

**CITY OF ROCK ISLAND  
CITY COUNCIL STUDY SESSION  
February 24, 2020 - 5:00 p.m.**

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

2/24/2020 - Minutes

**LIBRARY PRESENTATION**

Library Director Angela Campbell discussed the history, programs, and plans for the Rock Island Library system. She began with revenues and expenditures for the Library System. The next slide was a statistical overview of what was checked out of the libraries physically and digitally as well as interlibrary loans. She listed the extension of services through current partnerships with the Library, including programs throughout the school year and summer enrichment programs.

Ms. Campbell said the Library asks for a 4.9% funding increase each year, at a cost of ten dollars per household. She said the increase helps fund the inflation of electronic and print materials. She said e-book rentals and purchases are bad for libraries right now because users are not charged as much as the libraries. She said personnel and healthcare increases are both part of funding requirements, as well as service contracts. Ms. Campbell discussed accumulations, which included a 90-day reserve and an assigned reserve fund for building projects, and liabilities, of which there were none.

Ms. Campbell presented other statistics and facts related to Library activities, including 352,000 transactions in person by staff. She said there has been more attendance in Library programs as a result of strategic planning, and an eleven percent increase in electronic material usage. She said the mobile library began, the 30/31 Library was closed down, and began using electronic library cards. She said the Community Comforts Drive was successful in providing for Rock Island homeless shelters.

Ms. Campbell detailed the Library revenues and expenditures. She said revenues included grants, donations, fines and fees, property taxes, gaming funds, merchandise, and office space lease. The list of expenditures included personnel, supplies, service contracts, electronic library materials, transfers, fleet grants, and encumbrances. She provided details on personnel changes over the past few years, including the labor contract that increases by \$50,000 for five years. She said the budget increase of 2 percent falls short of what is needed to cover the labor union contract. She said an extra \$50,000 in budgetary increases would be very beneficial to her department. She said the supply expenses are different every year because they buy in bulk to get the best rates.

Ms. Campbell discussed services, and that most of the services are contracts for the downtown library, specifically for HVAC problems. For other expenses, she said the electronic database and materials increase in cost by 3 to 5 percent each year. Ms. Campbell discussed future plans, including an Operational Endowment possibility, reconfiguring the downtown library for maximum efficiency, and adjusting hours and staffing. She gave a conclusion of the topics covered in her presentation, including budget work throughout the year. Alderman Spurgetis thanked her for the presentation, and said he was impressed. Mayor Thoms thanked Ms. Campbell and staff for their hard work and dedication.

## AMERICAN WATER PRESENTATION

Mayor Thoms said the topic of privatizing the water and sewer departments had come up the previous year. He said no decisions would be made at the meeting, but the purpose of the study session was to find out more information. He said if the discussion resurfaced for 2021 goal setting, no decisions would yet be made. He introduced American Water.

Randy Moore, President and CEO of Iowa American Water Company, introduced himself. He also introduced Tim Leahy, the Director of Business Development and Government Affairs for the Midwest Division of American Water; Rich Kirkhove, Director of Rates and Regulatory for Illinois Water; Frank Grage, supervisor on the Iowa side, and Eric Lawson, Superintendent of the Peoria operation; and Jarek Lucky, Superintendent of the Clinton operation. Mr. Moore said he is excited for the opportunity to discuss his company. He said he started working with American Water 40 years ago as a plant operator and through the organization's support has become President of Iowa American, and he loves the company. He said American Water has a presence in 40-plus states across the nation, and they only work with water and wastewater.

Mr. Moore gave a recent history of private water companies in the United States, and then a history of Illinois American Water. He talked about the benefits to the community that American Water provides, including the elimination of operational responsibilities from the City. He said that as property owners, they would pay taxes to the City. He said they would support economic and community development within the City. Mr. Moore said Illinois American Water would continue with the current employees of the City, as they recognize that would be the wrong thing to do because of their expertise. He said they would work with the bargaining entities to ensure good faith bargaining going forward. He said there would be management opportunities for current employees.

