

The Rock Island City Council met in reconvened session on Saturday, February 27, 2010 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, Stephen L. Tollenaer, Jason W. Jones, Joy Murphy and Charles O. Austin III. Staff present included City Manager John C. Phillips, Finance Director Bill Scott and Budget Coordinator Don Reichert. Other staff entered the room at various times of the morning pertinent to their presentations.

## **BUDGET OVERVIEW**

Finance Director Bill Scott opened the discussion and provided the City Council with an overview of the proposed budget for Fiscal Year 2010/2011.

Mr. Scott reviewed the Table of Contents and made reference to the Capital Improvement Plan. Mr. Scott stated that the Manager's Brief is a good overall summary of this year's budget. Mr. Scott added that the budget includes all City funds and lists the major 2011 Capital and Infrastructure maintenance projects, which include; the Long Term Control Plan, Schwiebert Riverfront Park, Martin Luther King Center building expansion, design and construction of Old Chicago Park, fleet equipment purchases, street repair projects, water and sewer system improvements and the Children's Garden.

Mr. Scott stated that the budget includes \$5 million dollars in discretionary money transferred for economic development and capital projects. In addition, the budget includes all Personnel in which there is a decrease of 6.98 full time equivalents (fte).

Mr. Scott pointed out that the City has a policy for the General Fund reserve to go from a 60 day to a 90 day reserve balance over a five (5) year period. It was noted that the five (5) year period ended in March of last year, and the City has reached that 90 day balance this year. Mr. Scott offered that next year, the goal is to maintain the 90 day balance. Mr. Scott also made reference to the financial policies of the City.

Mr. Scott made reference to page 11 of the budget and stated that the charts show a breakdown of revenues in the total budget. Mr. Scott added that the first chart shows where the money comes from. It was noted that Property Taxes are 15% of the total budget revenue, and there was an increase of over \$2 million dollars in which the Property Tax Levy increased by \$160,000.00. Mr. Scott stated that the difference is the growth in TIF revenue. Mr. Scott stated that Local and State Taxes make up 19% of the total budget revenue in which the Local Taxes are up approximately \$700,000.00. Mr. Scott added that State Taxes are down approximately \$1.8 million dollars. It was noted that the budget assumes the Income Tax is down over \$500,000.00. Mr. Scott offered that the Replacement Tax is down over \$300,000.00. Mr. Scott pointed out that Grants account for 9% of the total budget revenues. Mr. Scott added that there is a big increase in the budget regarding grants, which include: Community Development Block Grants at \$1.9 million dollars; Park Fund has \$600,000.00 budgeted for Old Chicago Park; Boating Infrastructure grant for \$1.45 million dollars; 30<sup>th</sup> Street Resurfacing grant for

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\$877,027.00; Turkey Hollow Road Resurfacing grant for \$877,000.00; Rock Island Parkway Resurfacing grant for \$500,000.00; Scenic Byways grant for \$750,000.00 and the Neighborhood Stabilization grant for \$1,181,970.00. Mr. Scott noted that Charges for Services is 20% of the total budget in which the rate increases include water, wastewater and stormwater. Mr. Scott referenced investments and bonds.

Mr. Scott then discussed page 12 of the budget on where the money is being spent. Mr. Scott offered that 32% of the total budget is in Personnel; costs are up 1%. Mr. Scott offered that salaries, wages, overtime and professional development are down and pensions are up by \$977,000.00. Mr. Scott stated that Services are 20% of the total budget and Capital is 22% of the budget; it is up significantly.

Council discussed various items in the budget overview in regards to revenues, expenditures, transfers of funds related to major projects, General Fund contingencies and projections related to next year's budget.

Mr. Scott stated that a Public Hearing on the budget is scheduled for March 8, 2010 with the adoption of the budget on March 22, 2010. It was noted that the Public Hearing and adoption of the budget could be done at the same meeting.

After Mr. Scott finished the overview of the 2010/2011 Budget, each scheduled department presented their budget to Council.

