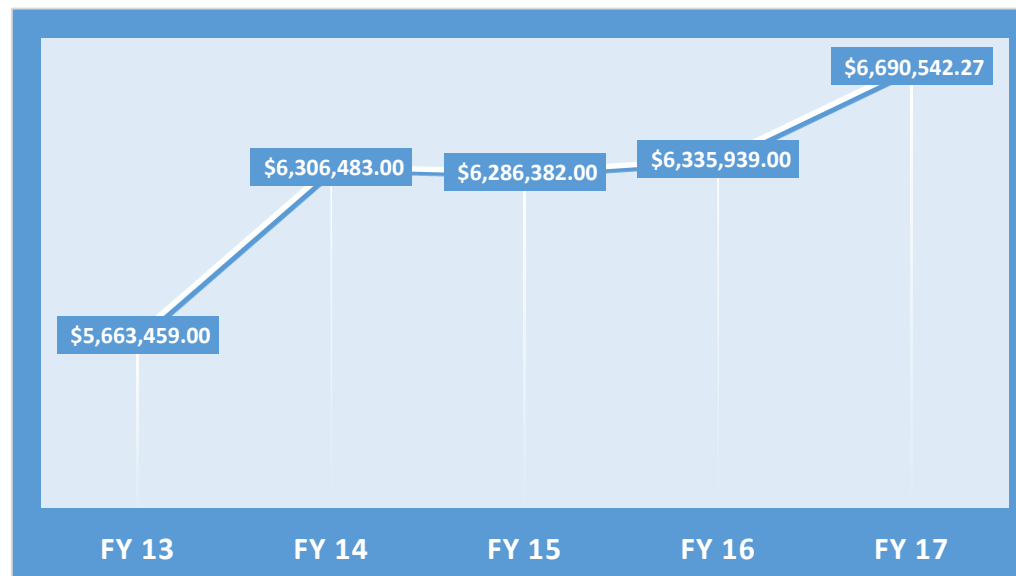
## FY 17 General Fund Revenue Summary

### General Fund Revenues & Assumptions:

The General Fund assumption for the reoccurring revenue sources are conservatively optimistic. The FY 17 budget predicts an increase in general fund revenues by 5.6% over FY 16 revenues. Certain revenue assumptions are made based on historical data and formulas as supplied by the Illinois Municipal League for calculating Motor Fuel Tax, State Use Tax and State Income Tax (LGDF). Notable changes in revenue are reflected in the budget as presented with the most significant being the Non-Home Rule Sales Tax. In April of 2015, Rock Falls voters passed a ½ cent increase in the local sales tax. The referendum passed by a margin of 356-293, or 55 percent of the vote. (See Attachment A). The passage of the local sales tax increase raised the expected Non-Home Rule Sales Tax revenue from \$409,000 to \$818,000 annually. These funds are used only for roadway and sidewalk improvement projects.

Due to a considerable escalation in contributions to the fire and police pension funds, an increase over and above the allowed 105% of the amount of property taxes extended upon the final levy of the preceding year, required the City to hold a Truth in Taxation Hearing in 2015. The final levied amount represented an increase in property taxes of 11.04 percent over the previous year. (See Attachment B) For the first time since 2008, the City's Estimated Assessed Valuation (EAV) did not sustain a drop and held steady at \$73 million. Contributions to the general fund revenues by the utilities decreased slightly to 13% of the overall realized general revenue. Below is a chart representing the past five years of general fund revenues.

5 Year Revenue Chart



## General Fund Revenue Breakdown

PROPERTY TAX REVENUE	
Prop. Tax-Corporate	\$ 183,576.00
Prop. Tax-Street & Bridge	\$ 57,000.00
Prop. Tax-Police Protection	\$ 55,073.00
Prop. Tax-Fire Protection	\$ 55,073.00
Prop. Tax-Audit	\$ 15,000.00
Prop Tax.-School Cross Gds	\$ -
Prop. Tax-Police Pension	\$ 348,352.00
Prop. Tax-Emergency Vehicle ESDA	\$ 24,288.00
Prop. Tax-Tort	\$ 134,793.00
Trans/Work Comp & Gen Liab	\$ 62,661.00
Rural Fire Protection Tax	\$ 130,000.00
<b>Property Tax Subtotal</b>	<b>\$ 1,065,816.00</b>

FRANCHISE/USAGE/TAXES	
Comcast Franchise Fee	\$ 125,000.00
Simplified Tele. Maint. Fee	\$ 250,000.00
Natural Gas Utility Tax	\$ 115,000.00
Utility Service Partners Royalty	\$ 3,500.00
Wireless Tower Rental Fee	\$ 9,600.00
Nicor Franchise Fee	\$ 15,900.00
Motor Fuel Tax Allotment & transfers	\$ 286,465.75
Street Maintenance-IDOT	\$ 19,000.00
<b>Franchise/Usage/Other Taxes</b>	<b>\$ 824,465.75</b>

SALES TAX REVENUE	
State Sales Tax	\$ 1,094,000.00
Non-Home Rule Sales Tax	\$ 818,000.00
State Use Tax	\$ -
Non-Home Rule Sales Tax Transfers	\$ -
<b>Sales Tax - Subtotal</b>	<b>\$ 1,912,000.00</b>

INCOME TAX REVENUE	
State Income Tax (LGDF)	\$ 945,132.00
<b>Income Tax - Subtotal</b>	<b>\$ 945,132.00</b>

