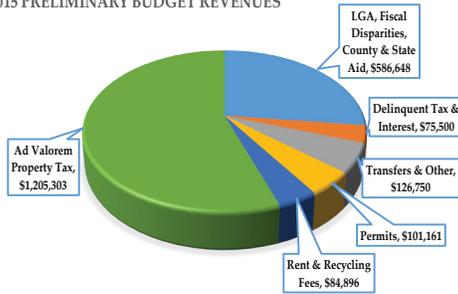


2015 Budget and Property Tax Levy

The City of Rockford established a 2014 Budget last December with expense totaling \$1,981,342. The city levied \$1,269,551 for operating expenses to provide city services, and \$199,387 to pay the city's long term bond debt. The 2015 Proposed Budget is currently set at \$2,244,506. The proposed levy for operating expenses is currently \$1,205,303 which represents a decrease in operating expenses of \$64,248 or -5.06%. The city's long term debt, however, has increased with the purchase of the Rockford City Center Mall. This purchase, combined with a shift in debt service from the Fire Department reflects in the city's levy of \$360,256 to pay for long term debt obligations. Based upon these figures, the city's 2015 Preliminary Property Tax Levy is currently \$1,565,559, which represents an increase of \$96,621 from the 2014 Property Tax Levy or an increase of 6.17%. City Staff continue to review the revenues and expenses anticipated for 2015 and are working to reduce the amount for the Final Property Tax Levy.

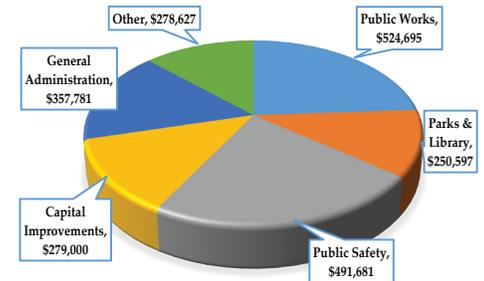
2015 PRELIMINARY BUDGET REVENUES



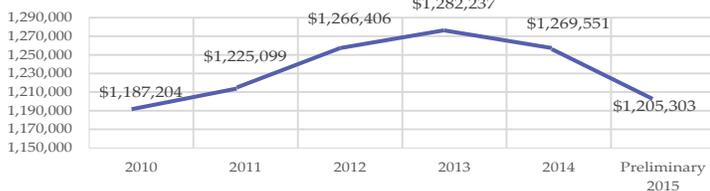
The pie chart featured to the left highlights the general categories of revenues received by the city that support city services and operations. Property taxes, Local Government Aid and Fiscal Disparities funding provides the majority of city revenues. Other sources of revenue that support city operations include revenues generated from permits and fees, interest income from the city's investments and a variety of small miscellaneous sources.

The pie chart featured to the right highlights the general categories of expenses involved in city operations and providing city services. The Public Safety category includes the Fire Department and what we pay for police services from the County Sheriff. General Administration includes all expenses and materials costs that are involved in administrative operations. Public Works includes all equipment, maintenance and materials used in their operations. Capital Improvements includes the funding to purchase or replace major pieces of equipment in the future, and Parks and Library cover the cost of maintenance operations for our city parks and the library.

2015 PRELIMINARY BUDGET EXPENSES



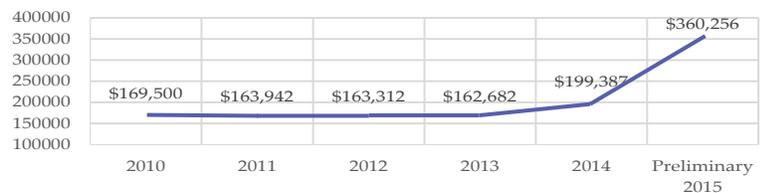
OPERATIONS TAX LEVY



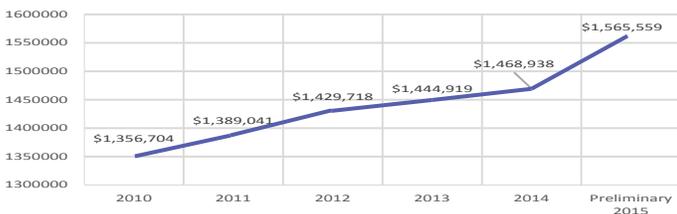
The following charts track the city's property tax levies over the past several years. The chart on the left shows the operations tax levy which funds city services. The City Council and Staff have worked hard to decrease the operation costs and increase available revenues in city operations to reduce the tax impact on properties in Rockford.

The chart to the right shows the city's long term bond debt over the same time frame. The city had several projects in the last few years which include construction of the Public Works building and the purchase of the Rockford City Center Mall which have increased the amount of this levy.

BOND / LONG TERM DEBT TAX LEVY



TOTAL PROPERTY TAX LEVY



This chart to the left shows the total property tax levy for the City of Rockford over the past five years. It should be noted that the 2015 Levy is preliminary, staff continue to work to reduce the amount of taxes to be levied next year. It will be important to focus on reducing long term debt carried by the city to control property tax increases in future years

To learn more about Rockford's proposed 2015 Budget, please attend the public hearing on Tuesday, December 9th, 2014 at 6:00 p.m. in the City Council Chambers at 6031 Main Street, Rockford, Minnesota 55373. The City Council will set the final levy at the December 23rd, 2014 City Council Meeting. If you have thoughts or suggestions, please share them with City Staff by contacting City Hall (763) 477-6565 or stop by during normal business hours.