

**CITY OF ROCK ISLAND  
CITY COUNCIL MEETING – BUDGET**

**MARCH 5, 2011  
MINUTES**

The Rock Island City Council met in reconvened session on Saturday, March 5, 2011 at 8:00 a.m. in the Personnel Conference Room of Rock Island City Hall. Present were Mayor Dennis E. Pauley, presiding, and Aldermen Terry M.A. Brooks I, David A. Conroy, P.J. Foley, Jason W. Jones, Joy Murphy and Charles O. Austin III. Staff present included City Manager John C. Phillips and Finance Director Bill Scott. Other staff entered the room at various times of the morning pertinent to their presentations. Alderman Stephen L. Tollenauer was absent. Alderman Terry M. A. Brooks I left the session at 10:10 a.m.

**FOLLOW UP TO FEBRUARY 26<sup>th</sup> MEETING**

Finance Director Bill Scott distributed two (2) documents regarding budget follow up items for Council discussion and General Fund budget recommendations.

Mr. Scott commented on various budget issues that were identified at the February 26<sup>th</sup> budget session. Mr. Scott stated that in regards to the property tax levy options, the option to amend the property tax levy to 8.0% interest rate assumption for fire and police pension funds is the current budgeted option. Mr. Scott advised that other questions that were raised last week were in regards to whether or not to increase the rental housing inspection fees. It was noted that there were several new unbudgeted cost concerns regarding the projected fuel price increases and the probability of significant flooding this spring. Mr. Scott advised that the question also came up as to whether the City should consider eliminating free yard waste bags. It was noted that other issues included; Community Development Block Grant funding as it relates to the impact of the loss of CDBG funding for the Community and Economic Development Department and the Martin Luther King Center, and whether or not a new employee should be added to the Community and Economic Development Department; Finance Department customer service concerns; and Library furlough days. Mr. Scott stated that if discussion could be wrapped up today on the budget, then the budget ordinance could be adopted on March 14<sup>th</sup>.

Mr. Scott discussed the financial policies of City including; cash flow borrowing; the General Fund cash balance, excess General Fund balance and reserves.

Mr. Scott advised that currently, the balance in the General Fund budget is \$11,663.00. The recommendation is to eliminate the animal control position, do not fill the new CED position; and increase the income and use taxes to reflect the final census numbers. This would give the City an available amount of \$204,085.00. Mr. Scott advised that budgeting \$200,000.00 for higher fuel and flood costs would leave a surplus of over \$4,000.00 in the General Fund. It was noted that this includes the passage of the fee increases for the Rental Inspections Program.

Council and Mr. Phillips discussed the rising fuel costs and the projected flooding. Council also discussed financial policies as it relates to the General Fund cash balance

and contingency reserves. In addition, Council discussed budget options as it related to inspection fees.

Community and Economic Development Department Director Greg Champagne stated that the projected cost to operate the rental inspection program is approximately \$305,000.00. Mr. Champagne advised that currently, about \$66,000.00 in revenue is generated through the issuance of rental property licenses and a small amount in fines. It was noted that approximately \$240,000.00 is subsidized using block grant dollars.

Council further discussed the rental inspection fees as it relates to increasing the fees to help narrow the gap in the budget. Several Council members had concerns regarding the inspection fee increases. Council also discussed other possible options including raising the garbage collection fee from \$2.00 to \$2.50; eliminate free leaf bags; implement furlough days for management; and not fund the new CED position.

## **PARKS & RECREATION**

Parks and Recreation Department Director Bill Nelson presented the Parks and Recreation Department's Fiscal Year 2011-2012 Budget to Council.

Mr. Nelson noted various successes for the Parks and Recreation Department, which included; the completion of Schwiebert Riverfront Park; completion of the expansion of RIFAC; reconstruction of the lower ball field at Hauberg; finished construction on the parking lots at Whitewater Junction and the Hauberg Civic Center; and donated funds kept the dog park open along with the school site summer camps. Mr. Nelson further discussed their successes.

Mr. Nelson stated that the Parks and Recreation Department has the responsibility for Parks, Golf, RIFAC, Hauberg Civic Center, Sports Complex, Whitewater Junction, Schwiebert Riverfront Park and numerous recreational programs that are held at schools, parks and local businesses.

Mr. Nelson offered that this year's budget includes 27 full-time, 52 part-time and 169 seasonal staff positions. It was noted that the increase in seasonal and part-time positions is a result of the reinstatement of the school site summer camps; the addition of Schwiebert Riverfront Park for a whole year instead of a partial year; and the increase in programming at RIFAC. Mr. Nelson stated that there is a decrease in services, supplies and capital. It was noted that the largest decrease in capital is due to the completion of RIFAC and Schwiebert Riverfront Park.

