

**MINUTES OF SPECIAL SESSION
FISCAL YEAR 2010-11 BUDGET DISCUSSION
HIGHLAND CITY COUNCIL
MONDAY, MARCH 8, 2010**

Mayor Michaelis called the Special Session to order at 6:00pm. Council members present were Rickher, Bardill, Bellm and Zobrist. Others in attendance were City Manager Mark Latham, Directors Gillespie, Rosen, Rusteberg, and Schoeck, Police Chief Bell, Fire Chief Kilgore, EMS Captain Crosby, Supervisors Lengermann, Limestall, Zimmer and Whittenborn, Asst. Director of Finance Kelly Korte, Staff: Jeff Dortch, Rich Kraft, Jackie Kutz, Nancy Gramlich, and Sharon Walter, Deputy City Clerk Hediger, City Clerk Bellm, 2 citizens and one member of the news media.

City Manager Latham thanked the directors, Director Sharon Rusteberg and Asst. Director of Finance Kelly Korte who did a marvelous job at putting this budget together. The proposed budget shows a 1% increase in Operating and Maintenance (O&M) expenditures, coupled with a 3% decrease in operating revenues. Still we are putting \$1.1M back into reserves. It is a balanced budget. About four years ago, we began putting together critical measures. We have to make sure we do not go over so much in personnel costs; yet we want to make sure we are able to fund our critical service areas. We have lost the increases in property assessed evaluations, income tax, and sales tax revenue that we typically have seen in the past. Sales tax has held really well this past year. Water, sewer, and power revenues were down this past year, as we experienced the wettest and coolest summer last year. So, not just economics, but usage based upon climate has decreased revenues. If we have a warm summer and we sell more water and electric, then revenue will exceed the budget. We are honoring our union contracts with regards to pay increases and we have some cushion in there for insurance costs.

Public Works

Street & Alley

Director Gillespie reported, under Goals and Initiatives for FY 2010-2011, it is time to re-inspect the streets under the Pavement Management System. Last time, we had Oates Associates do this. We feel confident doing them in house. The program has been a great aid in helping us plan; however, the program does not address design and safety issues. We plan to incorporate an additional rating system that Jeff and I have designed to include safety aspects of roadways such Oak Street, Daiber Road, and Vulliet Road. For the Non-Home Rule Sales Tax we have the Koepfli Lane Extension and Reconstruction project that is out for bid. This involves the reconstruction of Koepfli Lane from Cherry Street to the cemetery and the new alignment of roadway to the existing Frank Watson Parkway at Sportsman Road. In speaking with the engineer, we plan to complete this project by 12/3/2010. This would require making a change to the proposed budget and moving in \$640,000 budgeted for fiscal year 2011-2012 so that we have all \$3.2M in fiscal year 2010-2011. Dennis Rinderer has been making some progress with property owners out there on the proposed NE Quadrant. Jeff Dortch showed a landscape view for the Koepfli Lane Extension. Director Gillespie pointed out that for the existing homes along there, they would no longer have a ditch in front and will have a sidewalk in front of their homes. A view of Iberg Road South showed it constructed and designed to match Iberg Road North. The proposed Michael Parkway (the roadway extension from Michael Road to US 40/Troxler Avenue showed a shared use pathway constructed parallel to the roadway. Director Gillespie reported, in talking with Resident Engineer Clint Conrad, we believe Iberg Road South will be completed some time between June and August of this year, depending on weather.

\$800,000 is budgeted for FY 2012-13 for reconstruction of Oak Street. There would be a realignment of the intersection at Oak Street and Papin Street. It would encompass the length of Oak Street from Broadway to Lindenthal. The engineer's design provides for two eleven-foot traffic lanes. The Oak and Papin intersection centerline to centerline has a thirty-foot offset presently. We would only need to acquire two small slivers of right of way (one at three-feet wide and the other twenty-eight inches wide) to correct it. Director Gillespie suggested we look at extending the street bond to cover this project. Councilwoman Bellm concurred Oak Street really needs to be addressed. Director Gillespie also reported on a plan to upgrade Broadway from Swallow to Helvetia. Presently there is an open ditch drain system, which would be enclosed. The project would also include widening the asphalt roadway to accommodate four-foot bike lanes and adding a sidewalk on the north side of the roadway. Improvements would provide apron entrances to side streets in this area. Preliminary estimate is just over \$800,000. Councilman Rickher asked how traffic would be handled during this. Jeff Dortch acknowledged that is the big question. It would be a large hurdle. The best option would be to do half at a time, limiting traffic to one lane.

