

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, MARCH 2, 2015**

Mayor pro tem Frey called the Regular Session to order at 7:00pm. Council members Schwarz, Frey, Bellm and Nicolaides were present. Mayor Michaelis were absent. Others in attendance were City Manager Mark Latham, City Attorney John Long; Directors Cook, Imming, Korte, Peck, Rosen and Schoeck; Police Chief Bell, Supervisor Limestall, Library Director Kim, Treasurer Foehner, Deputy City Clerk Hediger, City Clerk Bellm; Steve Oates, of Oates Associates, 56 citizens, and one member of the news media.

**MINUTES**

Councilwoman Bellm made a motion to approve the minutes of the February 17, 2015 Regular Session as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

**PROCLAMATION**

Mayor pro tem Frey read a document proclaiming the week of March 8 - 14, 2015 as Girl Scout Week. Nicole Blaint, Leader, explained the Daisies are ages Kindergarten and first grade; Brownies, Grades 2 and 3; Girl Scouts, Grades 4 and 5; Girl Scouts, Grades 6-8; Cadets, Grades 9 and 10; and, Ambassadors, are Grades 11 and 12.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*Highland News Leader Easter Egg Hunt Square Use Request* – Councilwoman Bellm made a motion to approve the Highland News Leader's Easter Egg Hunt request to use the Square as per the request submitted; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

*Highland Civic Woman's Club Advertising Signage Request* – Councilman Schwarz made a motion to approve the Highland Civic Women's Club request for placement of signage for their "Breakfast with the Easter Bunny" event as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Requests of Council:

No requests or comments provided.

Staff Reports:

Nothing to report.

