

**CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
April 26, 2021- 5:30 p.m.**

**City Council Chambers, City Hall, 3rd Floor
1528 Third Avenue, Rock Island, IL**

4/26/2021 - Minutes

CALL TO ORDER

Mayor Thoms called the meeting to order and welcomed everyone.

THIS MEETING WILL BE CONDUCTED BY AUDIO AND VIDEO CONFERENCE WITHOUT A PHYSICALLY PRESENT QUORUM OF THE ROCK ISLAND CITY COUNCIL DUE TO THE DISASTER DECLARATION ISSUED BY GOVERNOR PRITZKER

ROLL CALL

Mayor Thoms asked Interim City Clerk Linda Mohr to call the roll.

Present: Alderman Mark Poulos and Mayor Mike Thoms.

Alderman Randy Hurt, Alderman James Spurgetis, Alderwoman Jenni Swanson, and Alderman Parker were present via remote connection in accordance with Governor Pritzker's Executive Order.

Absent: Alderman Ivory D. Clark and Alderman Dave Geenen.

Staff: City Manager Randy Tweet, Interim City Clerk Linda Mohr, and other City staff.

VISIT QUAD CITIES

Dave Herrell, President and CEO of Visit Quad Cities (VQC) addressed Council. He thanked Mayor Thoms for his leadership and effort on the VQC Board, and also thanked Council and City Manager Randy Tweet. He discussed development and the organization's vision and strategic plan recommendations. He stated the leading goals as establishing the cultural tourism direction for the region, with Rock Island to house and lead the initiative. He said Visit Quad Cities could do things that would effectuate desirable outcomes for the City. He stated other goals as creating a marketing and activation plan including tours and a digital platform, as well as developing a new annual event and leverage existing event opportunities. Further, Mr. Harrell remarked that he is excited to see the City's partnership with the Quad Cities Chamber of Commerce.

Mr. Herrell discussed the VQC Destination Vision and Strategic Plan for the QC community. The plan highlights a cultural tourism direction for the Quad Cities with Rock Island serving as the hub. He remarked on the leading goals of the plan, which include: establishing cultural

tourism direction for the region; Rock Island housing and leading the initiative, creating a marketing and activation plan including tours and a digital platform; and developing a new annual event as well as leveraging existing event opportunities. He remarked that VQC is currently re-imagining space in downtown Rock Island for Cultural Tourism with the assistance of Edward Creative to develop unique concepts that infuse Rock Island's authentic character. This will provide opportunity to integrate and leverage a new downtown partnership with the Quad Cities Chamber of Commerce.

Mr. Herrell remarked on the development and execution of the service delivery plan. He discussed developing and executing a comprehensive marketing plan specifically for the City of Rock Island with key stakeholders including the City of Rock Island, DARI, Quad Cities Chamber of Commerce, and other organizations to position Rock Island as a great place to visit and highlight the special things that make Rock Island unique. The marketing plan will coincide with the existing Heritage plan as well as the City's current marketing and economic development plans. Additionally, as part of the Quad Cities Tourism Master Plan Governance section, VQC would develop recommendations for improving the appearance of the City of Rock Island for consideration of the City Council to enhance the City's tourism interests. An annual budget would also be created to achieve the promotion, growth and development of the visitor economy with special emphasis on economically disadvantaged groups. Mr. Herrell indicated that the next steps include initiating the concept, formalizing a team of stakeholder leaders, and hosting a kickoff.

Alderman Spurgetis thanked Mr. Herrell for his presentation and asked when the annual budget will be published. Mr. Herrell responded that they are in the process of developing the budget for FY22, which will be effective July 1, 2021. With regards to a specific plan with the City, he is working with Mr. Tweet on identifying an investment threshold for year one to move it forward.

FINANCE DEPARTMENT - INVESTMENT POLICY

Linda Barnes, Interim Finance Director addressed Council to present updates to the City's investment fund policy. Ms. Barnes introduced to Council Ms. Sophia Anastopoulos, Executive Director of Illinois Metropolitan Investment Fund (joined remotely) and Steve Eckert, Vice President and Trust Officer for American Bank. Ms. Barnes provided background on the City's investment policy and indicated that the policy needs to be updated because of recent legislation, compliance, and the American Rescue Plan. She discussed the Sustainable Investment Act from the State and although it isn't mandated, it is best practice to include sustainability efforts in the updated investment policy. She indicated that she consulted with Illinois Metropolitan Investment Fund and PFM Asset Management and they also concur that the City should update the policy to include sustainability efforts in investing.

Next Ms. Barnes remarked that in order to be in compliance with the City's own investment policy, there are two recommended changes. First, the policy currently states that no financial institution shall hold more than 20% of the City's investment portfolio. She noted that the state does not have a specific percentage threshold, and raising this from 20% to 40% would make the City in compliance with its own policy. She indicated that she researched other municipalities and the 40% - 50% threshold is the standard. Additionally, she remarked that the City's current policy states that the Illinois Public Treasurer's Investment Policy shall not exceed 25%. However, this number has ranged from 40% to 76% over the last 17 months. It is recommended to change the policy to no more than 40% of the City of Rock Island's investment portfolio and the Illinois Public Treasurer's Investment Pool and other local government investment pools to not exceed a total of 75%.

The third recommended change to the City's investment policy pertains to the American Rescue Plan Act of 2021 disbursements. The City's anticipated disbursement is \$27 million, with the first half of the money being disbursed in May 2021. Ms. Barnes deferred to Ms. Anastopoulos to provide additional details on the ARPA funds as it relates to the City's investment policy. Ms. Anastopoulos thanked the Mayor and Council for inviting her to the meeting. She indicated that it is best practice for a city government to review their investment policy on an annual basis. She provided several other recommendations including: knowing who the City is doing business with, choosing vendors competitively, insist on third party custody, collateralize the government's deposits, keep a simple cash flow, and diversify funds.

