

The Rock Island City Council met in reconvened session on Saturday, March 2, 2013 at 8:00 am in Council Chambers of Rock Island City Hall. Present were Mayor Dennis E. Pauley presiding, and Aldermen Joy Murphy, Charles O. Austin III, Terry M. A. Brooks I, P.J. Foley, Stephen L. Tollenaer and Jason W. Jones. 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 Terry M. A. Brooks I left the session at 10:38 am and Alderman P.J. Foley left the session at 10:40 am. Alderman David A. Conroy was absent.

FOLLOW UP TO FEBRUARY 23rd MEETING

Mayor Pauley advised that he was 98% satisfied with last Saturday's budget presentations, but was not happy with 2% of it. Mayor Pauley stated that he was not happy with the recommendation of eliminating two street maintenance workers in the Public Works Department. It was noted that these two positions are currently vacant. Mayor Pauley stated that he had discussed this issue with the City Manager and it was determined that the two positions could be left in the budget without it affecting the budget. Mayor Pauley inquired to Council as to whether they had any objections to leaving the two positions in the budget. Council discussed this issue. After discussion, Council came to a consensus to leave the two street maintenance worker positions in the budget.

Finance Director Cynthia Parchert advised that she spoke with Rock Island County yesterday in regards to the EAV (equalized assessed value) and noted that the EAV never went down another \$4 million dollars; this means that the General Fund support – Property Tax dollars went down approximately \$100,000.00. Ms. Parchert added that this can be absorbed within the budget. Council, Mr. Thomas and Ms. Parchert further discussed this issue.

PARKS AND RECREATION

Parks and Recreation Department Director Bill Nelson presented the Parks and Recreation Department's Fiscal Year 2013-2014 proposed Budget to Council.

Mr. Nelson discussed staffing changes. Mr. Nelson advised that some of the seasonal workers were moved from Recreation to RIFAC as a result of moving some of the recreational programs to RIFAC. Mr. Nelson stated that the other reduction is in the grant funded staff for the school summer camp program. Mr. Nelson added that if the grant is received in which it possibly will be then a budget adjustment will be made to add these positions back into the budget. Mr. Nelson commented that the fte for the sports manager will be split between Recreation and RIFAC to represent the time spent managing programs and sports at RIFAC instead of the schools. Mr. Nelson advised that overall, there is a decrease in staffing of 1.26 fte's in the department.

Mr. Nelson advised that the primary project for this year is the Martin Luther King Jr. Park. Mr. Nelson commented that construction will start as soon as the snow thaws with a hopeful completion date at the end of July. Mr. Nelson discussed the construction of the dock at Schwiebert Riverfront Park. Mr. Nelson stated that Parks will be doing some sports court resurfacing (tennis and basketball courts) as well as some micro sealing of one or two parking lots. Mr. Nelson stated that they would like to add some additional parking at RIFAC. It was noted that there will be a new playground at Mel McKay Park and the boiler will be replaced at Hauberg. Mr. Nelson discussed the ADA study of Parks and Recreation facilities as it related to ADA requirements for the facilities.

Mr. Nelson stated that significant increases in revenue were made at Saukie due to the changes made this last year in terms of bundling for golf. Mr. Nelson added that the fees for golf at Saukie came in the same, but the cart rentals and concessions increased dramatically. Mr. Nelson discussed fee comparisons as it related to other cities' parks and recreation departments in regards to golf, pool, fitness and sports.

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 stated that Parks and Recreation is moving more towards an experience base and that is what will be seen for the future for Park and Recreation services. Mr. Nelson commented that the programs have been developed to be shorter in time for special event type activities. Mr. Nelson added that they are concentrating on the value and benefit that people are getting from the program. Mr. Nelson added that with RIFAC, they are concentrating on what the emotional reason is for joining the facility. Mr. Nelson further discussed this issue.

Mr. Nelson indicated that Parks and Recreation has one continuing grant from DECO for the Martin Luther King Jr. Park. 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 received funds from the school for the Lights on for Learning grant.

Council and Mr. Nelson further discussed the Parks and Recreation Department's proposed 2013/2014 Budget.

FINANCE

Finance Director Cynthia Parchert accompanied by Budget Coordinator Don Reichert presented the Finance Department's proposed Budget for Fiscal Year 2013/2014.

Ms. Parchert stated that there are no changes proposed for Personnel. Ms. Parchert advised that the Finance Department does not generate any revenue or receive any grants. Ms. Parchert discussed the level of changes in services. Ms. Parchert stated that with the implementation of the three payment option (utility billing), the Finance Department has seen an approximate 20% increase in people taking advantage of this three payment option.

Council discussed the three payment option as it related to the three payment option not being available for e-billing.

