

**AGENDA  
REGULAR SESSION  
HIGHLAND CITY COUNCIL  
CITY HALL, 1115 BROADWAY  
MONDAY, OCTOBER 4, 2021  
7:00 PM**

**NOTE: This is an in person meeting. However, due to COVID 19, anyone wishing to monitor the meeting via phone may do so by following the instructions on page 3 of this agenda.**

**CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE:**

**MINUTES:**

**MOTION** – Approve Minutes of September 20, 2021 Regular Session (attached)

**PUBLIC FORUM:**

**A. Citizens' Requests and Comments:**

1. Veterans Day Parade – Special Event Application – Kenny Kapp, Representative (attached)
2. Veterans Day Honor Run – Special Event Application – Jesse Johnson, Representative (attached)
3. Highland Police Department Telecommunicators – Courtney Yearian, Representative

**Anyone wishing to address the Council on any subject may do so at this time.  
Please come forward to the microphone.**

**B. Requests of Council:**

**C. Staff Reports:**

1. Scheffel Boyle – Presentation of Combined Annual Financial Report – Mark Korte (attached)
2. Presentation regarding HCS' Victory TV – Director of Technology & Innovation Angela Imming

**NEW BUSINESS:**

- A. MOTION** – Bill #21-157/RESOLUTION Approving a Memorandum of Understanding with Madison County, Illinois for Emergency Services Dispatching Services (attached)
- B. MOTION** – Accept Combined Annual Financial Report (attached)
- C. MOTION** – Bill #21-158/ORDINANCE Abating Taxes Levied for 2013 General Obligation Sewerage System Bonds (attached)
- D. MOTION** – Bill #21-159/ORDINANCE Abating Taxes Levied for 2020 General Obligation Refunding Bonds - TIF(attached)
- E. MOTION** – Bill #21-160/ORDINANCE Abating Taxes Levied for 2010 General Obligation Street Bonds (attached)
- F. MOTION** – Approve Health Insurance Renewal for 11/01/2021 through 10/31/2022 (attached)

**Continued**

- G. **MOTION** – Bill #21-161/ORDINANCE Designating Depositories for the Funds and Money of the City (attached)
- H. **MOTION** -- Bill #21-162/RESOLUTION Approving Owner Change Order Number Fourteen for the Public Safety Building and Waiving Competitive Bidding Requirement (attached)
- I. **MOTION** -- Bill #21-163/RESOLUTION Approving Owner Change Order Number Fifteen for the Public Safety Building and Waiving Competitive Bidding Requirement (attached)
- J. **MOTION** – Bill #21-164/ORDINANCE Authorizing the City’s Acceptance of Real Estate as a Donation From St. Joseph’s Hospital, of The Hospital Sisters of The Third Order of St. Francis, for use as a Future Road, or Another Public Purpose (attached)
- K. **MOTION** -- Bill #21-165/RESOLUTION Approving and Authorizing the Execution of a Proposal for Professional Engineering Services with Oates Associates, Inc. for the Proposed Broadway Resurfacing Project (attached)
- L. **MOTION** – Bill #21-166/ORDINANCE Declaring Personal Property of the City Surplus and Authorizing its Sale and/or Disposal, Including Street and Alley Division Equipment, and other Personal Property (attached)
- M. **MOTION** – Bill #21-167/ORDINANCE Authorizing and Directing the Sale of Certain Surplus Personal Property of the City, Including Refuse Dumpsters (attached)


**REPORTS:**

- A. **MOTION** – Accepting Expenditures Report #1204 for September 18, 2021 through October 10, 2021 (attached)

**EXECUTIVE SESSION:**

The City Council may conduct an Executive Session pursuant to the Illinois Open Meetings Act, only after citing the OMA exemption(s) allowing such meeting.

**ADJOURNMENT:**

	Anyone requiring accommodations, provided for in the Americans with Disabilities Act (ADA), to attend this public meeting, please contact Breann Vazquez, ADA Coordinator, by 3:00 PM on Monday, October 4, 2021.
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BE ADVISED this is a public meeting conducted in accordance with Illinois state law and may be recorded for audio and video content. City reserves the right to broadcast or re-broadcast the content of this meeting at City's sole discretion. City is not responsible for the content, video quality, or audio quality of any City meeting broadcast or re-broadcast.

**Directions for Public Monitoring of Highland City Council Meetings:**

In an effort to protect as many individuals as possible, including the leaders of our communities statewide, Governor J.B. Pritzker has issued a number of directives, one of which was to suspend the provisions of the Illinois Open Meetings Act (5 ILCS 120), requiring or relating to in-person attendance by members of a public body. Specifically, (1) the requirement in 5 ILCS 120/2.01 that "members of a public body must be physically present;" 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. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to their meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well as their activities relating to COVID-19.

In following this directive, the City of Highland is providing the following phone number for use by citizens to call in just before the start of this meeting:

**618-882-5625**

Once connected, you will be prompted to enter a conference ID number.

**Conference ID #: 867900**

This will allow a member of the public to hear the city council meeting.

