

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, AUGUST 6, 2012**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Schwarz, Bardill, Bellm and Nicolaides were present. Others in attendance were City Manager Mark Latham, City Attorney John Long, Directors Cook, Gillespie, Korte, Rosen and Schoeck; Fire Chief Bloemker, Officer Arik Steinbeck; HCS Manager Dan Kennedy, Building and Code Supervisor Limestall, Latzer Library Director Kim, City Staff Robinson, Treasurer Foehner, Deputy City Clerk Hediger, City Clerk Bellm, Illinois Representative Paul Evans, 12 citizens, and one member of the news media.

MINUTES

Councilman Bardill made a motion to approve the minutes of the July 16, 2012 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Bardill, Bellm and Nicolaides voted aye, none nay. Councilman Schwarz abstained. Motion carried.

LEGISLATIVE UPDATE

Representative Paul Evans provided a brief update on what is going on in the Illinois Legislature. Presently, they are scheduled to go back into session Friday at 11:00am and vote to expel Dirk Smith, of Chicago, for taking bribes. Governor Quinn has called us back in for a vote on the Illinois Pension, which is a matter of COLA versus inflation rate. In some cases, over time, the pension of a state employee actually doubles. The options are to go with a straight COLA of ~3% or use a calculation of half the inflation rate based upon original salary. This would also look at insurance rates for retirees. Anyone, I have heard of, can get insurance in the private market until Medicare kicks in cheaper than the public programs. The substantive issue is the debt and pension shift. The unfunded liability of the state's teacher pension is near \$85 billion. GASBY has put out a new standard that says a pension program must use realistic market rates to determine its funding liability. Based upon that, the amount could easily be double what it is now. There is a proposal out there that would make all downstate districts liable for the shortfall. The only way to do that is to increase property taxes to shore up the pension funds. One proposal includes an element of future cost shifts, in which local school districts would pick up 1% in the first year and increase by 1% each year thereafter. That is something I think is likely. It is going to hurt a lot. Springfield has made this mess and it is unfair for downstate to fix.

There is a bill to make retirees pay a portion of their insurance rates. It uses six levels of income, which will determine the level of insurance participation. The larger the income (salary) the more they would pay. In combination with that, they want to create a sliding scale for the length of service of a state employee. More service would factor in for a decrease in the portion of retiree premium.

In short, the State of Illinois is going to take more of your income and assets and the services provided by the state are going to be less. The State of Illinois operates using cobalt programming – not windows-based software. Coupled with that, a lot of the programmers that know cobalt programming are retiring and the computer hardware is breaking down. The pension must be decided. There are very powerful constituents on each side of that issue. I do not anticipate that being settled until the end of the fall session.

Jeff Rehberger, 105 Northwest Manor, asked how much of an increase could property owners anticipate paying, if these proposed bills are passed. Representative Evans stated, based upon other school districts, Highland's school district could be looking at over \$1M in operating costs to cover the pension alone.

Councilwoman Bellm asked what I can do, as an individual, to make sure that legislators get the message to clean up the mess we have. Representative Evans suggested sending emails. It is amazing how little viewpoints we hear. Since there is not a lot of communication from the citizens, we assume what we hear is the "norm" and the majority.

PUBLIC FORUM

Citizens' Requests and Comments:

EvUCC High School Youth Ministry – "Box Village" Homelessness Simulation Request – Pastor Will VerDuin, explained we try to foster with our youth what it is like to live in different worlds and conditions than what we live here in Highland. Our intent is to build a "Box Village" for 10-30 youth and spend a night in November sleeping out in the boxes on the Square. We are planning for either November 10 or November 17. We realize that Christmas decoration preparations will be underway already for the holiday season and we will not interfere with that. Councilwoman Bellm made a motion to approve the request for EvUCC High School Youth Ministry to use the Square on either November 10 or 17 for a "Box Village" homeless simulation as requested; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried.

Highland Lady Basketball Assoc. – "Run with the Dawgs" 5K/2K – Run/Walk Request – Jerry and Cheryl Holtzclaw were present to request permission for the use of city streets on Saturday, October 13 for the Highland Lady Basketball Association 5K/2K Run/Walk event, to be held 8:00am – 10:30am. Mr. Holtzclaw explained this event is a major fundraiser for HLBA. HLBA is fully insured for the event and parents in the HLBA will cover the intersections. Councilman Bardill made a motion to approve use of the city streets for the Highland Lady Basketball Association 5K/2K Run on Saturday, October 13, 2012, using our city's streets as requested; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried.

