

**MINUTES OF THE MEETING OF THE MAYOR
AND THE COMMITTEE-OF-THE-WHOLE OF
THE CITY OF EAST MOLINE, ILLINOIS
MONDAY, AUGUST 15, 2022**

ROLL CALL

Mayor Freeman called the meeting to order and directed City Clerk Wanda Roberts-Bontz to call the roll. The following Alderpersons were present: Kenneth Porter, Gary Almlade, Nancy Mulcahey, Jayne O'Brien, Rhea Oakes, Maria Tapia and Jose Rico. **7:25 p.m.**

ADDITIONS/CORRECTIONS TO AGENDA

None.

**POLICE AND FIRE PENSION ACTUARIAL REPORTS (Ms. Whiting,
Financial Director)**

Lauterbach & Amen, LLP prepared the funding actuarial valuation reports for both the Police and Firefighters' Pension Funds. The purpose of these reports is to provide a recommendation for the City's employer contributions to each fund for the upcoming fiscal year.

Based on the reports, the recommended minimum contribution for Police Pension is \$312,840.00 and \$429,426.00 for Firefighters' Pension fund.

Anthony Gedvilas from Lauterbach & Amen presented the pension and actuarial reports and answer any questions.

RECOMMENDATION:

Accept the actuarial valuations reports submitted by Lauterbach & Amen, LLP.

ADDITIONAL COMMENTS:

Additional discussions will occur during the FY 2023 budget review, as funding for police and fire pensions is through the annual tax levy process.

A motion was made by Alderperson Almlade, seconded by Alderperson O'Brien to concur with the recommendation as presented. Upon roll call the following voted in favor: O'Brien, Oakes, Tapia, Rico, Porter, Almlade and Mulcahey. Motion carried.

DISSOLUTION OF LUCKY STRIKE TIF (Ms. Whiting, Financial Director)

Due to the sale of Hometown Harbor to Greater Metro Area Housing Authority (GMAHA), the City will no longer receive property tax, nor distribute the property tax rebate per the original redevelopment agreement, as such, it is in the City's best interest to dissolve the Lucky Strike TIF, eliminating the need for future reporting, administrative costs, and expenses.

This TIF was established in 2007, with an original termination year of 2030. There is no penalty to terminate the TIF early. When the TIF was established the base EAV was set at \$110,543.00, prior to the sale to GMAHA the EAV was \$208,903.00, and after the sale \$61,304.00.

The estimated balance of this TIF is approximately \$128,000.00, of which will be distributed back to the taxing districts per the attached estimates. The taxing districts have been notified of the City's intent to terminate the TIF, as required.

The approval of this termination will include two ordinances, one to terminate the TIF and one authorizing the County to distribute the surplus.

FINANCIAL:

This is a budgeted item.

Line Item# Fund 040

RECOMMENDATION:

Forward the recommendation to dissolve the Lucky Strike TIF and authorize the County to distribute the surplus to City Council for approval.

A motion was made by Alderperson Rico, seconded by Alderperson Almblade to concur with the recommendation as presented. Upon roll call the following voted in favor: O'Brien, Oakes, Tapia, Rico, Porter, Almblade and Mulcahey. Motion carried.

APPRAISAL – VISITOR’S CENTER AT THE QUARTER (Mr. Maxeiner, City Administrator)

The Visitor's Center at the Quarter (101 Beacon Harbor Parkway) was constructed in the early stages of development in the Quarter in the late 1990s. The original intent for the structure was to provide a staffed wayfinding/kiosk location for visitors to the area from the Channel Cat, bike path, and vehicle traffic. The second floor (approximately 500 square feet) had no definitive use identified and could be utilized as a community meeting space. With the various starts and stops in the development over time, demand never materialized. A bike shop leased the lower space around 2015 for a short duration. Respectabilities utilized the space for a period of time in 2019. The space has been vacant for the past three years and maintenance of the property is lagging. The building is in need of repairs and the commitment of additional resources to prevent further decline.

B & L Development has inquired about the possibility of purchasing the building from the City. They could utilize the space as a sales center for their residential products or could offer the space for community meeting.

At the June 6th COW, the City Council instructed the City Council to obtain a MAI appraisal of the property. A copy of the appraisal is attached suggesting the market value of the property is \$62,000.00.

FINANCIAL:

This is not a budgeted item.

RECOMMENDATION:

To discuss the feasibility of disposing of this property.

ADDITIONAL COMMENTS:

The sale of property can be accomplished through 1) the solicitation of bids for the sale or 2) by appraising the property and selling it for no less than 80% of the appraised value. 80% of the appraised value is \$49,600.00.

PURCHASING POLICY MANUAL - UPDATE (Mr. Maxeiner, City Administrator)

The Purchasing Policy was last updated in January of 2011. The attached draft policy updates the policy to provide new dollar limits on purchasing authority, delineates procedures more fully for the entire bidding and procurement process, and addresses professional service contracts and qualification-based selection (QBS) for applicable services.

The draft proposal provides authority to Department Heads for procurement of goods or services of up to \$5,000.00 (currently \$1,000.00). Currently, any purchase or contract over \$5,000.00 is required to be bid with approval of the City Council prior to award. The draft policy requires three quotes for purchases over \$5,000.00 but less than \$25,000.00 with approval of the City Administrator for purchase. Any purchase or contract for \$25,000.00 or greater would require City Council approval.

