

CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
City Council Chambers, City Hall, 3rd Floor,
1528 Third Avenue, Rock Island, IL

8/28/2023 - Minutes

1. Call to Order

Mayor Thoms called the meeting to order at 5:31 p.m. and welcomed everyone.

2. Roll Call

Mayor Thoms asked City Clerk Samantha Gange to call the roll.

Present: Alderpersons Moses Robinson, Judith Gilbert, Jenni Swanson, Dylan Parker, Mark Poulos, Bill Healy, and Mayor Mike Thoms.

Absent: Alderperson Randy Hurt.

Staff: City Manager Todd Thompson, City Attorney Dave Morrison, City Clerk Samantha Gange, and other City staff.

3. Public Comment

Mayor Thoms asked if anyone in the public wished to speak. No residents were signed up.

4. Presentations

a. Project NOW - Expansion of Housing Security Services & Spatial Design Presentation

Reverend Dwight Ford, Executive Director for Project NOW, presented a proposed expansion of housing and security services and spacial design for the organization, noting the previous relationship they have with the City. He noted the organization's efforts to assist the homeless population in making private housing decisions, as well as the partnerships they have to guide people to affordable rental properties and shelter networks. He spoke to the number of shelter networks that Project NOW oversees, including three or four that were saved with their organization's technical assistance and resources.

Rev. Ford discussed the weatherization program through the State of Illinois that allows Project NOW along with contractors to enter homes and remedy insulation issues. He added that the home is not the only beneficiary, as the contractors also receive Project NOW resources, keeping the dollars in the area and creating an ecosystem of economic opportunities. He noted the affordable rental properties Project NOW owns, which is around 110 total units, all managed through partnerships, including the recently-acquired

Delacerda House. He stated the desire for Project NOW to become a Housing and Urban Development (HUD)-certified counselor, which will allow the organization to take individuals through a continuum of services.

Rev. Ford discussed Project NOW's partnership with what they term honor homes. He said there are five remaining homes available, and they are working to provide another family residence in one of the them. He noted partnerships with Community Health Centers (CHC) and Trinity UnityPoint, as they are in the second phase of a grant that hopes to eventually provide medical respite to homeless individuals who are seen in the emergency room.

Rev. Ford discussed the challenges faced by Project NOW. For example, there is an increase in homelessness of 40 percent, and that represents only an estimate. He said Rock Island has been a place that has been sensitive and empathetic to homeless individuals looking for resources and opportunity. He noted a shortage of 6,645 potential affordable housing units according to the Quad Cities Housing Cluster. He discussed the challenges of space within the current Project NOW building, adding that there is a grant opportunity available for expansion, and stated a preference to stay in Rock Island. He noted discussions with the listing agent to potentially purchase the old Star Cres building. In summary, Project NOW has an opportunity to create a housing security hub, be present and proximate to the challenge of housing, and address the disparities in the West End that prevent access to affordable housing. He said a new space would allow for integrated services and a central hub for those in need, and provide for all regulatory commitments to be under one roof.

Rev. Ford said Project NOW staff have been reviewing the West End Assessment and the Rock Island Impediments to Fair Housing report. He said if Project NOW was able to wrap around services which allow them to partner with local property owners, questions of payment could be resolved. He has reviewed the eight disparities listed in the West End Assessment, and Project NOW has capacity to take on four of those issues, including low-income security, lower home values, and higher rates of cost-burdened households.

Rev. Ford discussed the financial capacities for Project NOW, noting a 70 percent increase in funding over the past five years. He said their operating costs would be \$143,000 per year if they were able to move to the Star Cres building, for which their budget is capable of sustaining. He said there are no other locations that would allow for a build out and expansion, and the best choice is to own. The organization is asking Council for assistance with the down payment to secure the Star Cres building. He discussed the history of poverty management in the City by Sue Denkmann. He encouraged Council to help the organization leverage interests and help the most vulnerable.