**NEW BUSINESS**

Approve Mayor's Reappointments to the Cemetery Board of Managers – Councilman Schwarz made a motion to approve the mayor's re-appointment of Stephen Thiems and Clifton Couch to the Cemetery Board of Managers for additional two-year terms, expiring March 1, 2017, as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-19/RESOLUTION Approving a Local Agency Agreement for Federal Participation with the IL Dept. of Transportation, for Reconstruction of Sportsman Road From Frank Watson Parkway Eastward to a Point Immediately West of Plaza Drive – Councilwoman Bellm made a motion to approve Bill #15-19/Resolution #15-03-2299 approving a local agency agreement for federal participation with the IL Dept. of Transportation, for reconstruction of Sportsman Road from Frank Watson Parkway Eastward to a point immediately west of Plaza Drive as attached; seconded by Councilman Schwarz. Councilman Schwarz noted I see we are getting different amounts for funding for these projects. How is the amount determined? Public Works Director explained certain streets are FAU Routes that qualify for federal surface transportation funds and we get some funding from the county. The amount is 75% federal and 25% is local. The dollar amount is set based upon our estimate. Madison County, if participating, will give 50% of our share. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-20/RESOLUTION Approving Dedication of 0.788 Acre Parcel of Land in Glik Park Along the North Side of Sportsman Road as Permanent Right-Of-Way for Highway Purposes – Councilman Schwarz made a motion to approve Bill #15-20/Resolution #15-03-2300 approving dedication of 0.788 acre parcel of land in Glik Park along the north side of Sportsman Road as permanent right-of-way for highway purposes as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-21/RESOLUTION Authorizing Agreement to Perform Services Pursuant to Continuing Services Agreement with Oates Associates, Inc., Regarding Troxler Avenue – Councilwoman Bellm made a motion to approve Bill #15-21/Resolution #15-03-2301 authorizing agreement to perform services pursuant to continuing services agreement with Oates Associates, Inc., regarding Troxler Avenue as attached; seconded by Councilman Schwarz. Councilman Schwarz asked for clarification on this. What we are trying to do along Troxler Avenue? City Manager Latham reported we have funding to extend the trail in front of the high school along Troxler Avenue from the hospital. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-22/RESOLUTION Authorizing a Preliminary Engineering Services Agreement for Federal Participation with Oates Associates, Inc. in Connection with Project for Troxler Avenue Shared-Use Path from IL Route 143 to IL Route 160 – Councilwoman Bellm made a motion to approve Bill #15-22/Resolution #15-03-2302 authorizing a preliminary engineering services agreement for federal participation with Oates Associates, Inc. in connection with project for Troxler Avenue Shared-Use Path from IL Route 143 to IL Route 160 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-23/ORDINANCE Approving Renewal of Pool Rental Agreement with St. Joseph's Hospital - Councilman Schwarz made a motion to approve Bill #15-23/Ordinance #2673 approving renewal of Pool Rental Agreement with St. Joseph's Hospital as attached; seconded by Councilwoman Bellm. Councilman Schwarz asked if this is for the indoor or outdoor pool. Director Rosen responded this is renewal of the rental for use of the indoor pool at KRC. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-24/RESOLUTION Supporting Fair Housing – Councilwoman Bellm made a motion to approve Bill #15-24/Resolution #15-03-2303 supporting Fair Housing as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-25/RESOLUTION Supporting IMEA's Solar Project – Councilwoman Bellm made a motion to approve Bill #15-25/Resolution #15-03-2304 supporting Illinois Municipal Electric Agency's Solar Project as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-26/RESOLUTION Authorizing Purchase of 32 LED Parking Lot Lights for the Korte Recreation Center From Graybar Electric Company, Inc. – Councilwoman Bellm made a motion to approve Bill #15-26/Resolution #15-03-2305 authorizing purchase of 32 LED Parking Lot Lights, for the Korte Recreation Center, from Graybar Electric Company, Inc., in the amount of \$25,200.00 as attached; seconded by Councilman Schwarz. Councilman Schwarz noted most of the time we go out for a NOML on these, and I did not recall seeing that. Director Cook reported this is the pricing off a federal bid list. Councilman Schwarz asked if they will be replacing the light poles. Director Cook explained we will be using the same poles. The lights on the current poles are failing more and more, the parts are getting harder to get, and these will be more efficient. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-27/RESOLUTION Authorizing Purchase of MAXDispatch Console System from Zetron, Inc., for Use by the Highland Police Department – Councilman Schwarz made a motion to approve Bill #15-27/Resolution #15-03-2306 authorizing purchase of MAXDispatch Console System from Zetron, Inc., for use by the Highland Police Department, in the amount of \$124,019.01 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Bill #15-28/RESOLUTION Approving Local Agency Agreement for Federal Participation with the IL Dept. of Transportation, for Intersection Improvements at IL Route 143 and Troxler Avenue, Consisting of Construction of Right-Turn Lanes, Storm Sewers, a Sidewalk, and a Shared-Use Path – Councilwoman Bellm made a motion to approve Bill #15-28/Resolution #15-03-2307 approving local agency agreement for federal participation with the IL Dept. of Transportation, for intersection improvements at IL Route 143 and Troxler Avenue, consisting of construction of right-turn lanes, storm sewers, a sidewalk, and a shared-use path as attached; seconded by Councilman Schwarz. Councilman Schwarz asked we are doing this in conjunction with the other project. City Manager Latham acknowledged both are going to go out on April Bid Letting for IDOT. Councilman Schwarz asked if it would make sense to bid the two together. City Manager Latham explained IDOT will be handling the bidding of both projects. This project is funded with CEMAQ funds, so it would have to be separate projects. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Approve a Notice of Municipal Letting #E-02-15 for the Sportsman Road Underground Primary Electric Installation Project – Councilman Schwarz made a motion to approve a Notice of Municipal Letting #E-02-15 for the Sportsman Road Underground Primary Electric Installation Project as attached;

seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Approve Transfer of Graves in City Cemetery from Marion Klaus to Timothy Klaus –

Councilwoman Bellm made a motion to approve transfer of Graves 1, 2, 3 & 4, in Lot No. 80, in Block No. 10 of the City Cemetery from Marion Klaus to Timothy Klaus as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

## **REPORTS**

Approve Warrant #978 – Councilwoman Bellm made a motion to approve Warrant #978 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn before going into discussion of the budget; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm, Nicolaides, and Frey voted aye, none nay. Motion carried and meeting temporarily adjourned at 7:27pm.

Mayor *pro tem* Frey reconvened the Regular Session at 7:35pm. Council members Schwarz, Bellm, Nicolaides, and Frey were present. Mayor Michaelis was absent. Also present were City Manager Latham, City Attorney Long, Directors Cook, Gillespie, Imming, Korte, Peck, Rosen, Schoeck, Kim, Supervisors and Limestall, Chief Bell, Treasurer Foehner, and City Clerk Bellm.

