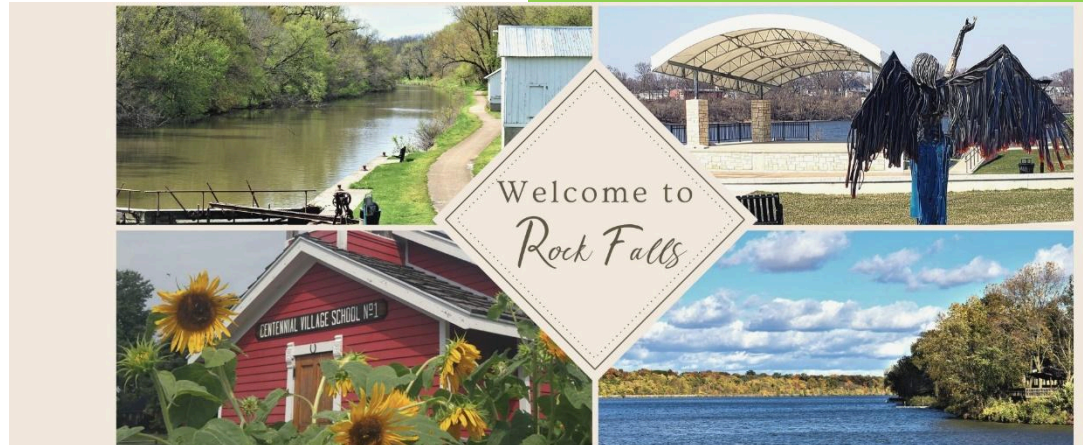


FY 27 Budget



Robbin Blackert
City Administrator
4/21/2026

Contents

About the Budget Summary 2

Debt Status..... 3

Debt Rating 3

Your Property Tax Bill..... 4

General Fund Revenue Summary 5

 Sales Tax..... 5

 Income Tax (LGDF) 5

 Non-Home Rule Sales Tax 5

 General Fund Revenue Totals 6

Motor Fuel Tax Revenue 6

Contributions from Proprietary Funds to the General Fund 7

General Fund Expenditures..... 7

 General Fund Expenditure Highlights 8

Electric Fund..... 9

Wastewater Fund..... 10

Water Fund 12

Garbage Fund..... 13

Tourism Fund 13

Proprietary Fund Cash Balances 14

Minimum Cash Balance Policy 14

Other Funds 14

 Demolition Fund 14

 Industrial Development Commission..... 15

 Downtown TIF (Tax Increment Finance) 15

Total of All Funds 15

City Administration 16

Department Heads..... 16

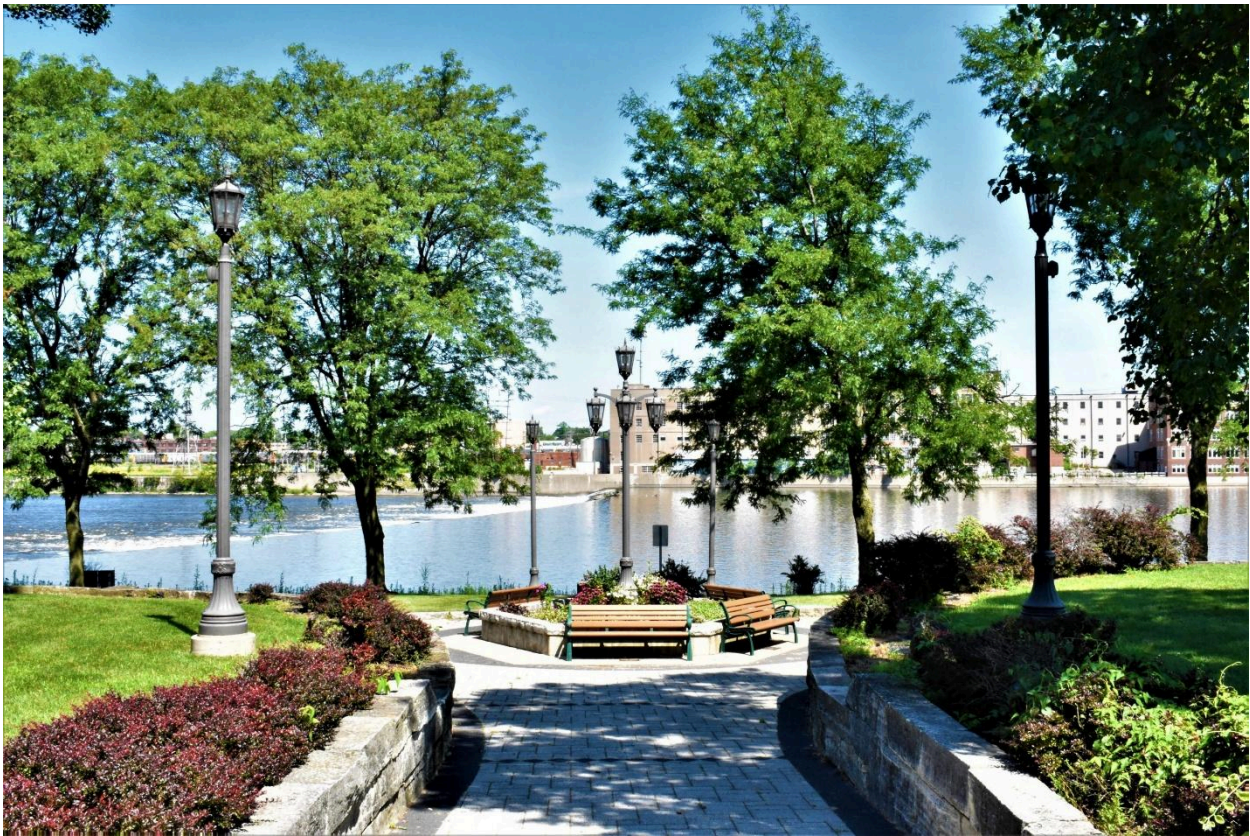
About the Budget Summary

This report is specifically designed as a summary document and is intended to convey select information about the major aspects of the City's FY 27 budget, current debt and financial status in a condensed and easily understandable format. The primary focus of the report is the City's General Fund, Electric Fund, Wastewater Fund and Water Fund. These are considered to be the City's major and most significant funds. The City maintains several other accounting funds which will be included, but not as detailed. All references and comparisons to the FY 26 budget are based on the FY 26 budget projections since FY 26 figures are not finalized and are unaudited.

Questions concerning this budget report or requests for additional information should be directed to:

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Bollman Park West 1st Street



Debt Status