Aldersperson Parker expressed his support for Rev. Ford's proposal. Aldersperson Swanson noted that Rev. Ford had done more for the community than any other homelessness organization.

b. Finance 2024 Budget Preview

Finance Director Linda Barnes provided an update on the 2024 budget review. She discussed the goals of keeping a balanced budget, keeping financial impacts to City residents and businesses to a minimum, provide quality services, and be fiscally responsible while maintaining and improving the City's financial position. She said payroll is the largest operating expense in the budget, and the preliminary assumptions include a health

insurance increase of 8 percent, along with merit increases, Illinois Municipal Retirement Fund (IMRF) contributions, General Wage Increases (GWI), and contributions to Fire and Police pensions.

She discussed the general fund carryover, with an amount totaling \$8M for the end of fiscal year 2022. She said the largest contributor to this excess is the state revenue from the replacement tax at \$5.8M, as well as state income tax at \$1.8M. She said the State of Illinois has sent notifications that the replacement tax revenue for 2024 is estimated to be 40 percent lower due to mistakes in allocation formulas. She then discussed General Fund Revenue expectations for 2024 versus 2022 and 2023, which includes pending entries such as property tax and operating transfers. She noted that the current year's operating transfers include approximately \$5M in American Rescue Plan Act (ARPA) funds.

Ms. Barnes reviewed the currently proposed 2024 startup budget, stating that it currently stands to be 5 percent higher than 2023, pending final assumptions for health insurance and pensions. She reviewed property tax allocations for CY 2023 in the amount of \$15,136,512 and budget and expense schedules for City departments. She discussed upcoming dates relevant to the budget schedule for the remainder of CY 2023.

Aldersperson Gilbert asked when the discussions on the budget would begin. City Manager Thompson said staff is still gathering information, and time will be spent during upcoming Study Sessions and individual meetings with Council to discuss the findings. Aldersperson Gllbert asked what data will be available in September. Ms. Barnes said the consolidated pension data for police and fire pension funds is needed, as well as health insurance and Estimated Annual Value (EAV) information from the County. Mr. Thompson said staff will work to schedule the individual Council meetings soon.

Aldersperson Parker asked about the Public Works facility asset management program, and whether that would be concluded prior to making decisions about this year's budget. Public Works Director Mike Bartels said the proposal for approval will come before Council this year, but the project will begin in 2024 if they will have Council approval beforehand. Aldersperson Gilbert asked if Public Works would have the Water Dome project cost estimates prior to the budget. Mr. Bartels replied affirmatively, noting that staff has been working with consultant CDM Smith, and the topic will be discussed in an upcoming October Study Session. Aldersperson Gilbert asked if funds would be needed in CY 2024 for this project. Mr. Bartels said that was possible for engineering costs.

Aldersperson Robinson asked when goal setting would begin. Mr. Thompson said he planned to discuss the timing of having a goal setting session, and planned to do an interim check-in with Council to determine a direction for that. He added he would like to have the citizen survey completed and be further along with ARPA plans first, but does want more input from Council. He suggested a larger goal setting session during the winter time. Aldersperson Gilbert clarified with Mr. Thompson that goal setting would be during the winter in 2024.

Aldersperson Parker asked Ms. Barnes whether or not the City would be applying for the GFOA budget award. Ms. Barnes said that would not be for the CY 2024 budget, and the expected new software would make that process easier. Mr. Thompson added that staff is building to the point of where they can apply for the budget award again, but it is not yet ready. Aldersperson Robinson asked if there was an anticipation that the new software would be in place by next year. City Clerk Gange said the goal would be to have implementation by January of 2025.

5. Adjourn

a. Motion to Adjourn.

Motion: Motion whether or not to adjourn.

VV Voice Vote is needed.

MOTION:

Aldersperson Poulos moved to adjourn; Aldersperson Healy seconded.

VOTE:

Motion passed on a unanimous voice vote.

The meeting adjourned at 6:15 p.m.

Josh Adams, Deputy City Clerk