



MINUTES

MOLINE CITY COUNCIL MEETING

City Hall, 619 16th Street
Tuesday, October 1, 2013

Questions on the Agenda: During the Committee-of-the-Whole meeting, Mayor Raes used his prerogative as chair to remove Council Bill 3031-2013 from the formal Council Agenda.

Council Meeting: The City Council meeting came to order at 6:45 p.m. The Council met in regular session in the Council Chambers at City Hall.

Pledge: The Council and audience recited the Pledge of Allegiance.

Roll Call: Roll call was taken with Mayor Raes, Aldermen Knaack, Parker, Bender, Brown, Turner, Schoonmaker, Liddell and Acri present. Absent: None.

Items on Consent:

Approval of Minutes

Committee-of-the-Whole and Council meeting minutes of September 24, 2013.

Second Reading Ordinances

1. Council Bill/General Ordinance 3024-2013

An Ordinance amending Chapter 15, "GARBAGE AND TRASH," of the Moline Code of Ordinances, Sec. 15-2101, "AUTOMATED TIPPER CARTS," by repealing subsection (a) in its entirety and enacting in lieu thereof one new subsection (a) relating to the same subject matter.

2. Council Bill/General Ordinance 3025-2013

An Ordinance amending Chapter 17, "LICENSES & BUSINESS REGULATIONS," of the Moline Code of Ordinances, Sec. 17-2206, "FEES," by repealing subsection (2) in its entirety and enacting in lieu thereof one new subsection (2) relating to the same subject matter.

3. Council Bill/General Ordinance 3026-2013

An Ordinance amending Chapter 20 "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Appendix 3 thereof, "PEDESTRIAN CROSSING SIGNALS," by including Midblock, on 34th Avenue, 1000 feet west of the 70th Street intersection.

4. Council Bill/General Ordinance 3027-2013

An Ordinance amending Chapter 20 "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Appendix 10 thereof, "PARKING PROHIBITED AT ANY TIME," by 46th Avenue, on the south side, 250 feet west of 48th Street.

5. Council Bill/General Ordinance 3028-2013

An Ordinance amending Chapter 8, "BUILDINGS AND OTHER CONSTRUCTION AND BUILDING SERVICES," of the Moline Code of Ordinances, by repealing Sections 8-7202(b), (d) and (e) and Sections 8-7204(c) and (e) in their entirety and enacting in lieu thereof new Sections 8-7202(b), (d) and (e) and 8-7204(c) and (e) relating to the same subject matter.

6. Council Bill/General Ordinance 3029-2013

An Ordinance amending Chapter 20, "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Sec. 20-5119, "PENALTIES FOR VIOLATIONS OF THIS ARTICLE," by repealing subsections (a), (b), (c), (d), (e), (f), (g), and (h) in their entirety and enacting in lieu thereof new subsections (a), (b), (c), (d), (e), (f), and (g) relating to the same subject matter.

7. Council Bill/Special Ordinance 4043-2013

A Special Ordinance Vacating Mechanic's Street, Canal Street and alley right-of-way located between 3rd Avenue and Water Street to the City of Moline.

8. Council Bill/Special Ordinance 4044-2013

A Special Ordinance closing certain streets more particularly described herein to vehicular traffic and authorizing the use of public right-of-way in conjunction with the Wells 4 Wellness 5K scheduled for Saturday, October 5, 2013.

Resolutions**9. Council Bill/Resolution 1154-2013**

A Resolution authorizing approval of a request for a utility permit from the Department of Transportation for Project No. 1185, 64th Street Pump Station.

10. Council Bill/Resolution 1155-2013

A Resolution authorizing the purchase and installation of a replacement compressed natural gas (CNG) compliant fuel island canopy located at Public Works from Seneca Companies in Bettendorf, Iowa, for the amount of \$106,117.29.

Omnibus Vote: Alderman Knaack, seconded by Alderman Liddell, moved to approve and adopt, by omnibus vote, these items. Motion carried on roll call with the following vote: ayes: Aldermen Knaack, Parker, Bender, Brown, Turner, Schoonmaker, Liddell and Aciri; nays: none.

Public Hearing – 6:45 P.M.

- North Slope Project Summary and Preliminary Environmental Impacts Determination – This is an opportunity for the public to comment on this project in accordance with IEPA Loan Program procedures.

No public comment was made.