GRANTS	
Reimbursement-Grant Funds	\$ 180,000.00
Police Grants	\$ 2,500.00
Fire Grants	\$ -
<b>Grants subtotal</b>	<b>\$ 182,500.00</b>

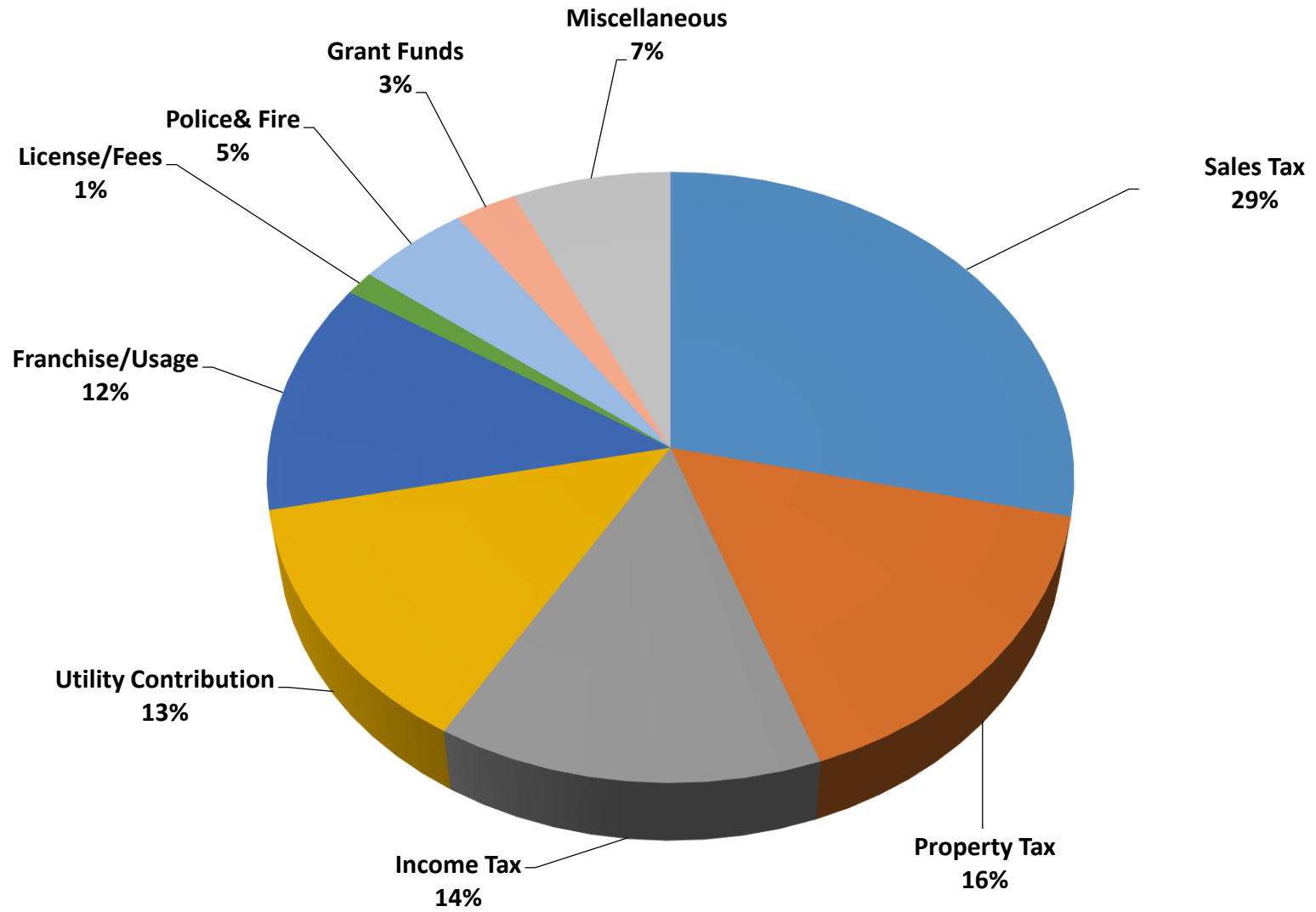
FIRE/POLICE REVENUE	
Emergency Rescue	\$ 8,500.00
Non Res. Emergency Response Fee	\$ 500.00
Hazardous Chemical Release	\$ -
Fire Chief Reimbursement	\$ 82,481.00
Video Gaming	\$ 120,000.00
Bail/Warrant Fee	\$ 13,000.00
Fines	\$ 62,000.00
Police Reports	\$ 1,500.00
Code Hearing Income	\$ 36,880.00
Charitable Games	\$ 2,500.00
Sex Offender Registration	\$ 2,000.00
<b>Fire/Police subtotal</b>	<b>\$ 329,361.00</b>

LICENSE/PERMITS/FEES	
Liquor Licenses	\$ 38,000.00
Tobacco/Liq. Violation Fines	\$ 500.00
Electric/Drain Layers Lic.	\$ -
Other Licenses	\$ 7,000.00
Building Permits	\$ 20,000.00
Inspection Fees	\$ 10,000.00
Contractors Registration	\$ 10,000.00
Electrical Business License	\$ -
<b>License/Permits/Fees Subtotal</b>	<b>\$ 85,500.00</b>

