CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
City Council Chambers, City Hall, 3rd Floor,
1528 Third Avenue, Rock Island, IL

11/27/2023 - Minutes

1. **Call to Order**

2. **Roll Call**

3. **Public Comment**

4. **Presentations**

   a. Presentation from the Public Works Department and Augustana College regarding the Lead Service Line Replacement project.

Public Works Director Mike Bartels discussed the cost estimates for the project and noted that these are just estimates. They are halfway through their inventory and are basing all of this on predictive models. Dr. Jenni Arkle, one of the lead professors from Augustana College on the project, said their team is very excited to present how they carried out the project and their findings. She thanked the City, Mike Bartels and Jason Upton for the opportunity and partnership. She explained that they only studied the residential water service lines. In the City of Rock Island, the residential water lines typically start in the basement and run out to the city main in the middle of the street, which is in contrast to most cities in the United States. She explained that the Material Inventory and Prioritization Plan are due to the Illinois EPA on April 15, 2024. As the project progresses, they must submit a revised Inventory and Prioritization Plan every April until 2027, when a final inventory replacement plan must be submitted.

Augustana student Adrianna Reyes explained the details of their work on the project so far, which included canvassing over half of the homes (7,200 homes). They strategically canvassed the City using a grid system so that they would be able to get an even distribution of every ward. They went door-to-door, printed out postcards and posters. With the data they collected, they were able to build predictive models using the year that the houses were built and where the houses are located. They were also able to create a finance and replacement plan that will determine which houses get first priority based on the law, vulnerability and localized needs. As of October 21st, of the 12,625 residential homes, 18% have copper, 5% galvanized, 1.5% lead and 75% unknown.

Augustana student Zach Horve explained his role with the project in assisting with predictive modeling which used geostatistical models to make predictions on unknown homes. Predictions are based off of home age and distance from known lead service lines. He noted that lead is generally clustered together, which is used to make predictions. Based on the predicted and known materials, there is a high number of galvanized and lead service lines. They know that this is likely a high estimate at this point and time, because the older homes may have had their pipes replaced, and the unknowns will automatically be classified as lead, per the law. Estimates will be verified through the current Water Meter Replacement Project that will last approximately five years.

Augustana student Eric Bergren explained the Social Disadvantagement Index (SDI) for equitable replacement they developed. SDI allows for comparison of social and economic disadvantagement. They also looked at vulnerability from lead poisoning. The target group is children under five years of age. A combination of social and economic disadvantagement and vulnerability created a map for equitable replacement. This map is consistent with the Illinois Bill and the Lead Service Line Replacement Advisory Board recommendations.

Mr. Bergren reviewed total costs citywide over a twenty-year period, assuming 100% public financing. He noted these are estimates and will likely go down. The average per year cost, including compounding inflation, is around $4.7 - $5.7 million, which would be approximately $103 million over a twenty-year period. This is based on an annual replacement rate of no less than 5%, which is estimated to be 280–340 replacements per year. The Lead Service Line Replacement Advisory Board recommends the focus should be on reducing the financial burden for disadvantaged citizens. The replacement of water services will be completed at the block level and will be broken up into 3-5 year phases, which helps with predictive and financial modeling. He shared some cost-cutting recommendations, which included applying to grant/loan programs as soon as possible and starting replacement sooner rather than later. Director Bartels explained the Water Service Line Replacement Program does not discuss lead service lines at this time, but it could be modified and would increase the monthly costs of the program. He clarified lead vs galvanized. The Water Meter Replacement Project is expected to begin in January 2024.

Alderperson Gilbert asked if the City has a more favorable chance of getting HUD money since we are an entitlement community. Augustana student Eric Bergren said they looked at how the plan prioritizes the disadvantaged and most vulnerable community members and that will greatly increase the odds of getting federal and grant money.

Director Bartels said the recommendation is for 100% public financing and the City Council will have to decide. He said it is the most costly for the City, but it is the most costly for the resident if we do not do that. They would like to start applying for these grants sooner rather than later. They will bring back a proposal from Augustana to apply for some of these grant applications for us.

b. Presentation and Review of the Capital Improvement Plan (CIP) for CY 2024.

Interim Finance Director Sager provided an overview of the 2024 Capital Improvement Plan and Budget along with various funding sources and recommendations that are consistent with the City's priorities, finances and past practices. It is important to note that the Capital Improvement Plan is not a budget, but rather a planning tool that staff and City Council can use to prioritize future capital projects, equipment and vehicles. On the other hand, the items listed in the Capital Improvement Budget have been incorporated will be approved along with the 2024 budget.

Director Sager outlined the planning process. It started with a comprehensive plan that included staff, residents and City Council and looked at the overall picture. CIP costs are planning estimates that are not fully funded and are adjusted on an annual basis. City Manager Thompson discussed the CIP document. The Capital Budget is funded as part of the budget. Director Sager explained the 2024 CIP Budget amount requested is $28.7 million in total projects spending compared to $24.1 million in 2023. The largest requests were for utilities and streets, along with other requests for parks, facilities, fleet replacement, public safety and miscellaneous. The recommended 2024 CIP Budget is $24.5 million with the largest percentage going to utilities and streets, along with a percentage of funds for facilities, fleet replacement, public safety and miscellaneous.

Director Sager reviewed the 2024 CIP funding sources. 53% is from continuing ARPA projects, 13% from user fees, which includes the Water Meter Replacement Program, 15% from contributions and grants and 7% from fleet. Directors from each department shared the 2024 CIP focus areas. Director Bartels explained the streets CIP request, which includes the Downtown Rock Island Project, reconstruction on 28th Street Court and 32nd Avenue Court, and 40th Avenue Bridge. Regarding the Downtown Rock Island project, they have already submitted the environmental permit to the state for approval. Water mains along 3rd Avenue have been identified and will not need to be replaced, which is a savings of approximately $600,000. The 28th Street Court has been on the CIP for the last ten years. The 40th Avenue Bridge has been on the CIP for the last few years, but was delayed for an environmental review. Director Bartels reviewed the street maintenance projects that will be paid for using motor fuel tax funding. He discussed the utilities projects on the CIP that include $2,125,193 for water projects, $4,154,342 for waste water projects and $2,040,000 for storm water projects. Alderperson Parker asked if 20th Street is on the 2026 CIP. Director Bartels confirmed that it is on the list.

Fleet Manager Alan Vanderheyden answered questions regarding fleet replacements. The total costs for fleet replacement is $2,344,641. Replacing these along with the snow fleet will significantly decrease maintenance costs. Departments with vehicles are contributing $1 million to fleet amortization. Manager Vanderheyden said the next big purchase will be end loaders, backhoes and heavy equipment, which have been slated for the 2026-2027 budget year. City Manager Thompson said we need to update the Vehicle Replacement Program, but we are now budgeting for these vehicles. Director Bartels discussed the Sunset Marina and said the plan is to keep the current boaters until the improvements are made. He said it may bring in additional revenue by bringing in new boaters who do not have any concerns with dredging.

Police Chief Landi explained the public safety CIP, which includes $1,897,546 for police body worn cameras, cameras in squads, emergency services radio, station alerting system and ambulance cots. Fire Chief Graff discussed the new station altering system, which will increase the response time. The ambulance cots are at the end of their current life. Chief Graff said they are expecting to receive the first fire truck within the next sixty days and are looking at April or May 2024 for the second fire truck. The first truck is a demo which will save approximately $200,000.

City Manager Thompson discussed the City Hall Remodel Project and gave a brief update. The construction manager item for the project is on the agenda tonight. They will work with the architect, define the scope of the project and look for value engineering opportunities. They are anticipating the total project cost to be between $1,500,000 and $2,000,000. Once the final cost estimate is developed and ARPA projects are updated, the funding amount for the City Hall project will be determined. IT Director Tim Bain discussed the status of the software upgrades. Overall, he said it looks very promising.

Alderperson Gilbert said she knows there is a 5% water rate increase for 2024 and asked at one point do we evaluate all the projects and figure out how much more we need to raise the water rates to cover the projects. Director Bartels said we are in a rate increase through 2025 currently. He said they prefer not to amend rates in the middle of a rate increase. Most of the projects will not happen until after 2025 anyway, so they will be looking after 2025. There will be a yearly review after that.

Alderperson Parker said there is zero percent for Parks in CIP. Budget and Grants Manager Brian Smith said all projects that are not funded in CY 2024 were pushed to CY 2025. Mr. Thompson said it takes time to adjust our approach. He said we have done better in some areas than others with the planning aspect and trying to balance it.

Parks Director John Gripp discussed some of the CIP projects that they submitted. They received a Trails Grant from the State of Illinois for $50,000 for Hodge Park. He noted they received a lot of ARPA funds and shared how those funds are being used. He said they realize that a lot of their projects are not a part of essential services and try to fill in the gaps with other opportunities.

Alderperson Swanson pointed out that the library projects should not be on the CIP Budget because the City is not funding for them. She noted that the Library bought the bookmobile, but the City is maintaining it, because it was another expense that was denied.

5. Adjourn

a. Motion: Motion to Adjourn.

VV Voice vote is needed.

Alderperson Parker moved to adjourn the Study Session; Alderperson Poulos seconded.

VOTE:

Motion PASSED on a 6-0-1 voice vote. Aye: Poulos, Healy, Hurt, Gilbert, Swanson, Parker. Nay: None. Absent: Robinson.

The meeting adjourned at 6:40 p.m.

Minutes submitted by: Colleen Skolrood, Executive Assistant.