CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION

City Council Chambers, City Hall, 3rd Floor,
1528 Third Avenue, Rock Island, IL

2/26/2024 - Minutes

1. Call to Order

Mayor Thoms called the meeting to order at 5:45 p.m. and welcomed everyone.

2. Roll Call

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

Present: Alderpersons Moses Robinson, Randy Hurt, Jenni Swanson, Mark Poulos and Mayor Mike Thoms. Alderperson Dylan Parker was present via remote connection in accordance with 5 ILCS 120/7 (out-of-town employment obligations).

Alderperson Poulos made a motion to allow Alderperson Parker to participate via remote connection; seconded by Alderperson Swanson.

Absent: Bill Healy.

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 from the public was signed up to speak.

4. Presentations

a. Street Maintenance Fund Presentation Update from the Public Works Department.

Public Works Superintendent Luke VanLandegen explained that they were tasked with drafting a street utility ordinance to fund infrastructure investment. At the last meeting, they discussed eliminating the local gas tax and implementing a fee levied on parcels based on size.

Mr. VanLandegen reported the majority of local gas consumption is shouldered by five businesses and by eliminating the local gas tax, it would give the City a competitive advantage. The fees have been calculated based on the gross area of the parcel. 84% of all parcels in the City are classified as small and medium-sized. A small parcel would pay $84 annually, a medium parcel $120 annually, a large parcel $240 annually and an extra large parcel $360 annually. Based on the percent of parcels in the City, the total revenue collected would be around $2 million. This revenue would only be spent on streets.

Mr. VanLandegen explained that residential streets would be the primary focus. PCI data, field verification, maintenance requests, vehicle traffic, proximity to streets in similar condition, and proximity to essential services are the variables used in determining which streets get done first.

Mr. VanLandegen discussed the benefits of the proposed street maintenance fee. He reported 44 miles, or 30%, of all roads would see some form of maintenance out of 148 miles. Without this fee, only 8 miles of roads would see maintenance. He said to keep in mind that not all streets need maintenance. Some other benefits of this fee include the flexibility to address unforeseen circumstances and failures in existing infrastructure. It also allows funds to be redirected to other priorities, including street reconstruction, once they have caught up on street maintenance.

Mr. VanLandegen explained the next steps of the process, if Council decides to proceed, includes adding the ordinance to the March 11, 2024, agenda for discussion. The plan is to begin the new street utility fee on July 1 and terminate the gas tax at the end of 2024.

Alderperson Hurt asked about ending the local gas tax in July instead of at the end of 2024. City Manager Todd Thompson said the City would still have more revenue than was budgeted just from the gas tax. The difference in revenue is approximately $150,000 by ending the tax in July instead of December. The City is currently spending about $1.1 million on street maintenance and roughly $300,000 of that comes from the gas tax. Public Works Director Mike Bartels said to keep in mind that based on the data it was recommended that the City spend $7.2 million each year over the next twenty years just to keep the streets in their current condition. They are looking at doing $2 million, which is $5 million short from the recommendation.

Mr. Thompson said they looked at shifting additional revenue from current services, but it cannot be done without reducing services. They also looked at raising property taxes. After exploring all the options, it was decided that a street maintenece fee was the best option with a fairly low impact on all users. He cautioned using surplus funds for road projects and said there needs to be a new sustainable stream of revenue. He pointed to studies that show investment in roads and infrastructure leads to private sector investment in housing, new development and commercial development, as well as adds curb appeal. He believes the return for the residents in the community is worth the investment.

Alderperson Robinson expressed concern with residents paying additional fees when they already pay property taxes. Mr. Bartels said it all comes down to funding, and it can either be done through property taxes or an additional fee. Mr. Thompson explained the current challenges. One challenge is that pension costs have dramatically reduced the amount of property tax that is available for services and roads. Another challenge is Rock Island's sales tax base only generates $350,000. Mr. Thompson said reducing expenses alone will not address all the challenges.

Alderperson Swanson said prior to the motor fuel tax, the City taxed and assessed residents for road repairs. She believes $84 a year is a small price to pay per year to get the roads fixed.

Alderperson Parker said the City will continue to have an enormous amount of debt, primarily due to the police and firefighter pensions, until 2044. He said the council can either continue to not fund road repair until 2044, or they can make the hard decision and fix the roads.

This item will be brought back on March 11th for further discussion.

5. Adjourn

a. Motion to Adjourn.

Motion:	Motion whether or not to adjourn.
VV	Voice vote is needed.

MOTION:

Alderperson Poulos moved to adjourn; Alderperson Hurt seconded.

VOTE:

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

The Study Session adjourned at 6:38 p.m.

Minutes submitted by: Colleen Skolrood, Executive Assistant