

**CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
September 28, 2020 - 5:00 p.m.**

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

10/12/2020 - Minutes

AS PART OF HIS EXECUTIVE ORDER IN RESPONSE TO COVID-19, #2020-07, SECTION 6, GOVERNOR PRITZKER ANNOUNCED IN PART THAT "DURING THE DURATION OF THE GUBERNATORIAL DISASTER PROCLAMATION, THE PROVISIONS OF THE OPEN MEETINGS ACT, 5 ILCS 120, REQUIRING OR RELATING TO IN-PERSON ATTENDANCE BY MEMBERS OF A PUBLIC BODY ARE SUSPENDED. SPECIFICALLY, (1) THE REQUIREMENT IN 5 ILCS 120/2.01 THAT 'MEMBERS OF A PUBLIC BODY MUST BE PHYSICALLY PRESENT' IS SUSPENDED; AND (2) THE CONDITIONS IN 5 ILCS 120/7 LIMITING WHEN REMOTE PARTICIPATION IS PERMITTED ARE SUSPENDED. PUBLIC BODIES ARE ENCOURAGED TO POSTPONE CONSIDERATION OF PUBLIC BUSINESS WHERE POSSIBLE."

PRESENTATION BY THE PUBLIC WORKS DIRECTOR REGARDING A RECAP OF THE 2020 STREET REPAIR AND THE PLANNED 2021 STREET MAINTENANCE PLAN

Public Works Director Mike Bartels discussed planned street maintenance projects for 2020 and goals for 2021. He said he aimed to create more transparency amongst the Public Works Department, City Council and the general public. He said there are many variables and factors as to which projects are chosen. He said a survey was done of the City streets that broke down street conditions based on pavement type and gave rating factors to each one. He then discussed the selection criteria for road projects. He said an effort is made to allocate funding equally amongst the wards.

Mr. Bartels provided a list of completed maintenance projects in 2020. He said most come from the Pavement Patching Contract completed by Laud Construction. He provided visual examples of streets that have had repairs completed this year. He then discussed 2020 street maintenance projects that are still in progress and provided visual examples of streets that are partially completed. Mr. Bartels discussed projected maintenance projects for 2021 and showed visual examples of streets that currently need repairs.

Mr. Bartels discussed capital Improvements funding. He said these are funds the City has available to use. He said REBUILD Illinois bonds are new this year, thanks to the State and the first allotment was received in May of 2020. He said it is similar to the Motor Fuel Tax in the approval process and there are \$2.5 million available in REBUILD Illinois grant funds to spend through July 2025. He said the City expects to receive \$1.5 million in Motor Fuel Tax (MFT) funds and said \$800,000 is to be used on street maintenance with the remainder for Capital Improvement Projects. He said the Local Gas Tax was diverted to street maintenance in 2019 and this is the first year those funds are being used. He said the expectation is to receive \$477,000 in funds from that tax.

Mr. Bartels discussed street maintenance projects that are slated to use funds from the REBUILD Illinois bonds. He discussed street maintenance projects that are slated to use funds from Motor Fuel Tax revenues. Mr. Bartels provided visual examples of the differences in street reconstruction versus pavement patching.

Mr. Bartels discussed projects that will be funded by the Local Gas Tax, as well as Federal Grant funded projects and the various grants that have been applied for in 2020. He said they have put in for a \$10 million grant for the purchase of permanent flood pumps as a result of discussions with FEMA after river flooding. He discussed other grant submissions through REBUILD Illinois.

Mr. Bartels discussed Capital Improvement Projects that lack funding at this time. He asked Council if there were any questions. Alderman Spurgetis asked if residents could go online to see if their street is on the schedule for repairs. Mr. Bartels said it depends on the type of project. He said pavement patching locations could be available to place online, but residents can also call Public Works to check. Alderman Spurgetis asked if residents could check online to see if they were on the five-year plan for Capital Improvement Projects and Mr. Bartels said yes. Alderman Spurgetis asked if Public Works would know by the end of the year if any grants that have been applied for will be awarded and he said he estimated an answer to that may be available by the beginning of next year. Alderman Geenen said if there is a way to highlight where work is currently being done in the City for street maintenance, he would appreciate it.

Alderman Parker said Davenport has a better roads website that publicly communicates which construction projects are underway. He said the City could do that as well. He asked if the City was allocated a certain percentage of funds for brick street repair. Mr. Bartels said yes, the annual \$70,000 is set aside for those roads. Alderman Parker asked about 23rd Street and 12th Avenue, as that project was originally slated to be finished this year. Mr. Bartels said the funding from the gas tax has been reduced and certain projects have been limited or delayed as a result. Alderman Parker asked if the City used Bi-State Regional Commission when applying for any of the grants available. Mr. Bartels said they are utilized for assistance, but he will follow up with the City Engineer to see what can be done going forward regarding construction projects.

Mayor Thoms thanked Mr. Bartels for his presentation.

PRESENTATION BY THE FINANCE DIRECTOR REGARDING THE CITY'S PURCHASING POLICY

Finance Director Stephanie Masson came up to speak. She introduced Linda Barnes, Accounting Supervisor, as someone who will be present at the upcoming meetings as she transitions to Interim Finance Director. Ms. Masson introduced an overview of policies towards City expenditures.

Ms. Masson discussed purchasing terminology for clarification. She said the largest version of purchases are via ACH payments, which do not go through the accounts payable system. She said they consist of payments on debts, payments to the IRS, and bond payments. She said the second category of purchases are invoice payments and that the third category is purchase card expenditures. She said the last category is journal entries, which involve transfers between accounts.

Ms. Masson said each department enters invoices based on their individual department policies and system of approvals, both of which flow into the Finance Department. She said each transaction is reconciled with paper backup. She said there are four areas that guide the City's purchasing policy. She said the policy was last updated in 2011 and is a simple document. She said there are categories based on cost or total dollars of purchase. She said there is a list of eighteen exceptions that have been vetted over time. She said the policy is guided by objectives, including the lowest cost, providing competition with a bidding process, compliance with State and Federal regulations and continuity of supply.

Ms. Masson discussed the four categories of purchases. She said the first is goods and

services exceeding \$15,000. She said the second is goods and services from \$10,000 to \$15,000, for which a bid is required. She said both of these categories require City Council approval. She said the third category consists of \$5,000 to \$10,000 purchases. She said these can be approved by Directors or Managers. She said the last category is purchases less than \$5,000, which does not require comparative pricing. She said there is a preference to use Rock Island vendors. She said under the last category, there is language on how authorization can be transferred to certain boards within the City, such as Police and Fire boards.

Ms. Masson discussed the eighteen exemptions to the purchasing policy. She said one of them is accommodations for reasonable moving exceptions that need to be approved by Council. She said another exemption is travel and training expenses, for which there is a separate policy. She said another type of exemption is payroll. She said additional exemptions are utility bills and health insurance reimbursements and contract payments. She added that with the exception of construction projects, contract payments do not always need approval. She said loans and bond payments do not need Council approval, but there are transparency efforts made for that. She said other exceptions include landfill and composting facility tipping fees, public works-related asphalt and concrete fees. She stated another is internal service fund payments and inter-fund transfers via journal entries. She said exceptions are also allowed for temporary employment service payments, bulk fuel purchases and certain grant-funded expenditures. She said other exceptions are financial services and payments required by State and Federal law, such as IRS and Social Security.

Ms. Masson discussed potential changes and enhancements to the current policy. She said defining public-private partnership purchases is a recommendation. She said having the purchasing policy reference other policies more is a recommendation. She said the Grant Accountability Transparency Act (GATA) is a government initiative to add more transparency and rules to purchases. She said she also recommends separately referencing the goal to purchase locally and the use of DBE contractors. She said the State allows for a competitive bid threshold limit of \$25,000 now and recommended an adjustment be made to raise our threshold limit to match. She said less would come to Council for approval if an adjustment was made. She said that adding an environmental and clean energy focus is also a recommendation.

She asked Council for additional recommendations for policy changes or questions. Mayor Thoms asked what the pros and cons were regarding the choice of a Rock Island vendor if they charge more. She said there are other examples of purchasing policies elsewhere that may provide guidance. Alderman Poulos asked about Amazon or other online purchases and whether or not there are policies to ensure the purchaser is attempting to find the items locally. She said there is always a cost / benefit to purchasing in terms of convenience and availability. She said the percentage of Amazon purchases is small in terms of the overall budget, but the leaders do advise purchasers. She said the City no longer pays sales tax on Amazon purchases, which is a newer thing.

Ms. Masson discussed the purchasing card policy. She said there is a draft for an update to the current policy that brings it to current standards and there is a reference within the draft to provide more weight to local purchases. She said purchase cards are an efficient way to make small expenditures. She said the alternative to purchase cards would be to have accounts at vendors, which does make controls more difficult.

Ms. Masson said there are various internal policies and instructions that can take place outside of the formal policies. She recommended each department have an internal policy as to how business is transacted. She said best practices do recommend purchase card as a way of streamlining the purchasing process. She said another best practice is transparency and the City's purchases are available for viewing via reports.

Ms. Masson discussed the importance of internal controls. She said key words for these policies are segregation of duties, monitor reviews and verify, reconcile, safeguard our assets, establish and follow policies and timely reporting. She asked Council for questions. Alderman Parker said some municipalities have a purchasing supervisor and asked if the City is doing the right thing currently. She said there were personnel in the past that were in charge of this, but for the City's size, a dedicated purchasing department is not often seen. She said the City does not see the level of activity needed to justify a centralized process. Alderman Parker said there will be an increase in service agreements and asked if there are issues regarding public-private partnerships with regards to the purchasing policy. Ms. Masson said policy issues generally arise via construction projects and the procurement of supplies and assets.

Mayor Thoms thanked Ms. Masson for her time.

Linda K. Mohr, Interim City Clerk