**Note:** This is for audio monitoring of the meeting, only. Participants will not be able make comments.

Anyone wishing to address the city council on any subject during the Public Forum portion of the meeting may submit their questions/comments in advance via email to [lhediger@highlandil.gov](mailto:lhediger@highlandil.gov) or, by using the citizens' portal on the city's website found here: [https://www.highlandil.gov/citizen\\_request\\_center\\_app/index.php](https://www.highlandil.gov/citizen_request_center_app/index.php).

Any comments received prior to 3:00 PM on the day of the meeting, will be read into the record.



# CITY OF HIGHLAND

## SPECIAL EVENT APPLICATION

Authorized under City Ordinance Sec. 64-3-1

**PURPOSE:** The City of Highland supports various community activities and festivals throughout the year. Establishing public safety and coordinating needs between the events and the city are the overall goals of this process. It is the responsibility of the specific event Sponsors to obtain, complete, and follow through the application process for city approval.

**SPECIAL EVENT:** A “Special Event” is defined as: (1) any event, race, gathering, demonstration, or service; (2) that occurs partially or completely within the jurisdiction of the City of Highland; (3) is expected to draw crowds in excess of one hundred fifty (150) attendees; and (4) is expected to or could disrupt normal daily functions within the City of Highland including but not limited to traffic congestion and excess noise; or could create a public health/safety concern without proper precautions or prior planning. Specific examples would include (but are not limited to): The Kirchenfest, Schweizerfest, 5K runs, parades, Art in the Park, Fourth of July Festivities, Madison County Fair, etc. The City Manager will make the final determination as to whether an event qualifies. This will be based upon the totality of the circumstances presented.

### PROCEDURE:

1. All Requests will be directed to Highland City Hall, to the attention of the Deputy City Clerk.
2. Applications will be available at Highland City Hall, Monday-Friday, 8:00 am to 5:00 pm or online through the City’s web site.
3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Deputy Clerk. Failure to provide information will result in denial of application.
4. The Deputy City Clerk will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Veterans Day Parade

Type/Purpose of Event:  Festival  Race  Other Fundraiser  Service  Parade  
 Demonstration  Other (please specify): \_\_\_\_\_

Location of Event: ~~Parade on Main St.~~ Parade on Main St.  
Ceremony at Square

Sponsoring Organization/Individual: Highland Moose Lodge # 2479

Event Responsible Party: Highland Moose Lodge #2479  
Address: 1121 18th St. Highland, Ill. 62249  
Phone(s): 618-654-4793  
Email: kenny.gall@yahoo.com

Secondary Contact: Kenny Kapp  
Address: Highland, Ill.  
Phone(s): 618-781-2004  
Email: \_\_\_\_\_

Date(s) of Set-up: November 14, 2021

Event Date(s) / Times: November 14, 2021

Date(s) of Tear-down: November 14, 2021

Expected Attendance: 300

Alcohol License Required:  Yes  No  
If yes, application received:  Yes  No

Sound Amplification System utilized:  Yes  No  
If yes, hours of operation: 1 P.M. 3 P.M.

Funding request of the Council:  Yes  No  
Amount requested and purpose: \_\_\_\_\_

City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.

(Directors must initial behind requests)

Street Dept: Signage, Barricades, Street Closures (Specify): Public Works Director: Street Closure - Parade Route marked from Main St. + Olive traveling west to Main St. + Laurel

Electric Dept: Electrical Service, Lighting (Specify): Electric Dept. Director: No

Public Safety: Security, First Aid, Traffic Control (Specify): Public Safety Director: No

HCS Services: Wi-Fi or other technological needs (Specify): HCS Director: No

Other City Services: Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify): Department: Restrooms Open at Square

**Application Checklist (Attachments):**

Deputy Clerk Initial  
Upon receipt or waiver:

Certificate of Insurance: (attached) \_\_\_\_\_  
o Must be General liability  
o \$1 Million per occurrence/\$2 million aggregate  
o City named as “additional insured” If Event is on city property.

Site Plan Rendering \_\_\_\_\_

Evacuation Plan \_\_\_\_\_

Fire Plan \_\_\_\_\_

Parking Plan \_\_\_\_\_

Schedule City Council Meeting for announcement \_\_\_\_\_

**Date:** \_\_\_\_\_

Application Submittal (60+ days) \_\_\_\_\_

*Highland Moose Lodge #2479* *9-27-21*  
\_\_\_\_\_  
Event Sponsor Responsible Party Date

\_\_\_\_\_  
City Manager Date



# CITY OF HIGHLAND

## SPECIAL EVENT APPLICATION

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5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.



CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Veterans Day Honor Run

Type/Purpose of Event:  Festival  Race  Other Fundraiser  Service  Parade  
 Demonstration  Other (please specify): \_\_\_\_\_

Location of Event: Lindendale Park, Highland IL

Sponsoring Organization/Individual: Jeff Larner for Madison County Sheriff

Event Responsible Party: Jesse Johnson

Address: 213 Mirabeau Highland IL 62249

Phone(s): 618-210-4889

Email: johnsonjesse449@gmail.com

Secondary Contact: Jeff Larner

Address: \_\_\_\_\_

Phone(s): 217-358-9802

Email: jeffrey.larner@gmail.com

Date(s) of Set-up: Nov 13th, 2021

Event Date(s) / Times: November 13th, 2021 7:00 Am - ~~2:00 PM~~  
7:00 Am - 2:00 PM

Date(s) of Tear-down: Nov. 13th

Expected Attendance: 100 - 175 people

Alcohol License Required:  Yes  No  
If yes, application received:  Yes  No

Sound Amplification System utilized:  Yes  No  
If yes, hours of operation: \_\_\_\_\_

Funding request of the Council:  Yes  No  
Amount requested and purpose: \_\_\_\_\_

**City Services Requested – Please attach additional documents (maps, detailed information), where needed. Write “Not applicable” if no services requested.**

(Directors must initial behind requests)

**Street Dept:** Signage, Barricades, Street Closures (Specify): **Public Works Director:** \_\_\_\_\_

*attached*

**Electric Dept:** Electrical Service, Lighting (Specify): **Electric Dept. Director:** \_\_\_\_\_

*N/A*

**Public Safety:** Security, First Aid, Traffic Control (Specify): **Public Safety Director:** \_\_\_\_\_

**HCS Services:** Wi-Fi or other technological needs (Specify): **HCS Director:** \_\_\_\_\_

*N/A*

**Other City Services:** Restrooms, City Officials (Sign approval), Refuse Dumpsters (Specify):  
**Department:** \_\_\_\_\_

### **Application Checklist (Attachments):**

Deputy Clerk Initial  
Upon receipt or waiver:

**Certificate of Insurance: (attached)** \_\_\_\_\_

- Must be General liability
- \$1 Million per occurrence/\$2 million aggregate
- City named as “additional insured” If Event is on city property.

**Site Plan Rendering** \_\_\_\_\_

Evacuation Plan \_\_\_\_\_

Fire Plan \_\_\_\_\_

Parking Plan \_\_\_\_\_

Schedule City Council Meeting for announcement \_\_\_\_\_

**Date:** \_\_\_\_\_

Application Submittal (60+ days) \_\_\_\_\_

Jesse Johnson \_\_\_\_\_ 9/26/21 \_\_\_\_\_  
Event Sponsor Responsible Party Date