- Quad Cities Station Redevelopment Project Area and the Tax Increment Finance District. Resolution 1125-2013 was approved on August 27, 2013, establishing the Public Hearing time, date and location.

Ray Forsythe, Planning & Development Director, stated that the TIF Report was filed with the City Clerk on August 1, 2013, and the Joint Review Board (JRB) met August 29, 2013. The JRB reviewed the eligibility study and redevelopment plan and concluded that the area is blighted and can be considered for TIF designation. The JRB's recommendation to City Council passed unanimously. Mike Weber, PGAV TIF Consultant, gave an overview of the eligibility requirements of a TIF District. Sandy O'Neil, 1604 11th Avenue, expressed opposition to the creation of this TIF District.

- Riverbend Commons Redevelopment Project Area and the Tax Increment Finance District. Resolution 1124-2013 was approved on August 27, 2013, establishing the Public Hearing time, date and location.

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Items Not on Consent:**Second Reading Ordinances****11. Council Bill/General Ordinance 3030-2013**

An Ordinance amending Chapter 15, "GARBAGE AND TRASH," of the Moline Code of Ordinances, Sec. 15-2201, "PREPARATION AND COLLECTION OF RESIDENTIAL REFUSE," by repealing subsection (e) in its entirety and enacting in lieu thereof one new subsection (e) relating to the same subject matter.

Failed: Alderman Knaack, seconded by Alderman Turner, moved to adopt Council Bill 3031-2013. Motion carried on roll call with the following vote: ayes: Aldermen Knaack, Parker, Bender, Brown, Turner, Schoonmaker, Liddell and Aciri; nays: none.

First Reading Ordinances

12. Council Bill/General Ordinance 3032-2013

An Ordinance amending Chapter 34, "WATER AND SEWERS," of the Moline Code of Ordinances, Sec. 34-2121, "CHARGES AND COLLECTIONS," by repealing subsection (f)(1) in its entirety and enacting in lieu thereof one new subsection (f)(1) relating to the same subject matter.

13. Council Bill/General Ordinance 3033-2013

An Ordinance amending Chapter 34, "WATER AND SEWERS," of the Moline Code of Ordinances, Sec. 34-2121, "CHARGES AND COLLECTIONS," by repealing subsections (c) and (d) in their entirety and enacting in lieu thereof new subsections (c) and (d) relating to the same subject matter.

14. Council Bill/Special Ordinance 4046-2013

A Special Ordinance closing certain streets more particularly described herein to vehicular traffic and authorizing the use of public right-of-way in conjunction with the Running Dead 5K scheduled for Saturday, October 12, 2013.

15. Council Bill/Special Ordinance 4047-2013

A Special Ordinance closing certain streets more particularly described herein to vehicular traffic and authorizing the use of public right-of-way in conjunction with the Unity Point Quad Cities Classic Rowing Regatta scheduled for Saturday, October 12, 2013.

Council, Staff and Citizen Comments:

Nate Scott, IT Manager, stated that new microphones have been ordered to complete the upgrade to the City Council Chambers audio system.

Alison Fleming, Human Resources Manager, invited Council to attend the Employee Health Fair to be held on Wednesday, October 9, 2013, at Wharton Field House from 10:00 a.m. to 2:00 p.m.

Alderman Brown requested that staff investigate signage or pavement marking options for the parking situation on 12th Avenue, between 27th and 41st Streets.

On motion of Alderman Knaack, seconded by Alderman Brown, Council adjourned at 7:05 p.m.

The next regularly scheduled City Council meeting is on October 8, 2013.

Respectfully submitted,



Tracy A. Koranda
City Clerk



Lewis J. Steinbrecher
City Administrator

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DATE: October 1, 2013

TO: Mayor Scott Raes and Members of the Moline City Council

FROM: Lewis J. Steinbrecher, City Administrator 

RE: Recommended Fiscal Year 2014 Budget Message

Introduction

Attached please find a \$137,950,835 recommended Fiscal Year 2014 Annual Budget for the City of Moline. This budget began with a \$1.2 million deficit among four major funds: the General Fund, the Sanitation Fund, the Park Fund, and the Library Fund. These are the same funds that have traditionally had deficits over the past ten (10) years and where the majority of spending cuts and job losses has occurred. There is no doubt that Police and Fire Pension cost increases have significantly contributed to these deficits as they consume more and more of the City's property tax revenues. Parks and Library will be the next services to be affected, though the 2014 Budget will enable both of those departments to maintain current service levels for the next year.

The portion of the City's property tax levy specifically allocated for the Police and Fire pensions must increase by \$350,710 and thus, will adversely affect the amount of the remaining property tax revenues available to support the Park and Library Funds. The Park Fund must use \$194,745 of its reserves to cover its 2014 deficit along with a \$420,505 subsidy from the General Fund to replace the Park Fund's loss of property tax due to pension demands. The Library Fund must also use all of its reserves (\$163,000) and it will also be necessary to increase the overall property tax levy by \$100,970 (or 0.69%) from \$14,684,000 to \$14,784,970 to balance its deficit. Something will have to be done in 2015 to address this growing gap between expenditures and property tax revenues for both the Park and Library Funds. The Police and Fire pensions have already entirely consumed the use of property taxes to support general municipal government operations and the Sanitation Fund.

There is evidence in the 2014 Budget that the purchase of the Quintuple apparatus along with the accompanying downsizing of five (5) positions in the Fire Department has helped resolve the growth in the deficit, making it easier to balance the 2014 Budget without a significant tax increase. Between November of 2012 and November of 2013, with a pending retirement, there has been or will be six (6) vacancies in the Fire Department, enabling the City to reach its goal of eliminating five (5) positions through attrition as agreed upon with the IAFF Union via the collective bargaining process. While the overall number will have been achieved, the Department will still have one additional Engineer position which will be backfilled with a new firefighter with the next retirement of someone with a rank of Engineer or higher in the Department.

One of the major accomplishments of the 2014 Budget is the funding of \$775,000 to entirely replace the lighting system of all eight (8) ball fields at the Green Valley Sports Complex. This will be achieved with an allocation of \$105,000 from the Tourism Fund, \$140,500 proceeds from the sale of the railroad department property to the State of Illinois for the new I-74 right-of-way, and a 10-year 0% loan in the amount of \$529,500 from the designated reserves set aside to fund the City's legal obligation to cover the aggregate operating loss of the iWireless Center. Annual payments of \$52,950 will be taken from the Park Fund Capital budget unless other General Fund monies are available from year-to-year to repay this loan on behalf of the Park Fund. Nonetheless, funding this project to replace the lighting system at Green Valley will ensure the Park Department's ability to continue to attract major softball tournaments to Moline for many years to come. An additional \$30,000 in Tourism Fund monies are being appropriated to the Park Fund in 2014 to help reduce their deficit and support the 2014 ASA Northern National Softball Tournament to be held next summer at Green Valley.

It was necessary to eliminate one position to balance the 2014 Budget. After considerable thought, it was decided to eliminate the position of Economic Development Manager. At this stage of seven (7) consecutive budget deficits, any position eliminated will affect City services in some fashion, but with total savings of \$108,244 annually, this move was deemed unavoidable in order to balance the budget. The labor cost associated with this position was divided 40% in the General Fund and 60% in the TIF #1 Fund, but since the action also enabled the Administration to eliminate the \$50,000 annual subsidy from the General Fund to the TIF #1 Fund to financially support the activities of Renew Moline, the savings to the General Fund is \$93,705. There was a total of

\$282,985 in cuts from the departmental requests in the General, Park and Library Funds which were equally as important in balancing the 2014 deficit.

The final component in balancing the deficit is the \$1.00 per month increase in the Sanitation Fee. The 2014 Sanitation Fund has a \$763,200 deficit which can only be covered with a subsidy of General Fund monies, thus adversely impacting the General Fund's ability to support Police, Fire, Public Works and other general government operations. The City Council previously established as policy, its intent to make the Sanitation Fund a self-sustaining enterprise fund similar to the Water and Sewer Funds without a General Fund subsidy. The Sanitation fee is currently at \$8.61 per month, but to make it a true enterprise fund, this fee would need to be increased to \$12.85 per month. An increase of \$1.00 a month would generate an additional \$180,000 to balance the 2014 Budget deficit and move the Sanitation Fund closer to the City Council's goal of making it a self-supporting enterprise fund and lessening its reliance on a General Fund subsidy.

