

The Rock Island City Council met in reconvened session on Saturday, February 15, 2014 at 8:00 am in Council Chambers of Rock Island City Hall. Present were Mayor Dennis E. Pauley presiding, and Aldermen P.J. Foley, Stephen L. Tollenaer, Charles O. Austin III, Ivory D. Clark and David Conroy. Staff present included City Manager Thomas Thomas, Finance Director Cynthia Parchert and Budget Coordinator Don Reichert. Other staff entered the room at various times of the morning pertinent to their presentations. Alderman Kate Hotle and Alderman Joy Murphy were absent.

FOLLOW UP TO FEBRUARY 8th MEETING

Finance Director Cynthia Parchert advised that in response to a question Council had on net collections on ambulance fees, the net collection within this year's nine month budget is \$30,000.00. Ms. Parchert added that if it were a full year's budget, the net collections would have been \$40,000.00. Ms. Parchert stated that the departments will be following the same Agenda as last week, which includes; reviewing staffing changes; reviewing budgeted projects; reviewing new or renewed contracts; reviewing changes to revenue or fee structures; reviewing changes in level of services; reviewing operational changes; reviewing new or renewed grants; and reviewing departmental projects or expenses within the CIP using Gaming or General Fund carryover funds.

PARKS AND RECREATION

Parks and Recreation Department Director Bill Nelson accompanied by Park Board Chairman Fred Dasso presented the Parks and Recreation Department's 2014 Budget to Council.

Mr. Nelson stated that the department has 27 full-time employees, 55 part-time employees and approximately 140 seasonal employees. Mr. Nelson discussed staffing changes. Mr. Nelson stated that there are two positions open in Park Maintenance; one is the result of a retirement and the other is due to the individual moving to another job. Mr. Nelson indicated that in regards to recreation, most of the part-time and seasonal positions are during the summer, so there is really no significant change in personnel expenses for those positions. Mr. Nelson commented that cost is down for full-time employees as a result of the nine month year. Mr. Nelson indicated that two of the full-time recreation managers will be split between two budget areas.

Mr. Nelson discussed the projects that represent capital expenditures for the budget year. The projects that Mr. Nelson discussed included; phase one of the irrigation system at the sports complex; the pedestrian ramp at Schwiebert Riverfront Park; recoating of sport surfaces at Mel McKay Park; playground replacement at Hasselroth Park sports complex and Skafidas at Sunset Park; replacement of the fairway mower at Highland Springs; seal coat lots at Saukie and Highland Springs; replacement of some fitness equipment at RIFAC; and replacement of the roof at RIFAC over the pool area.

Mr. Nelson discussed revenue. Mr. Nelson advised that the department will be increasing the fee at Whitewater Junction from \$7.00 to \$8.00. Mr. Nelson added that they plan to do couponing through social media. Mr. Nelson further discussed this item as it related to marketing. Mr. Nelson advised that fees for youth sports programs will see an increase of about 5%.

Mr. Nelson discussed level of services. Mr. Nelson advised that with the use of a tiered maintenance system and favorable weather, the department was able to keep up with mowing, garbage and other daily activities. Mr. Nelson further discussed this item. Mr. Nelson indicated that in terms of operational changes, they are always reviewing programming and classes to increase the experience for patrons. Mr. Nelson commented that they have shorter classes, family oriented classes, and flexibility options at RIFAC for some of the fitness programs for people that wish to move their schedules around for various activities.

Council discussed revenue as it related to fees and the marketing component at Whitewater Junction.

Mr. Nelson stated that the department continues to look for opportunities to bundle entry fees with food or other offerings, which helps to emphasize the experience and also increases point of sale purchases. Mr. Nelson advised that they have promoted a discounted membership if a member brings a new member to RIFAC. Mr. Nelson stated that their golf lesson program has changed where now the Golf Services Manager hires instructors to lead the lesson programs.

Mr. Nelson indicated that Parks and Recreation has one continuing grant from DECO for Douglas Park. Mr. Nelson added that the amount may not be enough to make a significant change. Mr. Nelson and Council further discussed this grant. Mr. Nelson added that they hope to have a program grant from the Day Foundation for the summer camps held at the schools. It was noted that the Parks and Recreation Department also receives funds from the school for the Lights on for Learning Program. Mr. Nelson noted that after this year, that program will stop.