\_\_\_\_\_  
City Manager Date



Workouts

Routes

Community

Go MVP

Shop

LOG IN

SIGN UP

RUN

HIGHLAND, IL, UNITED STATES

3.05 MI

53 FT

# 5K VETERANS DAY

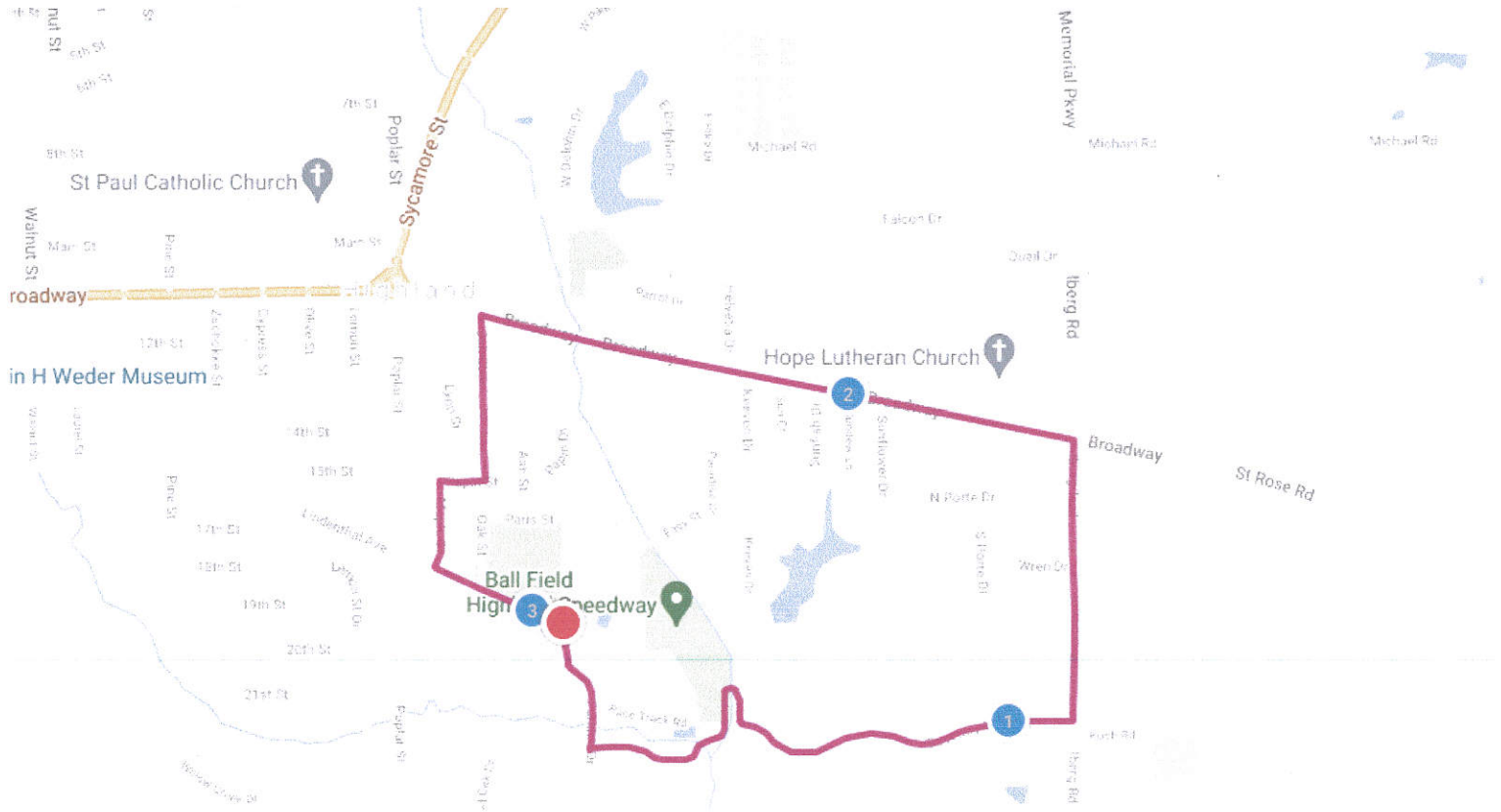
BOOKMARK

LOG WORKOUT

ADD TO WEBSITE

SHARE

MORE



Map View

Bike Path



RMap data ©2021

You're taking control of your fitness and wellness journey, so take control of your data, too. Learn more about your rights and options. Or click here to opt-out of certain cookies.

GOT IT



Track every mile you run, connect your devices, and get closer to your next PR.



