

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

**November 28, 2016
MINUTES**

The Rock Island City Council met in Budget Session on Monday, November 28, 2016 at 5:00 pm in City Council Chambers of Rock Island City Hall. Present were Mayor Dennis E. Pauley presiding, and Aldermen Ivory D. Clark, Virgil J. Mayberry, Stephen L. Tollenaer, Kate Hotle and Charles O. Austin III. Staff present included Interim City Manager Randy Tweet, Finance Director Stephanie Masson and Budget Coordinator Don Reichert. Other staff entered the room at various times of the evening pertinent to their presentations. Alderman P.J. Foley arrived at 5:13 pm and excused himself from the session at 5:58 pm and Alderman Joshua Schipp arrived at 5:10 pm.

BUDGET OVERVIEW

Finance Director Stephanie Masson opened the discussion and explained the layout of the CY2017 Budget documents. Ms. Masson also reviewed revisions in the financial policies contained within the budget documents, which included; language cleanup, changes relating to accounting standards, changes in the Library's fund balance policy and a change in the capitalization threshold. It was noted that the second budget review session will be held on Monday, December 5th, and the public hearing on the budget will be held on December 12th along with Council consideration of the Budget Ordinance, Tax Levy Ordinance and Tax Abatement Resolutions. Interim City Manager Randy Tweet discussed budget items in the CY2017 Budget as it related to Goal Setting priorities.

INFORMATION TECHNOLOGY (IT)

Information Technology Department Director Timothy Bain presented the Information Technology Department's 2017 Budget to Council. Mr. Bain indicated that IT had a retirement during 2016, and as a cost saving measure, that open position will remain unfilled until half way through 2017. Mr. Bain advised that computer equipment replacement is really the only budgeted project IT has for 2017.

Mr. Bain advised that in the area of contracts, the financial side includes GEMS, Northstar, iNovah, Attendance Enterprise and Assetworks. Mr. Bain further discussed this item. Mr. Bain stated that on the public safety side, there is OSSI, Rock Island County RMS, Imagetrend, LEADS and Bi-State. Mr. Bain commented that in the area of Public Works, there is AutoCAD, ArcGIS, Govern and Dockmaster. Mr. Bain pointed out that Cityworks was moved to the Cloud and it sits on the Amazon system. Mr. Bain stated that on the enterprise side, there is Google for email, Mediacom, CS Technologies, Verizon, Anti Virus, Threat Management, Backup and Civic Plus for the website in which the new website will be introduced around December 1st. Mr. Bain commented that the door card system for the new Police Station and for some doors in City Hall is new this year, as well as the milestone camera system, which is for monitoring the building over at the Police Station. Mr. Bain pointed out that IT eliminated the maintenance costs associated with the Parks and Recreation software called Class because earlier this year, Parks and Recreation moved their application to the Cloud; the costs are now bundled into user fees.

Mr. Bain indicated that the IT Department really doesn't have any revenue. Mr. Bain discussed changes in services as it related to the Police Department in terms of body cameras; Public Works in reference to mobile devices; and changes in the Library's public access. Mr. Bain discussed operational changes as it related to a reduction in staffing. Mr. Bain stated that IT is still adapting to changes in the Police Department.

Mr. Bain stated that the IT Department does not have any grants. Mr. Bain advised that IT will have a number of service agreements covered by using Gaming this coming year. Various service agreements discussed included Financial Software Maintenance, Mobile Data Terminal Maintenance, Marina Software Maintenance, Fleet Amortization and GIS Software Maintenance.

Council discussed the Information Technology Department's 2017 Budget.

FINANCE

Finance Director Stephanie Masson accompanied by Budget Coordinator Don Reichert presented the Finance Department's Budget for 2017.

Ms. Masson stated that there are 11 full-time employees in the Finance Department. Ms. Masson discussed some changes in the organization of the department. Ms. Masson indicated that on the customer service side, one fiscal technician position was eliminated and replaced with a customer service representative. Ms. Masson commented that by having three customer service representatives, it will allow for rotating the two employees who work the front desk and it provides better customer service through the lunch hour. Ms. Masson further discussed this item. Ms. Masson advised that in the accounting services area, a second accountant was added due to the resignation of the City auditor. Ms. Masson further discussed this item. Ms. Masson noted that a part-time intern position will not be funded for this coming year.