## **NEW BUSINESS (*Continued*)**

### **Discussion – FY 2015-2016 Annual Budget:**

City Manager Latham stated we have stayed with the same concept of preparing the budget, as the past several years, with overall 85% of funds going to Operating & Maintenance (O&M) expenses, 10% for capital improvements, and 5% for replacement and reserves. Right now, O&M is only 78%. Staff monitors these numbers on a monthly basis to ensure that each department stays under the critical measurements set for them. We prepare the budget very conservatively, leaving room for unforeseen increases in costs and possible revenue increases or decreases due to weather conditions for the utility funds. We project a 5% increase in income tax revenues over the prior year's projections; however, we are prepared to adjust this if state funding decreases, due to legislative changes. We have projected a 2% increase in sales tax, based on current year figures. The budget proposed shows a 5% increase in O&M expenditures and an 8% decrease in operating revenue. The decrease in revenues is attributed to the completion of the large street projects that yielded large government reimbursements. If you recall, we had an abundance of money (grants) come in for the Veterans' Memorial Parkway. Total expenses are at 7% decrease from the previous year's budget, as a lot of the work has been completed on various street projects. City Manager Latham pointed out, in the budget process, we feel it is necessary to look at implementing future rate increases for Korte Recreation Center. We are also asking for a water rate study, so that we can stay positive in funds and do some improvements to the system that we feel are necessary for future.

City Manager Latham reported things you will find throughout the budget is the updated strategic plan, which we have implemented into the budget process. There is also the ADA Plan, which is part of the capital projects funded. There is \$1.5 million for a Water Clarifier for the Water Treatment Plant, which we will be able to pay cash for with reserves.

Councilman Schwarz asked why the health insurance costs come in higher, when we went to self-insurance to save money. Noting that General Ledger E13 is showing a proposed increase of 35% to \$893,200. Director of Finance Kelly Korte responded we budgeted for an anticipated savings; however, we incurred more claims than anticipated. Additionally, under the Affordable Care Act (ACA) we have to cover some part-time staffers, increasing our costs. Councilman Schwarz asked what contractual services are, and why the increase (by 27% to \$3,838,049). Public Works Director Joe Gillespie explained a lot of that costs is for the street tree trimming. One of the larger sectors out of the rotation is coming up this fall.

#### Parks & Recreation Department

City Manager Latham reported we are bidding out the reconstruction of Nagel Drive into Glik Park. Other major initiatives include replacing lighting at KRC parking lot and Spindler Park parking area; ADA improvements per ADA master plan; resealing and striping of KRC parking lot; and installing a comfort station at Rinderer Park. City Manager Latham pointed out it has been seven years since we raised membership rates at KRC. During those seven years, minimum wage has increased over \$2 per hour and under AACA, we are required to provide insurance benefits to more staff members. We are proposing phasing in the increases by possibly increasing the party reservations in May; daily passes, later in the year; then, annual memberships at first of next year.

Councilman Schwarz asked how the changes implemented this year are working. Director Rosen responded we have added some instructors and the class sizes have increased. We are pretty tight on space and time. Some of the day classes seem to work for stay-at-home moms and shift workers. Councilman Schwarz inquired if an indoor baseball facility would be a good addition to the park, as space is limited. Director Rosen responded a facilities expansion plan, has been tentatively designed with a focus towards an indoor playground and additional fitness rooms, based upon a survey of users.

#### Public Works Department

City Manager Latham pointed out the major street bond will be expiring. In the next year, we need to start looking at a long-term plan for the existing streets to show the public where the funds are going. Presently, 80% of Non-Home Rule Sales Tax (NHST) has been going to the peripheral route and construction of turn lanes. In the upcoming year, ~\$260,000 for reconstruction of Sportsman Road, from Plaza Drive to Koepfli Lane and ~\$150,000 for addition of right-turn lanes at intersection of IL 143/Koepfli Lane/Troxler Avenue. 20% goes to the repair of pavement of existing streets. This year, that amount will be ~\$260,000, with a focus on beginning engineering for improvements to Oak Street from Maxim Street to Papin Drive. Street & Alley plan to replace a skid-steer loader, for \$70,000, and \$80,000 to build another canvas storage facility for materials and equipment.