RIDE

WALK

FITNESS

SOCIAL

HELP

ABOUT US



Workouts

Routes

Community

Go MVP

Shop

LOG IN

SIGN UP

RUN

HIGHLAND, IL, UNITED STATES

6.23 MI

67 FT

# 10K VETERANS RUN

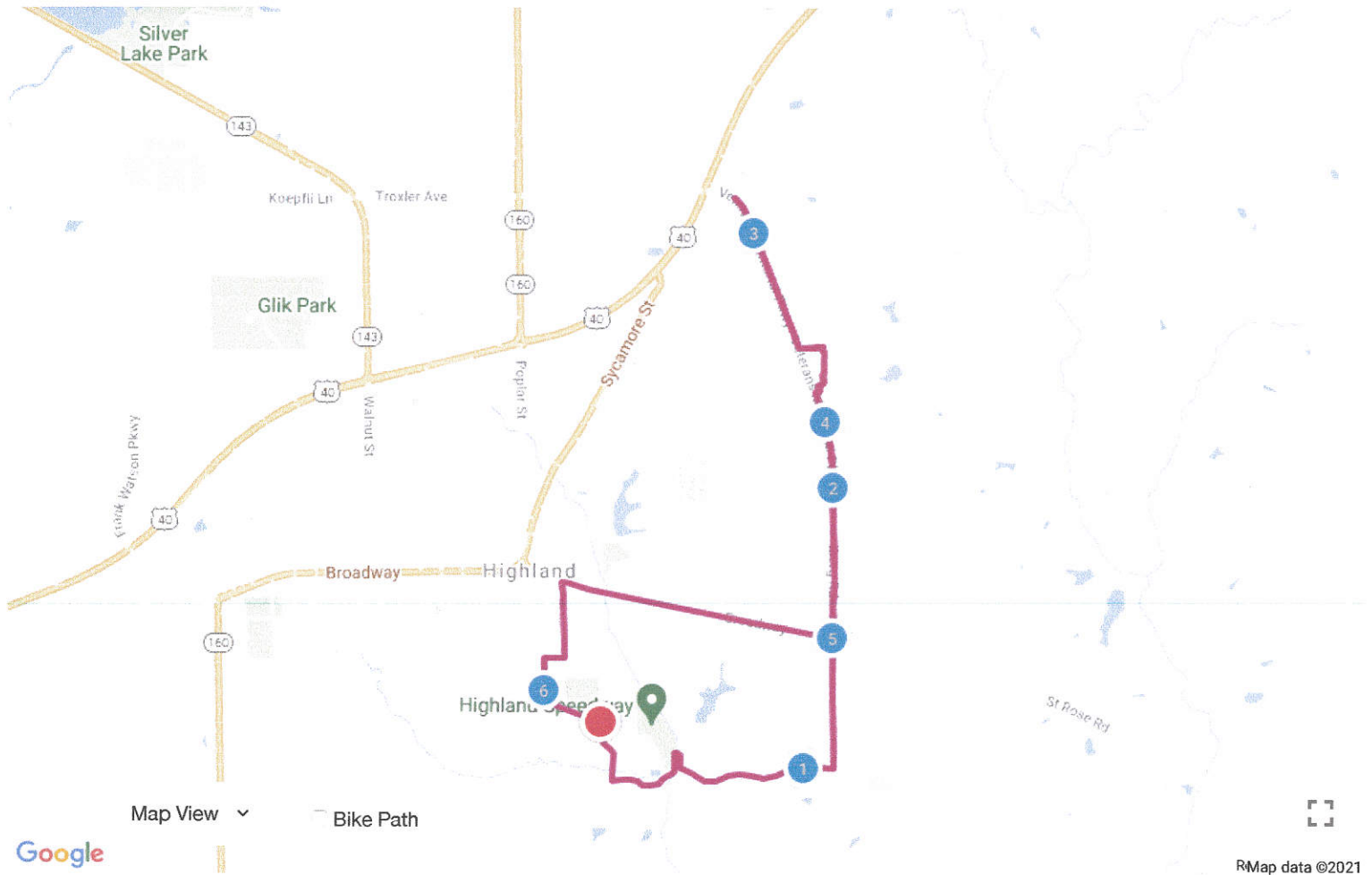
BOOKMARK

LOG WORKOUT

ADD TO WEBSITE

SHARE

MORE



RMap data ©2021

You're taking control of your fitness and wellness journey, so take control of your data, too. Learn more about your rights and options. Or click here to opt-out of certain cookies.

GOT IT



Track every mile you run, connect your devices,  
and get closer to your next PR.



RIDE

WALK

FITNESS

SOCIAL

HELP

ABOUT US

CITY OF HIGHLAND, ILLINOIS  
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS  
APRIL 30, 2021



CITY OF HIGHLAND, ILLINOIS  
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CITY OF HIGHLAND, ILLINOIS  
April 30, 2021  
Management's Discussion & Analysis

CITY OF HIGHLAND, ILLINOIS  
Council/Manager - Form of Government  
April 30, 2021

MAYOR  
Kevin B Hemann

CITY MANAGER  
Christopher Conrad

CITY COUNCIL MEMBERS

Rick Frey  
Peg Bellm  
John Hipskind  
Sarah Sloan

CITY CLERK  
Barbara Bellm

CITY TREASURER  
Neill Nicolaides

DEPARTMENT DIRECTORS

Daniel Cook  
Kelly Korte  
Jacklyn Heimburger  
Angela Kim  
Mark Rosen  
Vacant  
Joe Gillespie  
Angela Imming  
Breann Speraneo

Electric  
Finance  
Support Services  
Library  
Parks & Recreation  
Public Safety  
Public Works  
Technology & Innovation  
Community Development

**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

This section of the City of Highland's annual financial report presents discussion and analysis from City management regarding the City's financial performance during the fiscal year that ended on April 30, 2021 with comparative information for the fiscal year ended April 30, 2020.

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**FINANCIAL HIGHLIGHTS**

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- Total assets exceeded liabilities at the close of the fiscal year by approximately \$76.0 million (net position). Of this amount, the unrestricted amount of \$7.6 million may be used to meet the City's ongoing obligations to citizens and creditors.
- City-wide net position increased 7.0% during the fiscal year. Governmental activities increased 7.6% and a 6.3% increase occurred within enterprise activities.
- The City of Highland is compliant with the GASB 34 reporting model, which requires accounting for depreciation of fixed assets within governmental activities. Shown within the Statement of Net Position, the fixed assets year-end balance for fiscal year 2021 is \$95.3 million (net of depreciation). This is comprised of \$47.6 million for governmental activities plus \$47.7 million for business-type activities.
- Receipts of the traditional sales tax, shown within the "Intergovernmental" revenue line item, increased 6.1% during FY 2021. According to City estimates, and a change in the collection method for online purchases, this number will increase in future years based on current retail offerings available to our citizens.
- FY 2021 was the fourteenth full year of receipts from the 2006 Non-Home Rule Sales Tax Referendum. This 1% NHR sales tax was estimated to bring in an additional \$1.3 - \$1.5 million annually to the City for street projects. Receipts for the year equaled \$1.6 million. This collection will also see an increase based on the updated collection method for online purchases.
- FY 2021 was the second full year for the newly created Business Districts generating \$729,281 for eligible projects within these Districts. As with the traditional and NHR, this tax collection is predicted to be increased based on the updated collection method for online purchases.
- Building permit activity continues and the growth rate of the City's equalized assessed value (EAV), which is an important component in property tax calculations, also continues to improve as developments continue and improvements are made to existing properties.

CITY OF HIGHLAND, ILLINOIS  
April 30, 2021  
Management's Discussion & Analysis

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**USING THIS ANNUAL REPORT**

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This annual report consists of a series of financial statements.

- The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances.
- For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.
- The Enterprise fund statements display the results of the utility funds for each fiscal year.
- The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**Reporting the City as a Whole –  
The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Reporting the City's Most Significant Funds -  
Fund Financial Statements**

Some funds are required to be established by State law and bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (such as the bonds for Infrastructure Improvements) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The City's three types of funds use different accounting approaches:

- *Governmental Funds* – Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow into and out of these funds and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations within exhibits #4 and #6 of the "Basic Financial Statements" section.