**MARTIN LUTHER KING CENTER**

Martin Luther King Center Director Jerry Jones stated to Council that the King Center will see overall expenses increase 2% for Fiscal Year 2011. The majority of the increase will be due to the construction, expansion and renovation of the Martin Luther King Center. Personnel costs will increase by 21% as the Full Time Equivalents increase by 2.83 by removing employees from employment services and placing them on City payroll services. Mr. Jones offered that this will also account for the 53% decrease in Services. It was noted that Supply costs are expected to increase 17% due to recreational needs and food for programs. It was noted that the Other category is likely to increase by 26% due to facility rental services and other services related to enhancing current programs.

Mr. Jones indicated that the Martin Luther King Center has been able to maintain services by utilizing other programs that have come into existence, some of which include Partners in Job Training and College Work Study programs. It was noted that the King Center will continue to maintain longtime partnerships that help with services. Various partnerships include; The Girl and Boy Scouts of America, the American Red Cross of the Quad Cities, Big Brother/Big Sisters and Rock Island/Milan School District 41.

Mr. Jones stated that the King Center is looking forward to the expansion. Mr. Jones offered that the capital campaign is going very well. Mr. Jones indicated that the goal for

the campaign is \$1.2 million dollars in which a total goal is set for \$3.5 million dollars. It was noted that currently, the amount is \$900,000.00. Mr. Jones pointed out that once the \$1.2 million dollar mark has been reached, it will go public, which is likely to be expected in March or April of this year. Mr. Jones offered that there are challenges with the private campaign. It was noted that the King Center will monitor state funding as it has decreased by 30% last year and there are potential cuts looming in the state's next fiscal year.

Council discussed the expansion and renovation of the King Center and other funding sources as it relates to issues regarding time tables for the expansion in relation to conflicting with youth programs and community programming in general.

## **POLICE**

Police Chief John Wright along with Deputy Chief Scott Harris and Lt. Jeff VenHuizen addressed the Council and presented the Fiscal Year 2010/2011 Police Budget. Chief Wright stated that the reorganization has been very important to the Police Department. The major changes included; establishing an appointed Deputy Chief position; increasing the number of Lieutenants, assigning a Detective to the A.T.F. Task Force and increasing the number of officers assigned to the Narcotics Unit. Chief Wright indicated that these changes have improved inter-department communications, enhanced career development opportunities and enhanced enforcement activities.

Chief Wright indicated that Part I Crime is down again for the month of January and Violent Crime is up by 4, but that is only about 1%.

Chief Wright indicated that the overall budget is approximately \$12,321,949.00. This is a 5% increase in the General Fund. Chief Wright pointed out that the Staffing level remains the same with 112 employees in which there are 83 sworn officers. However, the hiring of two (2) civilian positions, an Office Assistant II in the Juvenile Division and a Customer Service Assistant remain frozen until final approval is obtained. Chief Wright noted that these positions are included in the proposed budget as well as the positions of Animal Control Officer and Vehicle Maintenance Aid. Chief Wright indicated that the arrangement with the Parks Department will allow for the continued employment of one of the officers for White Water Junction.

Council discussed staffing as it relates to other communities.

Chief Wright stated that spending from the State Drug Fund has been increased for Fiscal Year 2010/2011. The revenue is from moneys received through the equitable sharing of proceeds from state drug related forfeiture cases and is expected to remain relatively unchanged from last year. It was noted that expenses include purchasing equipment utilized by the Narcotics Unit and Emergency Response Team. Chief Wright indicated that the Auxiliary and Senior Police Volunteer programs have been eliminated for Fiscal Year 2010/2011.

Discussion followed regarding liability issues as it relates to the two (2) eliminated programs.

Chief Wright stated that there is a 5% increase in expenses in Personnel. It was noted that Personnel is 86.9% of the Police operating budget. Chief Wright offered that there is a 66% decrease in Supplies due to funding two (2) large projects, which include the installation of In-car Video Cameras and Automated Vehicle Locators. Chief Wright pointed out that Capital expenses for the current year are \$18,000.00 for State Forfeiture to remodel the interview rooms. Chief Wright noted that \$150,000.00 is designated for Fiscal Year 2010/2011 for the purchase of an Automated Fingerprint Identification System and an Illinois QC Firearms Training Simulator. It was noted that this would be through a grant from Senator Durbin's office. Chief Wright noted that there is a big increase in the State Drug Fund due to moving it to help out with the General Fund.

Lt. Jeff VenHuizen stated that based upon revenue that was received for Fiscal Year 2009/2010; there are increases in revenue that have been budgeted in several areas. Lt. VenHuizen pointed out that code hearing fines and charges are revenue that is generated by fines that are assessed for court violations and other ordinance cases deferred to MUNICES. It was noted that last year, it was budgeted at \$240,000.00 and this year's budget is set at \$300,000.00. Lt. VenHuizen offered that the DUI Fine Law Fund was the fund in 2007 that Rock Island County and the State made an overpayment of \$85,000.00 to the City. Lt. VenHuizen stated that the Police Department is expecting to receive revenues in this area totaling \$24,000.00 in June of 2010. Lt. VenHuizen added that the Police Department started receiving revenues in December 2009. Lt. VenHuizen indicated that the Police Department is projecting a \$25,000.00 increase in the area of the Federal Drug Forfeiture Fund based on some pending cases.

Lt. VenHuizen indicated that there are some significant changes in the Grant area. It was noted that one (1) grant that was reinstated this year includes the Mini Alcohol Enforcement Program in which \$23,124.00 was allocated for Fiscal Year 2010/2011 by the Illinois Department of Transportation. It was noted that the Speed Enforcement grant was discontinued. It was mentioned that the Justice Assistance Grant was discontinued. Lt. VenHuizen stated that the biggest decrease in revenue is projected in court costs and fees, which include fines and fees for moving violations and contested City Ordinance tickets. Last year, this was budgeted at \$490,000.00 and this year, the projected amount is \$450,000.00.

Council then discussed fees and fines as it related to grants and revenue and the purchasing and funding for an Automated Fingerprint Identification System (AFIS) and Firearms Training Simulator.

## **COMMUNITY AND ECONOMIC DEVELOPMENT**

Community and Economic Development Director Greg Champagne accompanied by Planning and Redevelopment Administrator Alan Carmen, Chief Building Official Tom

Ayers and Special Projects Manager Sally Heffernan addressed Council and presented their department's 2010/2011 Budget.

Mr. Champagne stated that CED's budget is up this year approximately 57%. It was noted that this current year planned spending is about \$11 million dollars and \$17.8 million dollars is proposed for next year. Mr. Champagne pointed out that the increase results from three (3) factors. First, the City in partnership with the Rock Island Economic Growth Corporation was awarded an NSP1 grant (Neighborhood Stabilization Program) in the amount of \$3.7 million dollars from the Illinois Housing Development Authority to fund a variety of activities designed to enhance older neighborhoods. It was noted that the majority of funds, which is \$2.7 million dollars will be used by GROWTH to support new home construction and renovations; approximately \$400,000.00 will come directly to the City for demolition purposes. The second reason for the increase in the budget is due to an approximate \$2 million dollar increase in TIF revenue attributed to the I280 Parkway TIF District as the result of the casino paying the first full year of property taxes in 2010. It was noted that under the agreement with casino, 75% of the funds will be rebated back to them. Mr. Champagne stated that the third reason for the increase is due to some expenses related to the Downtown TIF fund in which \$2 million dollars is included in the budget for a ferry boat grant. It was noted that this grant is pending. In addition, there are some expenses in debt service payments on bonds issued to construct Schwiebert Riverfront Park and the 1<sup>st</sup> Avenue Interceptor Sewer.

Mr. Champagne pointed out that the Fiscal Year 2010/2011 Budget proposes an increase of one (1) full-time position. It was noted that the change is the result of a transfer of a one-half time weed inspector from the Public Works Department to the Community Economic Development Department where the position will become a full-time nuisance inspector. Mr. Champagne noted that this position will be half funded by the General Fund and the other half funded by Block Grant dollars. Mr. Champagne indicated that currently, there are two (2) positions open in CED, which is an inspector position and one (1) clerical position. Mr. Champagne added that the inspector position is in the budget, but it is not expected to be filled. The clerical position is filled by a temporary individual and that position will be monitored closely.

Discussion followed at it relates to Community Development Block Grant dollars regarding rental inspections and general inspections.

Mr. Champagne stated that the budget includes \$500,000.00 for the Commercial/Industrial Revolving Loan Fund (CIRLF) and \$425,000.00 is budgeted for the Façade Improvement Program.

Council and Mr. Champagne discussed these two programs as it related to private investment, job creation and exterior improvements to commercial buildings.

Mr. Champagne noted that another \$10 million dollars is coming to the City as a result of the NSP2 (Neighborhood Stabilization Program) process over the next year.

Council discussed various projects in the Community and Economic Development Department and regional economic development.

## **LIBRARY**

Library Director Ava Ketter along with Assistant Library Director Amy Penry presented the Library's Fiscal Year 2010/2011 proposed Budget.

Ms. Ketter stated that there is no change in staffing levels. It was noted that fine revenues are down slightly due to double fine rates, which in the long run has prompted library patrons to bring the checked out library books back on time. Ms. Ketter stated that one of the big changes is that the library has come to rely on the Friends of the Library and the Foundation for various purchases/services. Ms. Ketter indicated that the biggest factor during the fiscal year was the increase in library usage by the public. It was noted that the use of library materials and resources jumped 23% over the previous year.

Ms. Ketter referenced some of the Library's Fiscal Year 2010/2011 changes. Ms. Ketter offered that Supplies have been cut to the bare minimum at all branches. It was noted that most increases in Supplies and Services for programs for children, teens and adults were underwritten by the Library Friends and the Foundation. Ms. Ketter stated that the biggest change has been public demand for services.

Ms. Ketter discussed the implementation of the Aqua Browser upgrade to the PrairieCat shared library catalog and circulation system and the public internet booking system and vend-a-print systems.

Ms. Ketter stated that the major goal of the library is to make library services easily accessible to people in as many ways as possible.

Council further discussed the Friends of the Library and Foundation as it relates to the operational dollars and the purchase of materials as well as donations. Council also discussed circulation increases regarding costs and self checkout for books as it relates to patron satisfaction.

## **PUBLIC WORKS**

Public Works Director Bob Hawes accompanied by Assistant to the Public Works Director Michelle Martin and Fleet Services Director Bill Woeckener presented the Public Works Department 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 has been reduced from 115 full-time positions to 112 positions. It was noted that this will be accomplished by the elimination of three (3) vacant positions, which include; City Stormwater Engineer, Wastewater

Treatment Plant Supervisor and a Maintenance Worker I position in the street maintenance operation.

Mr. Hawes stated that the department utilizes seasonal/part-time employees during the peak maintenance season to assist with street maintenance, utility maintenance, leaf collection, fire hydrant painting, weed mowing, marina fuel dock, marina maintenance and engineering services. It was noted that the proposed budget includes 28,800 hours of seasonal labor. Mr. Hawes indicated that this is approximately 1,900 hours more than the Fiscal Year 2010 Budget. Mr. Hawes stated that this change is due to 1,300 fewer hours in the weed program because weed inspections will be handled by CED; 460 more hours for an intern assisting in stormwater management to help offset the loss of that position; 660 more hours for a secretary at the Marina during peak season; and 2,080 more hours for an automotive mechanic to backfill a regular employee deployed overseas.

