

# Committee-of-the-Whole Minutes

Tuesday, October 10, 2017

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- PRESENT:** Mayor Stephanie Acri (*Chair*)  
Alderman Quentin Rodriguez (*Ward 1*)  
Alderman David Parker, Jr. (*Ward 2*)  
Alderman Mike Wendt (*Ward 3*)  
Alderman Richard “Dick” Potter (*Ward 4*)  
Alderman Lori Turner (*Ward 5*)  
Alderman Kevin Schoonmaker (*Ward 6*)  
Alderman Mike Waldron (*Ward 7*)  
Alderman Sonia Berg (*Alderman At-Large*)
- ABSENT:** None.
- STAFF:** Doug Maxeiner, City Administrator  
Maureen Riggs, City Attorney  
Amy Saunders, Deputy City Clerk  
Ray Forsythe, Planning & Development Director  
Lori Wilson, Parks Recreation Director  
Don Goff, Information Technology Manager  
Bryon Lear, Library Director  
John Hitchcock, Interim Chief of Police  
Jeff Snyder, Interim Fire Chief  
Scott Hinton, City Engineer  
Kathy Carr, Finance Director  
Jeff Anderson, City Planner  
J.D. Schulte, Public Works Director  
Keith Verbeke, Finance Manager  
Tony Loete, Utilities General Manager  
Rodd Schick, Municipal Services General Manager  
Annaka Whiting, Housing Grant Compliance Analyst  
K. J. Whitley, Community Development Program Manager  
Bob Bohannon, Laboratory Chemist  
Dave Mallum, Fleet Manager  
Darrel Preston, Construction Manager
- OTHERS:** Ron Miller, Resident  
Barbara Sandberg, Resident  
Gerold Shelton, The Dispatch

Mayor Acri called the meeting to order at 5:30 p.m. in Council Chambers.

## Questions on the Agenda

There were no questions.

### **Agenda Items**

**1. A Special Ordinance granting a variance to Chapter 34, "WATER AND SEWERS," Section 34-3403, "ENVIRONMENTAL REMEDIATION WASTEWATERS," of the Moline Code of Ordinances, to negotiate an Environmental Remediation Wastewaters (ERW) discharge fee, and authorizing the Director of Public Works to negotiate an Environmental Remediation Wastewaters (ERW) discharge fee with the Illinois Department of Transportation for the construction of the I-74 Bridge.** Tony Loete, Utilities General Manager, indicated that the I-74 Bridge construction requires dewatering and removal of groundwater, and the groundwater in question has been classified as Environmental Remediation Wastewater (ERW), which requires treatment. The City has a Publicly Owned Treatment Works and wastewater collection system capable of receiving the ERW, and Section 34-3403 of the Moline Code of Ordinances defines the requirements and fees associated with the discharge of ERW to the City's Publicly Owned Treatment Works (POTW). The volume of ERW expected to be discharged from the bridge construction is significant, and in the spirit of intergovernmental cooperation as permitted by state law, staff would like to negotiate a fee for the discharge instead of strictly adhering to the normal fee schedule for such discharge given the amount and given the importance of the project from which the discharge is resulting. The fee defined within Section 34-3403 was intended for smaller volumes of ERW. This item also appeared on the City Council Agenda on October 10, 2017, under "Items Not on Consent" for first reading. A motion was made by Alderman Parker to approve. Seconded by Alderman Turner. Motion passed unanimously.

### **2018 Budget Work Session #1**

#### **Opening Comments by City Administrator Doug Maxeiner**

City Administrator Doug Maxeiner shared that he did not want to present a budget to the Council that included increases in property tax rates, sales tax rates, hotel/motel taxes, and food and beverage taxes. He wants to continue to provide excellent core services. He also wants to fully fund the City's pension obligations, address a reorganization of the Fire Department, discuss the planned expansion of the Capital Improvement Plan to incorporate an additional mile of roadways and utilities in 2018, and continue to focus on facilities management.

City Administrator Maxeiner spelled out the challenges that the City is currently facing. One such challenge is that the 2017 revenues are falling short of what was budgeted. Construction activity is having a much larger impact on the City's sales tax and hotel/motel tax revenue than was originally anticipated. The proposed 2018 budget addresses these challenges. City Administrator Maxeiner believes some of the sales and hotel/motel tax revenues will increase in 2018.

City staff is proposing a leaf collection program that will shift the costs of this service from general revenues to a fee-based system that would cost approximately \$1.93 per household, per month. This fee would free up about \$364,000 annually for other City services.

City Administrator Maxeiner is proposing a change to the wage adjustments for non-contract employees. He is attempting to tie the general wage adjustment to an inflation factor (1.4% for this year). He also has a proposal in front of the Committee for a merit pool to reward those high-performing, non-contract employees.

City staff is reducing the contingency allowance to approximately half of the prior year. City Administrator Maxeiner is also asking to soften information technology charge backs to the various City departments.

Parking ramp maintenance is currently being handled by an outside vendor. City staff is proposing to perform this service in-house for a cost savings of \$15,000-\$50,000 per year.

As of last week, a hiring freeze was implemented for non-essential positions due to the current nature of the budget.

The City wants to liquidate some surplus real estate to increase the City's cash flow in 2018.

City Administrator Maxeiner has asked the Parks and Library Boards to utilize reserves in 2018, rather than rely on transfers from the General Fund.

Overall, this compromised budget will take the City into next year when sales tax receipts should return to normal. If they do not, there will be much deeper, more painful action required next year to balance the budget.

### **Budget Overview by Finance Director Kathy Carr**

Finance Director Kathy Carr's presentation included information concerning the following items:

- 2017 corporate property tax levies
- 2017 Special Service Area #5 property tax levy
- 2017 Special Service Area #6 property tax levy
- 2017 property tax rate comparisons
- 2018 proposed budget overview
- Proposed expenditures
- Proposed revenues
- Proposed solid waste fee increase
- Capital Improvement Plan – expanded program
- General fund reserves
- Hotel/Motel Tax Exemption – suggested removal
- Restructure of TIF #7 airport bond issue

### **Discussion and Consideration of the Budget**

The Committee and staff reviewed and discussed the revenue portion of the budget, along with the first 100 pages of the expenditures portion of the budget.

Alderman Wendt directed Finance Director Kathy Carr to provide the amount of actual reserves. In particular, he requested the percentage amount of each reserve. In the future, he would like City staff to start budgeting a pro rata share over a 12-month period. He believes this would give the Committee a better understanding of the City's cash position. Alderman Wendt recommended, in the future, that City Administrator Doug Maxeiner and Finance Director Kathy Carr project reserves on an ongoing basis and that they execute reserve transfers on a monthly basis. Alderman Rodriguez agreed with Alderman Wendt. He would like to see a better listing of reserves throughout the year in the future. Mayor Acri confirmed that Finance Director Carr will provide the current reserves plus expected transfers in 2017 at next week's meeting.

Alderman Potter opined that when bonds are issued for capital improvements, they should be reserved for special projects, not the ongoing maintenance of streets. Similarly, Alderman Schoonmaker encouraged a request for proposal for conventional loans/financing for the items for which a bond is suggested. Alderman Parker concurred. Alderman Wendt recommended that City staff, between now and next week, look into Alderman Schoonmaker's suggestion of a conventional loan/financing for the \$2,000,000 (1 extra mile for 2018) plus the \$775,000 (2017 projected deficit). Alderman Wendt also recommended a payback method of 50% of the City's sales tax above the projected sales tax for 2018 to go toward debt services and half of the engineering services (\$900,000) over the next year.

Aldermen Wendt and Schoonmaker requested more financial information concerning the airport bond issue for next week's meeting. Per Finance Director Carr, the bond issuance cost is \$51,000. The Committee is interested in considering this item next week.