**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

- *Enterprise Funds* – Services for which the City charges customers for the full cost of the services it provides are generally reported in enterprise funds. These business-type activities, like the government-wide statements, provide both long- and short-term financial information. Business-type activities are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.
- *Fiduciary Funds* – The City has fiduciary responsibility for other assets that – because of trust arrangements – can be used only for the trust beneficiaries. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

In the supplemental information section, the City has provided detailed schedules of revenues, expenditures, and changes in fund balances for the required major funds. The capital projects funds that have been in presented in prior years are not required and therefore have not been included. The City has also included information on its various pension plans in accordance with GASB statutes. In addition, detailed historical data can be found regarding tax levies, building permits, and property values. Information regarding miscellaneous statistics about the City of Highland are also included. The reports are intended to provide the user with information beyond the realm of the traditional auditing requirements.

**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a comparison between the activities for FY '21 and the activities for FY '20 under the GASB Statement No. 34 model. The city-wide total for revenues increased \$3.2 million and expenditures decreased \$2.0 million compared to the previous fiscal year. Governmental type revenues exceeded expenditures for the current and prior fiscal year. Business Type Revenues experienced expenditures over revenues for the current year but generated a surplus in the prior year. The surplus is utilized by the City of Highland to meet the City's fiscal policy in relation to reserves for operations, maintenance, and capital projects and any deficits are covered by surplus created in prior years.