MISCELLANEOUS	
Interest/Investments	\$ 3,000.00
Sale of Junk	\$ 1,000.00
Miscellaneous / fund transfers	\$ 463,254.52
<b>Miscellaneous Subtotal</b>	<b>\$ 467,254.52</b>
<b>Totals</b>	<b>\$ 6,690,542.27</b>

UTILITY CONTRIBUTION	
Capital Cost Recovery	\$ 490,000.00
Rent - Utility Office	\$ 48,786.00
Cont Electric - Electric Usage	\$ 70,000.00
Cont Electric - Utility Tax	\$ -
Cont Electric - Cap Cost	\$ 4,800.00
Cont Sewer - Sewer Usage	\$ 4,400.00
Cont Water - Water Usage	\$ 3,500.00
Contribution from Electric	\$ 5,000.00
Contribution from Water	\$ 37,000.00
Contribution from Sewer	\$ 37,000.00
Contribution from Garbage	\$ 65,000.00
Contribution Electric City Administrator	\$ 55,756.00
Contribution Water City Administrator	\$ 13,939.00
Contribution Sewer City Administrator	\$ 13,939.00
Contribution Garbage City Adminis	\$ 9,293.00
Tourism Rent	\$ 12,000.00
Tourism Admin Fee	\$ 8,100.00
Credit Card Convenience Fee	\$ -
<b>Contribution from Utilities to General Fund</b>	<b>\$ 878,513.00</b>

FY 17 General Fund Revenue Pie Chart





## FY 17 General Fund Expenditures Summary

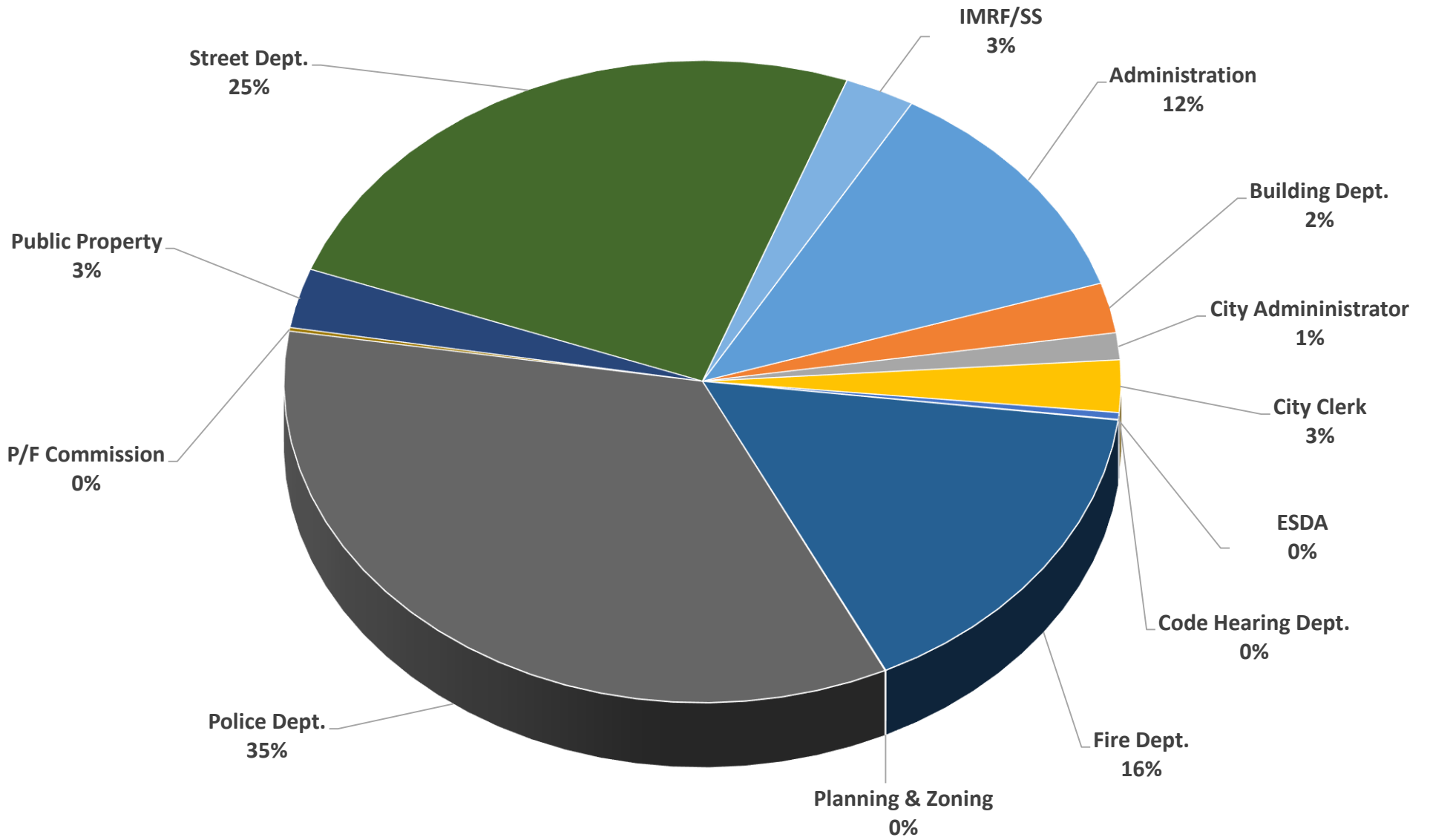
### General Fund Expenditures & Assumptions

The FY 17 General Fund assumes increased expenditures over FY 16 by 5.09%. The most notable increase is in Public Property budget and is due to the \$160,000 demolition cost of the Limestone Building. The other notable increase in expenditures is the Street Department budget which is due to the increased revenue generated by the Non-Home Rule Sales Tax revenue which is allowing for increased road & sidewalk maintenance spending. Most of the general fund budgets experienced a decrease in expenditures and the overall increase in spending at 5.09% is not exceeding the increase in anticipated revenues of 5.6%. As in the past the three largest general fund budgets are the Police, Street & Fire Departments.