Mr. Nelson stated that in terms of gaming, there are two projects in the budget; one is to review the fencing at the Horace Mann Ball Field. Mr. Nelson added that the fence is in desperate need of replacement. Mr. Nelson advised that the other project is to replace the roof at Lincoln Park where the stage is that the Genesis Guild uses. Mr. Nelson further discussed these two projects.

Council and Mr. Nelson discussed the Parks and Recreation Department's 2014 Budget as it related to fees, the possibility of a minimum wage increase and how it would affect the Parks and Recreation Department. In addition, Council and Mr. Nelson discussed events as it related to Red, White & Boom.

MARTIN LUTHER KING CENTER

Martin Luther King Center Director Dwight Ford addressed Council and presented the King Center's 2014 Budget.

Mr. Ford stated that no changes in staffing are anticipated; there is a total body count of 36 with six individuals being full-time. Mr. Ford indicated that the King Center has no projects to be completed within this budget period. Mr. Ford advised that the King Center has two contracts, which include a janitorial contract and a snow removal contract.

Mr. Ford discussed revenue. Mr. Ford advised that they are working hard at exposing the center to not only the Rock Island community but to the surrounding communities as well since all of the redevelopment and expansion has taken place. Mr. Ford added that a feasibility study was completed and the King Center offers very competitive pricing in regards to the facility rentals. Mr. Ford further discussed the center as it related to the many amenities that are offered. Mr. Ford advised that last year, they had about \$11,719.00 come in through the use of the building. Mr. Ford added that this year, it is projected at \$13,000.00. Mr. Ford commented that \$11,250.00 is projected for CY 14. Council and Mr. Ford further discussed the rental of the Ida Robinson Banquet Room. Mr. Ford discussed the Promise Neighborhood Implementation Grant, which is a United Way Grant. Mr. Ford stated that if United Way receives the grant, it would significantly impact the King Center's services.

Mr. Ford discussed the changes in the level of services that the King Center provides. Mr. Ford stated that the After School Program currently has 65 people enrolled and the goal is to reach 75; the Substance Abuse Prevention Program currently has 1,340 served and the goal was set at 1,000. Mr. Ford also commented on Pregnancy Prevention, the Metropolitan Youth Group, Striders Track Team and the Rock Island Boxing Club. Mr. Ford and Council further discussed these programs.

Mr. Ford pointed out that last year, they launched the Gateway Experience Youth Summer Employment Initiative, which is an initiative where area businesses are recruited to offer employment opportunities to high school youth. Mr. Ford stated that the King Center will continue to work with the Youth Leadership and Summer Enrichment Program. Mr. Ford stated that the King Center has expanded services in regards to the Active Club. Mr. Ford discussed these services, which included King Café, Monday Matinee, Dance and Exercise class, Bowling transportation and Knitting Club.

Mr. Ford stated that there are no changes in the operational structure. Mr. Ford indicated that the King Center received the Amy Helpenstell Foundation Grant, which is a three year grant for \$60,000.00. Mr. Ford advised that this year, the King Center received the final installment of \$20,000.00. It was noted that this grant helps to support afterschool and summer day camp sessions. Mr. Ford stated that the King Center also applied for a grant with the Metropolitan Youth Program and received this two year grant for \$25,000.00 with the first year funding at \$15,000.00. Mr. Ford added that they received the HAVlife Grant for \$7,500.00 to support athletic and recreational programs.

Council and Mr. Ford further discussed the King Center's 2014 Budget.

POLICE

Police Chief Jeff VenHuizen along with Deputy Chief Jason Foy and Lt. Tim McCloud addressed Council and presented the Police Department's 2014 Budget.

Chief VenHuizen discussed various Police Department accomplishments over the past year. Chief VenHuizen advised that last year, overall crime was down 10% and violent crime was down 3%, which are the lowest levels ever achieved. Chief VenHuizen indicated that they closed accepting applications for establishing a new two year eligibility list. Chief VenHuizen pointed out that the Police Department received notification earlier this week that the Police Department has officially received Tier Two accreditation status. Chief VenHuizen further discussed this item.

Police Chief VenHuizen advised that in regards to staffing levels, the Police Department is currently at 111 employees with one command officer off on extended leave. The Chief added that the department anticipates the officer's retirement this year, which will return the department to normal operating strength of 110 employees.

