

Committee-of-the-Whole Agenda

6:30 p.m.

Tuesday, January 15, 2013

Mayor's Board Appointments

Mayor's appointment of Adrian Early to the Citizens Advisory Council on Urban Policy to replace the unexpired term of Tom Luse to expire July 31, 2013.

Questions on the Agenda

Agenda Items

1. **Request from Windstream Communications, Inc. for a Licensing Agreement to install fiber-optic cable on City-owned property.** (Chris Mathias, Property Management Coordinator)
2. **A Resolution supporting a grant application to HUD for FY 2013 Lead-Based Paint Hazard Control Grant Program.** (Jeff Anderson, City Planner)
3. **A Special Ordinance requesting the County Clerk to not extend 2012 taxes for payment of all principal and interest on City of Moline General Obligation Corporate Purpose Bonds.** (Kathy Carr, Finance Director)
4. **Other**

Communications

Financial Auditors' Letter to City Council

Explanation

1. Request from Windstream Communications, Inc. for a Licensing Agreement to install fiber-optic cable on City-owned property. (Chris Mathias, Property Mgmt Coordinator)

Explanation: Windstream Communications, Inc. wishes to install fiber-optic facilities on City-owned property near the Mississippi River (Parcel 08-2451-D). The fiber optic line would run down from an existing cable on the Arsenal Bridge to a point under the bridge. The cable would be bored underground and run north under the bridge for a distance of 122 feet. The cable would then continue underground to the west a distance of 112 feet. Additional documentation attached.

Staff Recommendation: Approval
Fiscal Impact: \$560.00 application fee and \$30.00 annual fee to the City
Public Notice/Recording: N/A
Goals Impacted: Improved City Infrastructure and Facilities

2. A Resolution supporting a grant application to the U.S. Department of Housing & Urban Development (HUD) for FY 2013 Lead-Based Paint Hazard Control Grant Program; and authorizing staff to do all things necessary to submit said grant application on behalf of the City of Moline and to work cooperatively with the City of Rock Island, City of East Moline, and City of Sterling, Illinois; the Rock Island County Health Department; Project NOW; and the Rock Island Economic Growth Corp., in accord with the HUD application guidelines and requirements (Jeff Anderson, City Planner)

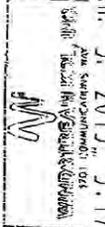
Explanation: The City of Moline is serving as the lead applicant for the 2013 Lead Based Paint Hazard Control grant and is responsible for ensuring program compliance among the coalition partners. This grant application builds upon the positive outcomes of the City's previous 2009 American Recovery Reinvestment Act (ARRA) Lead Based Paint Hazard Control grant (ILLHB0430-08). The City's previous grant received a **GREEN** designation during all quarters of the period of performance (36 months), meaning the program met and/or exceeded the primary benchmarks. As part of its FY 2013 competitive grant program offerings, HUD will be accepting applications for a new round of the Lead Hazard Abatement Program. This grant program makes funds available to local entities for the purpose of abating lead-based paint hazards in residential structures. The above-mentioned consortium desires to continue such efforts to enhance the community's local housing stock and urges Council approval of this request. Additional documentation attached.

Staff Recommendation: Approve
Fiscal Impact: The ten percent match requirement will be met from other grant funds and in-kind services provided by consortium participants.
Public Notice/Recording: N/A
Goals Impacted: Quality Neighborhoods; Strong Local Economy

3. A Special Ordinance requesting the County Clerk to not extend 2012 taxes for payment of all principal and interest on City of Moline General Obligation Corporate Purpose Bonds. (Kathy Carr, Finance Director)

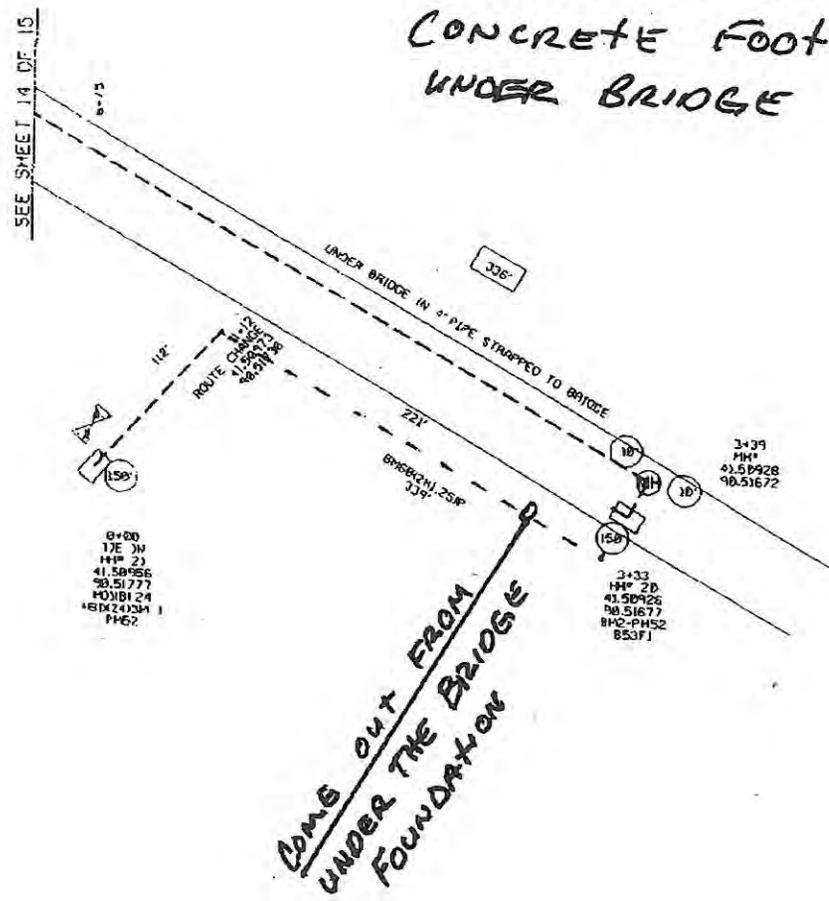
Explanation: Annually, the City of Moline instructs the County Clerk not to extend property taxes Principal and interest on all City General Obligation Bonds are paid from other revenue sources. The 2012 abatement ordinance must be filed with the County Clerk by the last day of January 2013. Additional documentation attached.