### General Fund Expenditures FY 17 & FY 16 Comparison

Budget Year	FY 17	FY 16	Over/Under FY 15
Administration	\$ 805,407.28	\$ 897,001.89	-10.21%
Building Dept.	\$ 173,090.82	\$ 174,510.34	-0.81%
City Administrator	\$ 92,926.00	\$ 94,140.50	-1.29%
City Clerk	\$ 180,541.60	\$ 167,570.31	7.74%
Code Hearing Dept.	\$ 23,500.00	\$ 22,400.00	4.91%
ESDA	\$ 2,000.00	\$ 2,317.00	-13.68%
Fire Dept.	\$ 1,089,575.94	\$ 1,056,465.75	3.13%
Planning & Zoning	\$ 1,875.00	\$ 2,375.00	-21.05%
Police Dept.	\$ 2,381,998.84	\$ 2,290,227.04	4.01%
P/F Commission	\$ 12,395.00	\$ 12,250.00	0.00%
Public Property	\$ 205,650.00	\$ 48,050.00	327.99%
Street Dept.	\$ 1,713,239.57	\$ 1,587,870.06	7.90%
IMRF/SS	\$ 186,565.23	\$ 180,848.25	3.16%
	\$ 6,868,765.28	\$ 6,536,026.14	5.09%

FY 17 General Fund Expenditures Pie Chart



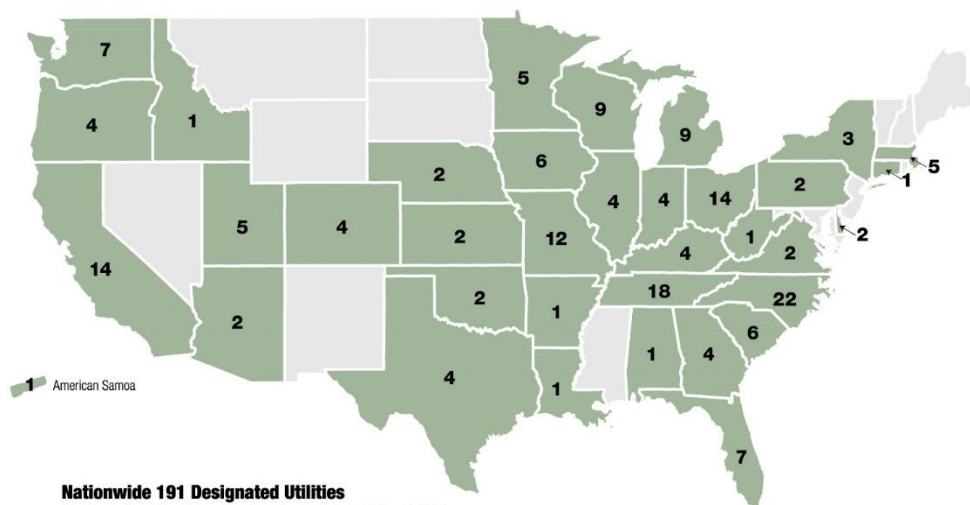
## FY 17 Utility/Enterprise Funds Summary

### ELECTRIC UTILITY:

The Rock Falls Electric Utility was again the recipient of the RP3 Award through the American Public Power Association. The RP3 program recognizes utilities that demonstrate high proficiency in reliability, safety, work force development and system improvement. Criteria within each of the four RP3 areas are based upon sound business practices and recognized industry leading practices. As the state representation map indicates, Rock Falls is one of only 4 public power agencies in the State of Illinois to be awarded this designation.



### State Representation of RP3 Designated Utilities



Nationwide 191 Designated Utilities

\*Numbers indicate RP3 utilities with designations beginning in 2014 and 2015



The electric utility's anticipated rate study in FY 16 has been delayed and will be completed in FY 17. Until the rate study has been completed and presented to the City Council, no changes have occurred in the electric rate. The hydroelectric generation facility located at the upper dam has operated at record levels and generated over 1 million kilowatt hours (kWh) multiple months during the past fiscal year. There are no significant changes to the operation & maintenance or capital budgets of the electric utility with the biggest share of the capital expenditures going toward ongoing maintenance and upgrading of the hydroelectric facility.