Other important features of the 2014 Budget include the following:

- Allocates \$500,000 toward the City's unfunded obligations in the OPEB ("Other Post-Employment Benefits") Retirement Fund, primarily to pay the City's cost associated with health insurance coverage for retirees.
- Funds \$8.2 million of the \$37 million planned to upgrade the North Slope Water Pollution Control Plant to address concerns raised by the Illinois Environmental Protection Agency (sewer rate study to be presented in November).
- Allocates \$113,000 to replace the 1970's chiller at City Hall as the third phase of a 3-phase project to make the air conditioning system more efficient.
- Allocates an additional \$80,000 to continue replacement of the old rusted decorative streetlights along River Drive.
- Extends the replacement schedule for police cruisers from 4 to 5 years (previously every 2 years) with the most recent purchase of the SUVs as patrol cars.

- Replaces eight (8) unmarked police cars used by detectives and school liaison officers with marked cruisers to highlight a more visible presence of police in the community and to rotate more cruisers in and out of patrol, thereby extending the life of the fleet.
- Converts approximately \$277,000 in previous Tourism Fund monies into the General Fund to address the deficit when the City Council approved changing the 5% hotel/motel occupational tax to a use tax earlier this year.
- Saves \$26,075 in the General Fund with the resignation of a police officer with twelve (12) years of service and replacing this position with a newly hired officer.
- Saves \$25,550 in the General Fund with the retirement of the Environmental Health Specialist with hiring a new employee at the bottom of the union pay scale for this position.
- Combines three (3) vacant housing program administrative positions that had been held open pending the award of additional grant funds, into one mid-grade housing assistance Community Development Program Specialist position to help administer \$4 million in new state and federal housing rehabilitation grants to be awarded and spent in 2014.
- Allocates \$108,200 for the last payment on the purchase of the Pryce Boeye Farm for residential development which will help reduce the pending 2015 Budget deficit.
- Replaces an Engineering Tech II position with a Traffic Operations Worker (no net increase in the number of employees) to perform underground utility locates and assist the Traffic Specialist, and to save money by not using a more expensive electrical contractor when performing maintenance and repair of traffic lights and street lights.
- Reflects an increase in the City's health care costs by \$89,000 due to fees imposed on employers by the federal government under provisions of the Patient Protection and Affordable Care Act.

- Allocates an additional \$29,000 in contractual overtime for police officers not on the 5 on - 2 off - 5 on - 3 off schedule who are entitled to a half-hour addition pay every work day at their regular pay rate because of their 8½ hour scheduled work day.
- Increases the property tax levy of the Bass Street Landing Special Service Area to capture the addition of the KONE Tower to the tax roll and fund special maintenance projects and special events at the Plaza.
- Allocates \$1,500 for First Responder Certifications for all Engineers in the Fire Department as required for necessary liability insurance coverage and thereby reduces the City's exposure to potential litigation or future claims.
- Shifts a significantly larger percentage of the salary of the Neighborhood Improvement and Lead Assessment Specialist out of the General Fund and into grant administration to work on a \$2.5 million Lead Hazard Control Program grant that has been awarded to the City of Moline, thus saving the General Fund about \$37,000 next year.
- Moves the Parks Maintenance cost center from the General Fund to the Park Fund to avoid any potential adverse findings from the auditors that property tax revenues specifically allocated to Parks are expended as so intended. This is an accounting function and does not materially affect the budget other than reflecting these costs elsewhere within the budget document itself.
- Reflects an increase in revenues from \$50,000 in 2011 to over \$400,000 projected for 2014 as a result of the training of technicians in the Fleet Division of Public Works to perform work for outside entities. At the same time, this same training has allowed the City to lower its costs of sending more work out to private garages from \$180,000 in 2009 to only \$21,000 this year.
- Reflects a decrease in overhead costs for fuel storage by selling vehicle fuel to the City of East Moline, Blackhawk College, Moline School District, iWireless Center and the Moline Housing Authority while lowering costs for these other entities.

Summary

Balancing the 2014 Budget required a combination of continuously reducing costs and making operations more efficient, while also considering modest revenue increases to address costs beyond the City's control such as Police and Fire pensions and health care. Despite the many financial challenges that the City has faced with the last seven (7) budgets, Moline has been able to maintain its financial health with adequate reserves and continues to provide quality municipal services to the community and its citizens. Given the many uncertainties created by the Illinois legislative process that could potentially and adversely affect both costs and revenues to municipalities, Moline remains stable with its treasury and fiscal management philosophy. Nonetheless, the City must remain prudent primarily to the ongoing threat the pensions pose to property tax revenues and their impact of both the Park and Library funds.

The City Council's favorable consideration of the 2014 Recommended Budget is appreciated.