Ms. Parchert discussed changes in operations. Ms. Parchert pointed out that the Finance Department is continuing to strengthen internal controls. It was noted that a monthly close process has been implemented, but it needs to be streamlined and shortened. Ms. Parchert added that they are in the process of documenting processes, which will most likely lead to additional internal control changes. Ms. Parchert commented that the plan is to locate that documentation on the intranet for accessibility. Ms. Parchert discussed establishing standardized processes as it related to cash collections. Ms. Parchert stated that the Finance Department is beginning to formulize the bad debt collection processes. Ms. Parchert further discussed this item.

Ms. Parchert indicated that another goal is to redesign this budget document format where it can be utilized by all departments on a monthly basis. Ms. Parchert further discussed this goal. Ms. Parchert pointed out that the Finance Department will be working closely with the Information Technology Department (IT) and other departments in the coming year as they implement new software that interfaces into current General Ledger and Billing/Receipting software and more specifically with Public Works - Fleet & Sunset Marina software, Police and scheduling software and CED and Inspections software. Ms. Parchert further discussed this item. Ms. Parchert also discussed financial stability as it related to one of Council's goals.

Council and Ms. Parchert further discussed the Finance Department's proposed 2013/2014 Budget.

CITY MANAGER, CITY CLERK, MAYOR AND ALDERMEN

Ben McCready, Assistant to the City Manager presented the City Manager's, City Clerk's, Mayor's and Aldermen's proposed Budget for Fiscal Year 2013/2014.

Mr. McCready advised that there are no proposed changes anticipated to staffing levels; the staffing level will remain at four employees in addition to the Mayor and Aldermen. Mr. McCready stated that in regards to funding, the activities of the City Manager's office, City Clerk's office, Mayor and Council are supported by eight funds, including five TIF Districts that help support Personnel costs in the City Manager's office. It was noted that the remaining funds include Gaming and Adopt a School program.

Mr. McCready indicated that the revenue is expected to remain constant. Mr. McCready added that the revenue is mainly generated from the City Clerk's office. Mr. McCready added that the revenue comes from tobacco, games and amusements, junk yard, miscellaneous business licensing, private parking lots, printing duplication and alcohol licensing. Mr. McCready advised that staff will continue to monitor the games and amusement revenue throughout the year; there could be the possibility of additional video gaming terminals becoming operational that could generate additional revenue but that is dependent on the establishments receiving their State license.

Mr. McCready indicated that budget expenses for these departments is up slightly due to the additional Council related expense associated with Personnel expenditures tied to the contested 5th Ward seat. Mr. McCready further discussed this item.

In the area of service levels, Mr. McCready stated that the City Clerk's office will no longer be utilizing an employment service to provide a part time assistant. A savings will be seen on the operations side of the budget. Mr. McCready further discussed this item.

Council and City Clerk Patchin discussed the elimination of the part-time position as it related to the increased workload in the City Clerk's office.

Mr. McCready advised that another operational change has been to work with the IT Department to change the cell phone plan that has been utilized by Council members and the City Manager to try to eliminate any overages or additional charges. It was noted that staff will be monitoring this throughout the year to make sure it is the best option.

Mr. McCready reviewed several projects. Mr. McCready stated that the strategic planning process will take place again in 2013. Mr. McCready stated that he along with the City Manager continue to work closely with the CED Department on economic development. It was noted that Mr. McCready also works with the business outreach program to build good relationships and seek out new opportunities to grow Rock Island businesses. It was noted that the City Manager and Assistant to the City Manager continue to work with department directors to identify new performance measures, review organizational structures and to look for new efficiencies if possible. Mr. McCready stated that the City Manager's office is also in charge of administering the marketing program.

FIRE

Fire Chief Jim Fobert accompanied by Deputy Chief Jeff Yerkey presented the Fire Department's 2013/2014 proposed Budget.

Council and Fire Chief Fobert discussed the issue concerning the leaking roof at the Southwest Library.

Chief Fobert indicated that staffing levels remain the same at 58 sworn and one civilian for a total of 59 fte's. Chief Fobert stated that this year, a Lieutenant's position was lost through attrition and the Fire Department is down to nine Lieutenants instead of 10, but still remain at 58 sworn.

Chief Fobert advised that the flat portion of the roof at Southwest Fire Station #2 (on the fire side) is scheduled to be replaced. Chief Fobert indicated that the roof was put in place in 1973 and it is long overdue to be replaced. Chief Fobert stated that once the weather breaks, the roof project will begin. Chief Fobert stated that another project includes emergency generators for all City fire stations. Chief Fobert explained that Central Fire Station is the only fire station that has an emergency generator and it was installed in 1963. Council and Chief Fobert further discussed this project.