In the Water Treatment Plant, we will spend \$1,500,000 to build a new water clarifier. Smaller items are to install security cameras, continue replacement of major valves and pumps that were last upgraded in 1992, and conduct a water rate study.

Water Reclamation is planning for the purchase of a new compact track loader (\$70,000); storage tank rehabilitation (\$70,000) and generator building upgrades and lighting at the facility (\$100,000). The

first phase of our sewer rehabilitation plan will be completed in early spring. Councilman Schwarz asked if we have hit our most problematic areas. Director Gillespie agreed we have hit the worst of the worst. City Manager Latham noted we set the rate increases to be phased in to cover those costs and we will use the revenue over the next few years to replenish the fund, to prepare for the next major phase (scheduled for 2018).

Water Distribution plans to replace mains specifically along Broadway, Zschokke Street, Beech Street, and Monroe Street. Councilman Nicolaides asked what the gate valve exercising machine is (planned for purchase for estimated \$25,000). Director Gillespie explained there are hundreds of gate valves on the lines. If they are not turned in a while, they will take two guys to get them to move. Councilman Nicolaides summarized this will allow them to be turned more often and with less manpower force. Director Gillespie concurred.

#### Building & Zoning Department

City Manager Latham reported money is set aside to provide incentives for rehabilitation of homes the older section of town to promote homeownership and improvements in this area of town. \$26,000 is set aside for replacement of a vehicle with an alternative vehicle. We are in the process of seeking applications to; hopefully, hire an apprentice to work with code enforcement and building inspections.

Councilman Schwarz asked for more information on the rehabilitation program. City Manager Latham explained the Neighbors Helping Neighbors Program has been discussed for several years. It would equate to limited permit fees for rehabilitation of older homes and or assist with finding volunteers to do some of the work for elderly homeowners who could not afford the repairs. Councilman Schwarz asked if the city would subsidized the fees. Director Lisa Peck responded, yes, it is possible. She noted it would be better for the money to go into the assessed evaluation of the home than for permit fees when looking at the budget homeowners have. City Manager Latham added we want to encourage homeowners to do repairs and to do those repairs correctly. Councilman Schwarz stated I can appreciate the idea. My concern is, will it truly influence behavior, encouraging people to buy older homes. City Manager Latham responded, hopefully, we can target some of the areas and track it over a couple of years to see what effect it has. Additionally, there is a lot of infrastructure that needs to be improved in those areas. Director Peck explained we want to give a different perception of these homes in these areas. Right now, if you look at advertisements, the older homes for sale are being marketed as “investment opportunities”. If a home is remaining vacant, it is then there is no revenue coming in from the property. There is a lot of deferred maintenance in these homes and we hope to encourage turning those things around. Councilman Schwarz stated I see the merit of it; it just has to be applied the correct way.

#### General Administration

Under General Administration, there are no major capital improvements. Major initiatives will be to continue providing the best possible customer service for residents and city personnel; work to begin developing a cost/containment plan to reduce work related accident exposure and compensation costs; and continue to review health insurance and wellness programs. No questions were presented.

#### Miscellaneous / Library

Library Director Angela Kim reported we did have to cut staff hours to make up a shortfall in the budget caused by AACA, as we had three employees that fell into the 30-hours per week. In the upcoming year, we will continue replacing the single-pane windows in the 1972 addition; convert the Board Room into a Wi-Fi Café area; and, replace the gazebo.

Councilman Schwarz noted he sees the City is looking for an apprentice in Building & Zoning. Is code enforcement really been falling short? He stated I do not think we need to go looking for problems.

City Manager Latham explained that we anticipate construction to pick back up, as the economy is turning around. Handling enforcement and foreclosure property issues is more time consuming with paperwork. I can name several properties where it is taking us 5-7 years to address issues. If the issues are addressed immediately, by constantly staying in contact with some of the properties it would not have taken the time and costs that they have. I think we could do a better job at evaluating ordinances and staying on the issues more.

Councilman Schwarz made a motion to adjourn; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried and meeting adjourned at 8:13pm.

Rick J. Frey, Mayor *pro tem*  
Clerk

Barbara Bellm, City