Historically, the City has issued two major forms of debt in order to fund significant capital purchases and projects. General Obligation (GO) bonds are direct obligations and pledge the full faith and credit of the City and are payable from both the governmental funds and proprietary funds as an alternate revenue source. In addition, the Illinois Environmental Protection Agency has extended low and no interest loans to our Water & Wastewater funds for various projects including the construction of a new wastewater treatment facility completed in 2011. As of April 30, 2025, the City has \$10,362,034 of GO Alternate Revenue Source Bonds and \$8,632,825 of IEPA Loans. Of those IEPA loans, \$6,198,917 was from the construction of the Wastewater Treatment facility that opened in 2011. **That debt will be paid in full in 2031.** These figures are available in the City of Rock Falls FY 25 Audit Report.

Debt Rating

A bond rating is a way to measure the creditworthiness of a bond, which corresponds directly to the cost of borrowing for an issuer. These ratings typically assign a letter grade to bonds that indicates their credit quality. Private independent rating services such as S&P Global (Standard & Poor’s) evaluate a bond issuer’s financial strength, or its ability to pay a bond’s principal and interest, in a timely fashion. Bond ratings are vital to alerting investors to the quality and stability of the bond in question. These ratings consequently greatly influence interest rates, investment appetite, and bond pricing. The City of Rock Falls most recent GO alternative revenue source bond issuance occurred in 2018. At that time, S&P Global upgraded the City’s rating from “A” to “AA”. Bond ratings are vital to alerting investors to the quality and stability of the bond in question. These ratings consequently greatly influence interest rates, investment appetite, and bond pricing.

In assigning a rating for General Obligation (GO) Bonds, the rating agency assess the following factors:

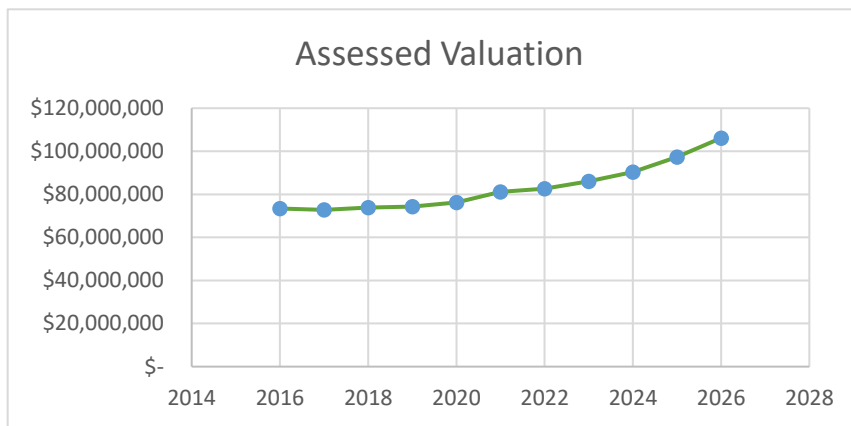
- ✓ Economy
- ✓ Debt Structure
- ✓ Financial Condition
- ✓ Demographic Factor
- ✓ Management Practices

Unfortunately, with Rock Falls’ modest median income being \$49,600 it may be difficult to achieve a AAA rating.

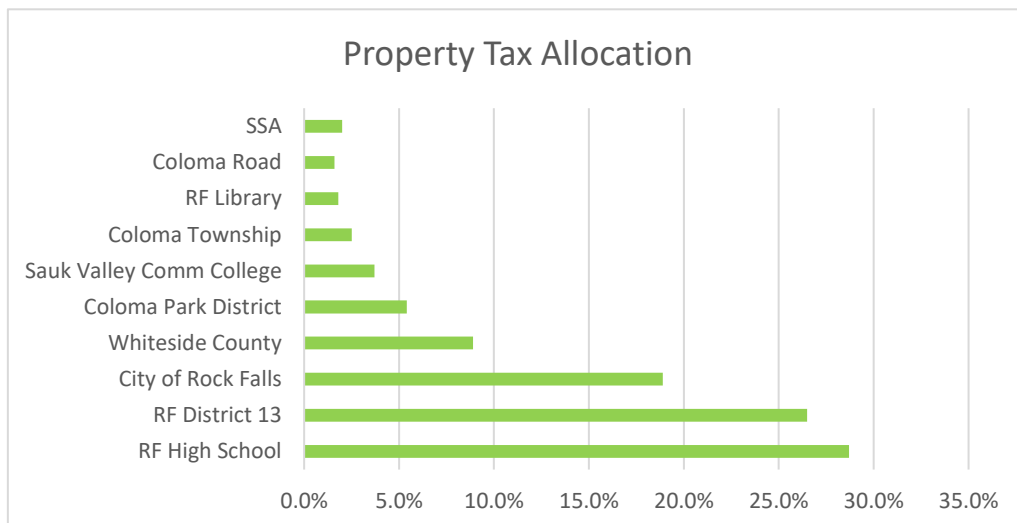
	S&P Global Rating
Best Quality	AAA
High Quality	AA+ AA AA-
Upper Medium Grade	A+ A A-
Medium Grade	BBB+ BBB BBB-