Police Chief VenHuizen stated that for budgeted projects in the CIP, the department has one million dollars budgeted for the upgrade to the 800 MHz communications system. The Chief added that this cost will be spread out over a period of three years, with \$250,000.00 budgeted for the first year. The Chief commented that this will allow the Police Department to have true interoperability between other local agencies on both sides of the river. Council and Chief VenHuizen further discussed this project. Chief VenHuizen indicated that \$21,000.00 has been budgeted out of the State Drug Fund for the purchase of a John Deere utility vehicle to be primarily used by the Downtown Police Unit. The Chief advised that the department continues to participate in the ongoing new police facility project. The Chief added that \$7,719,901.00 is budgeted for construction costs this year.

Police Chief VenHuizen indicated that contracts are unchanged. The Chief stated that the department has no significant increases or decreases in revenues for the 2014 budget year. However, the department is recommending some increases in City ordinances or new ordinances. The Chief advised that the first one would be to address seat belts and the second one is to address cannabis (2.5 to 10 grams). The Chief added that currently neither one of these violations are written in the code. The Chief stated that these two items could definitely be revenue sources. The Chief indicated that the department is also looking at electronic communication devices concerning tickets. The Chief explained that they are trying to alleviate some of the burden to the court system regarding tickets for the seatbelts, minor cannabis offenses and the electronic communication devices. The Chief added that the department would like to make these ordinance violations so they can be enforced by ordinance rather than State citations. Chief VenHuizen and Council further discussed these items.

Chief VenHuizen discussed changes in the level of services. The Chief advised that the Downtown Police Unit was created to specifically address the concerns of the central district business area and surrounding areas. The Chief explained that the unit is comprised of a supervisor and four officers that work various areas depending on the needs of the Downtown. The Chief stated that so far, this program has been very well received by citizens, visitors and businesses. Council and Chief VenHuizen further discussed the Downtown Police Unit as it related to security fees, costs, the expanded area, and calls for service in the Downtown concerning the late night entertainment component.

Mayor Pauley advised that he would like a report on what it would cost and the pros and cons of reestablishing the Auxiliary Police Force. The Mayor stated that the reasoning behind this request is because he has been hearing too many times that the officers do not want to work overtime to do events.

Chief VenHuizen advised that in the area of operational changes, the new Downtown Police Unit and the Crime Suppression Unit has been combined this year to effectively address the public's needs citywide; they work in conjunction with one another focusing their efforts during the hours in the locations needed. Chief VenHuizen stated that they continue to receive the same grants as they have in the past years. The Chief stated that the department does not know how much in funds that they will receive in regards to the Justice Assistance Grant (JAG) because it doesn't start until October, but historically that grant funding has decreased over the years. The Chief indicated that in regards to expenses within the CIP using Gaming or Carryover funds, the Police Department has the consultant in that for the 800 MHz radio system.

Council and Chief VenHuizen further discussed the Police Department's 2014 Budget.

FINANCE

Finance Director Cynthia Parchert accompanied by Budget Coordinator Don Reichert presented the Finance Department's Budget for 2014.

Ms. Parchert stated that there are really no changes proposed for personnel. However, they are moving their summer intern from temporary service to payroll.

Ms. Parchert discussed projects. Ms. Parchert indicated that a formalized monthly close process has been implemented. Ms. Parchert added that all major balance sheet accounts are reconciled monthly and all minor accounts are reconciled quarterly. Ms. Parchert advised that a few accounts are reconciled annually and adjusted annually as part of the year-end audit due to the nature of the account and limited staff time to devote to reconciliations. Ms. Parchert further discussed the month end close process. Ms. Parchert advised that another project was the revision to the new budget format, which is more user friendly. Ms. Parchert added that the new format is presented with this CY14 Budget. Ms. Parchert indicated that during this current fiscal year, the Finance staff assisted with the implementation of Parking software. Ms. Parchert added that Fleet

software and Marina software has been selected and implementation will likely carryover into CY14. Ms. Parchert explained that there is also the annual audit in which FY 2012/2013 was completed with a reduced number of audit adjustments. Ms. Parchert added that the fewer adjustments are a direct result of implementing the month end close process.

