

Committee-of-the-Whole Minutes

Tuesday, October 21, 2014

- PRESENT:** His Honor Mayor Scott Raes, *Chair*
Alderman John Knaack (*Ward 1*)
Alderman David Parker, Jr. (*Ward 2*)
Alderman Janet Bender, (*Ward 3*)
Alderman Dick Brown (*Ward 4*)
Alderman Lori Turner (*Ward 5*)
Alderman Kevin Schoonmaker (*Ward 6*)
Alderman Sean Liddell (*Ward 7*)
Alderman Stephanie Acri (*At-Large*)
- STAFF:** Lew Steinbrecher, City Administrator
Kathy Carr, Finance Director
Maureen Riggs, City Attorney
Tracy Koranda, City Clerk
Ray Forsythe, Planning & Economic Development Director
Alison Fleming, Human Resources Manager
Lee Ann Fisher, Library Director
Kim Hankins, Public Safety Director
Scott Hinton, City Engineer
Jeff Anderson, City Planner
Mike Waldron, Public Works Director
Nate Scott, IT Manager
Doug House, Municipal Services General Manager
Brandon Pannell, Municipal Services Operations Manager
Rodd Schick, Parks Operations Manager
Greg Swanson, Utilities General Manager
Keith Verbeke, Finance Manager
JD Schulte, Fleet Services Manager
Courtney Nelson, Finance Administrative Secretary
Christina Conklin, Library Children's Services Coordinator
Lisa Powell-Williams Library Adult/Young Adult Services Coordinator
Deb Shippy, Library Systems and Technical Services Coordinator
Lori Wilson, Parks Recreation Programmer II
- OTHERS:** Mel Piff, Resident
Sandy O'Neil, Resident
Ron Miller, Resident
James Kron, Resident
Pam Robson, Resident
Don Welvaert, Park Board Member
Gary Koeller, Library Board Member

Regina Nelson, Library Board Member
Ken Croken, Genesis Health Systems
Dawn Neuses, Reporter, *The Dispatch*

Mayor Raes called the meeting to order at 6:00 p.m. in Council Chambers.

Proclamation

A Proclamation from the Genesis Health Services to declare October 24, 2014, as “Quad Cities Concussion Awareness Day.”

Work Session Agenda Items

Mayor Raes reminded those in attendance that the meeting is a work session and that comments would not be heard by the public until the time designated for the public to address the Council at end of the Committee of the Whole Meeting.

Lew Steinbrecher, City Administrator, made an introductory statement.

Kathleen Carr, Finance Director, gave an overview of the attached presentation.

Council reviewed the budget document by fund with the following topics discussed:

"Hit" List	Cost	"Wish" List	Cost
Remove Library General Fund Subsidy	\$261,650	CIP	\$261,650
Remove Video Gaming – General Fund	\$101,500	Video Gaming to Parks	\$50,750
		Video Gaming to Library	\$50,750
Remove Library General Fund Subsidy	\$261,650	Increase Sanitation Fee by \$0.41	\$261,650
		Increase Stormwater Sewer Fee to Undeveloped Property	\$35,000

Budget Items

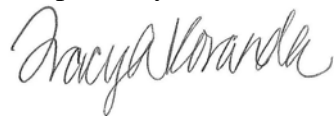
1. A motion was made by Alderman Acri, seconded by Alderman Parker, to delay voting on the budget by one week. Motion **failed** on the following roll call vote: ayes: Aldermen Parker, Bender, Liddell and Acri; nays: Aldermen Knaack, Zelnio, Turner and Schoonmaker. Mayor Raes broke the tie by voting nay.
2. A motion was made by Alderman Acri to begin charging a Stormwater Sewer Fee to Undeveloped Properties. Motion **died** for lack of a second.
3. A motion was made by Alderman Parker, seconded by Alderman Liddell, to reduce the General Fund contributions to the Library by \$261,650 and add \$261,650 to the General Fund Capital Improvement Program. Seconded by Alderman Acri. Alderman Parker made a motion to amend the previous motion by reducing the General Fund contributions by \$204,951 and adding \$204,951 to the General Fund Capital Improvement Program. Motion to amend **carried** on the following roll call vote: ayes: Alderman Knaack, Parker, Bender, Zelnio and Acri; nays: Alderman Turner, Schoonmaker and Liddell. A motion to approve the amended motion was made by Alderman Liddell, seconded by Alderman Parker. Motion **failed** on the following roll call vote: ayes: Knaack, Parker, Bender and Acri; nays: Alderman Zelnio, Turner, Schoonmaker and Liddell. Mayor Raes broke the tie by voting nay.
4. A motion was made by Alderman Knaack, seconded by Alderman Turner, to reduce the General Fund by \$101,500 from the projected Video Gaming Tax Revenue and allocate \$50,750 to the Park Fund and \$50,750 to the Library Fund and reducing the amount of the General Fund subsidy by \$50,750 to the Park Fund and by \$50,750 to the Library Fund. Alderman Liddell made a motion to only allocate Video Gaming Tax Revenue