Your Property Tax Bill

Property tax is the second largest revenue source in the General Fund. The estimated assessed value is the dollar value assigned to a home or other piece of real estate for property tax purposes. The current median home value in Rock Falls is \$83,900. In many cases, the assessed value is calculated as a percentage of the fair market value of the property. In Whiteside County, it is 1/3 the fair market value. In simple terms, if a property’s fair market value is \$83,900 then the assessed value would be \$27,967. The Estimated Assessed Valuation Chart below depicts the steep decline and rise again in the assessed valuations of all the properties in the City of Rock Falls. For the past five years there has been year after year growth in the property valuation. The City has abated the debt service portion of the property tax levies and satisfied the principal and interest payment utilizing alternate revenue sources.



A common misconception about property tax is that all the money a property tax owner pays is remitted to the City. As indicated by the graph below, the City of Rock Falls received 18.9% of the total property tax money received. The remaining portion is allocated to other taxing bodies. Rock Falls Township High School and Rock Falls District 13 account for over 55% of the overall property tax bill.



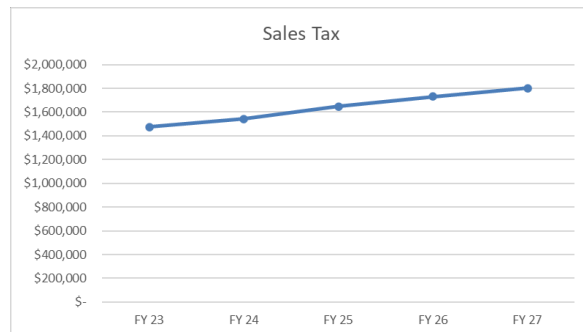
General Fund Revenue

Summary

The City of Rock Falls benefits from a diversified revenue base. Sales tax, property tax and income tax are the three most significant governmental revenue sources that the City relies upon to provide a high level of municipal services to our residents and businesses.

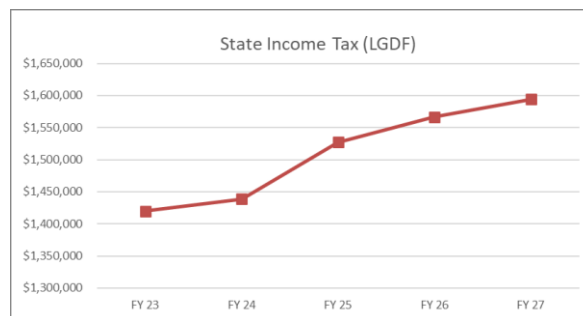
Sales Tax

Sales tax is the largest revenue source for the City. In FY 27 sales tax revenues are predicted to be \$1,800,000. Sales tax revenues are predicted based upon historical data and current economic conditions. The FY 26 budget predicted \$1,500,000 in sales tax revenue however, as of the end of March 2026, that prediction has already been exceeded and stands at \$1,734,492, which is most likely due to higher retail prices and in turn has created more sales tax revenue. It is unknown at this time how much sales tax will be received from the new Love’s Travel Center and any additional development in Rock Falls. We will have almost a full year of data for budgeting purposes on the increased revenue that will be generated from that development, which will be reflected in FY 28’s budget. Although the State of Illinois eliminated the 1% sales tax on groceries, the City of Rock Falls passed an ordinance which continued the tax on January 1, 2026.



Income Tax (LGDF)

The local share is distributed on a per capita basis and the 2020 census recorded a population of 8,789 for Rock Falls. This revenue is a critical funding source for local governments. The FY 27 LGDF revenue is projected to be \$1,593,973 or \$181.36 per capital which is slightly up from last year’s prediction of \$178.27 per person.



The increase in the FY 27 estimate is only 1.73% over the FY 26 LGDF estimate. With the current rate of inflation at 3.3% (March 2026) this small increase puts the City at a disadvantage with their purchasing power.

Non-Home Rule Sales Tax

Municipalities in the State of Illinois are able to implement a locally imposed sales tax. Rock Falls passed the non-home rule sales tax several years ago by voter referendum and the 1% is earmarked for road

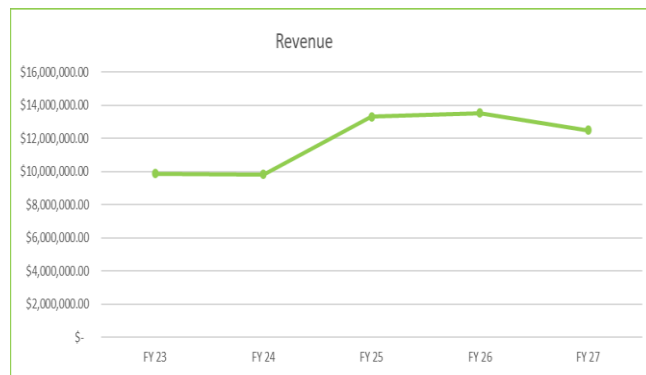
improvements within the City which is still insufficient in order to maintain approximately 60 miles of roads and alleys. The non-home rule sales tax is not included on sales of tangible personal property that must be titled or registered by an agency of the state government (i.e. vehicles, watercraft, aircraft, trailers, and manufactured (mobile) homes, and qualifying food, drugs and medical appliances. The FY 27 budget predicts \$1,400,000 in non-home rule sales tax revenue which is up from FY 26’s budget expectation of \$1,200,000. As of the end of March 2026, the budgeted revenue has already been exceeded and stands at \$1,249,773.