**Changes in the City of Highland's Activities**  
(in millions of dollars)

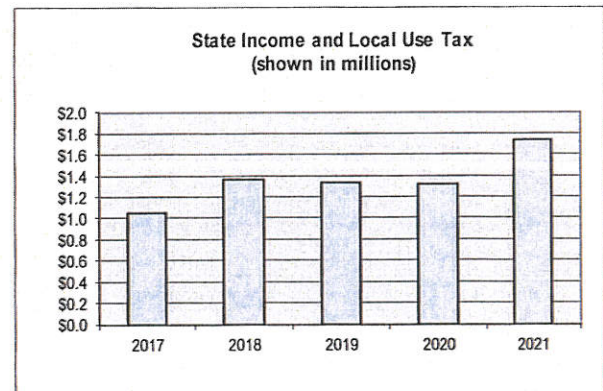
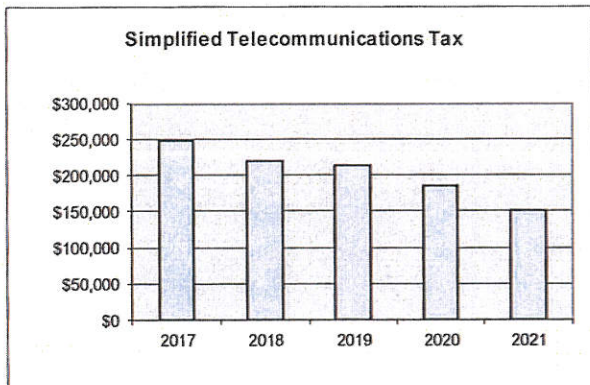
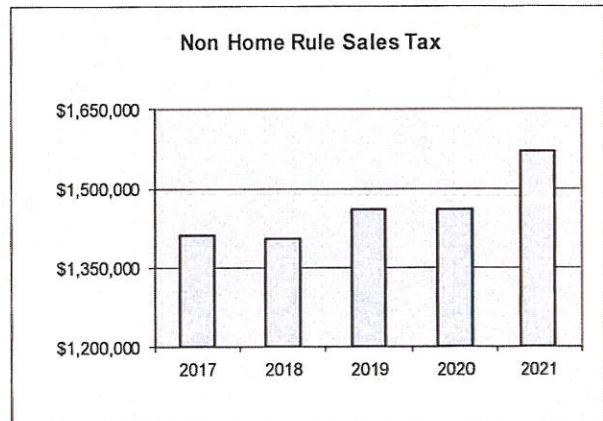
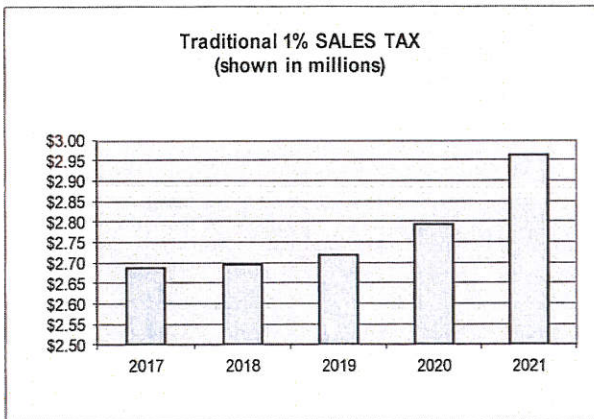
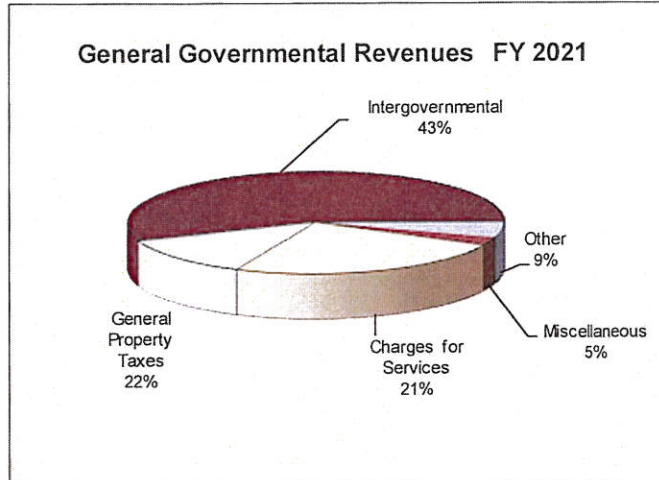
	Governmental Activities		Business-type Activities		Totals	
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4.2	\$ 4.7	\$ 24.3	\$ 23.6	\$ 28.5	\$ 28.3
Operating Grants and Contributions	0.9	0.6			0.9	0.6
Capital Grants and Contributions	0.8	0.1	1.7		2.5	0.1
General Revenues						
Property Taxes, General Purposes	4.1	3.9			4.1	3.9
Intergovernmental	7.9	7.1			7.9	7.1
Miscellaneous	0.6	0.8	0.2	0.4	0.8	1.2
Interfund Transfers		0.3			0.0	0.3
<b>Total Revenues</b>	<b>\$ 18.5</b>	<b>\$ 17.5</b>	<b>\$ 26.2</b>	<b>\$ 24.0</b>	<b>\$ 44.7</b>	<b>\$ 41.5</b>
<b>Expenditures</b>						
General Government	\$ 2.1	\$ 2.0			\$ 2.1	\$ 2.0
Public Safety	6.5	7.3			6.5	7.3
Highways and Streets	2.9	3.0			2.9	3.0
Culture and Recreation	2.3	2.8			2.3	2.8
Economic Development	0.6	0.6			0.6	0.6
Employer's Cont. to Retirement Fund	0.9	0.9			0.9	0.9
Interest on Long-Term Debt	0.4	0.3			0.4	0.3
Electric			\$ 18.0	\$ 18.6	18.0	18.6
Water			2.6	2.5	2.6	2.5
Sewer			1.8	1.8	1.8	1.8
Solid Waste			1.7	1.7	1.7	1.7
Interfund Transfer				0.3	0.0	0.3
<b>Total Expenditures</b>	<b>\$ 15.7</b>	<b>\$ 16.9</b>	<b>\$ 24.1</b>	<b>\$ 24.9</b>	<b>\$ 39.8</b>	<b>\$ 41.8</b>
<b>Change In Net Position</b>	<b>2.8</b>	<b>0.6</b>	<b>2.1</b>	<b>(0.9)</b>	<b>4.9</b>	<b>(0.3)</b>
<b>Beginning Net Position</b>	<b>37.0</b>	<b>36.4</b>	<b>34.1</b>	<b>35.0</b>	<b>71.1</b>	<b>71.4</b>
<b>Ending Net Position</b>	<b>\$ 39.8</b>	<b>\$ 37.0</b>	<b>\$ 36.2</b>	<b>\$ 34.1</b>	<b>\$ 76.0</b>	<b>\$ 71.1</b>

**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

**Governmental Activities**

Governmental Activities include all funds except Business-Type Activities and the Police Pension Fiduciary Fund. Examples include the following: General Fund (which includes the Police Dept, Fire Dept, Building and Zoning, General Administration, and PW Admin / Street Dept. among others), Ambulance Fund, Parks and Recreation, and the various Library Funds.