Ms. Masson discussed budgeted projects. Ms. Masson advised that the Finance Department is working on expanding online payment options to include Marina customers and tenants of utility billing; this will allow them to make payments online. Ms. Masson commented that Finance is also working on the actuarial assumption review as well as the revenue manual. Ms. Masson further discussed other budgeted CY2017 planned projects.

Ms. Masson indicated that they plan on issuing more bonds in CY2017 for various projects. Various projects Ms. Masson discussed included; 38th Street Resurfacing (Phase 1) 7th Avenue to Blackhawk Road; 41st Avenue and 45th Street to Cul-de-sac; and Lincoln Court Reconstruction from 17th Street to 20th Street including alleys. Ms. Masson noted that this comes to a total of about \$2.2 million dollars. Ms. Masson further discussed this item.

Ms. Masson stated that in the area of budgeted contracts, the CY2016 Audit, Banking Services, Actuary and OPEB services are all in their final year for contract services. Ms. Masson and Council further discussed these contracts as well as bad debt collection.

Ms. Masson noted that there are no revenues specific to the Finance Department. Ms. Masson advised that in regards to operational changes, the staffing structure changes made in this CY2016 will continue to be evaluated and no other operational changes are planned. It was noted that the Finance Department does not administer any grants and there are no projects funded by Gaming or General Fund Carryover.

Council and Ms. Masson discussed the Finance Department's 2017 Budget.

HUMAN RESOURCES

Human Resources Department Director John Thorson presented the Human Resources Department's 2017 Budget. Mr. Thorson stated that in regards to staffing, the Human Resources Department has four employees and no new positions are planned for CY2017. Mr. Thorson advised that the department does not have any budgeted capital projects for CY2017.

Mr. Thorson discussed the primary contracts that the Human Resources Department oversees. The primary contracts discussed included; legal services, which consist of City Attorney, Labor Attorney and Worker's Compensation Attorney, temporary service employee contract with Quality Controlled Staffing and Employee Assistance Program. Mr. Thorson stated that medical services include Genesis (worker's compensation and health), Blue Cross Blue Shield (medical, third party administration, COBRA administration and reinsurance), CVS (pharmacy), Delta Dental (dental), Aevisis (vision), Extend Health (medicare exchange), Crawford and Company (worker's compensation third party administration) and TriStar (flexible spending account administration). Mr. Thorson added that other contracts include health consulting and actuarial services with Holmes-Murphy, risk management insurance with Arthur Gallagher, City-wide vending, cable franchise agreement and health agreements with Augustana College and South Rock Island Township for the use of the Wellness Center. Mr. Thorson further discussed this item. Mr. Thorson commented that it is nearing the end of the five year agreements with the Labor Attorney and City Attorney; those contracts will be extended until the end of 2017. Mr. Thorson and Council further discussed this item.

Mr. Thorson advised that health premiums are going up 5.8% in CY2017. Mr. Thorson added that the City is looking at a premium holiday in the month of January 2017 in which the employer and employees will not make any premium contributions for that month. Mr. Thorson and Finance Director Stephanie Masson further discussed this item.

In regards to revenues, Mr. Thorson advised that the self insurance fund is in a little bit of a deficit position. Mr. Thorson stated that self insurance revenues will increase in CY2017. Mr. Thorson commented that they are building up extra money in the fund this year to get the fund in compliance because the Financial Policy requires that one year of

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operating expenses has to be kept on hand. Mr. Thorson reiterated that health insurance premiums will increase 5.8% for 2017. Mr. Thorson added that one positive thing about the health insurance fund is that it already has a fund balance of about \$3.8 million dollars; the health fund balance is at 66% of operating costs for the upcoming year. Mr. Thorson commented that overall, the health fund budget is based on expenses exceeding revenues by about \$239,000.00. Mr. Thorson noted that 54 employees participate in the Cafeteria Plan and it is expected to remain steady for the next year. Mr. Thorson stated that Human Resources is not projecting any changes in service levels for the next year.

Mr. Thorson advised that in the area of operational changes, Human Resources will continue to monitor the Wellness Center and the utilization of the clinic by Augustana College. Mr. Thorson indicated that \$40,000.00 of revenue is expected from Augustana College for CY2017. Mr. Thorson added that depending on Augustana College's utilization of the clinic, Human Resources may consider recruiting another user to help fill clinic capacity. Council and Mr. Thorson further discussed this item.