General Fund Revenue Totals

	FY 27 Budget
Projected Revenue	\$ 12,483,657.74
Other Financing Sources	\$ -
IMRF/SS Contribution	\$ 174,804.00
Revenue Totals	\$ 12,658,461.74

The FY 27 budget proposes General Fund revenues are \$12,658,461. The revenue trends for the past 5 fiscal years are represented in the chart. Of significance, the FY 27 budget has approximately \$1.5M of non-recurring revenues which is significantly lower from the past 3 fiscal years where large sums of grant monies were received for the redevelopment of the Micro Industries Site and the rebuilding of Avenue A. The most notable non-recurring revenue for FY 27 are grant funds totaling \$1.5M for the completion of the Micro Industries Site, work on the P.A. Site and a grant of \$825K for a fire training center.

The revenue chart includes all tax revenues and transferred tax revenues, including non-recurring revenues of motor fuel tax and grants.



Motor Fuel Tax Revenue

Motor fuel tax revenues are allocated by population of a city, road district or county. In our case, every year we are given an estimate through the Illinois Municipal League of our anticipated revenue. This year our per capita estimate is \$21.74 and that number is multiplied by our population of 8,789. A town with the same population as Rock Falls with no gas stations or travel centers would get the same amount of per capita income.

Illinois motor fuel tax hit 48.3 cents on July 1, 2025

Illinois Gov. J.B. Pritzker doubled the state's gasoline tax from 19 cents in 2019 and added automatic annual increases. The state motor fuel tax increased to 48.3 cents on July 1.

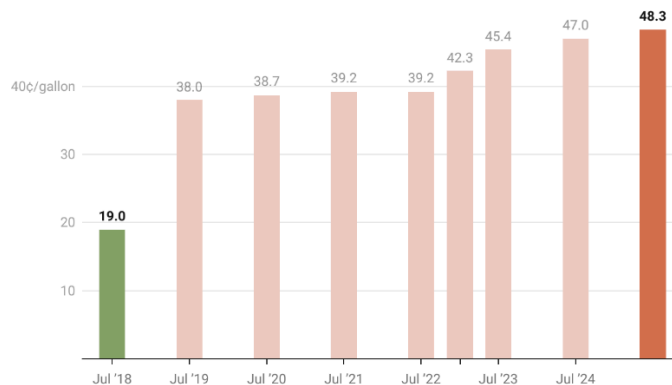


Chart: @illinoispolicy • Source: Illinois Department of Revenue • Created with Datawrapper

Contributions from Proprietary Funds to the General Fund

American Public Power’s most recent data show the median amount contributed by public power utilities, the City of Rock Falls was 5.1% percent of operating revenues. Although this is a standard for public power (electric) utilities, it can also be used as a guideline for other municipal owned and/or operated utilities and proprietary funds. In the proposed FY 27 budget, the contribution to the general fund is higher than normal and is due to hiring the Assistant City Administrator that will take over as City Administrator in 2027. So there will be one year of overlap and then the contributions will decrease to normal levels. The following percentages of

operating revenue are contributed to the general fund:

- ✓ Electric - \$779,112 = 5.6%
- ✓ Wastewater - \$106,978 = 5.2%
- ✓ Water - \$106,778 = 6.7%
- ✓ Garbage - \$81,016 = 12.6%
- ✓ Tourism – \$24,500 = 8.1%

With a total combined operating revenue of \$18,664,357, their contribution to the General Fund of \$1,098,384 represents 5.8% of their operating revenues, which is slightly over the national median average, however, it is well within acceptable operating guidelines.

General Fund Expenditures

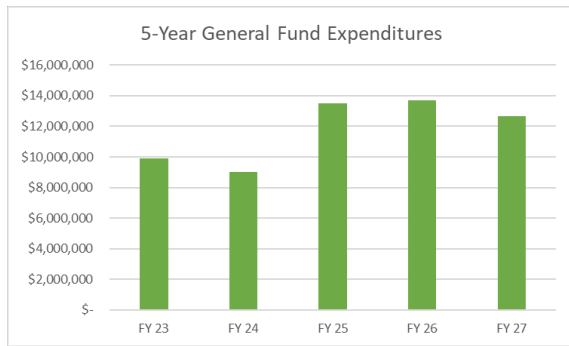
The FY 27 General Fund expenditures total \$12,655,937 however, approximately \$1.5M are non-recurring expenses. The non-recurring are as follows:

- ✓ \$551,000 – Completion of the Micro Industries Project including the Riverfront Pathway Project (Grant Funded)
- ✓ \$825,000 – Construction of a Fire Training Center (Grant Funded)
- ✓ \$150,000 – Continuation of the Parish Alford site remediation. (Grant Funded)

Although all these expenditures will be reimbursed to the City through grant funds, the expenditure must be shown in the budget.