Mr. Nelson discussed the administrative side of the budget, stating that the department has a per capita value of \$185.00 with a per capita property tax of less than \$44.00. It was noted that expense for insurance for the whole department has gone up, which reflects the increase in services in administration. Mr. Nelson advised that the depreciation for park

facilities is also identified in the budget at a value of \$127,940.00, while the whole department depreciation is \$613,029.00.

Mr. Nelson stated that the greatest increase in the expense in the parks maintenance budget over the past five (5) years has been in minimum wage and the vehicle replacement and maintenance schedule. Mr. Nelson discussed options for funds as it relates to supporting park maintenance. Mr. Nelson indicated that general maintenance and capital funds in the park budget include; the resurfacing of sports surfaces, construction of the park across from the King Center; and Douglas Park reconstruction depending upon funding.

Mr. Nelson offered that in the recreational area, programming is expanding with the addition of the gym and classroom spaces. It was noted that this will be the second year for T-ball and the department is considering additional sports programming during the summer. Mr. Nelson advised that staff has continued to try new events and programs at the Hauberg Civic Center. It was noted that the complex continues to host softball, baseball and soccer tournaments. Mr. Nelson stated that one significant change in the budget was the reinstatement of the school site summer camp. It was noted that there is an increase in seasonal and part-time fte's due to cutting last year's budget to the sports areas, and it also reflects an increase in staff to oversee recreational programs that are offered in the gym and classrooms.

Mr. Nelson discussed Whitewater Junction. It was noted that this will be the ninth year of operation. Mr. Nelson stated that last year, in an effort to decrease costs, the department cut back on the preseason opening that was provided to the elementary schools and the end of year parties that were offered to the schools. In addition, weekdays were cut for the last two (2) weeks of August. Mr. Nelson indicated that to encourage members at RIFAC, Whitewater passes were honored until Labor Day and Whitewater Junction was open on weekends only. It was noted that this year, additional staffing was cut for Whitewater through the concession and entry area employees.

Mr. Nelson then discussed Highland Springs Golf Course, Saukie Golf Course and the Golf Pro Shop. Mr. Nelson noted that there has been growth in playing at Highland Springs over the last several years. Mr. Nelson advised that the sand traps will be rebuilt to improve playing and decrease extra maintenance that is required after each rain. It was noted that the coupon program will continue at Highland Springs. Mr. Nelson advised that Saukie is most acceptable to the economy. It was noted that passes remain at 20%. Mr. Nelson indicated that in addition to the coupons and specials, a new pass will be offered at Saukie this year, which is a weekend only pass. Mr. Nelson commented that the coupon program will continue. It was noted that the Golf Pro Shop continues to bring in revenues over expenditures.

Mr. Nelson stated that the membership at RIFAC continues to stay strong. Overall, membership has slowly increased due to new programs and marketing. Recreation programs remain strong. The significant change is the expansion of the center, which includes; a gym, classrooms, administrative offices, whirlpool and updated pool deck.

Mr. Nelson noted that the increase in part-time staffing is a result of the new programming and the expanded facility.

Mr. Nelson indicated that Schwiebert Riverfront Park is a fantastic addition to the quality of life in Rock Island. It was noted that TIF funds help to offset maintenance of the park. Mr. Nelson advised that 2.17 fte's have been budgeted for the operation of the park, which includes maintenance, programming and rental use. Mr. Nelson commented that eight (8) weddings and five (5) special events are scheduled for this summer.

Council discussed the Parks and Recreation Budget.

## **PUBLIC WORKS**

Public Works Director Bob Hawes accompanied by Assistant Director Michelle Martin and Street Superintendent Randy Tweet presented the department's budget. Mr. Hawes distributed a brief outline of the Public Works budget and discussed the information on the handout. Mr. Hawes explained that in the area of staffing, the level for the department continues to be 112. Mr. Hawes advised that there is a slight change in the part-time and seasonal staff in which Public Works now provides storm water engineering through a contract service, which is basically a seasonal employee.

Mr. Hawes discussed operations. Mr. Hawes indicated that in the building maintenance area, the new street garage will receive LEED Silver certification. It was noted that the operating expenses will be lower even though the new building will be larger because the new building will be much more energy efficient and require less maintenance.

Mr. Hawes advised that there will be a significant increase in the street maintenance program. It was noted that \$555,000.00 of gaming funds has been put into street maintenance. Mr. Hawes commented that the majority of those funds will be devoted to maintenance on the Rock Island Parkway. Mr. Hawes advised that the other area of increase is in the microsurfacing program. It was noted that the proposed budget turns it to its normal level, which is about 125,000 square yards.