- to the Park Fund. Motion **failed** for lack of a second. Motion to approve **failed** on the following roll call vote: ayes: Alderman Turner; nays: Alderman Knaack, Parker, Bender, Zelnio, Schoonmaker, Liddell and Acri.
5. A motion was made by Alderman Acri, seconded by Alderman Parker, to increase the sanitation fee by \$.41 rather than by \$1.80 and reduce the General Fund subsidy of \$261,650 to the Library Fund. Motion **failed** on the following roll call vote: ayes: Alderman Parker and Acri; nays: Alderman Knaack, Bender, Zelnio, Turner, Schoonmaker and Liddell.
 6. A motion was made by Alderman Parker, seconded by Alderman Liddell, to increase the sanitation fee by \$1.80 in order to make the Sanitation Fund be an Enterprise Fund. Motion **carried** on the following roll call vote: ayes: Alderman Knaack, Parker, Bender, Zelnio, Turner, Schoonmaker and Liddell; nays: Alderman Acri.
 7. A motion was made by Alderman Knaack, seconded by Alderman Parker, to approve the 2014 Special Service Area #5 Levy property tax levy of \$145,335, the 2014 Special Service Area #6 property tax levy of \$257,225 and the 2014 property tax levy of \$14,684,000. Motion **carried** on the following roll call vote: ayes: Alderman Knaack, Parker, Bender, Zelnio, Turner, Schoonmaker, Liddell and Acri; nays: none.
 8. A motion was made by Alderman Parker, seconded by Alderman Zelnio, to approve the 2015 budget as presented. Motion **carried** on the following roll call vote: ayes: Alderman Knaack, Parker, Bender, Brown, Turner, Schoonmaker and Liddell; nays: Alderman Acri.


Alderman Schoonmaker requested more information to about Parks & Library spending and accounts be given to Council with periodic updates and Alderman Parker requested that the budget books be presented earlier as well as the budget work session.

Meeting adjourned at 8:25 p.m.

Respectfully submitted,



Tracy A. Koranda
City Clerk



City of Moline Proposed 2015 Budget Work Session

Tuesday October 21, 2014

Committee of the Whole Actions Sought

- Approve 2014 Corporate Property Tax Levy
- Approve 2014 Special Service Area #5 and Special Service Area #6 Property Tax Levies
- Approve Sanitation Fee Increase
- Approve 2015 Budget

Challenges over the past decade

- ✘ Significant declines in major revenues such as income and sale taxes
- ✘ Expenditures increasing at a higher rate than revenues
- ✘ Reduction in state shared revenues
- ✘ Delayed payments from the state (income tax)
- ✘ Uncontrollable increases in pension costs
- ✘ Increase in Property Tax Exemptions
- ✘ Declining property values
- ✘ New Fees Mandated by the State
- ✘ Significant increases in road salt & fuel (natural gas/gasoline/electric)
- ✘ Deteriorating Infrastructure/Deferred Maintenance
- ✘ Aging Workforce (OPEB)
- ✘ Major Flood/Wind/Snow Events
- ✘ Increases in Minimum Wage

Past Action Plans

- Hiring Freezes
- GWI eliminated in 2012
- Furlough Days
- 25% reduction in professional development
- Tuition reimbursements eliminated
- Implemented New Utility Tax
- Implemented New Food and Beverage Tax
- Implemented a New Sanitation User Fee
- 45 fewer positions in 2015 than in 2008
- 17 positions downgraded since 2008

Past Action Plans

- Bi-Annual License and Fee Reviews
- Performed Operational and Efficiency Reviews
- Implemented departmental reorganizations
- Increased home rule sales and food & beverage taxes
- Increased sanitation and ambulance user fees
- Downsized municipal fleet/increased revenues from outside entities
- Transferred two Main Street positions to the Chamber at an overall lower cost to the City

The 2015 proposed budget for the city's 45 individual funds is \$142,057,025. This includes eleven operating funds.

General	\$ 41,147,190
Library	\$ 3,193,155
Parks	\$ 3,772,465
Sanitation	\$ 2,462,145
3 Utilities	\$ 35,587,950
4 Internal Services	\$ 17,260,740

Proposed Revenues at a Glance

	2015 Revenue		2014 Revenue		% Change
	Amount	Percentage	Amount	Percentage	
Taxes	\$53,237,800	37%	\$53,428,685	39%	0%
License/Permits	\$1,122,200	1%	\$1,035,200	1%	8%
Intergovernmental	\$4,306,705	3%	\$4,225,505	3%	2%
Charges for Service	\$37,992,870	27%	\$38,446,080	28%	-1%
Fines	\$579,000	0%	\$577,000	0%	0%
Use of Money/Property	\$16,469,185	12%	\$12,763,200	9%	29%
Other Sources	\$21,339,100	15%	\$17,278,785	13%	23%
Reserves	\$7,010,165	5%	\$10,196,380	7%	-31%
Total	<u>\$142,057,025</u>	100%	<u>\$137,950,835</u>	100%	3%

WHERE YOUR PROPERTY TAXES GO...

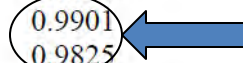


From the Rock Island County Assessor's Office

2014 Township Equalization Factors At Supervisor of Assessments' Level

The following is a listing of Rock Island County Township Equalization Factors applied to real estate assessments after local assessor action but before Board of Review action. All changes have been listed elsewhere in this paper. Equalization factors will be applied to all real estate except those assessed as farm under 35 ILCS 200/1-60.