In FY 27 the largest portions of recurring (Operating & Maintenance) spending are in the Police, Fire & Street budgets, respectively. The Police, Fire & Street budgets historically have the largest general fund expenditures except for when grants are awarded to the City and ran through the Public Property budget.

The table below shows the 5-year expenditures history. Please note that FY 26 is not complete, and FY 27 is only an estimate. Also note that the past two years (FY 25 & FY 26) have realized over \$4M of grant expenditures of which the City has been reimbursed.



The ledger of individual General Fund department budgets below represents the General Fund total expenditure. The proposed FY 27 General Fund calculates a \$2,524.59 surplus.

Department Expenses	FY 27 Budget
Administration	\$ 762,318.00
Building Dept.	\$ 383,016.00
City Administrator	\$ 359,796.00
Business Office	\$ 345,503.00
Code Hearing Dept.	\$ 39,900.00
Fire Dept.	\$ 3,123,019.00
Planning & Zoning	\$ 2,700.00
Police Dept.	\$ 4,189,702.00
Police/Fire Commission	\$ 17,700.00
Public Property	\$ 855,190.00
Street Dept.	\$ 2,360,223.74
Sub-Total Expenses	\$ 12,439,067.74
IMRF/Social Sec.	\$ 216,869.41
Expense Total	\$ 12,655,937.15
Surplus/(Deficit)	\$ 2,524.59

General Fund Expenditure Highlights

Police Department

The City of Rock Falls Police Department plans to acquire new portable radios for officers in the FY 27 budget. The current radios being used are older models that were previously owned by Rockford PD and they were last produced in 2014 and are becoming obsolete. The new radios will last several years. In addition to the new radios, the Police Department has updated their contract with Axon, which services the department’s body cameras, squad car cameras and Taser’s. The updated contract will allow the department to utilize additional services by Axon including a redaction tool and license plate readers for the squad cars. The redaction tool will make handling FOIA request for videos easier for staff and much more efficient.

Fire Department

The Rock Falls Fire Department’s largest project, is the construction of the fire training tower. In 2026, the City was awarded a Community Project Fund which will provide \$825K toward the anticipated cost of the tower’s construction. The Fire Department also plans to replace one of the two HVAC units which services the fire station living quarters. Initial estimates for the replacement are \$50K.

Street Department

The FY 27 budget includes several major projects for the Street Department including completion of the Micro Industries Parking Lot and riverfront walkway under the 1st Avenue Bridge, resurfacing of West 1st Street which is budgeted at approximately \$500K and will be funded with grant money. In addition, \$400K of Seal Coating and HMA overlay of city streets will happen in the summer of 2026.

Electric Fund

The City of Rock Falls owns and operates its own electric utility. This fund is the largest of the City’s proprietary funds in terms of revenue generation and number of customers since it services customers outside the city limits. As with all proprietary funds, it is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations and maintenance of the utility as well as capital improvements that must be undertaken to ensure the stability and reliability of the system.

The City of Rock Falls electric utility distributes power to 5,300 customers with the majority being residential at 4,746, commercial 480, industrial 24 and municipal at 50. The municipal accounts include the City, schools and other government entities.

The City of Rock Falls is a member of the Illinois Municipal Electric Association

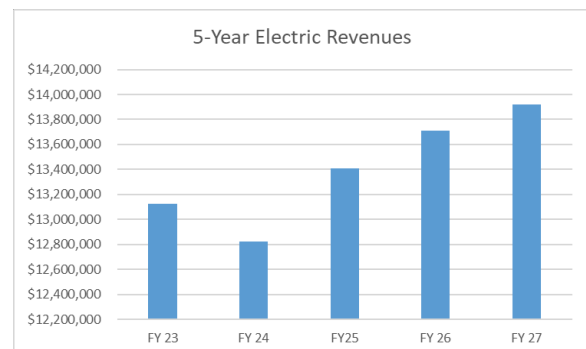
(IMEA) which is a not-for-profit unit of local government created in 1984 that is currently comprised of 32 municipal electric systems from all across Illinois. Each of those communities

owns and operates its own electric distribution system. Some operate local power generation



plants. Peak generation is power generation plants that generally run only when there is a high demand, known as peak demand, for electricity. Out of the 32 cities that are members of the IMEA, the Cities of Rock Falls and Winnetka both generate peak power in the Regional Transmission Organization (RTO) known as PJM. During a heat wave or polar vortex, the City of Rock Falls is obligated to start our 9 diesel Caterpillar generators to produce electricity.

In FY 27 the electric rates will increase by 1% as was indicated on the rate study completed in FY 24. That 1% increase will occur again in FY 28. However, other additional increases in revenues are Purchase Power Adjustment and the Capacity Component Credit which is reimbursement to the City from IMEA for an increase in our dedicated generators that will be used for peak generation.



The projected Electric Operations and Maintenance revenues are \$13,919,303 with expenses totals \$10,923,120. Several capital projects are scheduled for FY 27 with a total cost of \$5,391,146 and are shown in the following budget items.