Chief Fobert advised that the Ambulance Billing contract remains the same through Professional Billing Services, but the process for billing has been streamlined. Chief Fobert further discussed this contract. Chief Fobert pointed out that ambulance revenue remains the same; there will be no increase in fees for Fiscal Year 2013-2014. It was noted that the ambulance gross revenue is at \$2.6 million dollars. Chief Fobert explained that these are the bills that are put out. The Chief added that on the collection side, it is approximately \$1.3 million dollars. It was noted that Haz-Mat Permit revenue remains the same at about \$22,000.00 per year. Chief Fobert pointed out that the Foreign Fire Tax Fund fluctuates from year to year, but for this last year, the revenue collected was a little over \$50,000.00. Chief Fobert and Council further discussed the Foreign Fire Tax.

Chief Fobert discussed changes in the level of services. Chief Fobert indicated that the Fire Department will be providing a 12 lead EKG to cardiac patients. Chief Fobert added that to perform this new service, the heart monitors will need to be upgraded. Chief Fobert further discussed this item. Council and Chief Fobert discussed ambulance services.

In the area of operational changes, Chief Fobert indicated that in regards to response to territory, smaller vehicles will respond to certain areas that are high volume instead of using the fire trucks. The Chief commented that this will save on fuel and maintenance to the Fire Department fleet. Chief Fobert stated that they revised the Light and Sirens program to give students a more hands on approach. Chief Fobert further discussed these operational changes. Chief Fobert advised that the AFG Grant in regards to a smokeless exhaust system on the vehicles is pending. Chief Fobert further discussed this grant.

Council and Chief Fobert discussed fire prevention as it related to services and vehicle maintenance of the fire trucks. Council further discussed the Fire Department's proposed 2013/2014 Budget.

ADMINISTRATIVE SERVICES (HUMAN RESOURCES)

Administrative Services Department Director John Thorson accompanied by Risk Manager Patrick Doherty presented the Administrative Services Department's 2013-2014 proposed Budget to Council.

Mr. Thorson advised that effective April 1st, the Administrative Services Department will be renamed as the Human Resources Department. Mr. Thorson indicated that for the last three years, the Administrative Services Department consisted of the Personnel division and the Information Technology division, and as a result of the change of the departments being separated, there is seven less people in the department. Mr. Thorson added that for Fiscal Year 2013-2014, the Human Resources Department will include four employees. Mr. Thorson advised that overall, revenues will increase from \$7.171 million dollars to \$7.241 million dollars. Mr. Thorson added that health insurance premiums will remain identical to Fiscal Year 2012-2013. Mr. Thorson advised that overall, the department's expenditures will increase from \$7.433 million dollars to \$7.585 million dollars or approximately 2%, which is primarily due to wage related increases and legal services.

Mr. Thorson advised that services are expected to be maintained in the department. Mr. Thorson then discussed the on-site wellness clinic. Mr. Thorson stated that this is the fourth year for the clinic. Mr. Thorson added that originally when the program started, there was an on-site nurse for approximately 20 hours per week. Mr. Thorson added that in 2011, this service was expanded to include a nurse practitioner for about 35 hours per week. Mr. Thorson then referred to a slide presentation and discussed comparisons on return on investment, savings, site visits and services as it related to the on-site clinic. Council discussed this item. Mr. Thorson commented that there is a high demand for the nurse practitioner. Mr. Thorson stated that this is the second year for the contract with Rock Island County for the on-site clinic services. It was noted that the contract expires at the end of March. Mr. Thorson advised that the City is in the process of negotiating with Rock Island County for an extension to the current contract.

Mr. Thorson advised that no significant changes are being proposed for operations next year. Mr. Thorson stated that there will be negotiations for a new contract with Fire (IAFF) and potentially with the Command Officers Association (COA) depending on the outcome of interest arbitration. Mr. Thorson indicated that a pharmacy benefit RFP was completed last spring. Mr. Thorson stated that the City changed service providers, which moved the pharmacy benefit management services away from Catalyst RX (Walgreens - WHI) to CVS Care Mark. It was noted that this became effective January 1, 2013. It was noted that this change will save the City health care plan about \$100,000.00 this year.

Mr. Thorson added that a new vision plan (Avesis Vision) was implemented in January of this year. Mr. Thorson indicated that a RFQ is underway for the health facilitator services and RFQ's are being developed for actuary services and self-insurance brokerage. Mr. Thorson advised that the department is also working on communication enhancements to the public access channel to improve the slides.