Mr. Hawes mentioned that there are 3,150 subscribers to the Water Services Repair Program, which is 21% of water customers; 1,850 customers subscribe to the Sewer Lateral Repair Program, which is 13% of sewer customers; 16% of refuse customers (2,300) subscribe to the Curbside Recycling Program and 530 households, which is 4% of refuse customers subscribe to the Yardwaste Subscription Program. Mr. Hawes commented that these four (4) programs continue to grow.

Mr. Hawes then discussed the Long Term Control Plan. Mr. Hawes stated that bids for the Mill Street Sewage Treatment Plant expansion will go out this month and will come back to Council in May. Mr. Hawes stated that the estimated construction cost is still \$45,000,000.00.

Mr. Hawes discussed the Sunset Marina dredging issue. Mr. Hawes stated that staff and the Boater's Advisory Committee are working to submit a recommendation to Council in the next few months for a long term solution to the dredging.

Mr. Hawes stated that in regards to the Mill Creek/South Slough maintenance issue, staff is working to try and get the Corps to change their opinion and look at the problem differently. This is a huge unbudgeted item. Mr. Hawes stated that there is a small amount of money in the budget to clean out the ditch that runs on the west side of the parkway from Andalusia Road - north.

Mr. Hawes referred to the handout that was distributed regarding the flood projections that came out this week. Mr. Hawes advised that it is worse than last week's prediction. According to this prediction, there is a 98% chance of having a major flood. Mr. Hawes stated that 25 feet is the design level protection for the levee. It was noted that there is a 30% chance of reaching that stage. Mr. Hawes commented that 26 feet is the actual top of the concrete flood wall, which is down at the barge terminal and along the Modern Woodmen area. Mr. Hawes advised that the chance of exceeding that has also gone up. Mr. Hawes stated that staff is making preparations as well as can be expected at this time. Mr. Hawes further discussed this issue.

Council and Mr. Hawes further discussed aspects of the Long Term Control Plan and the flood projections.

## **FIRE**

Fire Chief Jim Fobert presented the Fire Department's 2011/2012 Budget.

Chief Fobert explained that the Fire budget reflects a 5.0% increase over last year's budget. Chief Fobert advised that 13% of the increase is in services, which represents infrastructure repairs at Station #2, along with an increase in automotive rental. It was noted that in the area of supplies, there is an increase of 13%, which is mainly due to three (3) new hydraulic cots for the ambulances and medical supplies. Chief Fobert indicated that the department's bad debt has increased about \$300,000.00 over last year. Fire Chief Fobert advised that personnel services will remain the same with a slight decrease due to the reduction of manpower.

Chief Fobert advised that staffing levels are at 58 sworn and one (1) non-sworn. It was noted that in the area of revenues, the ambulance billing is expected to hold stable relative to last year's budget. It was noted that false alarm fees have diminished due to the program being successful at stimulating improved system maintenance and the upgrading of problem systems. Chief Fobert noted that the Foreign Fire tax is expected to remain close to the same levels.

Chief Fobert indicated that in the area of programs, the Fire Department continues to enhance their special operations capabilities by utilizing ITTF grant funds to train

additional team members and develop state certified instructors. Chief Fobert explained that further changes are underway at the regional training facility on Arsenal Island. It was noted that the Illinois Fire Service Institute has identified this site for delivery of technical rescue team training. It was noted that upgrades to the site are being made. It was noted that the Lights and Sirens program continues at Rock Island High School. Chief Fobert explained that the Safe Kids program has been implemented and the program has been well received by the citizens. Chief Fobert added that this program continues to expand as promotional efforts have been made to highlight this valuable safety car seat service.

Chief Fobert indicated that NIMS compliance remains a moving target. Chief Fobert explained that they have to make sure that they are up to date with training and documentation. It was noted that the replacement of three (3) fire ambulances is due in the budget year, and it is a priority to replace them. It was noted that the units were cut from this year's budget as cost saving measures. Chief Fobert advised that interoperable communications remains a complex issue with several local, state and federal initiatives underway. The Chief commented that the budget incorporates funds to start the transition to an 800 MHz system.

Chief Fobert advised that in the area of special projects, Foreign Fire tax funds were used to assist with the upgrade of the Fire Department's rescue truck as well as radio equipment for pump operators on the Fire Department's engines.

Council discussed the Fire Department's Budget.