Electric Capital Expenses		FY 27
ACCT#	ACCOUNT DESCRIPTION	Budget
1503	System Upgrade	\$ 1,727,000.00
1504	Substations Upgrades	\$ 354,700.00
1506	Generators	\$ 1,023,915.00
1510	Plant & Property	\$ 112,000.00
1511	Plant & Property - Hydro	\$ 1,624,646.00
1517	Fiber Upgrades	\$ 28,885.00
1518	Engineering	\$ 330,000.00
1520	Equipment	\$ 80,000.00
1566	Scada	\$ 110,000.00
Total Capital		\$ 5,391,146.00

In highlighting a few of the many projects in FY 27, the system upgrade will include replacing poles and overhead switches to ensure we can isolate issues and transfer load when needed for emergencies and maintenance. Much needed replacement of aging underground cables to improve our reliability will also be completed along with completing the 5-year-long installation of our AMI (smart) meters throughout the City. In addition, work will continue on the 34.5kv tie and feeder to provide better reliability for our substations and to give the new development by Love’s Travel Stop a loop system to feed the development from two different substations.

Wastewater Fund

As a proprietary fund, the Wastewater Fund is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations and maintenance of the

The generator line item includes replacing 30-year-old control panels at our Industrial Park Generator Plant. Along with the main controls, we will be replacing the PLC system that run and monitor the generators along with new main systems panels for each of the five 1.8MW generators at this location.

The hydroelectric generation facility projects continue this year with a new PLC (computer that controls the hydro’s operation) system, replacement of the decades old seals on the stop-logs which are necessary so dewatering for outages is faster, safer and more efficient in both time and expense.

The overall budget plans on using \$2.8M from the electric reserves for completion of the capital improvements that are scheduled for FY 27.

In addition to the capital projects the electric budget also reflects an annual bond payment for a bond issuance in 2018 for the rebuild of the Avenue A substation.

		FY 27
Debt Service Budget		Budget
2410	Bond Payment Series 2018A P	\$ 350,000.00
2065	Bond Payment Series 2018A I	\$ 172,300.00
Debt Service Total		\$ 522,300.00

plant, lift stations and collection system as well as capital improvements that must be undertaken to ensure the stability and reliability of the wastewater system. The wastewater system bills customers based off of water usage and has the same number of customers as the water utility.

FY 27 BUDGET

	FY 27 Budget
O&M revenues	\$ 2,067,088.00
Transfer from Reserves	\$ -
Total O&M Income	\$ 2,067,088.00
O& M Expenses	\$ 2,079,681.76
to Reserves	\$ (12,593.76)
Total O&M Expenses	\$ 2,067,088.00
Capital Improvement Income	\$ 584,784.00
Transfer from Reserves	\$ -
Total Capital Income	\$ 584,784.00
Capital Exp.	\$ 948,910.14
Transfer to (from) Res	\$ (364,126.14)
Total Capital Imp. Exp.	\$ 584,784.00
Debt Service Income	\$ 1,285,200.00
Transfer from Reserves	\$ -
Total Debt Service Inc.	\$ 1,285,200.00
Debt Service Expenses	\$ 1,143,989.00
Transfer to (from) Reserves	\$ 141,211.00

The FY 27 Wastewater Department operations & maintenance budget has no significant changes to revenues or expenditures from previous years. The projected Wastewater Operations and Maintenance revenues are \$2,067,088 with expenses totaling \$2,079,681.

The chart below represents the 5-year revenue trend for wastewater.



Capital expenditures in the FY 27 budget for the Wastewater Department total \$948,910 and capital revenue of \$584,784. Capital

projects and purchases for FY 27 include storm sewer pipe replacements and extensions together with catch basin replacements.

Sanitary sewer manhole replacements are scheduled together with sanitary pipe replacements and extensions.

The FY 27 capital budget also includes the purchase of a new F550 Service Truck, zero turn mower and Vactor truck.

The Wastewater Department has sufficient reserves to pay for both operation & maintenance and capital expenditures over and above the revenue amounts received.

Capital Improvement Budget		FY 27
Account Description		Budget
1507	Storm Sewers Repairs/Extensions	\$ 220,000.00
1509	Sanitary Sewer Repairs/ Extensions	\$ 170,000.00
	Avenue A	\$ -
1510	Plant & Property	\$ 65,000.00
1520	New Equipment (Vactor)	\$ 484,455.00
1520	New Equipment (Backhoe Payment)	\$ 9,455.14
Capital improvement Total		\$ 948,910.14
Total Capital Improvement Income		\$ 584,784.00
Difference-transferred to/(from) reserves		\$ (364,126.14)

The FY 27 budget does reflect a 2.7% rate increase in compliance with the rate study that was completed in FY 25. The future rate increases are as follows:

- FY 28 2.6% increase
- FY 29 2.5% increase

Water Fund

As a proprietary fund, the Water Fund is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations and maintenance of the plant and distribution system as well as capital improvements that must be undertaken to ensure the stability and reliability of the water system. The City of Rock Falls Water utility provides water to 4,150 customers with the majority being residential at 3,774, commercial 324, industrial 19 and municipal at 33. The municipal accounts include the City, schools and other government entities.