In FY 2010-11 city forces plan to make repairs to the concrete pavements on Woodcrest, Mercantile, and Northwest Manor. Troxler Avenue seems to be getting a lot of attention with its uneven surface. The panels have moved due to the transverse joints. We believe that with the presents of water in the joints and the absence of reinforcement bars at the joints is the problem. It has been suggested that we route and re-seal the joints, install a French drain system, and possibly do a dowel bar retrofit. Estimated cost \$485,000. Director Gillespie proposed doing a test section of 25-30% of roadway, with a budget of \$150,000, then let it sit for couple of years to see how it responds. \$190,000 is budgeted for the resurfacing of Walnut Street, from Highland Home to Broadway, and Main Street from Washington to Poplar Street this year. In the TIF District, money is being held for planned drainage improvements north of the railroad and the reconstruction of Matter Drive. There is d ~\$20,000 in the TIF fund. With new businesses in the area, we should have additional funds coming in.

A sidewalk extension is planned along Broadway from Sun Court to Iberg Road. We have one planned extension each year for the next four years. We do not have MFT funding to do sidewalk removal and replacement projects this year; we have just enough for our regular maintenance. Jeff Dortch reported, this past year, we added ~800 ft. of sidewalk with the extension along Route 143 from Troxler past Wal-Mart. In Highland, we have 35 miles of sidewalks. Of those 95% are rated in good condition. 114,646 feet have been installed or replaced since 1998. 8,065 feet rate as "fair" condition and 1,000' (1%) rates as "poor".

Budgeted for proposed equipment purchases is \$75,000 for a small excavator. Director Gillespie reported we presently rent one when needed. We try to wait for projects to get stacked up and then schedule it for when we feel the weather will be good to allow us to get everything done. \$30,000 is budgeted for the purchase of a trailer mounted culvert jetter, which we had in budget for this past year, but put it off to make funds available for other items.

Water Department

At the Water Treatment Plant, we would like to install a cover over the main clarifier unit (\$100,000) to assist in keeping easier maintenance of the unit. The cover prevents the ultraviolet light from promoting growth of algae, reduces disinfection byproducts required as part of the overall cleaning of the unit, and prevents debris from entering the water process. This would improve water quality for taste and odor. We are continually looking for ways to adhere to the IEPA regulations regarding disinfection byproducts. This is an issue that the IEPA wants not only Highland, but also other water producers to improve on. This year, \$35,000 has been budgeted to remove and replace filter media. Money is budgeted in future years to change over to membrane filtration, which is not cheap (~\$2M) to provide better filtration and improved water quality. It would reduce chemical costs. \$20,000 is budgeted each of the next two years to switch out the effluent valves that work off compressed air. The air compressor we have needs a lot of attention on a regular basis. We would like to replace vales with electric motors, which would allow staff to make adjustments more accurately. We will work with the electric department to see what we can do to get some grant funds. In our last dam inspection, recommended adding more riprap along the IL 143 dam on the lakeside to prevent erosion. \$50,000 is budgeted for this.

Water Reclamation Facility

Director Gillespie reported that at the Water Reclamation Facility the focus is on installing variable frequency drives (VFD) on pumps, blowers and motors. \$40,000 has been budgeted for the VFDs, which would allow us to save up to 50% on our electric, provide longer life span on equipment, reduce start up power required, and enable finer adjustments to plant processes. We will work with the electric department on this as well to see if grants are available.

Water Distribution

We are roughly 50% complete with the install of automated meters. \$50,000 has been budgeted for this next year to continue the initiative.

Sewer Collection

The last payment (\$86,000) will be made on the sewer jet/vactor combination unit that we purchased last year. 66,000 feet of sewer mains was jetted this past year. City Manager Latham reported we had one back up, in a very wet year.

Councilman Rickher noted he had heard from some “old timers” there was a leak that needed to be fixed in the dam. Are there any weak spots that we should be concerned about? Director Gillespie reported we have a professional engineer inspection of the dam every three years. Councilman Rickher asked do they take any measurement for changing elevation. Director Gillespie stated they have not in the past; however, we did watch it closely when installing the new low-level outlet for changes and movement.