Ms. Parchert advised that the Finance Department completed the CIP Budget for the first time for CY14, which included a revision to the process. Ms. Parchert indicated that a new year-end process was created. Ms. Parchert added that this budget is a nine month budget, which aligns the City with a calendar year-end. Ms. Parchert discussed debt, and commented that the Finance Department successfully negotiated a \$15 million line of credit with three local banks to facilitate the 11th Street Redevelopment. Ms. Parchert advised that \$11 million in GO bonds were issued in December 2013 and next year, \$10 million will be issued in new GO debt for the police station, 9th Street Resurfacing: 31st Street to Blackhawk Road and 23rd Street Reconstruction: 10th to 12th Avenues. Ms. Parchert and Council further discussed this item. Ms. Parchert explained that besides the annual audit, the Finance Department also completed the IRS audit on the 2008 bond issue, which was closed and there were no findings; the annual Motor Tax audit, which was closed and there were no findings; and the HUD review for CDBG, which was closed and corrections were taken. Ms. Parchert added that the audit for the Illinois Department of Human Services for the MLK grant is underway. Council, Ms. Parchert and Community and Economic Development Director Jeff Eder further discussed HUD's review of CDBG.

Ms. Parchert advised that the City is in the second year of a five year contract with Bohnsack & Frommelt for audit services, and American Bank and JP Morgan/Chase for banking services. Ms. Parchert indicated that the department will be completing an RFP for cost allocation in which the actual work will roll over into the next year. Ms. Parchert added that they will complete an RFP for the actuary this year as well as an RFP for pension investment consulting and City investment consulting.

Ms. Parchert discussed changes in operations. Ms. Parchert pointed out that the Finance Department implemented the month end close and will continue to refine it. Ms. Parchert added that a process has been revised for bad debt collection, but it still needs to be implemented. Ms. Parchert pointed out that the budget format and CIP process has been implemented. Ms. Parchert added that the Finance Department is currently doing a quarterly review of all department expenditures and a new format has been implemented for the quarterly financial report. Ms. Parchert discussed other operational changes, which included; enhancing investment income; customer service improvements as it related to a new resident packet; and continuing to look for ways to strengthen internal controls.

Council, Ms. Parchert and Mr. Reichert discussed enhancing investment income.

Council and Ms. Parchert further discussed the Finance Department's 2014 Budget.

HUMAN RESOURCES

Human Resources Director John Thorson accompanied by Risk Manager Patrick Doherty presented the Human Resources Department's 2014 Budget.

Mr. Thorson stated that in regards to staffing, there are no changes anticipated for 2014. Mr. Thorson added that the department oversees the on-site clinic and the hours for the nurse will remain at 20 per week and 36 hours per week for the nurse practitioner. Mr. Thorson commented that the department does not have any budgeted capital projects for the next year. Mr. Thorson advised that the primary contracts that the Human Resources Department administers include; legal services, temporary services, employee assistance and medical services and consulting, which is primarily with health and risk management services. Mr. Thorson added that other contracts include miscellaneous, vending machine and labor union contracts.

Mr. Thorson pointed out that for FY2013/2014, the department negotiated new labor contracts with COA and FOP; conducted RFQ's for self insurance brokerage/consulting; health facilitator and health actuarial; conducted a RFP for a new dental plan through MetLife Dental; and renegotiated an intergovernmental agreement with RI County for the on-site nurse clinic. Mr. Thorson added that they also negotiated a new intergovernmental agreement with South Rock Island Township for the on-site clinic services and worked with the Planning Health Care Committee to establish Extend Health as a provider of medical and prescription drug services for Medicare retirees. Mr. Thorson added that the department is working on labor contracts for this next year with Command and IAFF.

Mr. Thorson advised that overall, self insurance revenues will be down approximately \$514,000.00. Mr. Thorson added that health insurance revenues will decrease about 32% for the next year. Mr. Thorson commented that the health fund has a balance of a little over \$3 million dollars. Mr. Thorson and Council further discussed health insurance revenues. Mr. Thorson advised that starting in April of this year, health insurance premiums will be reduced by 5%. Mr. Thorson discussed the cafeteria plan and noted that revenues will remain steady. Mr. Thorson stated that overall, revenues will decrease by approximately 32%, which is due to the nine month budget.

Mr. Thorson advised that no changes in service levels are expected for the next year. Mr. Thorson discussed operational changes and noted that the Medicare supplement plan is changing. Mr. Thorson pointed out that in April of this year, Medicare retirees will be removed from the City's prescription drug plan and the City will no longer administer the Medicare supplement plan for retirees 65 and older. Mr. Thorson added that the new Medicare supplement provider will be Extend Health. Mr. Thorson advised that in exchange from removing the retirees from the prescription drug plan, the City will pay \$1,600.00 into a health savings account for each retiree. Mr. Thorson added that the proceeds could be used to pay for their Medigap, Part D and/or Advantage Plus premiums or any out of pocket expenses. Mr. Thorson and Council further discussed these changes as it related to costs and providing educational services.

Mr. Thorson advised that the department will continue with communication enhancements to the website and public access channel through digital media. Mr. Thorson added that they will continue to review the on-site nursing program and make recommendations when needed.

Mr. Thorson discussed grants. Mr. Thorson advised that the department is in the final two years for receiving funding for the retiree drug subsidy. Mr. Thorson indicated that the City is projected to receive \$63,000.00 next year, but no application was made to RDS for the next plan year due to Medicare retirees being moved to Extend Health.

Mr. Thorson advised that the department does not have any current or budgeted capital projects within the CIP. Council, Mr. Thorson and Mr. Doherty discussed health as it related to the City's wellness initiative that was implemented last July. Mr. Thorson provided background information on the onsite-nursing clinic as it related to visits, cost and City and employee savings.

Council further discussed the Human Resources Department's 2014 Budget.

CITY MANAGER, MAYOR, ALDERMEN AND CITY CLERK

Ben McCready, Assistant to the City Manager presented the City Manager's, Mayor's, Aldermen's and City Clerk's 2014 Budget.

Mr. McCready referred to the budget review documents and commented that the expenditures have been reduced for these areas for the shortened budget year. Mr. McCready added that expenditures in the areas are accounted for within six different funds throughout the City including three TIF funds.

Mr. McCready advised that operational changes have been relatively minor compared to the larger operational areas of the City. Mr. McCready advised that he has taken on additional duties on various boards and commissions. Mr. McCready stated that a monthly operations report has been developed to highlight activities in each City department. Mr. McCready commented that Community and Economic Development Director Jeff Eder has taken on additional duties as the Assistant City Manager; he will serve in the absence of the City Manager.

Council discussed boards and commissions as it related to sending out information to Council ahead of time. Council and City Manager Thomas also discussed the minutes of these boards and commissions' meetings as it related to the Human Rights Commission concerning open sessions or closed sessions.

Mr. McCready discussed projects. Mr. McCready stated that the City Manager's office frequently assists departments with research analysis and provides objective analysis in identifying solutions to challenges as they come up in the City. Mr. McCready referred to the budget review documents and stated that these projects reflect a wide range of

projects that the City Manager's office, Mayor's office, Aldermen's budget and City Clerk's office encompasses.

Mayor Pauley stated that everyone wants to go to a lot of events and it has to be realized that each of the Council members have a \$2,000.00 budget, which covers Professional Development and Representation. Mayor Pauley and Council further discussed this item as it related to what the funds could be used for.

Mr. McCready advised that revenue in these areas primarily comes from the City Clerk's office; the revenue remains stable based on the nine month calendar year. Mr. McCready added that expenses were at an amount within the target range just half of a point shy of the 25%.

GENERAL DISCUSSION AND DIRECTION

Finance Director Cynthia Parchert advised that the Public Hearing on the Budget Ordinance will be held on March 17, 2014 and at that time, Council will adopt the Budget Ordinance and the Property Tax Levy so that it can be filed before the end of the current year.

Council and Mr. Thomas discussed property tax revenue and the City's operating budget as it related to the shortened nine month year. Council also discussed the property tax as it related to the equal assessed value.

RECESS

A motion was made by Alderman Foley and seconded by Alderman Clark to recess to Monday, February 17, 2014 at 6:45 pm. The motion carried by the following Aye and No vote: those voting Aye being; Alderman Foley, Alderman Tollenaer, Alderman Austin Alderman Clark and Alderman Conroy; those voting No, none.

The meeting was recessed at 11:31 am.

Aleisha L. Patchin, City Clerk