CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
Rock Island County Building
1504 3rd Avenue, County Board Room 3rd Floor
Rock Island, IL 61201

11/11/2024 - Minutes

1. Call to Order

Mayor Thoms called the meeting to order at 5:30 p.m. and welcomed everyone.

2. Roll Call

Mayor Thoms asked City Clerk Samantha Gange to call the roll.

Present: Alderperson Jenni Swanson, Dylan Parker, Mark Poulos, Bill Healy, and Mayor Mike Thoms

Alderperson Moses Robinson arrived at 5:42 p.m.

Absent: Alderperson Randy Hurt.

Staff: City Manager Todd Thompson, Attorney Leslie Day, City Clerk Samantha Gange, and other City Staff.

3. Public Comment

Mayor Thoms asked if anyone in the public wished to speak. No one was signed up to speak.

4. Presentations

a. Presentation on updated CDBG policies.

Community Development Director Miles Brainard gave some background on the Community Development Block Grant (CDGB) Program and the City's existing programs and activities, which included general housing rehabilitation, emergency housing rehabilitation, the Commercial Industrial Revolving Loan Fund (CIRLF), public facility projects and public service funding. He presented the proposed changes to the City's CDGB manual.

Mr. Brainard recommended the following changes to the housing rehabilitation programs: income verification would only be good for six months, failure to disclose all income would disqualify the application, denied applicants would appeal directly to Housing and Urban Development (HUD), applicants would be required to have a clean and accessible house, and the one-year project warranty would be voided if the homeowner refuses to sign off on the project after reasonable accommodation. Regarding public service funding, he recommended prohibiting non-profits from applying for funding if they had members serving on the Community Development Commission (CDC) in order to prevent any perceived conflicts of interest.

Mr. Brainard introduced a newly proposed program, the New Urban Homestead Program, with the goal of preserving housing, promoting affordability, encouraging homeownership and stabilizing neighborhoods. After two pilot projects, it was concluded that the projects would be run by staff to reduce costs and any profits would go back into the CDGB programming. He said the program would focus on acquiring vacant or abandoned houses, and funding would be a mix of CDGB and other funds, notably the Strong Communities Grant. He explained that acquired houses would undergo gut rehabilitation and be sold through a realtor to the first income eligible bidder; a five-year recapture period would require the owner to remain in the home or pay back the rehab costs. When selecting a realtor, he clarified that a Request for Quote (RFQ) would be put out and the existing procurement standards would be utilized. He added that the program was not location-specific. Mr. Brainard confirmed that the five-year capture would not have amortization tied to it.

b. FY 2025 Budget Presentation

Finance Director Jessica Sager presented the CY 2025 budget. The total proposed budgeted revenue for all funds was $153.5 million. Ms. Sager broke down each revenue category. She went over the expected state and local tax revenue, totaling $29 million, and the ten-year trend of each tax. She identified key assumptions that were used to prepare the budget, including increases in pension and health insurance contributions and the general wage increase (GWI). She also went over the budgeted expenditures, with funds totaling $167.3 million. She displayed a chart depicting expenditures by fund, with the General Fund representing the largest portion. She noted there was a 5% decrease in CY 2025 expenditures compared to expenditures in CY 2024. She also presented the expenditures by category and covered the annual fire, police, and IMRF pension costs over a ten-year period.

Ms. Sager compared the CY 2025 budgeted General Fund's revenues and expenditures with CY 2024 and indicated a total 13% decrease in revenues and a total 8% decrease in expenditures. Ms. Sager recommended using $3,055.281 of the General Fund excess from CY 2022 and CY 2023 to balance the CY 2025 General Fund. She said a total of $1,420,653 in budget cuts to the General Fund were made by the departments. She presented the total CY 2025 budgeted revenues and expenses for the Public Works Enterprise Funds and the Martin Luther King Center Funds. She provided a breakdown of expenditures and five-year comparisons of expenditures and revenues of the Parks and Recreation Fund and Library Fund.

Ms. Sager explained how the property tax would be allocated and mentioned that the proposed 2024 levy was $17.6 million, an increase of 8.15%. She clarified they were not proposing to increase the property tax rate. She displayed a chart detailing the ten-year history of the tax levy and a chart of the overlapping tax districts. She discussed the use of the Gaming Fund and mentioned that a little over $1 million would be transferred to the General Fund to cover fleet amortization. Regarding negative fund balances, she said staff would work to eliminate them by balancing them for CY 2025 or with the surplus to eliminate those deficits. She said the challenges faced while building the budget included aging assets, environmental mandates, population decline, and long-term debt and liabilities. She commented on the successful management of the American Rescue and Plan Act (ARPA) funds, the increased equalized assessed value (EAV) and a potential building amortization fund.

5. Adjourn

a.	Motion:	Motion to adjourn.
	VV	Voice vote is needed.

MOTION:

Alderperson Healy moved to adjourn; Alderperson Robinson seconded.

VOTE:

Motion PASSED on a 5-0-1 voice vote. Aye: Swanson, Parker, Poulos, Healy and Robinson. Nay: None. Absent: Hurt.

The study session concluded at 6:27 p.m.