Mr. Thorson stated that the Administrative Services Department is expected to receive grant funding for the Retiree Drug Subsidy from Medicare. Mr. Thorson advised that the City received \$71,161.00 in funding in Fiscal Year 2012-2013 and \$40,000.00 is budgeted for Fiscal Year 2013-2014. Mr. Thorson further discussed the grant funding.

Mr. Thorson indicated that self-insurance currently has a positive fund balance of approximately \$510,000.00 and the department is looking at building additional surplus funds over the next five years. Mr. Thorson pointed out that according to the financial policy, it requires one year of operating costs in the fund balance for about one million dollars. Mr. Thorson further discussed the self-insurance fund.

Mr. Thorson stated that the Joint Administration agreement will be expiring at the end of March and it is being reviewed. Mr. Thorson commented that a problem is that the plan design change can only occur with the consensus of the City and the six bargaining groups. Mr. Thorson added that it has been difficult to make minor plan design changes that would have an impact on lowering premium costs for the City and employees. Mr. Thorson and Council discussed this item. Mr. Thorson and Council also discussed the Affordable Care Act.

Council further discussed the Administrative Services Department's proposed 2013/2014 Budget.

INFORMATION TECHNOLOGY (IT)

Information Technology Department Director Timothy Bain presented the Information Technology Department's 2013-2014 proposed Budget to Council.

Mr. Bain stated that the major change for Information Technology is that beginning Fiscal Year 2013-2014, Information Technology (IT) will be its own department. Mr. Bain added that changes will be seen in the budget that reflects this modification.

Mr. Bain indicated that staffing levels have remained unchanged in the IT Department; there are seven employees. However, individuals have changed, which included the resignation of the Network Administrator in June and an Information Technology Specialist retired in April. It was noted that a new Network Administrator has been hired and the department is in the process of hiring a new Information Technology Specialist.

Mr. Bain stated that the IT Department has a lot of new projects coming up. Mr. Bain advised that the department will focus its efforts on replacing computer equipment. Mr. Bain stated that there will be some software changes for Public Works - Fleet and Sunset Marina. Mr. Bain commented that IT is working on Phase 2 of the Public Access Channel. Mr. Bain advised that last year, the audio system was replaced in Council Chambers and it made a huge impact on the quality of audio that is being transmitted on Monday nights. In the coming year, Mr. Bain commented that the video portion will be improved. Mr. Bain further discussed this project as it related to the technical component.

Mr. Bain discussed Police surveillance. Mr. Bain indicated that some cameras will be installed in the 15th Avenue and 15th Street neighborhood. It was noted that this past summer and fall, several cameras were installed at Longview Park. Mr. Bain advised that IT will also try to make some improvements in the District area. Mr. Bain and Council further discussed this item. Another project Mr. Bain discussed was the Fiber Optic Phase 6 project in the Southwest area. Mr. Bain commented on the last project, which was Smartboards. Mr. Bain advised that currently, a smartboard has been set up in the Administrative Services Conference Room. Mr. Bain added that they are looking to add several more smartboards, one in the Finance Conference Room and one at Public Works. Mr. Bain pointed out that a smartboard is a good tool; it allows for not only whiteboard functions, but also for large screen projections for items like budget documents as well as for many other things. Mr. Bain further discussed smartboard uses.

Mr. Bain stated that there are a number of contracts that the IT Department budgets for on an annual basis. It was noted that various contracts include; GEMS, AutoCad, ArcGIS, AE, iNovah, Google and Civic Plus. Mr. Bain advised that the IT Department really doesn't have any revenue. Mr. Bain stated that in terms of changes in services, the IT department will be working very hard in this next year to phase out an older piece of equipment, which is referred to as IBM RS/6000. Mr. Bain commented that this

equipment is 12 or 13 years old and needs to be replaced. Mr. Bain and Council further discussed this item.

Mr. Bain stated that in the area of operational changes, two new staff members will be added in the IT Department. Mr. Bain stated that he will be focusing on cross training some of the employees in the IT Department. Mr. Bain concluded that the IT Department does not have any grants.

GENERAL DISCUSSION AND DIRECTION

Finance Director Cynthia Parchert advised that the Public Hearing on the Budget Ordinance will be held on March 11, 2013 and on March 18th, the Budget Ordinance will be adopted as well as the amended Property Tax Levy. Ms. Parchert stated that the City should be proud of this budget thanks to the guidance of the City Council.

RECESS

A motion was made by Alderman Jones and seconded by Alderwoman Murphy to recess to Monday, March 4, 2013 at 5:30 pm. The motion carried by the following Aye and No vote: those voting Aye being; Alderwoman Murphy, Alderman Austin, Alderman Tollenaer and Alderman Jones; those voting No, none.

The meeting was recessed at 11:05 am.

Aleisha L. Patchin, City Clerk