Mr. Hawes highlighted several operational changes that are reflected in the budget. Mr. Hawes indicated that there will be a slight reduction in Services. The loss of the Maintenance Worker I position has already been absorbed by the department. Some services including tree trimming and alley grading have been reduced. It was noted that engineering costs for the CIP (Capital Improvement Plan) will increase slightly due to 43% of an Assistant City Engineer's time being diverted to stormwater permitting and complaints. Mr. Hawes indicated that the loss of the Wastewater Treatment Plant Supervisor will not be noticed by the public under normal circumstances.

Mr. Hawes mentioned that there are 2,880 subscribers to the Water Services Repair Program, which is 19% of water customers; 1,530 customers subscribe to the Sewer Lateral Repair Program, which is 9% of sewer customers; 17% of refuse customers (2,150) subscribe to the Curbside Recycling Program; and 404 households, which is 3% of refuse customers subscribe to the Yardwaste Subscription Program.

Mr. Hawes explained that in the area of commodity costs, road salt for the Fiscal Year 2011 Budget is 4000 tons at \$75.00 per ton, which is \$300,000.00 and the current salt cost is \$70.33 per ton. It was noted that the overtime allocation was increased \$18,000.00 to reflect the rolling three (3) year average. Mr. Hawes stated that in the Fleet Services area, the proposed budget for fuel is \$512,000.00. It was noted that this reflects a 10% reduction in fuel consumption. Mr. Hawes offered that in Storm Water Management, the catchbasin repair contract will be increased from \$66,500.00 to \$81,500.00 to help reduce the backlog of repairs. It was noted that in the area of Street Maintenance and Repair, the budget for slurry seal materials set at \$108,720.00 was reduced to \$80,880.00 to reflect lower prices for asphalt emulsion and a smaller program. Mr. Hawes indicated that in the area of Water Treatment, the Fiscal Year 2011 Budget for water treatment chemicals that is set at \$496,780.00 is about \$360,000.00 lower than the Fiscal Year 2010 budget due to reduced chemical costs and treatment process changes.

Mr. Hawes then discussed the Long Term Control Plan. Mr. Hawes offered that the design of the Mill Street Sewage Treatment Plant expansion continues and construction will begin in late 2010 and continue for approximately four (4) years. It was noted that

the upgrade of the Store/Treat Basins will begin in late summer and the improvements will be ready for the 2011 spring rains. Mr. Hawes added that staff is pursuing low interest financing for the Long Term Control Plan construction projects through the State Revolving Fund program administered by the Illinois Environmental Protection Agency. It was noted that the first loan package should be ready for Council action in several months. Mr. Hawes stated that responses to the request for interest in purchasing Sunset Marina are due on March 1, 2010. It was noted that the goal is to recommend a private marina operator to Council in April.

Mr. Hawes discussed the Hydroelectric Plant. Mr. Hawes noted that all environmental hurdles have been cleared and one (1) of the two (2) generators is on-line. Mr. Hawes added that the other new generator will come on-line in the next few weeks. It was noted that staff will launch the Renewable Energy Certificate purchase program in the next couple of months.

Mr. Hawes stated that the US Army Corps of Engineers has completed its study and concluded that the South Slough maintenance should not be resumed and that there is not any Federal interest to alleviate the risk of failure of utility lines. Mr. Hawes stated that this is very disappointing and staff will be reviewing options with Council.

Council further discussed the results of the Corp study and the Long Term Control Plan as it relates to the expansion of the Mill Street Sewage Treatment Plant.

## **FINANCE**

Finance Director Bill Scott, Budget Coordinator Don Reichert, Accounting Supervisor Linda Johnson and Accounts Receivable and Customer Service Supervisor Kim Reda presented the Finance Department's Budget for Fiscal Year 2010/2011.

Mr. Scott stated that the Finance Department underwent reorganization during this past fiscal year. Mr. Scott explained that in the past year, the Finance Department has been heavily involved in the implementation of three (3) software systems, which include the Utility Billing system, Financial Management and Human Resources and Land Management system. Mr. Scott stated that now, all billing falls under one system, which is North Star. Mr. Scott offered that the Red Flag Rules were implemented this past year, which relates to identity theft, and the Tax Penalty Review was completed. Mr. Scott indicated that the payroll system is still in progress in which work is still being done on the outsourcing of the printing of payroll checks. It was noted that work is almost completed with Utility Billing, in which the billing is almost complete on Sunset Marina. Mr. Scott added that work is still being done on investments. Mr. Scott stated that for next year, they are working on the enhanced version of the new Govern software. Mr. Scott offered that Finance will be implementing E-Bill next year, which will allow the emailing of invoices electronically. In addition, a new goal is the study and recommendation of City-wide electronic imaging. Mr. Scott further discussed the implementation of the software systems.

Mr. Reichert stated that dollar wise, nothing has changed in the Finance Department's budget, which is General Fund money. Mr. Reichert indicated that next year, Finance is budgeted at \$1,439,000.00, which is a \$12,000.00 increase over the current year's budget or 1%. It was noted that almost one quarter of that is General Fund Contingency, which is \$329,000.00. Mr. Reichert indicated that half of the Finance Department's General Fund expense is tied into Personnel. It was noted that Supplies have decreased 39% due to the reduction in office supplies, miscellaneous paper, small office equipment and food in an effort to address the General Fund budget deficit. It was noted that Transfers have decreased 37% due to a reduction in the transfer to the Martin Luther King Center. Mr. Reichert pointed out that there were two areas of increase in the budget, which included a 4% increase in Personnel costs related to the use of a summer intern; and an increase of 12% in the Other category due to an increase in the number of liens filed and the resulting increase in Rock Island County expedite fee expenditures. Mr. Reichert reiterated that overall; there was a \$12,000.00 increase in the Finance Department's total budget.

Council and Mr. Scott discussed the challenges, training, functionality components, support and implementation of the three (3) new software system packages.

Council and Ms. Reda discussed support as it related to the software systems and Utility Billing issues and support as opposed to other types of on-line bill paying systems.

#### **CITY CLERK**

City Clerk Aleisha Patchin presented the proposed City Clerk's 2010/2011 Budget to Council. Ms. Patchin explained that there were no major changes in the proposed budget. Ms. Patchin indicated that in the Staffing category, there was a reduction in staffing from 1.5 full time equivalents (fte) to 1.4 due to a reduction in work hours for the clerical assistant. And, there was an 18% increase in office supplies due to the purchase of plaques for the Citizen of the Year awards.

Council discussed several issues regarding the new Freedom of Information Act requirements as it relates to the proposed amount of requests, responses, revenue and possible amendment language to the Act.

#### **MAYOR-CITY COUNCIL**

City Manager John Phillips presented the 2010/2011 Mayor-Council Budget. Mr. Phillips stated that in December when the budget was reviewed to consider reductions in certain areas, Professional Development was identified as well as \$3,700.00 for Study Session meals. Mr. Phillips offered that these two (2) areas have been restored in the budget. It was noted that there were no other significant changes for the Mayor-Council budget. Mr. Phillips inquired to Council for one (1) more volunteer to assist Alderman Austin with

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the planning of the upcoming annual Volunteer Dinner. Alderwoman Murphy volunteered.

**GENERAL ADMINISTRATION**

City Manager John Phillips presented the General Administration's 2010/2011 Budget to Council.

Mr. Phillips stated that there were no significant changes or increases to the General Administration's budget. Mr. Phillips offered that the only thing of significance is to continue to fund the Ferguson Group.

Council discussed Goal Setting as it relates to dates for the session.

**RECESS**

A motion made by Alderman Brooks and seconded by Alderman Jones to recess to Monday, March 1, 2010 at 5:00 p.m. The motion carried by the following Aye and No vote: those voting Aye being Alderman Brooks, Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Jones, Alderwoman Murphy and Alderman Austin; those voting No, none.

The meeting was recessed at 12:10 p.m.

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Aleisha L. Patchin, City Clerk