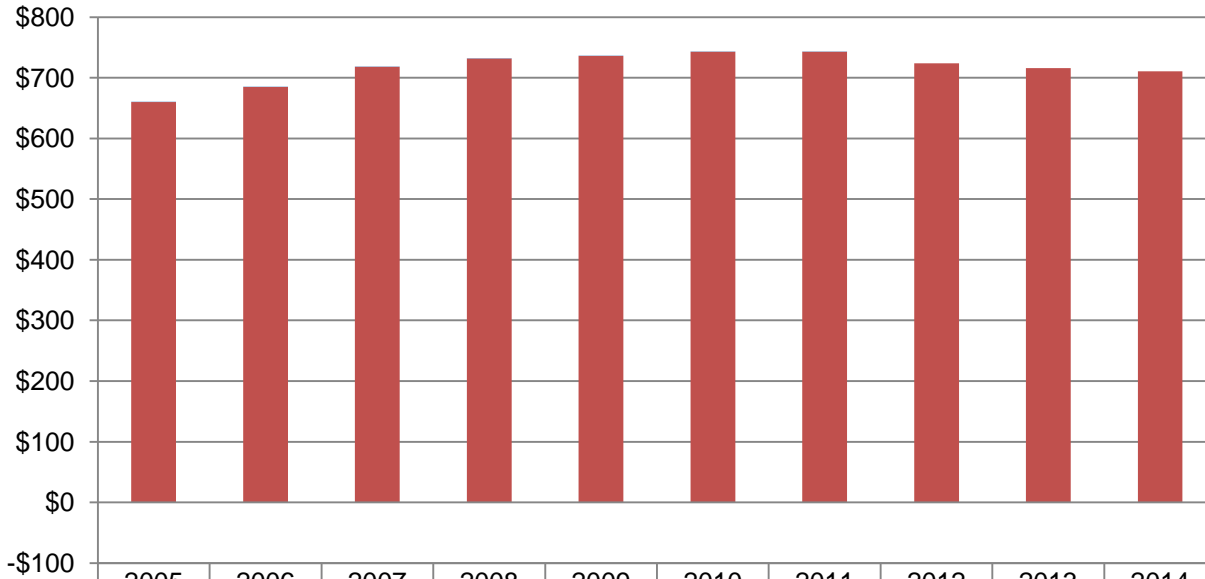
Cordova	1.0000
Coe	1.0000
Canoe Creek	1.0000
Zuma	1.0000
Port Byron	1.0000
Hampton	1.0056
South Moline	0.9901
Moline	0.9825
Rock Island	0.9832
South Rock Island	0.9925
Blackhawk	1.0000
Coal Valley	1.0181
Rural	1.0000
Bowling	1.0000
Edgington	1.0000
Andalusia	0.9900
Buffalo Prairie	1.0000
Drury	1.0000



Larry A. Wilson
Rock Island County
Supervisor of Assessments

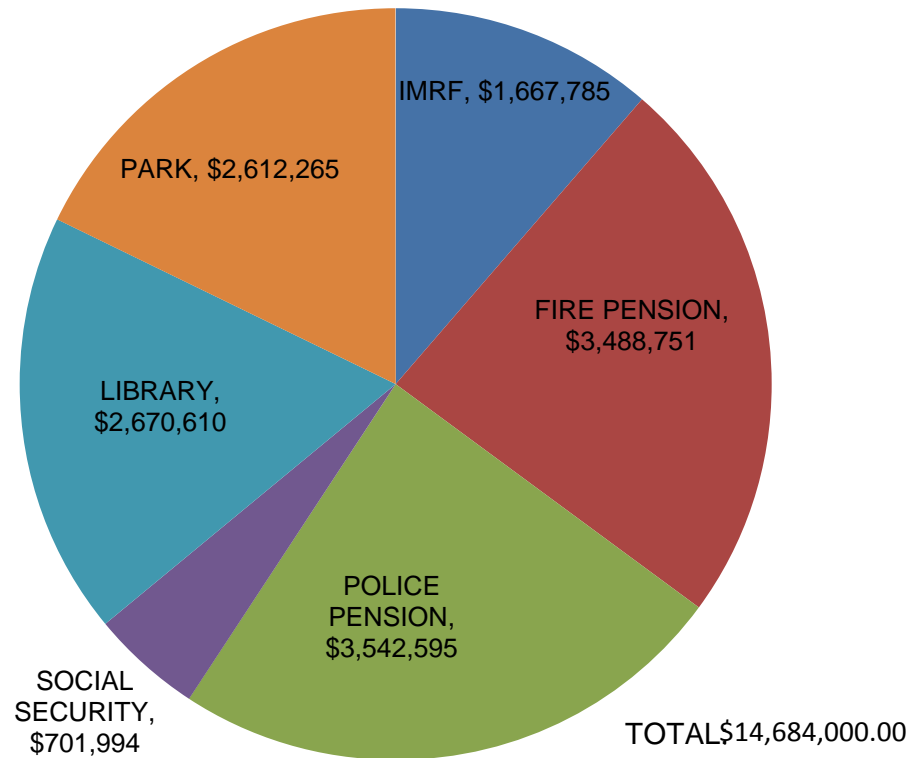
Assessed Property Value (Tax Year)

In Millions



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Percentage Change	4.66%	3.99%	4.90%	2.01%	0.47%	0.94%	0.14%	-2.58%	-1.13%	-0.81%
Assessed Value	\$660	\$685	\$718	\$732	\$736	\$743	\$743	\$724	\$716	\$711