Mr. Moore introduced Mr. Leahy to speak. Mr. Leahy said his background is in labor law, and he would not be with the company if they did not have solid labor relations. He talked about some of the history of labor relations with the company. He gave examples of individuals in the labor relations industry that he has worked with and would vouch for Illinois American Water.

Mr. Moore discussed things that Illinois American Water would be able to provide for the City. He gave an overview of what many water and wastewater lines look like across America, and what it would take financially for repairs over the next 25 years to bring the systems up to par. He said Illinois American Water has invested between 70 and 100 million dollars on infrastructure improvements within the state.

Mr. Moore discussed the company's commitment to new development, including working with developers with refunds and other incentives. He said they would work closely with the Planning and Zoning commissions when growth occurs. He discussed the company's recent acquisition history, and encouraged Council to reach out to the communities they have partnered with for testimonials. Mr. Moore concluded with a list of reasons why they would be a viable option for the City, and discussed their response in the wake of the Joplin, Missouri tornado disaster and Hurricane Sandy.

Mr. Moore opened up the discussion for questions. Alderman Geenen said one of the successful programs in the City is the Sewer Lateral Repair program. He asked Mr. Moore if that program is something they offer, and what their price range would be. Mr. Moore said they offer a similar program, but the fee is slightly lower than is currently charged by the City. Alderman Poulos asked if current employees would be taken care of if the program were to be adopted. Mr. Moore said yes, and if the measure moved forward, they would begin to get leadership involved. Mr. Leahy added the company would recognize the union and assume the contract, and no one

would lose their job and benefits would stay the same. Mayor Thoms reminded the audience that this would need to be put out for bid to protect the taxpayer's money.

Mayor Thoms asked if anyone else would like to speak. AFSCME Local 988 Vice President and Utilities Maintenance Crew Leader Nick Hartman spoke. He said he believes the City employees provide an essential service and the public should own the infrastructure. He said water and wastewater are revenue sources for the City, and once it is given up the revenue will not be seen again. Mayor Thoms said the revenue from water and wastewater goes into Enterprise funds and can only be spent on those things. Mr. Hartman said there are transfers of money for services in between departments that would not be available if this went through, affecting operations.

Alderman Spurgetis asked Mr. Moore to explain what the City employees would receive as part of their healthcare and retirement program. Mr. Moore said they have a national benefit program that is negotiated yearly, and they would work with every situation for pensions. Alderman Hurt asked Mr. Moore to discuss the structure of how rates are determined and how American Water would prioritize failing infrastructure. Mr. Moore said the Illinois Commerce Commission governs the rates for Illinois American as to how much or for how long they can increase the rates. He said the ICC would need to ok rate increases after an eleven month waiting period, as they are a buffer between the company and municipalities. He said if they are able to work on infrastructure during other City projects, they look to those to begin prioritizing the work needed in the City to better coordinate the work done. Alderwoman Swanson said she had calls from residents being concerned about rate increases and assistance programs. Mr. Moore said they have a couple of programs in place that can help people that are struggling.

Mayor Thoms asked the resident who wished to speak to come up. Dieter Harle introduced himself as a Davenport resident as a semi-retired agriculturist. He discussed the trend of genetically modified crops and the use of herbicide glyphosate, and the concern of it being found in the Mississippi River. He asked Council to consider this aspect of what is in the water during any further discussions of privatization, as it is a health concern. He volunteered to provide information to Council if they wished. Mr. Leahy said it was a good question, and they take what is in their source water. He said they work with local agencies to ensure the safety of the water. Mayor Thoms reminded everyone that Rock Island is implementing a new water filtration system. Mr. Harle said he had tests to show what the actual levels currently are, and that the Farm Bureau does not treat the issue fairly. He said it needs to be publicized what the levels of certain contaminants are, as the public does not have much knowledge of the subject, and it is misunderstood. Alderman Clark said he wanted to clarify that this would come up in a budget session, and Mayor Thoms confirmed that it would be in goal setting meetings, and thanked American Water for their presentation.

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Josh Adams, Deputy Clerk