### **ADMINISTRATIVE SERVICES**

Administrative Services Department Director John Thorson, Risk Manager Patrick Doherty and Assistant Information Technology Director Tim Bain presented the Administrative Services Department's 2011-2012 Budget to Council.

Mr. Thorson stated that 11 employees are in this department and there are no proposed changes in staffing for the next fiscal year. Mr. Thorson offered that five (5) areas make up the Administrative Service Department, which include; administration, personnel services, IT services, GIS services and insurance.

Mr. Thorson advised that overall, the department's expenditures will decrease 3.0%. It was noted that the General Fund expenses are flat for the next year. Mr. Thorson stated that personnel is up 1.0% due to health insurance, longevity and merit. Mr. Thorson noted that supplies will decrease 10%, which is primarily due to a reduction in computer hardware and software. Mr. Thorson indicated that services reflects a 6.0% increase, which is related to increases for higher projected health insurance claims and premiums for the voluntary dental plan and Medicare supplement. It was noted that capital reflects a 94% reduction, which is related to the completion of the VOIP phone project. Mr. Thorson indicated that there is a 2.0% increase in debt service due to principal and

interest for the software purchase of 2009, and transfers reflects a 41% decrease due to the inflow of gaming funds into capital for projects such as the VOIP phone system, E-billing utility software and debt service for the new software purchase.

Mr. Thorson discussed various projects that are underway in the administrative services area, which include; union negotiations; the City Manager recruitment-Request for Qualifications, which is due this month; and overseeing major IT projects. Mr. Thorson advised that the overall administration budget is up about \$6.800.00.

Mr. Thorson stated that in the area of personnel services, 5<sup>th</sup> Friday, the holiday luncheon and employee service awards have been eliminated. It was noted that the year round employee training program will continue. Mr. Thorson advised that personnel costs are up slightly due to the City Manager recruitment.

Mr. Thorson pointed out that the information technology area has some very important projects they are working on, some of which include; the continuation of putting the MsGovern system into place, the in-car automatic vehicle locators for the new police squad cars, centralized cash receipting, parking system request for proposals and North Star updates.

Mr. Bain further discussed various projects including cloud computing and document imaging and management as it relates to efficiency and cost savings.

Mr. Thorson advised that in the area of geographical information systems, there is an overall 2.0% increase in this budget due to software maintenance expenses.

Mr. Thorson stated that overall, insurance is up 12% due to increases in medical services. It was noted that the budget assumes for the 2010/2011 fiscal year, a \$42,000.00 surplus. Mr. Thorson indicated that currently, the City is carrying about a \$1.15 million dollar fund balance, and next year there is about \$5.22 million dollars in revenues and it is expected that there will be \$5.16 million dollars in expenditures. Mr. Thorson advised that next year, it is expected that the City will be looking at a \$57,000.00 surplus.

Mr. Thorson discussed the on-site nurse program. Mr. Thorson noted that this current program has saved the City approximately \$85,000.00 over the current fiscal year. Mr. Thorson stated that staff is looking to modify the program to include a physician's assistant at 20 hours per week. It was noted that the nurse will be retained and work 20 hours per week. Mr. Thorson added that the clinic would be full-time. Mr. Thorson advised that Rock Island County has agreed to enter into an intergovernmental agreement with the City for the use of the clinic.

Mr. Doherty discussed the benefits of adding a physician's assistant as it relates to health in general and cost savings.

Mr. Thorson discussed Risk Management as it relates to worker's compensation claim settlements.

**GENERAL DISCUSSION AND DIRECTION**

City Manager Phillips advised that there are still some policy issues to decide, one of which is the rental inspection fees. Mr. Phillips added that it seems clear that the votes are not there to support the increase of fees for the inspections area, which is on the Agenda for Monday. Mr. Phillips stated that this leaves a gap in the budget of \$76,500.00.

Council further discussed other options to close the gap including: a reduction of hours at the police front desk; eliminating free leaf bags; and increasing the refuse fees. Council also discussed the reinstatement of the employee service awards.

After more discussion on possible options, Mr. Phillips advised that staff could work on finding other options that would be acceptable to Council to close the gap on the budget.

It was a consensus among Council for staff to look at other options next week to close the remaining gap on the budget.

**RECESS**

A motion was made by Alderwoman Murphy and seconded by Alderman Jones to recess to Monday, March 7, 2011 at 6:45 p.m. The motion carried by the following Aye and No vote: those voting Aye being Alderman Conroy, Alderman Foley, Alderman Jones, Alderwoman Murphy and Alderman Austin; those voting No, none.

The meeting was recessed at 11:27 a.m.

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Aleisha L. Patchin, City Clerk