Ms. Anastopoulos further remarked on the ARP funds and one of the major tenets of the funds is for them to be deployed quickly to put people and the economy to work. It is important to review the City's investment policy prior to receiving these funds to ensure authorized investments, safekeeping custody, other investments (securities and pools), and collateralization. Additionally, she indicated that it is important that the City is not limiting itself to specific financial institutions as the local banks might not be capable or interested in holding the money.

Mr. Steve Eckert, Vice President and Trust Officer for American Bank addressed Council. He indicated that American Bank meets the criteria that was set out and he has worked with Ms. Barnes on the City's investment policy statement adhering to the State of Illinois regulations and statutes. The recommended changes to the City's investment policy were also reviewed by the bank's third party partner Main Street Advisors. Mr. Eckert thanked Council and opened up the discussion for questions. Council did not have any questions.

COMMUNITY AND ECONOMIC DEVELOPMENT DEPT - HOMESTEAD PROGRAM

Ms. Colleen Small - Vollman, Budget and Grants Manager for the City's Community and Economic Development department addressed Council. She remarked that the department is ready to launch the Neighborhood Rehabilitation Pilot Homestead Program. They have a property they purchased at tax auction a few years ago that will serve as the first house for the program. She discussed how this program will fit into the 5 Year Consolidated Plan and the Housing Needs Assessment. She indicated they identified the following housing issues for the City of Rock Island: lack of decent affordable rental housing, age and condition of housing stock, a high number of foreclosures, and lead contamination (1978 is the cutoff for lead), lack of ADA accessible units, and housing units with more than three bedrooms. She added that the LEAD Healthy Homes grant is a consortium with Moline, East Moline, and Silvis to address 100 homes with lead and of those 100 homes, 50 have been identified in Rock Island as the City has the most need.

Next Ms. Small - Vollman discussed the barriers to affordable housing for Rock Island residents: continued need for an increased supply of decent affordable housing, lack of geographic diversity in affordable housing options, short supply of accessible housing for people with disabilities, lack of equity focus for community development planning, protected classes face a barrier to fairly accessing housing and community perceptions of housing choice. She remarked that the department is working on addressing these barriers through this program, one house at a time. In 2020, a Housing Needs Assessment Survey was sent to citizens and 103 responses were received from homeowners and renters. The highest rated needs identified were : housing rehabilitation, first-time homebuyer assistance and homebuyer education, and rental housing rehabilitations. Additionally, it was noted that the prevalence of blighted and dilapidated properties was also a concern amongst residents. She indicated that the grants are only for rehabilitation and not new construction.

Ms. Small - Vollman discussed the details of the property being presented for the Homestead Program. The property is located at 1435 15th Avenue and Council was presented with pictures

of the home. To date work that has been completed on the house includes: removal of trash, tree trimming and removal, survey of lot lines, lead paint and asbestos inspection, new electric service, and purchase of additional feet. She remarked that the scope of the work on the house goes beyond the current codes as affordable housing goes beyond the purchase price and should include affordable utilities and maintenance. This house will have energy efficient walls and windows, among other things to make it affordable on the backend. In order to leverage all the funding for this home, the department will use the HUD grant as well as the IDA grant. She noted that the cost for materials has skyrocketed since the Pandemic, contributing to the higher cost of rehabbing this home. The home will sell for approximately \$50,000 - \$75,000 with total rehabilitation costs ranging from \$160,000 to \$180,000. Proceeds from the sale of the home will go back into the program for future homes.

Ms. Small - Vollman concluded her presentation and asked Council if they had any questions. Alderwoman Swanson remarked that she thinks this a great program, however she is concerned that at what point do you determine that it is not cost effective to put more money into the house then it is worth. Ms. Small - Vollman responded that they are hoping the cost of materials comes down and that moving forward they will need to determine a threshold. Miles Brainard, Planning and Redevelopment Administrator for the Community and Economic Development department addressed Council. He indicated that one of the elements to keep in mind with this project is that it is a pilot program and this house serves as a test run. Another element is the inspirational message in terms of what message this sends to residents that the City is investing money in the neighborhood, hoping that it will inspire others in the neighborhood to make investments into their homes as well. Mr. Tweet remarked that staff and Council will set the policies after the test run of this home with a limit on the investment. He noted that the construction manager and building superintendent are in the audience if anyone has any further questions about the details of the construction.

Alderman Spurgetis remarked that this is an excellent program that provides improved and affordable housing for citizens of Rock Island.

Alderman Hurt asked in regards to the LEAD Safe Healthy Homes grant, what is the process for determining who receives these. Mr. Brainard responded that the applicants must be income eligible and have a child under age 6 who has tested positive for lead. They are need of more applicants and if anyone is interested they can contact Nicole Mata in the CED department.

Alderman Hurt asked how are residents being made aware that this grant opportunity is available. Mr. Brainard remarked that the cities have pooled their resources together, there have been social media blasts, mailers, interview with TV as well as the City website. Any help from Council with getting the message out about the program would be appreciated by the department.

Mayor Thoms asked if they have tried to put a notice about the program in the monthly water bill mailing. Mr. Brainard responded that they have not, but would look into it. Mayor Thoms asked how many homes have been eligible for the LEAD program funds and have had repairs. Ms. Small - Vollman responded that to date 12 units, of which one is a rental property. It was noted that the biggest challenge to this grant is getting enough applicants who are qualified.

With no other comments from Council, the Study Session was adjourned at 6:06 p.m.

Linda K. Mohr, Interim City Clerk