Alderman Wendt requested information from staff concerning reduced grant funds, as well as those added, for the last 5-10 years, and how they are affecting our fixed costs/operations.

Mayor Acri requested additional information from Housing Grant Compliance Analyst Annaka Whiting concerning the Washington Square Apartments revenues for the Committee next week.

Mayor Acri directed Finance Director Carr to rename the “Police Gifts” line item to make it more understandable.

Mayor Acri requested clarification concerning the revolving loan program funds. Housing Grant Compliance Analyst Annaka Whiting will check her spreadsheet and get back to Mayor Acri thereafter.

Mayor Acri recommended that Finance Director Kathy Carr ensure that the Fire and Police Pension fund returns are accurately reflected in the City’s financial records once the return amounts are received from the Fire and Police Pension Boards.

Alderman Schoonmaker suggested having the Library Board consider putting the Copper Cafe on the RFQ, along with other City-listed surplus properties.

Mayor Acri requested a more enhanced presentation on the restructuring of the Fire Department next week.

Mayor Acri requested a cost structure for the Fire Department, to include adding two employees, from City Administrator Maxeiner.

~At Mayor Acri’s direction, the Committee took a short recess at 7:53 p.m.~

~The Committee-of-the-Whole meeting resumed at 7:58 p.m.~

Alderman Rodriguez recommended checking to see how much neighboring cities are paying to the Quad Cities Convention and Visitors Bureau (QCCVB).

Alderman Rodriguez requested more information from the Planning Department concerning the Arsenal Advocacy line item.

| <b>“Hit” and “Wish” List</b>    | <b>Impact</b> |
|---------------------------------|---------------|
| Hotel Tax Exemption (\$90,000)  | reserves      |
| Restructure Airport Bond        | reserves      |
| CIF Bond or Bank Loan           | (\$279,523)   |
| Contract Out Garage Maintenance | (\$50,000)    |
| Add Police Operations Seasonal  | (\$25,000)    |
| Police Fire Chief Seasonal      | (\$23,610)    |
| Add Special Event Tourism Fund  | (\$50,000)    |
| Add QComm911                    | (\$65,000)    |
| No Solid Waste Fee Increase     | (\$363,845)   |
| General Fund Use of Reserves    | (\$400,000)   |
| Cap QCCVB at \$250,000          | \$0           |
| Reduce Finance Prof Dev         | \$6,300       |
| Delay Fire Dept Restructure     | cost neutral  |

|                                    |             |
|------------------------------------|-------------|
| Lobbying Reduce by 1 Attendee      | \$1,500     |
| Remove Mayor Appreciation Dinner   | \$4,000     |
| Remove Mayor Rotary                | \$740       |
| Remove City Admin Marketing        | \$1,100     |
| Reduce City Admin Prof Dev         | \$2,000     |
| No New Administrative Assistant    | \$65,970    |
| Reduce City Admin Public Relations | \$860       |
| Reduce Legal Prof Dev              | \$3,500     |
| Reduce Planning Prof Dev           | \$10,800    |
| Reduce Fire Overtime               | \$100,000   |
| Washington Square ½ Year           | \$39,000    |
| Park Warming Hut                   | \$40,000    |
|                                    |             |
| Total Impact:                      | (\$981,208) |

**Public Comment**

Barbara Sandberg, resident, expressed her appreciation to the Committee members for their work during the budget process. She also expressed concern about the leaf vacuum fee, although she is not opposed to the fee. She suggested eliminating the leaf bag stickers and adjusting the leaf vacuum fee accordingly to cover the City's costs for this service.

Ron Miller, resident, expressed his concerns about the leaf vacuum fee, as he is a condominium owner and pays his condominium association for lawn and leaf care.

The meeting adjourned at 8:28 p.m.

Respectfully submitted,



Amy J. Saunders  
Deputy City Clerk