



*Carrie Hagerty  
Finance Director  
Finance Department*

**DATE:** May 26, 2026

**TO:** Mayor McNamara  
City Council Members

**FROM:** Anne Wilkerson, Central Services Manager

**RE:** 2025 Supplemental Appropriation Ordinance

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The annual appropriation ordinance provides the legal authority to allocate funds to specific spending activities and establishes the City's legal spending limit for the fiscal year. Throughout the year, changes to the original ordinance are necessary due to unanticipated expenses, authorization to spend additional revenues received, reallocation of approved funds, or to address omissions or errors in the original appropriation ordinance. As a result, a supplemental appropriation ordinance must be passed annually to amend the budget and the legal spending limit for the fiscal year. The 2025 supplemental appropriation ordinance includes additional appropriation for a number of funds, primarily the general fund. The attached document outlines the specific increases and decreases, by fund and by budget unit. Major changes are outlined below.

Adjustments were made to reflect the general fund American Rescue Plan Act (ARPA) projects and Regrow funding from the Finance Department budget. Additionally, personnel-related increases and decreases are made in Public Works Street, Public Works Traffic, Construction & Development Services, Fire, as well as Police Department budgets for staffing level adjustments. Public Works Streets had increases in snow and ice operation costs and vehicle expenses for delivery of snow plow trucks from prior years.

The total impact on the general fund is an increase of \$2,108,290 for a new total appropriation of \$228,362,350. The appropriation ordinance is a spending ceiling, and we don't generally adjust every line item that is underspent. **The final total expense in the general fund is \$226.3 million, \$43,374 (0.019%) over budget.** American Rescue Plan Act revenues received will cover the ARPA projects. General fund revenue underperforms in 2025, namely replacement tax and ambulance collections. The net impact is a negative \$9.4 million to be drawn from current fund balance. This drawdown will put the general fund out of compliance with the fund balance policy by \$3,987,681, and will need to be restored in future fiscal years.

In the non-general fund units, the adjustments are made in Information Technology, 911, Office of Domestic & Community Violence Prevention, Motor Fuel Tax, Capital Improvement Program, Property, Equipment, Parking, Water, Community Development Business Group, Redevelopment, Library, Health & Human Services, Health Insurance, Worker's Compensation, Risk Management, Police and Fire Pension, and various Tax Increment Financing District Funds.

Staff recommends approval of the adjustments as proposed. Please let me know if you have any additional questions.

**COMMITTEE REPORT**

**TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:**

Council Members:

The Committee on Finance and Personnel having received a request hereby begs leave to report recommending that the 2025 Budget be amended and a Supplemental Appropriation Ordinance be prepared by the Budget Officer in accordance with the attached schedule. The Legal Director shall prepare the appropriate ordinance.

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Kevin Frost (Chair)

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Jonathan Logemann (Vice chair)

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Frank Beach

\_\_\_\_\_  
Dawn Granath

\_\_\_\_\_  
Chad Tuneberg

Committee Action Taken:

Frost:	Ayes:___	Nays:___	Absent:___
Logemann:	Ayes:___	Nays:___	Absent:___
Beach:	Ayes:___	Nays:___	Absent:___
Granath:	Ayes:___	Nays:___	Absent:___
Tuneberg:	Ayes:___	Nays:___	Absent:___