Mr. Thorson stated that the Human Resources Department is having discussions with Genesis Health and they are interested in expanding into the current footprint (basement) of Human Resources for an occupational health clinic. Mr. Thorson and Council further discussed this subject. Mr. Thorson advised that an RFQ was conducted with TriStar for the flexible spending account administration. Mr. Thorson added that it will be coming to Council for consideration in December. It was noted that the Human Resources Department does not participate in any grants and they do not have any CIP funding requests for CY2017.

CITY MANAGER, MAYOR, ALDERMEN AND CITY CLERK

Interim City Manager Randy Tweet presented the City Manager's, Mayor's, Aldermen's and City Clerk's 2017 Budget.

Mr. Tweet advised that there are no personnel changes reflected in the budget. However, the Assistant to the City Manager's position is currently open and that position will probably be transferred to Community and Economic Development midway through 2017. Mr. Tweet further discussed this item.

Mr. Tweet stated that there are no CIP projects reflected in this budget, but there are a number of annual projects, which include Strategic Planning, Labor Day Parade, Deer Management, Licensing, and economic development and marketing projects. Mr. Tweet further discussed this subject.

Mr. Tweet stated that there are no contracts in General Administration's budget. Mr. Tweet advised that revenue derived from General Administration includes alcohol, tobacco dealers, games/amusements, junk yard, miscellaneous business licenses and private parking lots. Mr. Tweet advised that revenues are projected to exceed just over \$170,000.00 for CY2017, which is slightly less than last year. Council and Mr. Tweet further discussed this item.

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Mr. Tweet advised that there are no changes in service levels proposed for CY2017. Mr. Tweet stated that the department will continue to work on projects with different organizations. Mr. Tweet commented that an operations report is sent to Council on a monthly basis. Mr. Tweet indicated that the Executive Secretary will continue to coordinate the Labor Day Parade and the new City Clerk will continue with the FOIA process.

Mr. Tweet advised that in regards to the budget, each Council member receives \$2,000.00 in representation funds as well as \$2,000.00 for training. Mr. Tweet commented that these funds do not carry over from year to year. Council and Mr. Tweet further discussed this subject.

Alderman Mayberry as well as the other Council members discussed salaries as it related to pay increases for Council.

MARTIN LUTHER KING CENTER

Martin Luther King Center Director Jerry Jones presented the Martin Luther King Center's 2017 Budget. Mr. Jones stated that the King Center is projecting to see an increase in staffing from 32 to 33; FTE's will increase from 12.34 to 14.22. Mr. Jones commented that this will occur when some administrative positions are reduced and this is mainly due to adding a new program in the coming year funded by the Department of Children and Family Services. Mr. Jones added that this will allow the King Center to hire two new full-time employees. Mr. Jones further discussed staffing changes.

Mr. Jones discussed the King Center's budgeted projects for CY2017, which included; afterschool programming, summer day camp, prevention programs for drugs and teenage pregnancy, nutrition education and ACTIVE Club. Mr. Jones commented that volunteers will continue to operate the Metro Youth Drill Team, boxing club, 340's basketball teams and Striders Track Team. Mr. Jones stated that they will also continue the tax preparation site, and three special events including Martin Luther King Jr. Memorial Service, Thanksgiving Dinner and a Christmas program. Mr. Jones stated that new programs will include the Family Advocacy Center funded by DCFS and a fall event similar to Family Fun Day in which the King Center will be collaborating with other organizations.

Mr. Jones indicated that revenues are projected to increase 15% for fund 211 and that is due to the cost recovery efforts the King Center makes to grants; the King Center will also be able to recoup the costs from leasing office space. Mr. Jones indicated that revenues for the MLK Activity Fund and the Department of Human Services Fund are projected to decrease about 12%. Mr. Jones added that charges for services are down due to the elimination of a program the King Center partnered on with the Figge and other organizations. Mr. Jones commented that concession revenues will slightly increase due to a projected increase in summer camp T-shirts. Mr. Jones further discussed revenues. Mr. Jones advised that they will be adding the IL. DCFS fund and that contract will provide \$2,000.00 to support two FTE's to do family advocacy at the King Center.