### WATER/WASTEWATER/GARBAGE:

The FY 17 budget reflects a 1.87% increase in water rates for basic residential customers and a 2.61% in wastewater rates to basic residential customers effective May 1, 2016. The Water and Wastewater Departments are conducting a rate study during FY 17 which may result in changes to the basic rate structure of these utilities in future years. There are no significant changes to revenues or expenditures in the water and wastewater budgets. Drilling and installation of Well #7 is included in the Water Department's debt budget. The Wastewater Department has

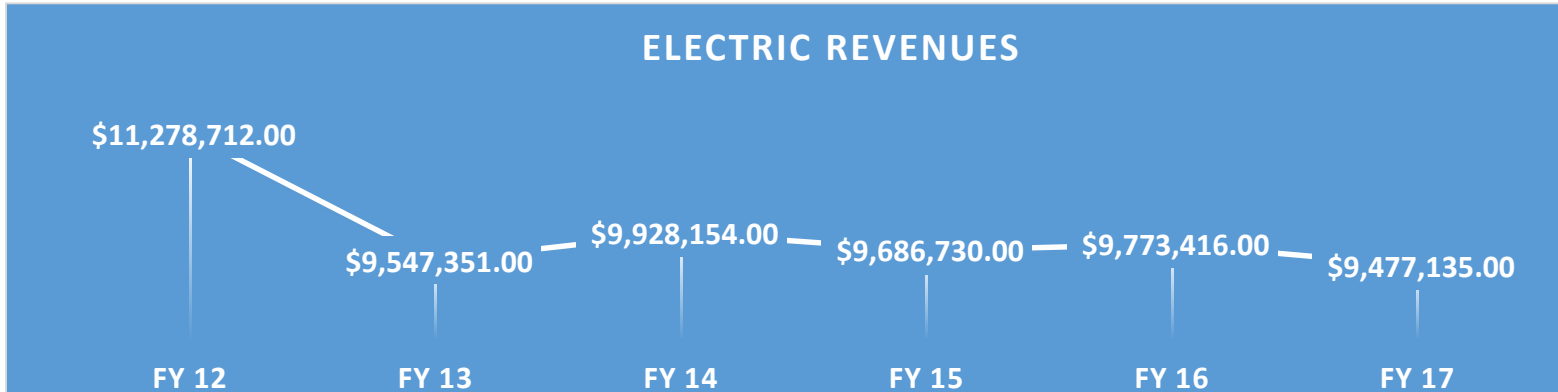
budgeted for lining of the sewer main on West 1<sup>st</sup> Street and normal maintenance to catch basins and the sanitary sewer system in general. There are no notable or significant changes to the FY 17 Garbage budget. All the utilities have budgeted for additional expenses for operation of the Rock Falls Customer Service Office in FY 17 due to the hiring of a Superintendent to supervise the operation.

## Enterprise Expenditure/Revenue FY 17 &amp; FY 16 Comparison

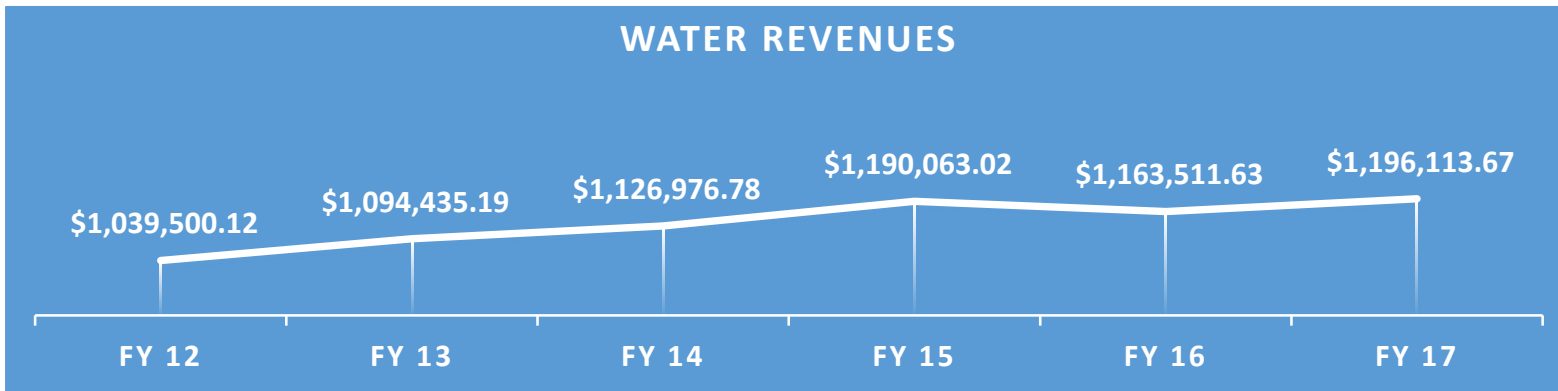
Expenditures	FY 17	FY 16	Over/Under FY 16
Electric	\$ 8,816,520.00	\$ 8,970,271.89	-1.71%
Sewer	\$ 1,343,278.00	\$ 1,400,864.82	-4.11%
Water	\$ 1,173,347.51	\$ 1,133,419.13	3.52%
Garbage	\$ 604,710.00	\$ 603,960.00	0.12%

Revenue	FY 17	FY 16	Over/Under FY16
Electric	\$ 9,477,135.96	\$ 9,773,416.91	-3.03%
Sewer	\$ 1,343,278.00	\$ 1,279,000.00	5.03%
Water	\$ 1,196,113.67	\$ 1,163,511.00	2.80%
Garbage	\$ 604,710.00	\$ 603,960.00	0.12%