Highland High School Building Trades Class Homes Fee Waiver Request – Bruce Deibert, HHS Building Trades Instructor requested the City of Highland waive permit and utility tap on fees for the house that we plan to build this year. Councilwoman Bellm made a motion to approve a fee waiver of the building permit and utility hook-up fees for the Highland High School Building Trades Program Home to be built during the 2012-2013 school year as requested; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Mayor Michaelis stated anyone that wants to speak this evening on the video gaming law will have an opportunity to speak. He asked that people only speak when at the microphone.

Philip Chapman, 12 Frey Boys Lane, stated I am totally against video gaming coming to Highland. The state's legislators have put the state into debt. They have now decided that pilfering of the citizens is the solution. Under the new Illinois law, tavern owners will get 35%; machine owners,

35%; the state government, 25%; and, local government, 5%. Highland civic leaders might carefully consider looking this “gift horse” in the mouth, for it appears to destroy our cultural fabric. Highland Ordinance #2516 deserves additional scrutiny. Gambling studies have shown that the poorest are the ones that spend the most on these activities. They do not spend their discretionary income, but rather the money needed to pay for housing, utilities, medicine and food. I have seen addicted gamers spend their food money on gambling rather than put food in their refrigerators for their children. The \$5M this is expected to generate for Illinois equates to \$250,000 for Highland. However, the money from this could be better used for food and education. Should governments be able to profit while children suffer? This means less money spent at small businesses, retail stores, restaurants, charity and savings. It is an inefficient way to raise money to pay off debt, with 70% going to the tavern owners and gaming operators versus the government. If the state needs money that bad, pass it along in a tax. You are being asked to say “no” to destruction. I would hope that you look at our local law and that you ban video gambling entirely.

Reverend Leonard Pye, 15 Sun Court, stated I would in short say, “Amen” to what has been said already. I spoke with several members of the Highland Ministerial Alliance. Based upon those conversations, I will say we are against video gambling coming to Highland. Let me ask a real simple question. Have you ever been sitting across from someone that comes and says I do not have any money to pay my light bill, my rent, or put food on the table this month? Crime goes up for the need to pay for drugs. Burglaries sneak into Highland. I am here to say that video gambling is not the right environment for families. We provide with the food pantry and have a full plate already with the way it is. Give us a break.

Mayor Michaelis stated, this past week, I was approached by several individuals about this issue. I spoke with the police chief and the city attorney about the community’s options. Mayor Michaelis turned the floor over to City Attorney John Long. Attorney Long stated it is not my job to take a position for or against an issue, but rather research the options for our clients. He reported there are two ways to prohibit video gaming: by ordinance, Section 27, or by referendum, Section 70. The issue I see with Section 27 is that it can be changed at any city council meeting. It might not be the law in a few months and advocates could get the council to change the law. The preferable road to ending the issue is to have a referendum vote. The only way to change a decision set by referendum is to hold another referendum vote to change it, which is not likely. To get a referendum, the process must be started by circulation of a petition with signatures of 25% of the citizens supporting a referendum. I would recommend signatures by at least 30% to prevent any challenges. Attorney John Long stated he brought along several copies of Section 70, if anyone wants a copy of the provisions. He explained the city government could not support or advise the citizen groups that work to bring this to a referendum vote. A petition for a referendum must be filed with the city clerk at least 90 days prior to the election date. Anything less than a referendum will leave this issue out there for change as the people on the council change over time and or citizens pressure council or government for change.

Reverend Pye asked, what happens between now and when the issue would come up for a referendum. Attorney Long explained there is no grace periods; however, I would doubt that anyone would want to invest in these machines if they knew they would be prohibit in a few months. Mr. Chapman inquired could the council prohibit the machines in the interim. Attorney Long pointed out whatever the council does is not going to be able to please everyone. Mr. Chapman stated I agree that the council’s vote would not please everyone; however, if you cannot handle the heat then one should get out of the kitchen. The proponents in the state knew that cities might be drawn in by the 5% revenue generated. Attorney Long agreed the bill has been written to induce cities across the state to partake. Councilman Schwarz stated my advice, to a friend or someone with a tight budget, is not to gamble. However, those that do want to gamble are going to go to another community or even open up their laptop. The amount I see this bringing in is negligible.

Requests and Comments of Council:

No comments.

Staff Reports:

City Manager Latham introduced Dan Kennedy, Interim Director of Highland Communication Services.

NEW BUSINESS

Approve Mayor's Assignment of Chairman for the Tree Commission – Councilman Bardill made a motion to approve the mayor's appointment of Barb Stallard as Chairman of the Tree Commission as attached; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried.

Approve Request to Reroute the 175th Jubilee Parade Around the City Square – Councilman Bardill made a motion to approve the request of the 175th Jubilee Committee to reroute the 175th Jubilee Parade, on Saturday, September 29, 2012 around the City Square as attached; seconded by Councilman Nicolaides. Council members Schwarz, Bardill and Nicolaides voted aye, none nay. Councilwoman Bellm abstained. Motion carried.