The draft policy addresses Emergency Purchases (section 2-4) and change orders (section 4-19).

RECOMMENDATION:

Staff recommends consideration of updating the purchasing policy as presented.

A motion was made by Alderperson O'Brien, seconded by Alderperson Mulcahey to concur with the recommendation as presented. Upon roll call the following voted in favor: O'Brien, Tapia, Rico, Porter and Mulcahey. Opposed: Oakes and Almlade. Motion carried. **5 - 2**

UTILITY ASSISTANCE – HUD FUNDING DISCUSSION (Ms. Whiting, Financial Director)

On August 2, 2021 Council approved allocating the City's remaining HUD funding as follows:

- \$25,000 - Utility Assistance
- \$50,000 - Furnace Replacement
- \$50,000 – Sidewalks

Due to the pending application for the Downtown RAISE grant, and potential funding through the downtown TIF, staff has not yet pursued the sidewalk replacement program so that it can either

coincide with the grant funding, or gain more interest as other improvements are being made in the area. The Furnace program was not utilized by residents as hoped, only two homeowners took advantage of the program over the 6-month eligibility period, leaving approximately \$40,000.00 left towards that program. The Utility Assistance program was very successful, funds were expended within 5 months with 55 households being assisted. The need for such a program continues, we are currently issuing 300-500 red tag notices each month with anywhere between 50-100 shut offs sent to Maintenance Services for completion.

Staff is seeking Council's input and approval to reallocate additional HUD funds towards the Utility Assistance program, reduce the amount of the Furnace Replacement program, and maintain funding for sidewalks. There is approximately \$238,000 available for allocation. Staff recommends:

\$50,000 - Utility Assistance

\$20,000 - Furnace Replacement

\$50,000 - Sidewalks

Remainder (\$118,000) – TBD

FINANCIAL:

This is a budgeted item.

Line Item# 320-4000-24-901.0

Title: Rehab Programs

Amount Budgeted: \$50,000.00

Actual Cost: \$70,000.00

Under/(Over): (\$20,000.00) from Fund Balance

Funding Sources: HUD

This is not a CIP.

RECOMMENDATION:

Staff recommends approving the allocation of HUD funding.

A motion was made by Alderperson Rico, seconded by Alderperson Tapia to concur with the recommendation as presented. Upon roll call the following voted in favor: O'Brien, Oakes, Tapia, Rico, Porter, Almblade and Mulcahey. Motion carried.

ONLINE PAYMENT SERVICES (Ms. Whiting, Financial Director)

Currently the City utilizes XPRESS Bill Pay for their online payment services. The functionality of this vendor does not meet the current needs of the City. Staff would like to expand the use of online payment options to other departments including the Pool, Library, Maintenance Services, Jacob's park events, other City events, and Inspections, as well as enhance customer's ability to pay utilizing modern technology and apps. There are only two vendors that integrate directly with our current software provider, XPRESS Bill Pay and Invoice Cloud. Invoice Cloud not only integrates directly with our software, they process payments with Real-Time integration which means there is no delay in receiving payments, customer accounts are updated immediately, and month end reporting more

accurate, they provide a secured cloud-based storage, and customers can access 24 months of utility billing history. In addition to accepting payments via online with a credit card d, checking account, and utilizing autopay, payments can be accepted via a text message link with options to pay directly using Apple Pay, Google Pay, Venmo, and PayPal. Payments can be completed as either a one-time payment (guest checkout) or signing up as a user.

Using our current model, in which the City absorbs all fees associated with online payments, the cost would be approximately \$200.00 more per month, however that allows the City to add the new departments, enhance customer payment options, and provides credit card machines that are mobile and can be used at various events and locations. The City could adopt a hybrid model in which the City would absorb all fees related to ACH, Auto Pay, and E-checks while the customer would pay a fee for credit card transactions. Since many platforms such as Apple pay, Google pay, Venmo, and PayPal are directly connected to checking accounts, this still allows customers to pay with a variety of options and does not tie them to a credit card payment only. This option would result in a monthly savings of approximately \$2,100.00. It is estimated that the system will be implemented in October.

FINANCIAL:

This is a budgeted item.

Line Item# 200-4021-29-496.2 & 250-4031-28-496.2
200-4021-29-496.1 & 250-4031-28-496.1

Title: MC/VISA Fees

Amount Budgeted: \$53,500.00

Actual Cost: \$55,870.00

Under/(Over): (\$595.00) remaining three months of 2022

Funding Sources: Fund 200 Fund 250

RECOMMENDATION:

Staff recommends Council approval to forward the agreement with Invoice Cloud to City Council for final approval, and if approved to forward to City Council, staff seeks Council's recommendation to continue with the current model (City to absorb fees) or a hybrid model as outlined above.

A motion was made by Alderperson Porter, seconded by Alderperson O'Brien to concur with the recommendation as presented using hybrid model. Upon roll call the following voted in favor: O'Brien, Oakes, Tapia, Rico, Porter, Almblade and Mulcahey. Motion carried.

ADJOURMENT:

A motion was made by Alderperson Oakes, seconded by Alderperson Almblade to adjourn the Committee-of-the-Whole meeting. Upon roll call the following voted in favor: O'Brien, Oakes, Tapia, Rico, Porter, Almblade and Mulcahey. Motion carried. **8:14 p.m.**

Minutes taken and submitted

Wanda Roberts-Bontz, City Clerk