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Mr. Jones stated that the King Center doesn't expect any change in the level of services other than adding the family advocacy services and the King Center hopes to see an increase in the utilization of the banquet room. Mr. Jones stated that in the area of operational changes, the office assistant will not be replaced, but the King Center will have a part-time bookkeeper. Mr. Jones commented that they really don't expect to see any loss of efficiency because they utilize a variety of volunteers. Mr. Jones stated that the King Center will hire a part-time janitor to improve service especially to the banquet room.

Mr. Jones stated that \$20,000.00 is budgeted in the CIP to enhance security at the Martin Luther King Center. Mr. Jones added that the upgrades will focus on restricting unauthorized access to youth areas. Mr. Jones advised that he is confident the budgeted revenues from the 12 grants and three other sources will come in at the rate that was budgeted.

Council and Mr. Jones discussed the Martin Luther King Center's 2017 Budget.

LIBRARY

Library Director Angela Campbell along with Kellie Kerns presented the Library's 2017 Budget. Ms. Campbell advised that staffing is the largest expense for the Library. Ms. Campbell indicated that two years ago, there were 45 staff members and next year, there will be 37. Ms. Campbell advised that in regards to staffing, last year the Library cut \$151,000.00 and for CY2017, the Library cut \$150,000.00. Ms. Campbell indicated that the Library Board voted to reduce the hours at the 30/31 Branch and Southwest Branch. Ms. Campbell added that the Main Library will keep 60 hours per week and the branches will be open 48 hours per week. Ms. Campbell stated that the Library now has less of a deficit budget, which is about \$122,000.00; the Library will make some of that up with reserve funds.

Ms. Campbell indicated that in the area of budgeted projects, the largest one the Library has been working on is the master planning process. Ms. Campbell discussed the original options of keeping the Main Library open and closing the two branches as well as the option of having the Tri-City Jewish Center as the central and only location and making the Main Library a branch. Ms. Campbell further discussed these options. Ms. Campbell stated that their feasibility study started in October and it should be done in March and at that time, it will be determined as to what the next steps will be.

Ms. Campbell indicated that the Library has a lot of contracts and most of the contracts are negotiated for three years. Ms. Campbell added that the Library has a good working relationship with most of those folks. Ms. Campbell stated that in the area of revenue changes, the Library received \$30,000.00 more tax dollars due to the equalized assessed value (EAV) increase. Ms. Campbell added that the State Per Capita Aid grants are expected to remain one-third less just like they were last year. Ms. Campbell commented that their fee structures will remain the same for CY2017. It was noted that the Library is now leasing space to Midwest Writing Center, which will bring in some monthly

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revenue. Ms. Campbell discussed changes in the level of services to customers. Ms. Campbell advised that with the increased tax dollars, CIP funds, staff reorganization and modifying the hours, the Library will be able to keep the 30/31 Branch and Southwest Branch open for at least another year. Ms. Campbell stated that this will still allow the Library to do the outreach activities and initiatives with the schools.

Ms. Campbell advised that operationally, she didn't think anyone would notice any changes except for the modified hours. Ms. Campbell added that basic library services will remain the same regardless of how many hours the Library is open; there will still be the same volume of materials coming into the Library and leaving the Library.

Ms. Campbell advised that in the area of grants, they remain the same; the State Per Capita for the City Library and the State Per Capita for the District Library. Ms. Campbell commented that they expect a few more dollars from Foundation contributions and the Library is still involved with the Thurgood Marshall Learning Center Empowering Potential Program, which is donation based. Ms. Campbell further discussed this item. Ms. Campbell advised that in regards to the CIP, the Library is receiving \$50,000.00 for infrastructure service contracts to help with some of the service expenses that mostly have to do with the HVAC issues that keep happening at the Main Library.

Council discussed the Rock Island Library's 2017 Budget.

RECESS

A motion was made by Alderman Hotle and seconded by Alderman Clark to recess to Monday, December 5, 2016 at 5:00 pm. The motion carried by the following Aye and No vote: Those voting Aye being; Alderman Clark, Alderman Mayberry, Alderman Tollenaer, Alderman Hotle, Alderman Schipp and Alderman Austin; those voting No, none.

The meeting was recessed at 6:50 pm.

Aleisha L. Patchin, City Clerk