Public Safety

Police Department

Chief Bell noted the police department has a 1% increase in total budget over last year. We tried to be very conservative in our budget. We want to continue with our community policing efforts, engage in the three major festivals (~\$14,000 in OT), and increase foot and bicycle patrols. Over the last three years, personnel costs have stayed virtually the same. This has been due in large part that we have had three positions vacated. Until the budget turns around, we are going to try to avoid coming back and asking for more. We have reduced staff by ~10%. We have increased the training budget. The average age in the department was 40; it is now 33. With a young staff, more training is required - both internal and external. I think it is important to do evaluations so that you can communicate to staff how they are doing and what is expected. The average age of our supervisors is 37. We have the opportunity to mold the force. The other major increase is through contractual/technical (up from \$18,651 to \$23,000). Those things are getting our servers and software inline. Operating Supplies shows an increase (\$14,000 to \$20,000). The whole city went to a central purchasing system, so those line items moved around. \$60,000 has been budgeted under capital expenditures to purchase and equip two new squad cars. My hope is to bring those bids to the council at the next meeting. We have \$30,000 in reserve that will have to go towards addressing roof issues in the sally port area. By 2013, the bandwidth is going to be narrowed, which will require us to go to digital radios. We have been doing some legwork on this already and have been talking with 9-1-1 coordination.

Chief Bell stated, this fall, we would like to do major critical incident training. We would like to stage a natural disaster. As I speak around the community, the concern seems to be if we are prepared to handle a disaster. We hope to do this in late September or early October, coordinating the event with Fire, EMS, and the hospital. Councilman Rickher pointed out that fuel costs budgeted is down from last year. Chief Bell explained the numbers are based off where we are so far this year. Mayor Michaelis asked if initiating a foot patrol is one of the reasons. Chief Bell replied yes. We encourage officers to get out of the car and interact. Obviously, you cannot be too far away from the car. Councilman Rickher noted that police drive down Michigan Avenue, in Chicago, on a miniature cart. Mayor Michaelis added there is new law going into effect allowing use of such vehicles on roadways, if they operate at 30mph or less, legal with license plates. Chief Bell reported he has been in discussion with our city attorneys about this. My understanding, based upon the discussions with the attorney, is that we can restrict them. In gated communities, they work well. In Highland, we have a lot of state highways that intersect through the city. Mayor Michaelis inquired about uniform costs. Chief Bell explained that jump was created with the number of new officers due to turnover. Hopefully, we do not see that next year.

Fire Department

City Manager Latham pointed out the cost of fire protection per capita is \$18 per year. Fire Chief Mike Kilgore reported ISO is scheduled to come in for a preliminary review on April 20-22. I do not know if we will see a change or not. We had a meeting with them previously to see if a lower rating would benefit us; however, it did not affect insurance ratings enough to warrant going through the process. We have a lot of volunteers coming to the department. Our biggest issue is that we do not have enough fires. Some communities that have seen foreclosures have also experienced cases of arson. We have not seen those. Councilman Rickher asked how is the liability handled if a volunteer is injured. Chief Kilgore responded the city's workers' compensation handles it. A recent expenditure was the purchase of new helmets and auto extraction tools. Mayor Michaelis stated I thought a lot of the insurance ratings were dependent upon ISO rating. Chief Kilgore explained the insurance companies have the different ratings grouped together in brackets. Insurance premiums often only change when there is a move from one bracket to another. The best is Rating 1 and the worst is 10. We are at a rating of 4. If it goes down to a 3, most insurance are not going to make changes to policies. The rating system is 50% fire department, 10% dispatch and 40% water. I am positive that the city's water rating is going to be better. Director Rusteberg pointed out that residents of Highland get to take advantage of the ISO fire rating. Outside of the city limits, the rating is not as good, because of the water system and different fire protection. City Manager Latham noted the biggest improvements would be in the water system with larger distribution pipes and the new water stand. Councilwoman Zobrist noted travel and training was boosted up to \$10,000 for the current year; however, a lot of that has not been used. I thought that was increased for drivers' training. Chief Kilgore stated we have not made a decision on what training program we should go with. Councilwoman Zobrist expressed she would like to see it go forward.