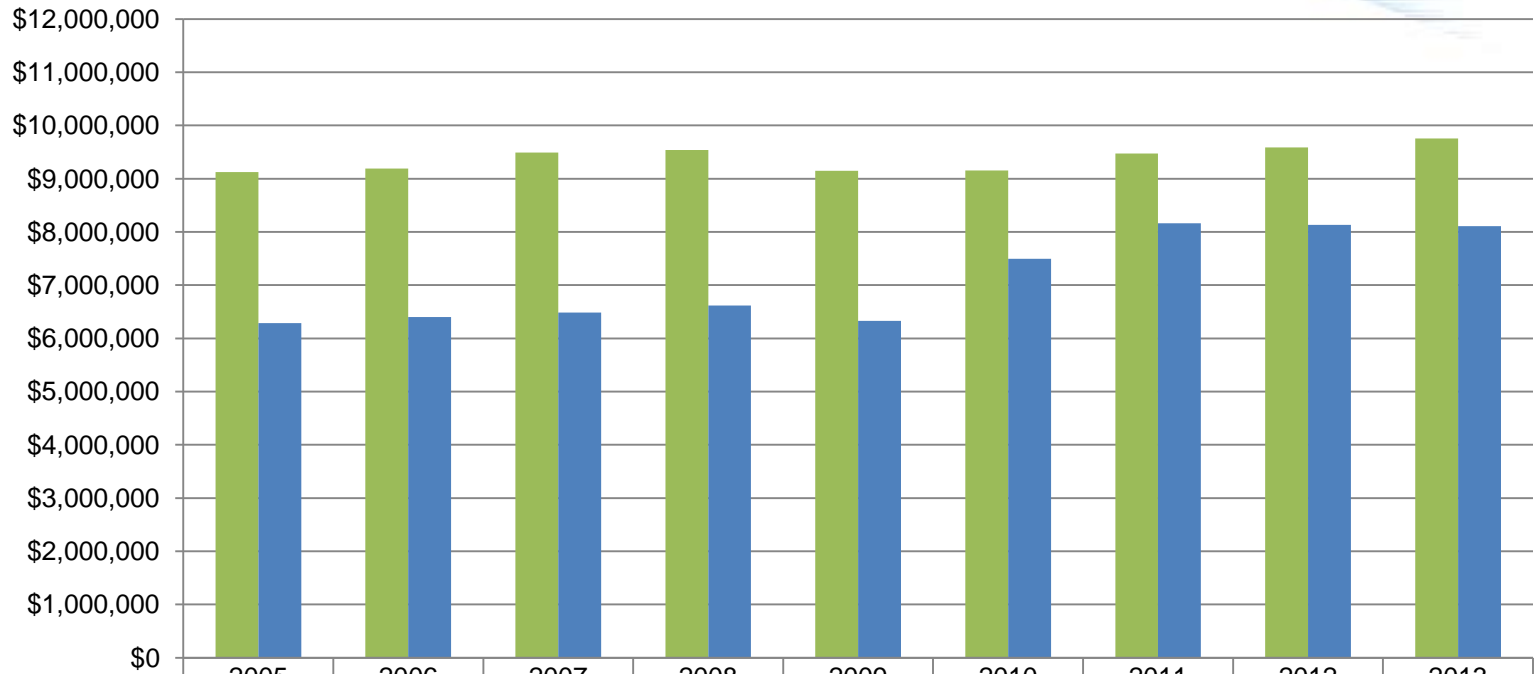
Recommended Property Tax Levy



Special Service Area Property Tax Levies

- Special Service Area #5 Bass Street Landing
\$145,335
- Special Service Area #6 Downtown
\$257,225

State & Local Sales Tax



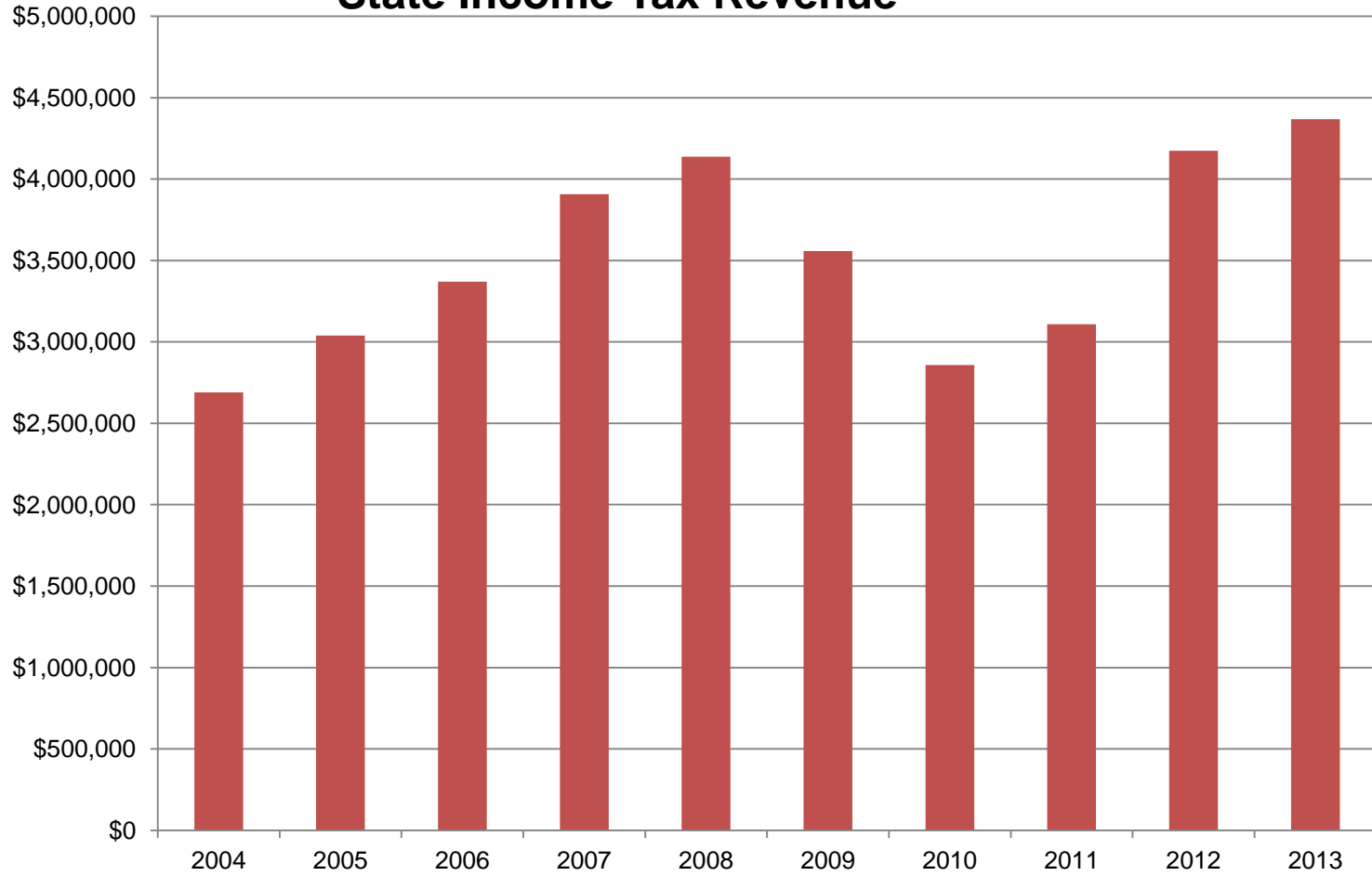
■ State Sales Tax Revenue	\$9,121,691	\$9,187,674	\$9,492,098	\$9,540,955	\$9,148,832	\$9,155,388	\$9,474,358	\$9,587,951	\$9,757,039
■ Local Sales Tax Revenue	\$6,286,700	\$6,401,970	\$6,486,390	\$6,616,737	\$6,328,919	\$7,493,847	\$8,159,401	\$8,132,962	\$8,106,203

State Shared Revenues

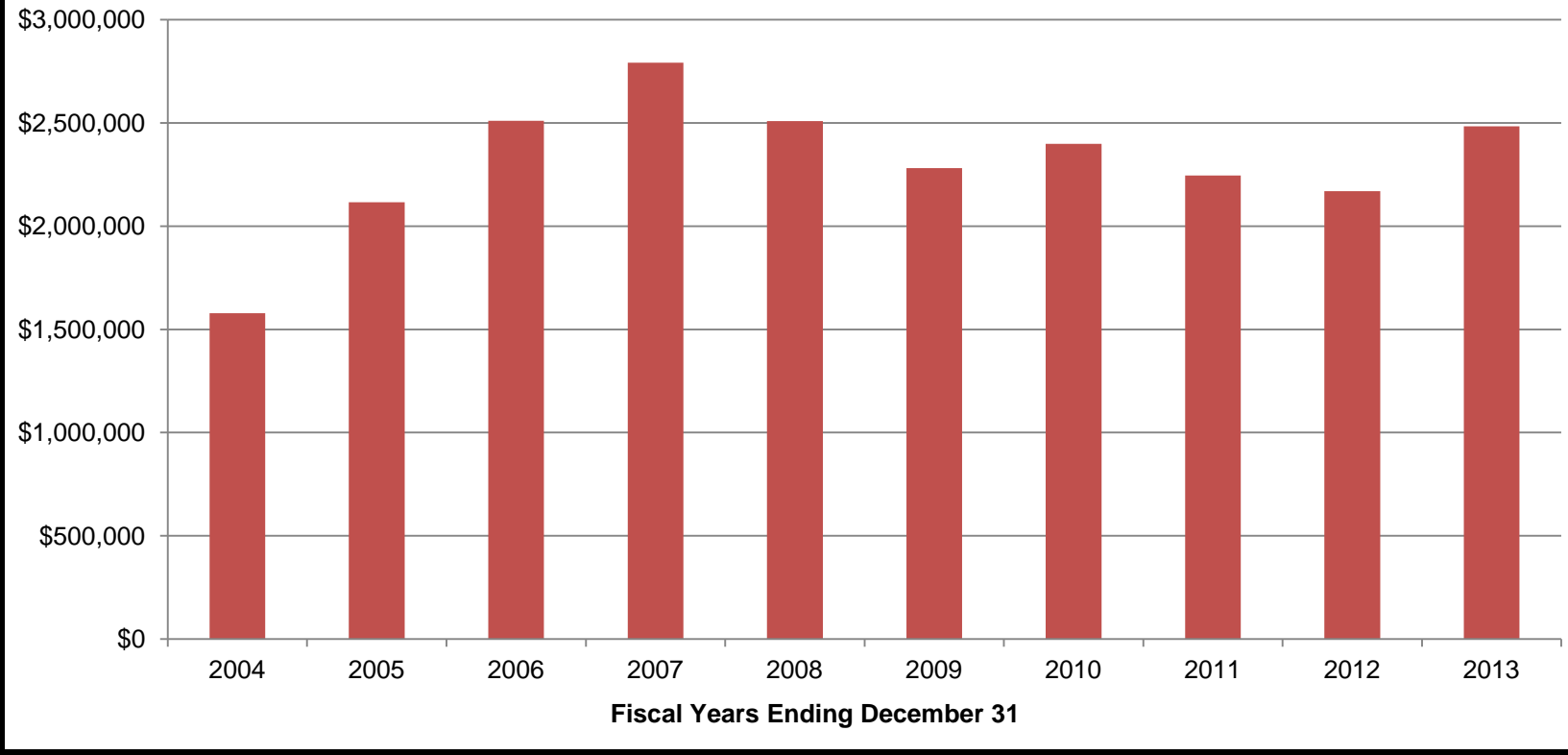
IML estimate

	2008	2009	2010	2011	2012	2013	2014	2015
Income Tax	\$92	\$91	\$79	\$78	\$81	\$90	\$97	\$98
Motor Fuel Tax	\$28	\$26	\$25	\$25	\$25	\$25	\$25	\$24
State Use Tax	\$14	\$14	\$11	\$14	\$14	\$16	\$17	\$18
	\$134	\$131	\$115	\$117	\$120	\$131	\$139	\$140
CPPRT	14.10%	-8.40%	-11.50%	11.20%	-9.80%	12.90%	12.30%	0.00%

State Income Tax Revenue



Replacement Tax



Moline Sanitation Fee



Fee Structure History for the Sanitation Fund

A curbside recycling user fee was implemented in April 2008 for **\$2.56** per month.