	FY 27 Budget
O&M revenues	\$ 1,585,198.00
Transfer from Reserves	
Total O&M Income	\$ 1,585,198.00
O & M Expenses	\$ 1,573,471.00
Transfer to Reserves	\$ 11,727.00
Total O&M Expenses	\$ 1,585,198.00
Capital Imp. Income	\$ 4,737,477.00
Transfer from reserve	\$ -
Total Capital Income	\$ 4,737,477.00
Total Cap Expense	\$ 4,737,477.00
Transfer to reserve	\$ -
Total Capital Expenses	\$ 4,737,477.00
Debt Service Income	\$ 314,645.00
To/(from) Reserves	
Total Debt Service Inc.	\$ 314,645.00
Debt Service Expenses	\$ 228,822.00
Transfer to Reserves	\$ 85,823.00
Total Debt Service Exp	\$ 314,645.00

The Water Department operations & maintenance budget has no significant

variances from previous years; however overall revenue does have very significant changes due to the Galvanized Service Line Replacement Program. The City completed the mandatory inspection that was due April 15, 2024 which included everything listed in the chart below:

Material Inventory Requirements

The material inventory shall identify:

- The TOTAL number of service lines in the community water supply (CWS);
- The material of EACH service line connected to the CWS's distribution system;
- The number of suspected lead service lines that have been identified since the last material inventory was submitted; and
- The number of suspected or known lead service lines that were replaced since the last material inventory was submitted

Additionally, to the best of the CWS's ability, the CWS shall identify the service line, which means the piping, tubing, and necessary appurtenances acting as a conduit from the water main or source of potable water supply to the building plumbing at the first shut-off valve or 18 inches inside the building, whichever is shorter.

When completing the material inventory, the owner or operator shall at a minimum:

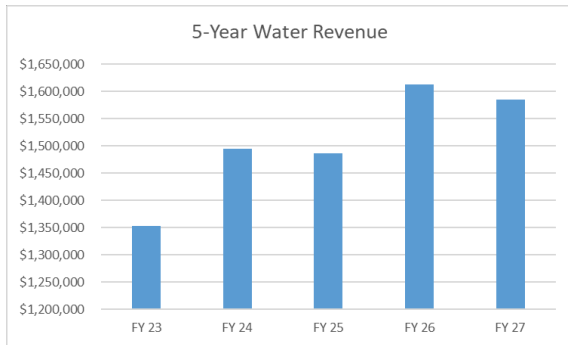
- Prioritize the inspection of high-risk areas identified;
- Review historical documents to determine service line material;
- Visually inspect service lines and document material when doing maintenance;
- Identify any time period service lines would have been connected to the distribution system and were primarily lead service lines; and
- Discuss service line repairs and installation with other employees, contractors, plumbers, and other workers who worked on service lines connected to the CWS.

The City applied for grant funds in the amount of \$3,141,000 to replace all galvanized service lines that were identified in the inventory report. If approved, work will begin in February of 2027.

In addition to the Galvanized Replacement Program, the City will be doing Phase IV of improvements to the water distribution plant and south (green) water tower. These projects are being done through the IEPA loan program, and we anticipate at least 40% forgiveness on the loan principal. Phase IV is estimated to cost \$1,355,910.

Expected operations & maintenance revenues for FY 27 are \$1,585,198. This budget represents a 5.6% increase to water rates which totals \$1.63 increase per month for the average household.

FY 27 BUDGET



The Capital Improvement budget includes the Galvanized Line Replacement Program and Phase IV improvements as the largest projects.

		FY 27
Capital Improvement Budget		Estimate
1510	Plant & Property	\$ -
		\$ -
	GRR Grant Work	\$ 3,141,000.00
1520	New Equipment	\$ 125,000.00
1560	Distribution Lines	\$ 115,567.00
1560	IEPA Loan Phase IV	\$ 1,355,910.00
1565	New Services/Metering	\$ -
Capital improvement Total		\$ 4,737,477.00
Capital Improvement Income		\$ 4,737,477.00
Transferred to/(from) reserves		\$ -

Garbage Fund

As a proprietary fund, the Garbage Fund is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations for curbside garbage and recycling as well as the operations of the Electronics Recycling Center.

The decision was made in early 2024 to enter into a 5-year contract with Midwest Disposal. This year represents our first full fiscal year with the new contract.

The FY 27 Garbage budget reflects a surplus of \$6,167. Unfortunately, in order to avoid a deficit, the current residential rate is increasing from \$18.50 per month to \$20.00 per month beginning May 1, 2026. The future monthly garbage rates are as follows:

May 1, 2026	\$20.00
May 1, 2027	\$21.50
May 1, 2028	\$22.00
May 1, 2029	\$22.50

		FY 27 Budget
Revenues		\$ 791,000.00
Transfer from Reserves		\$ -
Total Income		\$ 791,000.00
Expenses		\$ 784,833.00
Transfer to Reserve		\$ 6,167.00
Total Expense		\$ 791,000.00

Tourism Fund



As a proprietary fund, the Tourism Fund is fully self-supported through the receipt of hotel taxes paid by visitors who stay in our local hotels. Revenues are also collected from businesses who wish to be sponsors for Tourism hosted events.

		FY 27 Budget
Revenues		\$ 301,768.00
Reserves		\$ -
Total Income		\$ 301,768.00
Expenses		\$ 401,349.00
Trans to (from) Reser		\$ (99,581.00)
Total Expenses		\$ 301,768.00

The FY 27 Tourism budget shows \$301,768 in revenue with expenses totaling \$401,349. The additional expenditures will be funded through the Tourism reserve funds.

In addition to the annual events hosted by Tourism, this year’s budget also includes the 3rd Annual Taco Throwdown which was a huge success in its first two years which featured ZOWA wrestling and a taco eating contest. It has been nominated for one of the most favorite events in the Sauk Valley region.

Proprietary Fund Cash Balances

Utility cash reserves are funds set aside, separate from user charges, miscellaneous fees and/or other non-rate or fee-based revenues. In general, there are three main types of cash reserves: operating, capital and debt related.