Ambulance/EMS

Captain Gary Crosby pointed out the biggest change is that we show ~\$51,000 increase in revenue over last year. We had a change in operations in that we went from 16/8-shifts to a 24-hour individual shift with the new contract this past year. The crews work the same number of shifts per year; however, because they are FLSA non-exempt, you will see overtime increase. The way it works out is that staff will work 1872 regular hours in a year with 312 overtime hours. Annual pay remains the same. In the current budget year, we have seen revenue per ambulance calls increased by ~\$30. This has been achieved by quicker submittal of claims and recognizing the maximum payout of the different types of calls. For fiscal year 2010-2011, \$85,000 is budgeted to replace cardiac monitors/defibrillators that are eight years old. Our tax levy overall has gone down slightly from 0.24 of 1% to 0.22 of 1%. Director Rusteberg reported the budget is figured at a 94% collection rate for taxes. Captain Crosby reported our concerns are with Medicaid. Medicare has already shown a 10% decrease in allowable since start of year. We are at 79% collection rate. To date, this year, revenues are 12% over anticipated. What could be an unplanned expense this year is replacement of a standby generator at Fire Station #1, which we have been experiencing issues with lately. \$140,000 is being moved into reserves in FY 2010-11, with \$90,000 marked for future property acquisition. Mayor Michaelis noted attorney fees were over the budgeted amount this year; however, that amount is budgeted lower for this next year. Captain Crosby explained the majority of that cost was due to contract negotiations.

Building & Zoning

Chief Building and Zoning Official Kevin Limestall reported the Building & Zoning's goals for this next year include integrating building permit data into the GIS system. This assists with planning and aids in disaster preparedness. Right now, we are trying to determine the format. We are also going to draft a proposal to add Conservation Development features into the Land Development Code, to work towards a greener method of dealing with storm water and mitigating flood issues. The department will be looking at a revised fee structure upon evaluation of what it costs to provide our services; not only what it costs to do inspections, but answer the phone and address questions of citizens. The department has taken over some of the nuisance issues: weeds, structural issues, etc. with the CSO position vacated. The biggest issue we have with foreclosures is getting the information on who is handling the foreclosure and who is responsible for caring for the property during the process. Thankfully, we find many neighbors taking the initiative and mowing the grass.

Our current revenue costs dedicated to personnel is 42.7% of budget. Operating and Maintenance (O&M) is down from \$27.52 per capita to \$25.19. We are seeing a decrease in regular salary due to cut back of

staff earlier this year. We anticipate a reduction in attorney fees. We have cut back on engineering consulting, in the proposed budget. Last year, there was the resource plan and the I-70/Route 160 interchange project. Training has been reduced by \$3,000 to \$3,500, as we will be utilizing more online training. In FY 2008-09 and 2009-10, as we assumed more of the building costs since Public Works moved up to the office on Broadway. \$12,000 was transferred into City Property Reserve Mitigation fund, which allows for acquisition of right of way or a parcel that floods several times per year, which could be used for green space. Chief Limestall expressed the department is running well. We are always looking to make things more efficient and provide more services.

Parks & Recreation

Korte Recreation Center

Director Rosen stated a lot of our budget is focused on personnel. The Korte Rec Center is exceeding years past. Day care and aerobic classes are up. For January, we had 500 more visitors in that month than any other year. Mayor Michaelis asked what Director Rosen attributed that to. Director Rosen responded the economy. I believe people are staying near home rather than traveling. Also, new staff with new programs. We are focusing more on programs that families can do together rather than sporting activities. Finance Director Rusteberg pointed out this is the first year we are not subsidizing the Korte Rec Center. Director Rosen reported we have no capital improvements budgeted for the center this year. Large items budgeted include \$11,000 to replace the Pool Pak Compressor and \$16,000 to replace some cardio equipment. The cardio equipment is a big draw for the facility. Two of seven treadmills are the original units. We are looking at demoing a new spinning bike with LCD screen to show views of different trails on-screen to correspond with the programs.