In 2011 a new sanitation user fee of \$2.00 per month was implemented and added to the recycling user fee of \$2.56 for a total monthly user fee of **\$4.56**.

In 2012, the Property tax allocation for Sanitation service was drastically reduced to \$225,000 from \$1,341,690 in 2011 therefore the user fee was increase to **\$7.56** per month along with the addition of a General Fund subsidy of \$496,875.

In 2013, the budget for Sanitation included no property tax funding therefore the user fee was increased to **\$8.61** per month along with an increase in the General Fund subsidy to \$685,505.

In 2014, the fee was increased by \$1.57 per month to **\$10.18** per month and the General Fund subsidy was reduced to \$482,250 with the goal to continue to move toward making the Sanitation Fund a self-sustaining fully funded enterprise fund in the future.

Year	User Fee	Property Tax	General Fund Subsidy
2008	\$2.56	\$1,500,510	\$0
2009	\$2.56	\$1,468,940	\$0
2010	\$2.56	\$1,483,450	\$0
2011	\$4.56	\$1,341,690	\$0
2012	\$7.56	\$225,000	\$496,875
2013	\$8.61	\$0	\$685,505
2014	\$10.18	\$0	\$482,250
2015	\$11.98	\$0	\$0

	2014	2015
Salaries	\$596,400	\$605,670
Benefits	\$195,940	\$192,830
Professional Services	\$46,535	\$15,460
Landfill/Tipping	\$760,580	\$762,960
Vehicle	\$748,275	\$658,335
Printing	\$10,225	\$12,000
Liability Insurance	\$96,275	\$99,555
Operating Supplies	\$6,540	\$19,740
Capital Outlay for Carts	\$95,595	\$95,595
Total Expenditures	\$2,556,365	\$2,462,145
	2014	2015
Dept Chargebacks	\$46,250	\$49,100
Local Grant	\$30,725	\$32,610
Advertising	\$14,880	\$84,880
Extra Cart Fees	\$35,810	\$37,275
Lawn Waste Stickers	\$66,520	\$66,520
Brush Pick Up	\$3,500	\$3,500
Bulky Pick Up	\$3,000	\$3,000
User Fee	\$1,846,600	\$1,846,600
General Fund Subsidy	\$482,250	0
Other	\$26,830	\$1,510
Total Existing Revenue	\$2,556,365	\$2,124,995
Net Cost of Program		\$337,150
Monthly Fee Proposal		\$1.80

Sanitation Fee Increase

The Sanitation Fund faces a \$337,150 budget deficit for 2015 which the General Fund cannot subsidize. The user fee increase needed to cover this deficit and thereby making the Sanitation Fund a self sustaining enterprise fund is \$1.80 per month for a total monthly fee of \$11.98.

Comparatives . . .

Davenport	\$16.40 per month
Bettendorf	\$16.42 per month
Galesburg	\$16.60 per month
Geneseo	\$13.50 per month
Coal Valley	\$12.50 per month
Silvis	\$12.68 per month

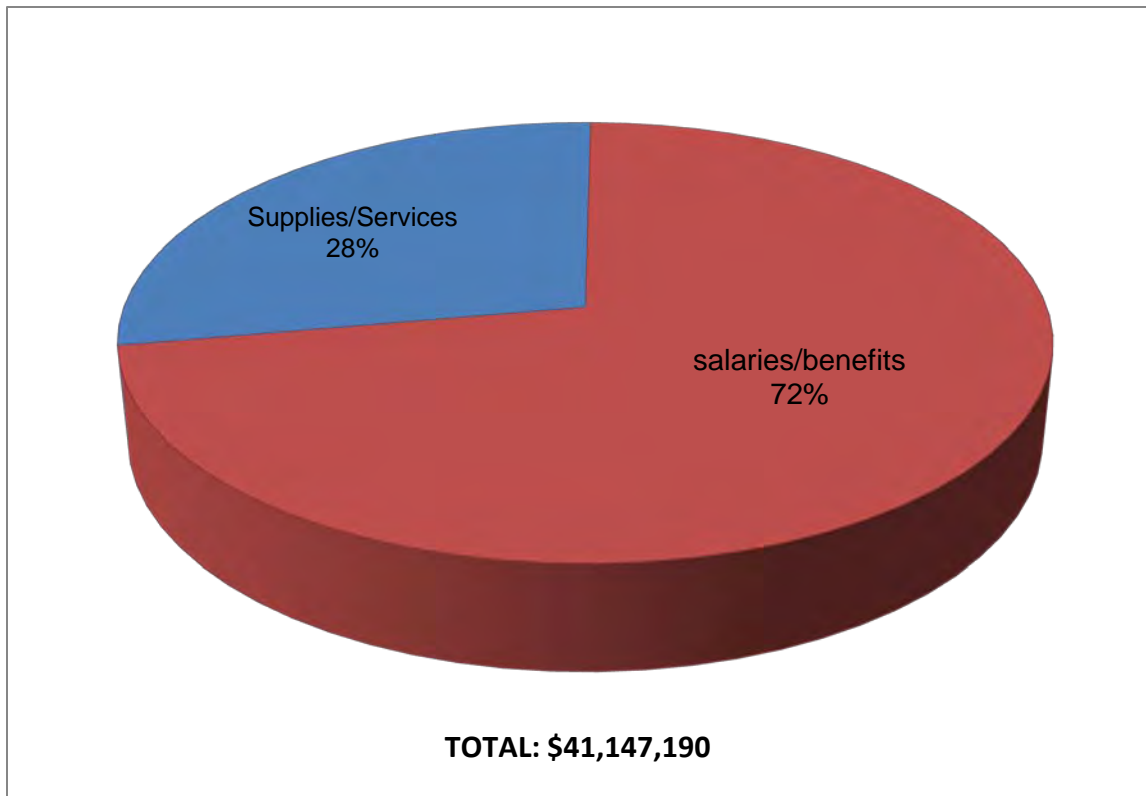
Rock Island, East Moline, and Silvis charge a sanitation fee but it does not cover the full cost of the service (subsidized by the General Fund or property taxes).



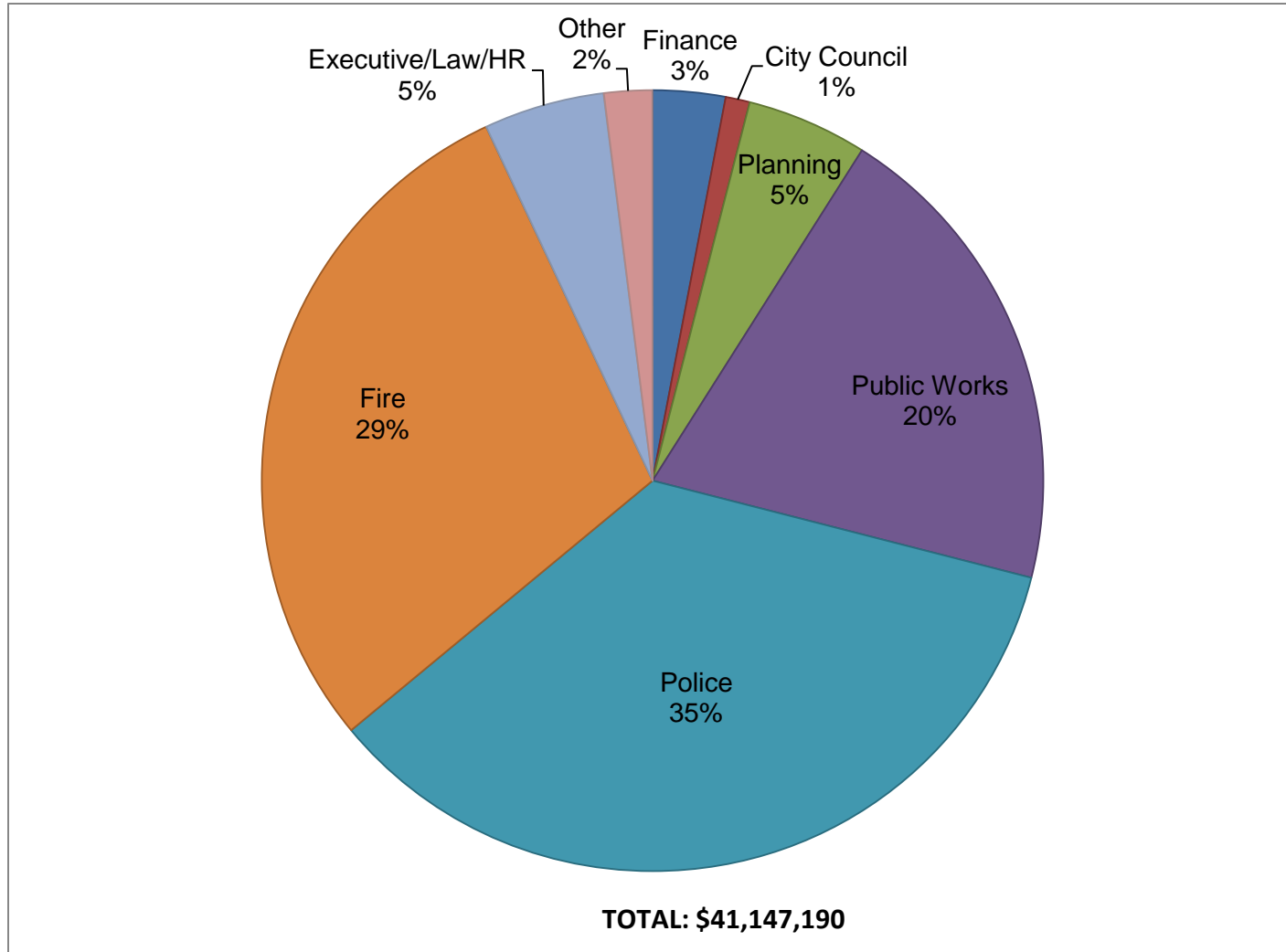
Proposed Expenditures at a Glance

	2015 Budget		2014 Budget		% Change
	Amount	Percentage	Amount	Percentage	
Personnel Costs	\$51,530,480	36%	\$51,257,990	37%	1%
Services	\$40,314,470	28%	\$44,891,615	33%	-10%
Supplies	\$4,688,935	3%	\$4,647,445	3%	1%
Capital Outlay	\$26,252,600	18%	\$19,649,330	14%	34%
Interfund Transfers	\$10,264,355	7%	\$8,805,590	6%	17%
Debt Service	\$9,006,185	6%	\$8,698,865	6%	4%
Total	<u>\$142,057,025</u>	100%	<u>\$137,950,835</u>	100%	3.0%

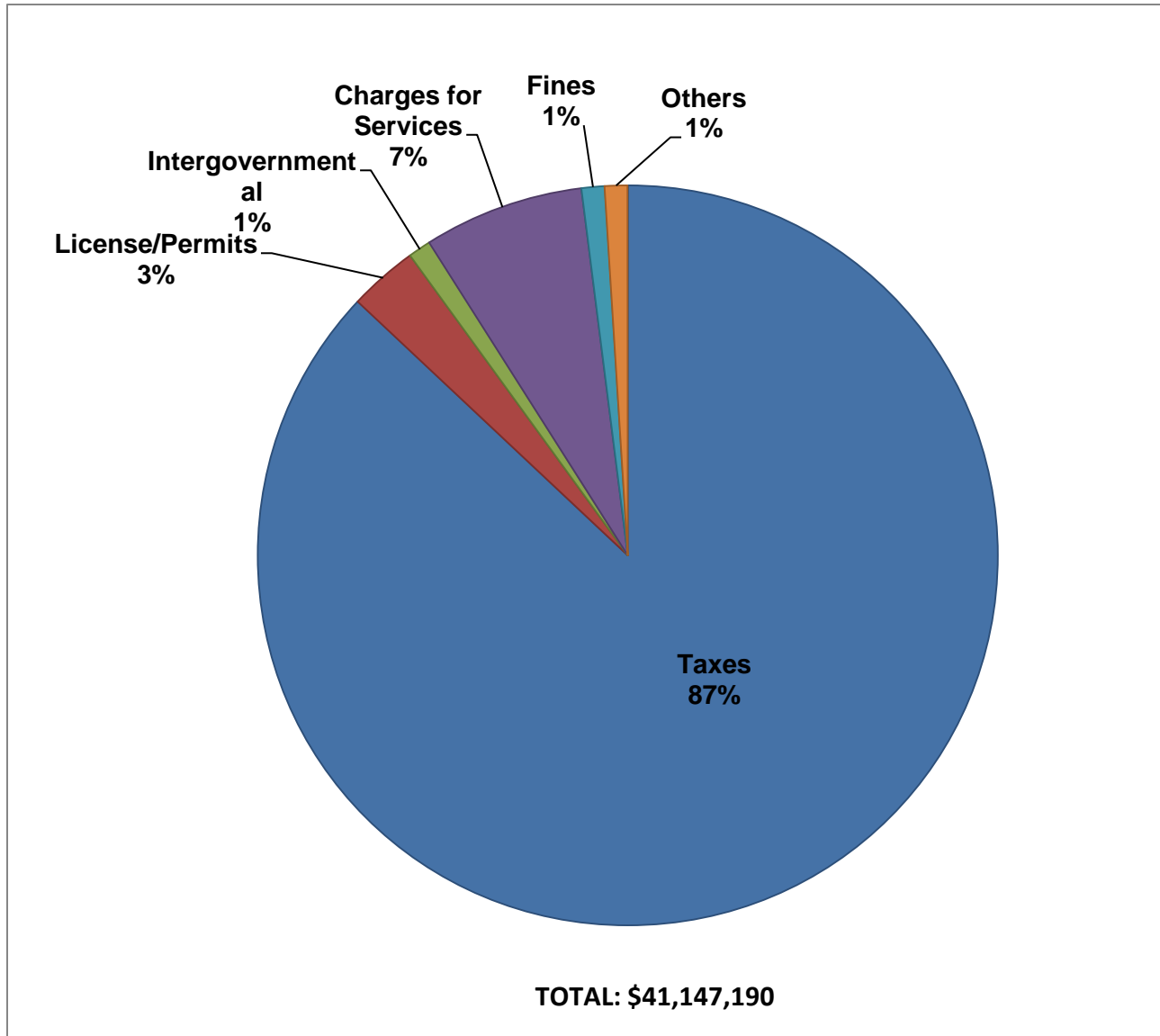
Proposed 2015 General Fund Budget Summary



Departmental General Fund Budget Summary



2015 General Fund Funding Sources



Budget Approval Schedule

- Budget Work Session with City Council 10/21/14
- Deliver Display Ad to Newspaper 11/05/14
- Public Hearing Notice Appears in Newspaper 11/15/14
- Public Hearing 12/02/14
- First Reading Appropriation Ordinance 12/02/14
- Second Reading Appropriation Ordinance 12/09/14
- Budget Resolution Adoption 12/09/14
- File with Rock Island County 01/08/15

Hit/Wish List Process

Hit List	Wish List
Reduce Library Budget \$100,970	Youth Commission \$1,000 ✓
Reduce Park Budget \$387,500 (leave in Tourism Fund)	Salary Study (RFP)
Reduce Fleet Capital Budget \$303,025	
Leaf Vac Service	> More Street Work
Eliminate ^{opt #3} Library P.T. 100,970	Sanitation, Full Enterprise \$583,200 #4.24
	Resurface 38th St 170,000
	Police Pension 104,077
	Fire Pension 104,077
	OBEB 104,076

Recommendations

- Approve Property Tax Levy \$ 14,684,000
- Approve Property Tax Levy SSA#5 \$ 145,335
- Approve Property Tax Levy SSA#6 \$ 257,225
- Approve Sanitation Fee Increase \$ 337,150
- Approve 2015 Balanced Budget \$142,057,025 +/-