Bill #12-100/RESOLUTION Requesting Road Closure from IL Dept. of Transportation for HHS Homecoming Parade - Councilwoman Bellm made a motion to approve Bill #12-100/Resolution #12-08-2078 requesting road closure from IL Dept. of Transportation for Highland High School Booster Club Homecoming Parade on Wednesday, September 26, 2012 as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #12-101/RESOLUTION Supporting a New Interchange on I-70 at State Route 160 – Councilman Bardill made a motion to approve Bill #12-101/Resolution #12-08-2079 supporting a new interchange on Interstate 70 at State Route 160 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #12-102/RESOLUTION Approving Mutual Non-Disclosure Agreement with Big River Telephone Company, LLC, and Authorizing Execution of Same – Councilwoman Bellm made a motion to approve Bill #12-102/Resolution #12-08-2080 approving a mutual non-disclosure agreement with Big River Telephone Company, LLC, and authorizing execution of same as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay.

Bill #12-103/ORDINANCE Adopting Revised Fee Schedule for Park Pavilion Rentals – Councilman Bardill made a motion to approve Bill #12-103/Ordinance #2543 adopting revised fee schedule for park pavilion rentals as attached; seconded by Councilwoman Bellm. Councilwoman Bellm asked Director Rosen if this has full support of the Parks and Recreation Commission. Director Rosen replied yes. Councilman Schwarz asked what the goal of this is. Director Rosen explained there presently is a security deposit of \$25 for residents. There was a \$5 fee for electric at the pavilion. The proposed fee structure would be for a resident fee of \$10 for pavilions without electric and \$20 for pavilions with electric. We know there are people with friends who live in the City of Highland, who have been having friends reserve the pavilions. Councilman Schwarz stated my concern is that we try to get people to come to Highland to use stuff. Are we being nonproductive with this? Director Rosen explained we are already devoting staff to this and need to cover our costs. Other communities in the area charge similar for their facilities and services. Roll Call Vote: Bardill, Bellm and Nicolaides voted aye, Schwarz voted nay. Motion carried.

Bill #12-104/ORDINANCE Declaring Dump Trucks as Surplus Property and Authorizing Disposal of Same – Councilwoman Bellm made a motion to approve Bill #12-104/Ordinance #2544 declaring two dump trucks as surplus property and authorizing disposal of same as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Award Bid #PW-11-12 for Purchase of One Mini Hydraulic Excavator – Councilman Bardill made a motion to award Bid #PW-11-12 for the purchase of one mini hydraulic excavator to Bobcat of St. Louis, in Fairview Heights, Illinois, in the amount of \$42,201.43, as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting Bid #PW-14-10 for US Highway 40 / Hemlock Street Intersection Improvements - Councilwoman Bellm made a motion to approve Notice of Municipal Letting Bid #PW-14-10 for US Highway 40 / Hemlock Street Intersection Improvements project as attached; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried.

Award Bid #E-10-12 for Purchase of One 1500KVA Distribution Transformer for the St. Joseph's Hospital Medical Office Building – Councilman Bardill made a motion to award Bid #E-10-12 for purchase of one 1500KVA Distribution Transformer for the St. Joseph's Hospital Medical Office Building to Graybar, Inc., in the amount of \$23,789.00 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting Bid #E-13-12 for Utility Building Roof Repairs – Southeast End – Councilwoman Bellm made a motion to approve Notice of Municipal Letting Bid #E-13-12 for Utility Building Roof Repairs – Southeast End as attached; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried.

REPORTS

Approve Warrants #885 & #886 – Councilman Bardill made a motion to approve Warrants #885 and #886 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill and Bellm voted aye, none nay. Councilman Nicolaides abstained. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn, to conduct an Executive Session pursuant to the Illinois Open Meetings Act under Section 2(c)(21) discussion of executive session minutes and Section 2(c)(11) for discussion of probable litigation; seconded Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried. Meeting temporarily adjourned at 8:08pm.

Mayor Michaelis reconvened the Regular Session at 8:47pm. Council members Schwarz, Bardill, Bellm and Nicolaides were present. Also present were City Attorney John Long, Manager Latham, Director Gillespie, Latzer Library Director Angela Kim, Deputy City Clerk Hediger, and City Clerk Bellm, and Steve Kyle of Oates Associates.

Mayor Michaelis stated nothing discussed in Executive Session would be acted upon tonight.

Councilman Schwarz made a motion to adjourn; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried and meeting adjourned at 8:48pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk