

CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
County Office Building, County Chambers, 3rd Floor
1504 Third Avenue, Rock Island, IL

6/24/2024 - Minutes

1. Call to Order

Mayor Pro Tem Randy Hurt called the meeting to order at 6:00 p.m. and welcomed everyone.

2. Roll Call

Mayor Pro Tem Randy Hurt asked City Clerk Samantha Gange to call the roll.

Present: Alderpersons Moses Robinson, Randy Hurt, Jenni Swanson, Dylan Parker, Mark Poulos and Bill Healy.

Absent: Alderperson Kevin Maynard and Mayor Mike Thoms.

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

3. Public Comment

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

4. Presentations

a. Finance Department Budget Presentation

Finance Director Jessica Sager gave an overview of the 2025 budget planning process. One of the primary goals is to balance the budget. Over the last few years, there have been challenges preparing the budget, but the staff's goal is to keep financial impacts to a minimum while still maintaining the same level of service to businesses and residents. Ms. Sager stressed the importance of not only maintaining the City's current financial position, but also improving its future financial position.

Ms. Sager said some assumptions were built into the preliminary budget. Those items will be adjusted after the final numbers are received. They estimate health insurance will increase 10%. They used the preliminary numbers for police and fire pensions that were provided by the actuary earlier this year. The estimated Illinois Municipal Retirement Fund employer rate is 5.81%. A 2% overall merit increase will also be included in the budget. The general wage increases (GWI) will follow what is included in the contracts, and a 3% GWI is assumed for non-affiliates.

Ms. Sager highlighted a couple of expected challenges, including an estimated 28% decrease in the Personal Property Replacement Tax. Personnel make up the largest budget expense category, causing GWI and minimum wage increases to have a large impact on the general fund budget. Ms. Sager pointed out that staff are working on closing negative fund balances and turning funds positive, but there are still a number of negative fund balances that will take longer to turn around. She said she plans to create a fund dedicated to

building and computer maintenance. She went over the 2024 property tax allocation: 68% for the police and fire pensions, 15% for the library, 14% for parks and recreation and 2% for the general fund. Other expenses staff will consider while budget planning include general obligation bonds and Illinois Environmental Protection Agency loan payments, which total over \$10 million.

Ms. Sager said the unofficial general fund surplus for 2023 is just over \$3 million, and can be used to balance the 2025 budget. She emphasized that all the challenges she presented are not new, and staff has been able to balance the budgets previously. The 2025 budget information will be available in October, and a public hearing on the budget and property tax levy will occur in November. The second readings of the budget and property tax levy ordinances and the capital improvement plan adoption are scheduled for December.

Aldersperson Parker asked if the Parks and Recreation Department can be given more notice as to what will be allocated to them. City Manager Todd Thompson replied that it is difficult as what is contributed is based on the property tax, and that information isn't available to the City until later in the budget planning process. Mr. Parker also requested that they consider creating a fund specifically for revenue generated by the Community Development Department and use it to go towards its programs. Mr. Thompson said that they can present information showing what that department generates and how it correlates to its expenses, then council can decide throughout the process how they want to allocate that money.

5. Adjourn

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

MOTION:

Aldersperson Poulos moved to adjourn; Aldersperson Parker seconded.

VOTE:

Motion PASSED on a 6-0-2 voice vote. Aye: Healy, Robinson, Hurt, Swanson, Parker, Poulos. Nay: None. Absent: Maynard.

The Study Session concluded at 6:15 p.m.