Parks & Programs

Director Rosen reported with the comfort station tax this year we upgraded Silver Lake Restrooms to ADA compliance and with sensor activated lights. The park is being used more with more use of the pavilions; therefore, we need to look at providing more “comforts” with additional lighting to the pavilions and look at providing a restroom at the ramp area. Mayor Michaelis asked how the pavilion rental is working out. Director Rosen responded, very well. We did have friends of residents coming in to rent the pavilions and using their friends’ addresses, so we now request identification. Councilwoman Bellm inquired when the beautiful gazebo arrived. Director Rosen reported the gazebo was put in last year. Already three weddings have been held there. Del Ray Deibert’s wife has offered to pay for a sidewalk out to it (~\$2200 expense). Under minor equipment, we would like to put \$19,000 towards boat docks. With minimum wage going up \$0.25 per hour each year, staff has done a good job at managing personnel and other costs. Staff has been very good at reducing expenses in order to maintain jobs. Councilwoman Zobrist noted the road going into Glik Park is looking pretty rough. Director Rosen reported Director Gillespie thinks we may be able to repair that in-house or utilize the asphalt equipment when it is in town doing other streets. The trails at Glik Park are in use almost every day and maintenance needs to be done on that. (\$4,000 budgeted.) The renovation of Bargetzi Dam could be significant. We are still waiting on the engineering report. I have set aside \$40,000 in budget. It may require dropping Bargetzi Lake 3-4 feet, putting panels in or widening the dam, based upon cubic feet of water. A secondary outlet will have to be installed. City Manager Latham asked Director Rosen to discuss how year-around school would impact Parks & Recreation. Director Rosen stated August 9 is proposed start date. If that is what occurs, it will not affect our summer programs too much. If the school goes to a 4-5 week summer break, with year-around school, it would greatly affect our playground, track and field, and tennis programs, because families would be taking their vacations during that short period. We would have to get creative.

Outdoor Swimming Pool

The big dollar item for the outdoor swimming pool is \$120,000 for the new filtration system. We would be able to relocate the system if we moved to a new pool at a different location. We backwash 2-3 times per week, using 5,000 gallons of water each time and 3-4 hours of labor. Aquatics Director Laura Wilken reported we are still waiting on the Illinois Department of Health to issue the permit. A lot of pool companies are trying to avoid working in Illinois due to issues with getting permits. New Baden's is presently being installed. Big Wolf Lodges use these filtration units. They have been able to go a full year without backwashing at some facilities. Director Rusteberg reported, at the end of the year, we will move \$60,000 budgeted in this year over. Councilman Rickher inquired about the Charter Communications franchise revenue. Director Rusteberg reported that revenue source was voted on when Charter Communication came into Highland. It was designated at that time to go towards the outdoor pool. Director Rosen added it has allowed us to have the lowest rates in the area. Mrs. Wilken noted a child can swim for as low as \$40 for the whole summer.

Cemetery

Director Rosen noted this area is pretty much all about labor. We do have hopes of continuing with adding the white fencing along the west border. Councilwoman Zobrist noted the salaries are lower. Director Rosen explained Brad Koehneman writes down the hours he works out there. He is able to maintain the cemetery with part-time personnel. Director Rusteberg pointed out we used to have a full-time sexton for the cemetery. Brad Koehneman noted we have seasonal staff on an "as needed" basis working out there. Mayor Michaelis stated I noticed a lot of the stones have been repaired. What kind of timetable to get the rest of the stones repaired? Director Rusteberg reported we have \$5,000 per year from the Weinheimer Trust to repair the monuments. Director Rosen added it is very labor intensive. Councilwoman Bellm asked why money was coming out the Weinheimer Trust for the cemetery. Director Rusteberg explained there are two funds established by the Weinheimer family. Mr. Weinheimer gave that much each year for the cemetery. There is also the Weinheimer building fund. Director Rosen stated the timetable for the repairs depends on the type of staff we are able to hire. The work is very labor intensive with digging up the existing pavers and moving the stones. Brad Koehneman explained I have been cleaning, gluing with epoxy, drilling into the headstones, and putting rebar in. Lager Monument has recommended just bearing with the weather. A lot of the headstones were being tipped because they were just set into place and not anchored. Mayor Michaelis expressed the work done is beautiful. I want us to make sure that we continue working on it. The cemetery was deplorable five years ago. Mr. Koehneman reported Lager has been trying to set footings for headstones for people that passed away in 2009; however, due to the wet weather, they have been unable to get in there. Mayor Michaelis expressed it looks much better out there. I just want us to keep with it and continue the work. Councilman Rickher asked what is contractual. Director Rosen reported we contract out digging of the graves. Councilman Rickher noted it went from \$4250 in the current year to \$15,900. Director Rusteberg pointed out we were doing this in-house using Street and Alley equipment and labor, now we contract it out.