There are many reasons for utility cash reserves including:

- ✓ Absorb short-term revenue losses,
- ✓ Offset revenue losses,
- ✓ Stabilize cash flow,
- ✓ Unexpected or extraordinary expenses, and
- ✓ Set aside for future capital projects,

There are multiple benefits that can be realized by maintaining sufficient operating and capital reserves however, one of the most important is that it ensures the stability of the fund by having funding available to do major capital projects and emergency repairs without seeking outside funding sources.

Minimum Cash Balance Policy

In order to follow best practices of government accounting and to ensure the City of Rock Falls’ financial stability by

protecting itself against revenue shortages caused by economic downturns, natural disasters, policy changes instituted by State or Federal Governments or any unpredicted one-time expenditures. The reserve fund balance requirements will be verified on the City’s annual budget. This policy will establish the minimum fund balance reserves to be maintained in the General, Electric, Wastewater, Water, Garbage and Tourism funds.

FY 27 Fund Minimum Balance				
Fund	Budgeted O & M	Minimum Balance	Days of O & M	Per Day Cost
General	\$ 12,439,067.74	\$ 1,533,583.69	45	\$ 34,079.64
Tourism	\$ 401,349.00	\$ 835,685.59	760	\$ 1,099.59
Electric	\$ 10,923,120.00	\$ 5,386,744.11	180	\$ 29,926.36
Water	\$ 1,573,471.00	\$ 656,106.90	180	\$ 3,645.04
Sewer	\$ 2,079,681.76	\$ 936,675.62	180	\$ 5,203.75
Garbage	\$ 784,833.00	\$ 358,767.12	180	\$ 1,993.15

Other Funds

Demolition Fund

The Demolition Fund is a stand-alone fund that receives its revenue from grants such as the Abandoned Property & Strong Communities Grant through IHDA. The City has exhausted all the current grant funds through the Strong Communities Grant, but we are hopeful that a new round of grants will soon be announced. The Demolition Fund also receives monies from the sale of abandoned properties acquired by the City through tax sales delinquency or abandonment. These funds are used to mow and secure abandoned properties and demolish condemned residential properties across the City that cannot be salvaged or repaired.

FY 27 BUDGET

	FY 27 Budget
Revenues	\$ 32,500.00
Reserves	
Total Income	\$ 32,500.00
Expenses	\$ 109,000.00
Trans to (from) Reser	\$ (76,500.00)
Total Expenses	\$ 32,500.00

Industrial Development Commission

The Industrial Development Commission (IDC) is an independent commission of the City who owns the industrial, commercial & residential property on behalf of the City. It is comprised of private citizens, Rock Falls business owners and 1 alderperson. IDC has become vital in our efforts against abandoned and blighted residential properties. They are also very active in economic development and have the ability to enter into land sales to developers.

	FY 27 Budget
Revenues	\$ 21,500.00
Transfer from Reserves	
Total Income	\$ 21,500.00
Expenditures	\$ 35,600.00
Trans to/(from) Reserve	\$ (14,100.00)

Although the IDC's FY 27 budget demonstrates a deficit, they currently have reserves to cover that amount. The IDC receives the necessary funding by retaining a percentage of the monies received from the sale of land on behalf of the City.

Downtown TIF (Tax Increment Finance)

Illinois and 48 other states use a TIF as an economic development tool. With this

development tool, financially strapped local governments can make the improvements, offer development incentives to attract new businesses or help existing businesses expand. The TIF provides that assistance without tapping into the General Fund or raising property taxes.

	FY 27 Budget
Revenues	\$ 220,000.00
Reserves	\$ -
Total Income	\$ 220,000.00
Total Expenses	\$ 220,425.00
Transfer to Reserves	\$ (425.00)
Unexpended Funds	\$ -

State legislation states that TIF funds can be used for a wide variety of projects however, they can only be used within the TIF district.

The Downtown TIF was established on March 16, 2010. The TIF expiration date is December 31, 2034 (December 31 of the 23rd calendar year after the year in which the ordinance approving the TIF area was adopted). It is essentially 24 calendar years and 23 tax years.

Total of All Funds

The total revenues and expenditures for all proprietary and governmental funds result in a \$2,524.59 surplus in the FY 27 budget.

	FY 27 Budget
Total Revenues	\$ 38,218,126.74
Total Expenditures	\$ 38,215,602.15
Surplus/(Deficit) Budget	\$ 2,524.59

City Administration

Mayor.....	Rodney Kleckler
City Administrator.....	Robbin Blackert
Assistant City Administrator.....	Gabriella McKanna
City Clerk.....	Pam Martinez
City Treasurer.....	Kay Abner
City Attorney.....	Matt Cole, Ward, Murray, Pace & Johnson, P.C.
Chairman of Finance Committee.....	TBA, Ward 1 Alderperson
Alderspersons.....	William Wangelin, Ward 1 Alderperson Marshall Doane, Ward 2 Alderperson Vickey Byrd, Ward 2 Alderperson Steve Dowd, Ward 3 Alderperson Nathan Stahr, Ward 3 Alderperson Cathy Arduini, Ward 4 Alderperson Violet Sobottka, Ward 4 Alderperson

Department Heads

(in alphabetical order)

- Michelle Conklin, Superintendent of Business Office
- Larry Hanrahan, Superintendent of the Electric Department
- Melinda Jones, Tourism Director
- Ted Padilla, Superintendent of Water Department
- Ryan McKanna, Police Chief
- Dave Miller, Superintendent of the Street Department
- Bryan Plummer, Building Inspector
- Diane Shepherd, Superintendent of the Utility Office
- Kyle Sommers, Fire Chief
- Matt Trotter, Superintendent of the Wastewater Department