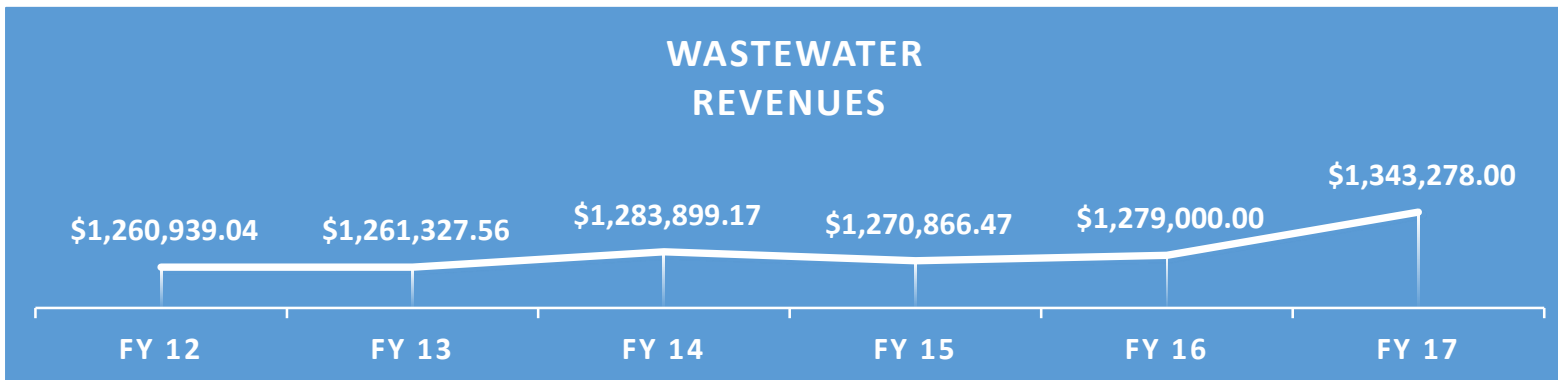
**Enterprise Historical Revenue Summary**  
*FY 16 & FY 17 are budgeted figures and not actual final revenue*



The decline in electric revenues has leveled off since the sharp decline in the previous decade which was the result of the loss of several major manufacturing facilities in Rock Falls. This type of loss in revenue was not unique to the Rock Falls electric utility, but was experienced nationwide.



Water revenues have remained steady and have increased 15.06% since 2011. This increase in revenues averages to approximately 2.5% each year represented on this chart.



Since the opening of the new wastewater treatment facility in July of 2011, wastewater revenues have been level with a slight increase of 6.52% since 2011 with no remarkable fluctuations.

## FY 17 Complete Budget Summary

### GENERAL FUND

	FY 17 Budget
<b>Projected Revenue</b>	\$ 6,690,542.27
<b>Other Financing Sources IMRF/SS Contribution</b>	\$ -
	\$ 205,300.00
<b>Revenue Totals</b>	<b>\$ 6,895,842.27</b>
<b>Projected Department Expenditures</b>	<b>FY 17 Budget</b>
<b>Administration</b>	\$ 805,407.28
<b>Building Dept.</b>	\$ 173,090.82
<b>City Administrator</b>	\$ 92,926.00
<b>City Clerk</b>	\$ 180,541.60
<b>Code Hearing Dept.</b>	\$ 23,500.00
<b>ESDA</b>	\$ 2,000.00
<b>Fire Dept.</b>	\$ 1,089,575.94
<b>Planning &amp; Zoning</b>	\$ 1,875.00
<b>Police Dept.</b>	\$ 2,381,998.84
<b>Police/Fire Commission</b>	\$ 12,395.00
<b>Public Property</b>	\$ 205,650.00
<b>Street Dept.</b>	\$ 1,713,239.57
<b>Sub-Total Expenses</b>	<b>\$ 6,682,200.06</b>
<b>IMRF/Social Sec.</b>	\$ 186,565.23
<b>GF Utility Offset</b>	
<b>Expense Total</b>	<b>\$ 6,868,765.29</b>

**TOURISM**

	<b>FY 17 Budget</b>
Revenues	\$ 164,500.00
Reserves	\$ -
<b>Total Income</b>	<b>\$ 164,500.00</b>
Expenses	\$ 160,739.45
Trans to (from) Reserves	\$ 3,760.55
<b>Total Expenses</b>	<b>\$ 164,500.00</b>

**DEMOLITION**

	<b>FY 17 Budget</b>
Revenues	\$ 18,000.00
Reserves	\$ -
<b>Total Income</b>	<b>\$ 18,000.00</b>
Expenses	\$ 18,000.00
Trans to (from) Reserves	\$ -
<b>Total Expenses</b>	<b>\$ 18,000.00</b>

**BROADBAND**

	<b>FY 17 Budget</b>
Revenues	\$ 33,194.50
Transfer in from Reserves	\$ -
<b>Total Income</b>	<b>\$ 33,194.50</b>
Expenses	\$ 53,357.00
Trans to(from) Reserves	\$ (20,162.50)
<b>Total Expenses</b>	<b>\$ 33,194.50</b>

**ELECTRIC**

	<b>FY 17 Budget</b>
Revenues	\$ 9,477,135.96
Transfer from Reserves	\$ -
<b>Total Income</b>	<b>\$ 9,477,135.96</b>
Expenses	\$ 8,816,520.00
Capital Projects	\$ 821,445.00
<b>Total Expenses</b>	<b>\$ 9,637,965.00</b>
Transfer to Reserves	\$ (160,829.04)

**GARBAGE**

	<b>FY 17 Budget</b>
Revenues	\$ 604,710.00
Transfer from Reserves	\$ -
<b>Total Income</b>	<b>\$ 604,710.00</b>
Expenses	\$ 514,739.00
Transfer to Reserve	\$ 89,971.00
<b>Total Expense</b>	<b>\$ 604,710.00</b>

**GIS/IT**

	<b>FY 17 Budget</b>
<b>Total Revenues</b>	<b>\$ 108,943.00</b>
<b>Total Expenses</b>	<b>\$ 108,943.00</b>

**INDUSTRIAL DEVELOPMENT**

	<b>FY 17 Budget</b>
Revenues	\$ 10,125.20
Transfer from Reserves	\$ 6,650.00
<b>Total Income</b>	<b>\$ 16,775.20</b>
Expeditures	\$ 16,775.20

**UTILITY OFFICE**

	<b>FY 17 Budget</b>
Revenues	\$ 479,496.00
Expeditures	\$ 479,496.00
Unexpended Funds	\$ -

WASTEWATER

	FY 17 Budget
O&M revenues	\$ 1,343,278.00
Transfer from Reserves	\$ -
<b>Total O&amp;M Income</b>	<b>\$ 1,343,278.00</b>
O& M Expenses	\$ 1,342,102.55
to Reserves	\$ 1,175.45
<b>Total O&amp;M Expenses</b>	<b>\$ 1,343,278.00</b>
Capital Improvement Income	\$ 936,339.16
Transfer from Reserves	\$ -
<b>Total Capital Income</b>	<b>\$ 936,339.16</b>
Capital Exp.	\$ 1,698,818.74
Transfer to Reserves	\$ (762,479.58)
<b>Total Capital Imp. Exp.</b>	<b>\$ 936,339.16</b>
Debt Service Income	\$ -
Transfer from Reserves	\$ -
<b>Total Debt Service Inc.</b>	<b>\$ -</b>
Debt Service Expenses	\$ -
Transfer to (from) Reserves	\$ -
<b>Total Debt Service Exp.</b>	<b>\$ -</b>
Plant Rep Income	\$ 1,285,200.00
Transfer from Reserves	\$ -
<b>Total Income</b>	<b>\$ 1,285,200.00</b>
Plant Rep Exp	\$ 1,008,063.06
Transfer to Reserves	\$ 277,136.94
<b>Plant Expense</b>	<b>\$ 1,285,200.00</b>

WATER

	FY 17 Budget
O&M revenues	\$ 1,196,113.67
Transfer from Reserves	
<b>Total O&amp;M Income</b>	<b>\$ 1,196,113.67</b>
O& M Expenses	\$ 1,173,347.51
Transfer to Reserves	\$ 22,766.16
<b>Total O&amp;M Expenses</b>	<b>\$ 1,196,113.67</b>
Capital Imp. Income	\$ 130,965.36
Transfer from reserve	\$ -
<b>Total Capital Income</b>	<b>\$ 130,965.36</b>
<b>Total Cap Expense</b>	<b>\$ 901,521.00</b>
Transfer to reserve	\$ (770,555.64)
<b>Total Capital Expenses</b>	<b>\$ 130,965.36</b>
Debt Service Income	\$ 264,450.25
To/(from) Reserves	
<b>Total Debt Service Inc.</b>	<b>\$ 264,450.25</b>
Debt Service Expenses	\$ 176,497.49
Transfer to Reserves	\$ 87,952.76
<b>Total Debt Service Expenses</b>	<b>\$ 264,450.25</b>

DOWNTOWN TIF

	FY 17 Budget
Revenues	\$ 2,702,000.00
Transfer in from Reserves	\$ -
<b>Total Income</b>	<b>\$ 2,702,000.00</b>
<b>Total Expenses</b>	<b>\$ 2,500,000.00</b>
Transfer to Reserves	\$ 202,000.00
<b>Unexpended Funds</b>	<b>\$ -</b>

RIVERFRONT TIF

	FY 17 Budget
Revenues	\$ 36,015.00
Transfer in from Reserves	\$ -
<b>Total Income</b>	<b>\$ 36,015.00</b>
<b>Total Expenses</b>	<b>\$ 19,650.00</b>
Transfer to Reserves	\$ 16,365.00
<b>Unexpended Funds</b>	<b>\$ -</b>



## TOTAL BUDGET

	<b>FY 17 Budget</b>
<b>Total Revenues</b>	\$ 25,692,958.37
<b>Total Expenditures</b>	\$ 25,665,881.39
<b>Surplus/(Deficit) Budget</b>	<b>\$ 27,076.98</b>

The total operating budget expenditures for the City of Rock Falls in Fiscal Year 17 is \$25,665,881.39 and projects a surplus balance in the amount of \$27,076.98. This surplus balance assumes total revenue will be \$25,692,958.37. This is an overall increase of \$3.28 million or 14.67% over the projected FY 16 budget. \$2.7 million is due to the assumption that the City will be issuing bonds for the development of the RB&W riverfront greenspace. Property taxes generated in the Downtown TIF and the hotel tax from the adjacent Holiday Inn and Suites are the assumed revenues that will fund this project. Other significant increases projected in FY 17 are the receipt of grant funds and revolving loan funds for the demolition and environmental assessment of the limestone building totaling \$350,000. Other circumstances that may affect the FY 17 budget could occur from the purchase and development of the interstate property. Although most of those budgetary changes would impact the enterprise funds, some significant costs could be incurred by the general fund for costs associated with development expenses. No other remarkable or notable changes are assumed.

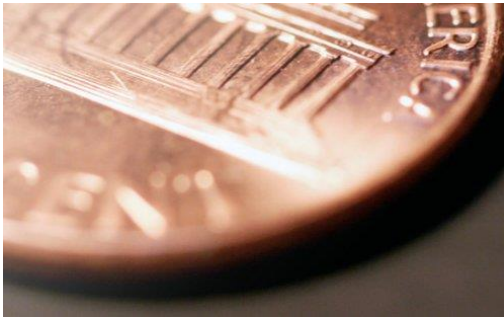
## Attachment A

Sauk Valley Media

# Sales tax referendum passes in Rock Falls

Measure falls short in Sterling

Published: Tuesday, April 7, 2015 11:51 p.m. CDT • Updated: Wednesday, April 8, 2015 12:01 a.m. CDT



By PAM EGGEMEIER [peggemeier@saukvalley.com](mailto:peggemeier@saukvalley.com) 800-798-4085, ext. 5570 @pam\_eggemeier

Rock Falls passed a sales tax increase Tuesday to pay for roadwork, while Sterling will have to look at other options to pay for about \$14 million in stormwater sewer projects.

In Rock Falls, passage of the Local Option Sales Tax will bring a half-cent tax increase to merchandise bought in that city. The increase amounts to an additional 50 cents on every \$100 spent. Voters passed the referendum by a margin of 356-293, or 55 percent of the vote.

The tax will not be assessed on groceries, medication, services, farm equipment, cars, trucks, ATVs, boats, RVs, or mobile homes.

The city receives about \$410,000 from the passage of the first half-cent increase in 2004. City officials said doubling that annual revenue stream was necessary to make a meaningful difference in fixing roads.

The main sources of funding local roads projects is the Motor Fuel Tax cities receive each year and the half-cent sales tax. In 2014, Rock Falls received about \$227,000 in MFT funds, but much of that money is paying for projects already done on Second Street.

Mayor Bill Wescott said he was hopeful that officials were able to convey the need for another revenue stream to carry out residents' wishes for road fixes.

"We tried to make our position very clear – that to make any significant progress with road work, we needed a half-cent sales tax increase," Wescott said.

Wescott said that if the tax question had failed, the city would have done its best to make fixes, but it's likely residents wouldn't have been happy with the results.

"If they had voted no, we would have had to live by that, but we wouldn't have been able to do many roads," Wescott said. "A lot of short-term patch jobs would have been the best we could do."

In Sterling, the referendum failed by a margin of 427-504, with supporters gaining 46 percent of the vote.

The city has taken a close look at instituting a stormwater utility fee, but city officials had expressed a strong preference for the sales tax.

"The stormwater utility fee would put more burden on our businesses, and the sales tax would have created a larger revenue stream more quickly," Mayor Skip Lee said.

Lee said no decisions have been made to go with the stormwater utility fee, but he admits the city is running out of options.

"This doesn't mean we'll automatically go with the utility fee, but it's clear we can't keep kicking the can down the road," he said. "I believe the sales tax was the easiest route, but we've had these flooding issues for years, and they must be addressed soon."

After being re-elected Tuesday, Alderwoman Retha Elston said she was disappointed to learn that the sales tax had been turned down. She said figuring out the next course of action will be a priority for the next council.

"Once the new council gets its feet wet, we'll have to take a look at how to pay for the stormwater sewer improvements," Elston said. "We'll have to decide whether we want to go with the utility fee, or wait until next year and try the sales tax again."

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## Attachment B

Sauk Valley Media

# Editorial: Blame state, not council

Higher city taxes are coming to Rock Falls property owners next year. But blame the state, not the city, for the need to dig deeper into taxpayers' wallets.

Published: Wednesday, November 11, 2015 10:26 p.m. CST

When Rock Falls residents open their real estate tax bills next spring, they might be tempted to blame the city for the higher amount they'll owe.

It's absolutely true that the Rock Falls City Council voted last week to raise the city tax rate by 10 percent.

That means the owner of a \$71,000 home will owe about \$45 more a year.

But the reason behind the increase is not an issue of city governance alone. As it was explained at Finance Committee meeting last month, the state, through its legislative mandates, changed the pension payment rules in the middle of the game.

Specifically, changes were made in the way actuarial calculations are done for police and fire pensions.

The end result is pretty much a doubling of the city's pension obligation going forward.

Beforehand, Rock Falls city officials thought they were in fairly decent shape in regard to their pension funds.

For example, as Mayor Bill Wescott explained it, the fire fund had been funded at 96 percent under the old formula. However, the accounting changes mean that it is now funded at only 70 percent.

City council members did the only thing they could do: ask taxpayers for the money necessary to pay catchup under the new actuarial rules.

Taxpayers actually may have gotten off lucky, as a second alternative tax rate increase, rejected by council members, was pegged at more than 16 percent. Some creative use of cash reserves and cuts in two optional levy items made it possible to hold the line at a 10 percent rate increase.

Be that as it may, Alderman Glen Kuhlemier laid the blame for the new local tax burden on the steps of a dysfunctional state government.

".....The state is unwilling to deal with an unsustainable pensions situation, he said last month. Rock Falls taxpayers will thus feel the bite of a dysfunctional state government when their tax bills arrive next year.

While the city council voted for the tax hike, the state made 'em do it. |