General Administration

Director Rusteberg reported initiatives for this year are to develop a system of effective internal controls with safeguards for the city's assets. The software has been upgraded. Staff is using the performance software more. Director Rusteberg and Asst. Director of Finance Kelly Korte believe they may be able to prepare different portions of the annual audit printed out versus the auditors doing that. Councilwoman Zobrist inquired about budget billing. Director Rusteberg explained the software developer does not have the system performing flawlessly yet. If they pay more than the actual budget billing amount it does not recalculate correctly. I do not anticipate that being available until the end of this year, at the earliest. In the meantime, if they pay more to get prepared for summer costs, the system will recognize that as a credit.

Director Schoeck stated they would like to look at an electronic system-wide time and payroll system. Funds were budgeted for this last year; however, we were not sure if the Springbrook software could do it properly. Presently, each of the departments is doing their own payroll entry, with the exception of Parks & Recreation, which is the last department to move to that. This past year, we had a consultant do a market survey and develop wage classifications. We now have a policy drafted that will provide a set system for pay increases based upon evaluations. We are also working on a loss prevention plan, which will, hopefully, minimize our exposure and expenses. We have a health and wellness screening this Friday for employees participating in the health and wellness program. The hope is that the screens will show risks and necessary lifestyle changes to

employees so that they can take preventative action. The online risk assessment will tell us what percentage of our group has risk and the types of risks, so we can figure out how to assist our employees.

Director Rusteberg reported we still projected the same amount of hotel/motel tax that was available this year, for next year. For 2010-11: \$3400 for miscellaneous requests, such as the swap meet or Highland Speedway; \$1,500, Korte Rec Center Marketing; \$2,500, Hard Road Theatre Summer Play; \$5000, Tourism Bureau of Southwestern Illinois; \$7,500, Farmers' Market; \$7,500, Art in Park; \$3,600 for billboard banner changes on the Chamber of Commerce billboard; and, \$5,000 towards the 175th Anniversary. She noted that only \$2500 has been paid to the Tourism Bureau of SW IL. Councilwoman Bellm reported we got a \$5200 grant from the state last year for the farmers' market. There is no state grant this year. The Chamber kicked in for a lot of people hours and advertising. Booth fees were to cover a lot of the entertainment, but were not enough. The plan is to do it again this year. More planning meetings are being held later this month. The plan is to have businesses underwrite the advertisement and/or entertainment. Council discussed putting money aside for fireworks in 2012 for the 175th Anniversary. Any balance of funds from 2009-2010 will be moved over into reserve for 2012 fireworks as well.

Director Rusteberg reported \$78,000 is budgeted to improve two public parking lots. The one lot is directly behind City Hall and the other is the parking lot next to PJ's 19th Hole, which is used for Weinheimer Center activities and downtown parking. Signs are on order for the lot next to PJ's and the library, which will state they are municipal public parking lots. \$55,000 has been set into the budget for FY 2011-12 to upgrade the lot next to the library. There was a discussion about how to handle parking by patrons of PJ's on the lot during Weinheimer Center activities and community events on the Square. Under minor equipment, \$9,000 has been budgeted for new council laptops. Operating Supplies is items obtained through "central purchasing", which is our consolidated purchasing format. Capital improvements include \$5,000 for two HVAC systems in City Hall and \$20,000 to replace carpet in the Council Chamber. Council discussed using variations of color in the carpet to addressing safety issues with the changes in floor elevations, the addition of railing, and possibly just cleaning the carpet rather than replacing at this time. Councilwoman Bellm noted Paul Ray Capelle quoted a price to fabricate and install railing, which she thought the cost was very reasonable. Council discussed addressing acoustic issues with the installation of sound absorbing boards, replacing metal chairs with upholstered chairs, use of wireless microphones, etc.

Director Rusteberg provided a report on the financial utility assistance program, funded by 0.20% of utilities' last fiscal year gross sales. Each year we have run short in funding. In order to continue to try to offer a full year, we should set that at 0.34%. The townships, St. Vincent DePaul, and HACSM submit a bill and we reimburse at 30% of their assistance provided. Director Rusteberg noted Governor Quinn has proposed dropping the city's income tax sourcing which would equate to ~\$261,000 decrease in revenue for the city. However, he is also proposing an increase in income tax for residents, so it should even out. Mayor Michaelis asked when we are going out for NOML on the municipal parking lot improvements. City Manager Latham stated whenever ready. Director Rusteberg added we can begin after May 1 on project, but could let it out for bid now. Mayor Michaelis suggested they bring it to the next meeting.

Councilwoman Zobrist made a motion to adjourn; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried. 8:43pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk