



# MINUTES

## MOLINE CITY COUNCIL MEETING

City Hall, 619 16<sup>th</sup> Street  
Tuesday, October 2, 2012

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**Council Meeting:** The City Council meeting came to order at 7:08 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 Welvaert, Aldermen Knaack, Raes, Ronk, Turner, Schoonmaker, Liddell and Acri present. Absent: None.

### **Items on Consent:**

#### **Approval of Minutes**

Committee-of-the-Whole and Council meeting minutes of September 25, 2012.

### **Second Reading Ordinances**

#### **1. Council Bill/Special Ordinance 4042-2012**

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 Lighting on the Commons scheduled for Saturday, November 17, 2012.

#### **2. Council Bill/Special Ordinance 4043-2012**

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 Bier Stube Oktoberfest scheduled for Friday, October 5, 2012 and Saturday, October 6, 2012.

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

### **Items Not on Consent:**

### **Second Reading Ordinances**

#### **3. Council Bill/Special Ordinance 4044-2012**

A Special Ordinance authorizing the development of the vacant lots located at 3705 and 3809 11th Avenue Place, specifically Parcels 07-7990 and 07-6746-1, for the construction of single-family homes without requiring the improvement of 11<sup>th</sup> Avenue Place to current City standards as long as said homes are equipped with an approved automatic sprinkler system, are within 600 feet of a fire hydrant, and are in compliance with all other City ordinances and regulations.

**Adopted:** Alderman Turner, seconded by Alderman Liddell, moved to adopt Council Bill 4044-2012. Motion carried on roll call with the following vote: ayes: Aldermen Raes, Ronk, Turner, Schoonmaker, Liddell and Acri; nays: Alderman Knaack

### **First Reading Ordinances**

#### **4. Council Bill/Special Ordinance 4045-2012**

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 Trinity QC Classic Rowing Regatta scheduled for Saturday, October 13, 2012.

#### **5. Council Bill/Special Ordinance 4046-2012**

A Special Ordinance authorizing the Mayor and City Clerk to execute documents necessary to sell and convey City-owned property located at 2021 River Drive, Moline, to the State of Illinois Department of Transportation

for the sum of the property's appraised value of \$141,000; and authorizing City staff to do all things necessary to complete the sale and conveyance of said property.

**6. Council Bill/Special Ordinance 4047-2012**

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 Run/Walk scheduled for Saturday, October 6, 2012.

**Motion for Consideration:** Alderman Ronk, seconded by Alderman Knaack, moved to consider council bill 4047-2012. Motion carried on roll call with the following vote: ayes: Aldermen Knaack, Meredith, Raes, Ronk, Turner, Schoonmaker, Liddell and Acri; nays: none.

**Adopted:** Alderman Ronk, seconded by Alderman Turner, moved to adopt Council Bill 4047-2012. Motion carried on roll call with the following vote: ayes: Aldermen Knaack, Meredith, Raes, Ronk, Turner, Schoonmaker, Liddell and Acri; nays: none.

**Council, Staff and Citizen Comments:**

Jeff Anderson, City Planner, gave a reminder of the Zimmerman Honda Dealership Grand Opening to be held on Thursday, October 4, 2012, at 5:30 p.m.

Low Steinbrecher, City Administrator, submitted the attached 2013 Budget Memo.

Alison Fleming, Human Resources Manager, gave a reminder about the Employee Health & Wellness Fair to be held on Wednesday, October 3, 2012, at Wharton Field House, from 11:00 a.m. to 2:00 p.m.

Mayor Welvaert announced that on the October 9, 2012, Council Agenda, he will be seeking formal Council approval of his appointment of David Parker, Jr. as 2<sup>nd</sup> Ward Alderman to fill the unexpired term of Richard Meredith.

Alderman Liddell indicated that he disagrees with Senator Mike Jacob's comments in *The Dispatch* as it pertains to funding the relocation of the depot.

Diann Moore, 1916 Glenwood Drive, President of Moline Historic Preservation Society, requested that the Council delay voting on the sale of the depot in order for the organization to have more time to raise funds.

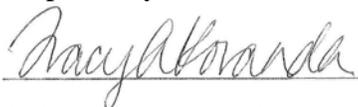
Ed Johnson, 1575 29<sup>th</sup> Ave, expressed that he believes that the depot should be relocated using Tourism Tax Funds and encouraged the Council to reconsider.

Alderman Knaack expressed appreciation to the staff who helped with the Old Towne clean-up.

On motion of Alderman Knaack, seconded by Alderman Ronk, Council adjourned at 7:22 p.m.

The next regularly scheduled City Council meeting is on October 9, 2012.

Respectfully submitted,



Tracy A. Koranda  
City Clerk



**Lewis J. Steinbrecher**  
City Administrator

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Moline, Illinois 61265

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DATE: October 2, 2012

TO: Mayor Donald Welvaert and Members of the Moline City Council

FROM: Lewis J. Steinbrecher, City Administrator

RE: Recommended Fiscal Year 2013 Budget Message

### **Introduction**

Attached please find a \$130,711,935 recommended Fiscal Year 2013 Annual Budget for the City of Moline. Unlike the past five years, the 2013 budget began with a deficit of less than One Million Dollars, the first time since 2007. To a great extent, this significantly smaller deficit can be attributed directly to the 0% General Wage Increase for 2012. The Administration wishes to recognize and thank the non-union employees, the AFSCME Local 1132 employees, the UAW employees, and members of IAFF Local 581, all of whom agreed to these savings in labor costs with a 0% General Wage Increase for 2012.

### **Balanced Budget – No Increase in Property Tax Levy Proposed**

There are a number of positive outcomes associated with the 2013 Budget, but perhaps the most significant highlight is that this budget recommends the same property tax levy (\$14,684,000) as the 2012 Budget. The Finance Director has learned that both Moline and South Moline Townships have lowered the overall Equalized Assessed Value (EAV) of properties for next year, which will probably have a slight impact on the tax rate, but the levy itself does not need to increase. Another notable component of the budget is a planned reduction of two positions in the Fire Department through attrition as a direct result of two known retirements in 2013, in accordance with the terms of the collective bargaining agreement that prescribe the elimination of a total of five positions within that department with the replacement of one engine/pumper and the ladder truck with a Quintuple apparatus.

### **Reductions in Departmental Requests and Budget Accomplishments**

There were many different cost reductions in the departmental requests, including a cut in overtime, eliminating the proposed Single Family Historic Property Tax Rebate Program, eliminating a janitor's position and downgrading an administrative position following a pending retirement planned at the end of this year. The 2013 Budget also retains the position of Public Safety Director currently held by the Police Chief in a continued cost-saving measure by not filling the Fire Chief's position. Despite these expenditure reductions in the requests from various departments, the 2013 Budget is able to address many needs within the organization to maintain quality services to the Moline community. The following bullet points list most of the noteworthy accomplishments to be undertaken and completed next year:

- Begin to set aside adequate funds over the next four years to accumulate sufficient funds necessary in 2016 to completely replace all mobile radios in both the Police and Fire Departments to comply with pending federal mandates that will require frequency format changes that will make the existing 13-year old radios obsolete.
- Maintain the extensive training budget for the Fire Department.
- Acquire a communications and ear protection system for personnel in Fire Suppression so that firefighters can talk to each other via headphones and overcome the loud noise at a fire scene.
- Provide water rescue training to seven (7) firefighters and one (1) police officer on the new rescue boat that was acquired this year from federal grant funds.
- Restore Emergency Medical Service to a full twelve-month budget without recommending an increase in the ambulance fee.
- Purchase three (3) new cardiac monitor/defibrillators at a cost of \$87,000 that have 12 leads rather than 3 leads (electrodes that attach to the body) in compliance to the standard of care mandated by the Illinois Public Health Department.
- Sell fuel to the City of East Moline, the Moline Housing Authority, the iWireless Center and Black Hawk College, thereby increasing outside revenues from these other entities to offset higher fuel costs.
- Purchase an emergency generator for Fire Station No. 3 located near John Deere Road and 41<sup>st</sup> Street to ensure electrical power at all times (funds were budgeted in the 2012 Budget for a similar emergency generator at Fire Station No. 2 on 41<sup>st</sup> Street just south of 12<sup>th</sup> Avenue next to Washington Elementary School).

- Set aside funds beginning in 2013 to replace 36 air packs in the Fire Department in 2017 and avoid a one-time cost of \$188,000 four years from now.
- Allocate an additional \$80,000 to replacing the decorative streetlights along River Drive next year.

***Additionally, the 2013 Budget addresses the following items:***

- The Library submitted a balanced budget, but had to use \$107,440 in excess reserves (this deficit was predominately created as a result of not raising the property tax levy for 2013 and having to shift more of the property tax revenues to cover pensions and retirements).
- \$5,728,635 of unspent bond proceeds have been budgeted to install streets and public utilities in the Case Creek Trails Business Park development assuming continued support and cooperation from the Airport Authority and approval to proceed from the Federal Aviation Administration.
- Debt service payments have been lowered in TIF #1 due to bond refinancing in 2012 and revenues will exceed costs by \$317,635 in 2013, thus reducing the negative fund balance in the TIF #1 Fund next year.
- The General Fund is expected to receive \$135,000 in new revenues in 2013 from the new Video Gaming Tax.
- The 2013 Motor Fuel Tax Fund includes \$1.4 million in grant revenue to enable the City to undertake reconstruction of Avenue of the Cities between 42<sup>nd</sup> and 43<sup>rd</sup> Streets, and 12<sup>th</sup> Avenue between 19<sup>th</sup> and 34<sup>th</sup> Streets (combined total construction of these two major projects is \$1.75 million with the balance from City funds).
- \$550,000 has been budgeted to buy a Quintuple for the Fire Department to replace the ladder truck and an engine (pumper) to allow for an overall reduction in the number of Fire Department personnel through attrition as existing positions become vacant.
- \$280,000 in Tourism Fund monies have been allocated to the Park Fund to replace four (4) backstops on Diamonds 5 through 8 at the Green Valley Sports Complex south of John Deere Road on 60<sup>th</sup> Street.
- In response to requirements from the Illinois Environmental Protection Agency, which had mandated the City of Moline to address its problem associated with the inflow and infiltration (I/I) of surface water into its municipal sanitary sewer collection system, the 2013 Budget includes an allocation of \$2 million from the

reserves of the water Pollution Control (WPC) Fund to undertake work on a mandatory compliance project for the purpose of reducing the introduction of surface water or enhancing the treatment plant to adequately process the higher volume of hydraulic flow of sewage during rain events.

- Undertake a major upgrade at the 911 Dispatch Center to replace the 13-year old radios and install four (4) new consoles to replace the existing five (5) outdated consoles at a cost of \$139,255 to the City.

### **Sanitation Fund**

Increased pension and retirement costs had previously resulted in preventing any property tax revenues from supporting general government operations such as police and fire protection, any public works services such as street maintenance or snow removal, and had eroded revenues away from garbage collection service to where the City needed to institute a sanitation fee. In 2013, for the first time ever, there will not be enough property tax revenues available to financially support garbage collection services. The General Fund will still subsidize the Sanitation Fund in the amount of \$685,505 in 2013 (compared to only \$496,875 in 2012) mostly because the \$225,000 that was allocated to the Sanitation Fund from the property tax levy is no longer available for this purpose. Even with this sizeable operating subsidy from the General Fund in 2013, there is still a \$187,495 deficit that can only be balanced with a \$1.05 increase in the sanitation fee. This would increase the fee from \$7.56 to \$8.61 per month (billed quarterly), which is still far less than the full \$12.41 fee required to make the Sanitation Fund a self-sustaining fully-funded enterprise fund. This is the only fee or tax increase being recommended by the Administration in an otherwise completely balanced 2013 Budget.

On a side note, the retirement and pension obligations have consumed so much of the property tax levy that, for the first time ever, property taxes can no longer fund the full payment of Social Security taxes, as it has always done in the past. This trend is unlikely to change without major reforms enacted by the Illinois Legislature, an uncertainty at best. So now, general government operations, sanitation services and Social Security taxes have all been adversely impacted by raising pension and retirement costs. The only two programs left untouched by this ongoing financial course of direction are the Park and the Library Funds. The General Fund will now need to assist in the payment of Social Security taxes in the amount of \$48,830 in the 2013 Budget.

### **Park Fund**

The Park Fund had an \$89,835 deficit originally budgeted, but also has a projected \$216,428 in excess reserves over and above the normal 90-day level, so there were ample funds available to balance the Park Fund. The Parks and Recreation Director has concurred with this recommendation and has indicated to the Administration that the Park Board is both aware and supportive of this recommendation. This deficit was predominately created as a result of not raising the property tax levy for 2013. The City levies \$2,612,265 in property taxes exclusively for Parks, which is the primary source of funding for the municipal park system and cemetery. Property tax levies may need to be raised in subsequent years to continue to support the Park Fund, but not in 2013.

### **Summary**

Although the 2013 Recommended Budget is balanced without an increase in the property tax levy and only a modest increase in the sanitation fee, there are still troubling trends that continue to challenge the municipal treasury. Clearly, pension and retirements costs continue to rise faster than other labor costs. Revenues from the State of Illinois continue to fluctuate back and forth with payments still being made a few months after these revenues have been collected by the State. The City must continue to downsize through the attrition and/or reclassifying of positions as they become vacant. The Park and Library Funds will not be able to be sustained by property tax revenues indefinitely. Future wage increases will surely enlarge the deficit gaps in subsequent years, making it more difficult to balance future budgets. And pressure will remain on fiscal policies with growing expenditures and uncertain revenues to balance available resources against community service expectations. Fortunately, 2013 will afford the City of Moline to catch its breath until America's economy more fully recovers, the State of Illinois demonstrates an ability to seriously address its financial problems, and Moline's primary source of revenues begin to recover and grow once again.

The City Council's favorable consideration of the 2013 Recommended Budget is requested and appreciated.