Staff Recommendation: Approve
Fiscal Impact: This ordinance must be passed and filed or the County Clerk will extend additional property taxes for 2012 collectible 2013 tax bills.
Public Notice/Recording: Ordinance will be filed with the County Clerk
Goal Impacted: Financially Strong City



PLAN B

IF NEEDED DUE TO
CONCRETE FOOTING'S
UNDER BRIDGE



COMES OUT FROM
UNDER THE BRIDGE
FOUNDATION

MAXWELL 2' CELL
NKC2803X
CONTACT: BRENT GILLING
312-203-2244

COVER SHEET
JOB: 718628364
PROJECT: ROCK ISLAND ARSENAL
LOCATION: ROCK ISLAND
ILLINOIS

DATE PLOTTED	1/3/2013
SCALE	AS SHOWN
DATE PRINTED	1/3/2013
PROJECT NUMBER	718628364
SHEET	15

- NOTES
1. DRAWINGS ARE NOT TO SCALE.
 2. CALL 811 BEFORE DIGGING
 3. FOLLOW ALL DASH SAFETY PRECAUTIONS.

- Unit
- SHO24(M)
- SHOV(2)I.25I
- SHOV(1)I1MAXC
- SMECT(2)I.25I
- SM63F
- SM63H
- SMF130X43X36IT
- SM2
- SM52
- CDML(B)
- Gloves and 2" Rigid Pipe
- HD1(B)

625
336
339
1
1
1
2
320
20

GRANT APPLICATION SUBMITTAL FORM

PROJECT DESCRIPTION: Lead Hazard Control funding that will address 152 units in Moline, Rock Island, East Moline and Sterling, Illinois. The funding will be used specifically to remediate the lead hazard in owner occupied and rental units that house children aged six and under.

Funding Agency: **HUD**

Funding Program: **Lead Based Paint Hazard Control Grant Program**

Grant Type Federal State Local Federal Thru State Foundation

Catalog of Domestic Assistance Number (CFDA): **14.900**

Estimated Total Project Cost: **\$2,300,000**

Grant Dollar Request: **\$2,300,000** Funding Agency Percentage: **100%**
\$ 200,000 Healthy Homes Supplement (Bonus Request)

Coalition (Match) Contribution Required: **\$230,000** Coalition Match Percentage: **10%**

Does this add an additional employee: **No**

What is the impact on future operations (dollar amount and brief narrative): **If the grant is funded it will assist in retaining one full time employee and mitigate lead hazards in approximately 90 residences in the City of Moline and 152 regionally.**

Department/Division Responsible for Project and Grant Compliance: **Planning and Development Department**

Account Number for Budgeted Match: **230-0721-491.03-11/230-0722-491.03-11/010-0715-463.03-11**

Total Budgeted Funds Available Current Fiscal Year: **N/A**

Budgeted Funds Required Next Fiscal Year: **N/A**

Project Manager: **K. J. Whitley**

Method for Monitoring: Federal Fund Project code Spreadsheet

Council Submission Required at the Application Phase for this Grant –

YES = A) Grantee Requires Council Action; or B) Financial Match is \$1,000 or greater

NO= A) Grantee Does Not Require Council Action; and B) Financial Match less than \$1,000

FINANCE DIRECTOR'S REVIEW:

Accept Accept with Reservations Reject

Kathleen A. Carr

Date

CITY ADMINISTRATOR'S REVIEW:

Accept Accept with Reservations Reject

Lewis Steinbrecher

Date

City of Moline Outstanding General Obligation Bonds as of 12/31/12

Bond Issue	Original	Outstanding	Funding	Purpose
2003D	\$ 7,960,000	\$ 820,000	Sales Tax	Refinance Civic Center Bonds
2004A	\$22,535,000	\$ 1,345,000	Sales Tax	Police/Library Buildings
2004B	\$ 3,790,000	\$ 410,000	TIF1	Tax Exempt - Parking Ramp
2004C	\$ 5,200,000	\$ 470,000	TIF1	Taxable – Parking Ramp
2007A	\$10,000,000	\$ 9,650,000	Sales Tax	Partial Refinance 2004 A
2010A	\$ 4,000,000	\$ 3,675,000	Water	Refinance 2001A
2011A	\$ 7,605,000	\$ 7,605,000	TIF7	Case Creek Trail
2011B	\$ 9,215,000	\$ 9,195,000	Sales Tax	Partial Refinance 2002A
2012A	\$ 3,010,000	\$ 3,010,000	TIF2	Refinance 2003/Reimb TIF2
2012B	\$ 1,400,000	\$ 1,400,000	TIF6	Moline Place Phase 2
2012C	\$ 7,350,000	\$ 7,165,000	TIF1	Refinance 2003B
2012D	\$ 3,220,000	\$ 3,220,000	Sales Tax	Refinance 2002A
2012E	\$ 5,930,000	\$ 5,170,000	TIF1	Refinance 2002B,02C,03A
2012F	\$ 5,180,000	\$ 5,735,000	CIP/Water/Storm	Refinance 2003
2012G	\$ 3,120,000	\$ 3,080,000	TIF1	Refinance 2004C
2012H	\$ 7,450,000	\$ 7,400,000	Sales Tax	Refinance Remaining 2004A
2012I	\$ 3,440,000	\$ 3,405,000	TIF1	Refinance 2004B
Total	\$110,405,000	\$72,755,000		



Baker Tilly Virchow Krause, LLP
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Oak Brook, IL 60523-3389
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bakertilly.com

December 18, 2012

Ms. Kathy Carr, Finance Director
1630 8th Ave.
Moline, IL 61625

Dear Ms. Carr:

Under auditing standard SAS No. 114, "The Auditor's Communication with Those Charged with Governance," we are required to inform your governing body about a number of things relative to our audit of your December 31, 2012 financial statements.

Enclosed is a letter to them which addresses those items. Please make sure that every member of the governing body gets a copy of this at their next meeting. There is no official action required. However, the letter does ask for their input about various aspects of our audit. If they wish to respond, we have provided a phone number and email address for that purpose.

At the conclusion of the audit, we will revisit this communication both with another written letter, and, if we present reports at a meeting, we can discuss it with them at that time.

Thanks for your assistance with this new requirement. Please give me a call with any questions.

Very truly yours,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Jason Coyle".

Jason Coyle, CPA, Partner

Enclosure



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December 18, 2012

To the City Council
City of Moline
619 16th Street
Moline, IL 61265

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor. There are auditing standards that are intended to provide communication to you as the people charged with governing the city.

Specifically, we are required to communicate certain things during the planning and completion phases of the audit. The following items are presented to you for your consideration. You do not need to take any action on this letter unless you wish to contact us with relevant information as noted later in this document.

- a. The auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management (or by the auditor) with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
- b. The audit does not relieve management or those charged with governance of their responsibilities.
- c. An audit performed in accordance with generally accepted auditing standards is designed to obtain reasonable but not absolute assurance that the statements are free of material misstatement.
- d. Our consideration of Internal Control is to determine a basis for designing audit procedures and not for the purpose of expressing an opinion on internal control.
- e. The auditor is responsible for communicating significant financial statement related matters to those charged with governance; however, the auditor is not required to design procedures to find such matters.
- f. The financial statement document may also contain other information for which we have the following responsibility:
 - 1) Supplemental Information – “In relation to” audit coverage
 - 2) Required Supplemental Information – Limited procedures
 - 3) Additional Information – No audit coverage

With regard to the audit of your December 31, 2012 financial statements, the following points are an overview of our scope and timing:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will contain the following restriction: "This report is intended solely for the information and use of those charged with governance, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties."

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.
- d. We address the significant risks or material noncompliance, whether due to fraud or error, through our detailed audit procedures.
- e. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material noncompliance related to the federal awards whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of the federal awards and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential noncompliance.
 - > Consider factors that affect the risks of material noncompliance.
 - > Design tests of controls, when applicable, and other audit procedures.

Our audit will be performed in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with OMB Circular A-133, our report will contain the following restriction: "This report is intended solely for the information and use of those charged with governance, management, others within the city, federal awarding agencies, and pass-through entities and it not intended to be, and should not be, used by anyone other than these specified parties."

- f. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for reporting material noncompliance while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the entity's federal awards. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material noncompliance, whether caused by error or fraud, is detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing body has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness, and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here are some general observations. We may do preliminary audit work during the month of January. Our final fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. We anticipate final fieldwork will be conducted in April. After fieldwork, we wrap up our audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this new communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

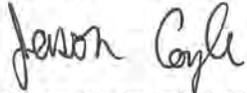
City Council
City of Moline

December 18, 2012
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We realize that you may have questions on what it means, or wish to provide other feedback. We welcome the opportunity to hear from you. Please contact your engagement partner, Jason Coyle, at 630 645 6205 or email at jason.coyle@bakertilly.com. We look forward to hearing from you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink that reads "Jason Coyle". The signature is written in a cursive, flowing style.

Jason Coyle, CPA, Partner