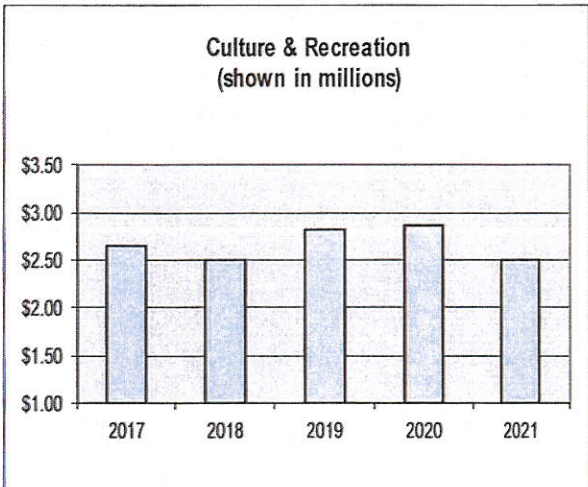
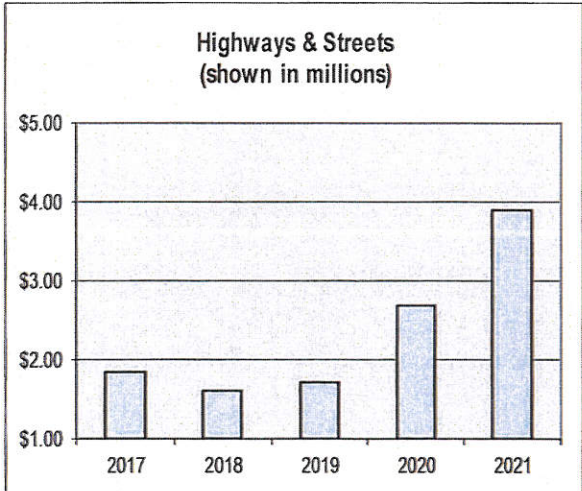
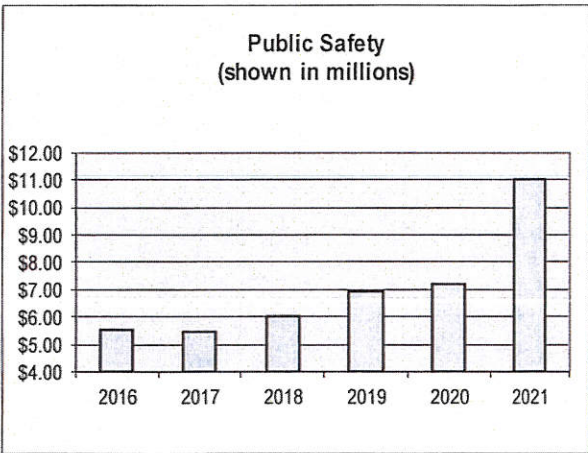
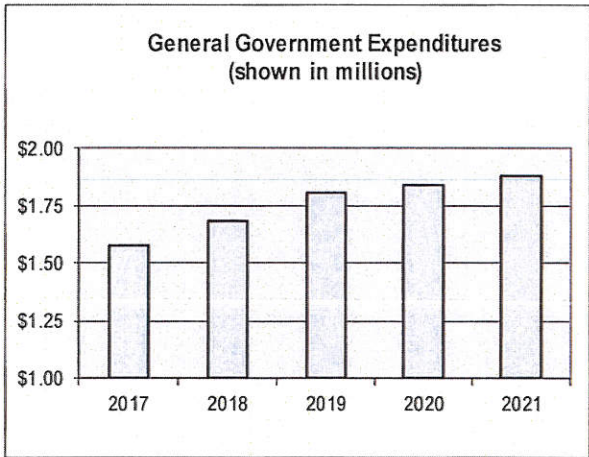
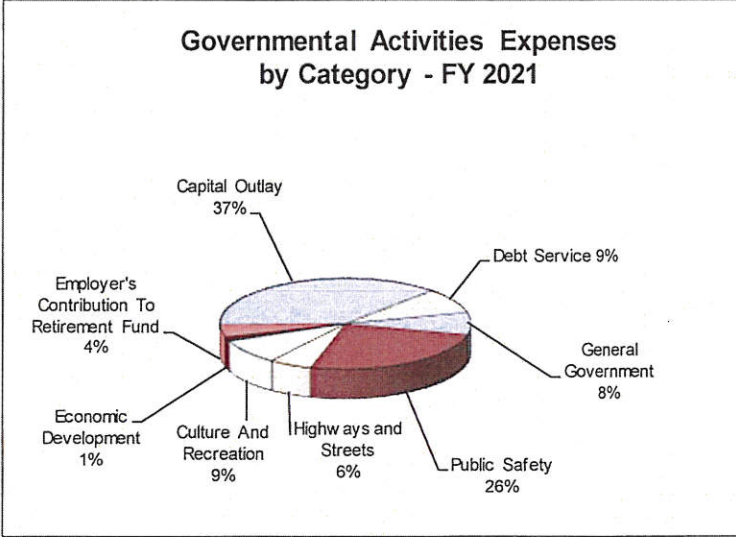
Intergovernmental revenues include revenues due to the City of Highland that pass through the State of Illinois. These include, but are not limited to, sales tax, income tax, and the simplified telecommunications tax. Corporate replacement tax, motor fuel tax, as well as fines and forfeitures are included within the "other" category. The "miscellaneous" category includes interest income. "Charges for Services" includes billings from the City's Ambulance service and user fees from Parks & Recreation.





**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

Expenditures of Governmental Activities are spread among a wide variety of functions. Among these are public safety functions of police, fire, and EMS. Also included are the activities of highways and streets as well as culture and recreation (parks & recreation / library). These areas are funded with the aforementioned revenues such as property taxes and intergovernmental revenues. The charts included on this page depict the governmental activities expense amounts for the various functions. The increase in debt service is due to the refunding of the TIF #2 bonds. The increase in public safety is due to the construction of the new Public Safety Facility and completion of the downtown Fire Station renovations using the proceeds of the debt certificates issued for this purpose. Highways and Streets continues to grow as the City continues to make investment in our City streets.

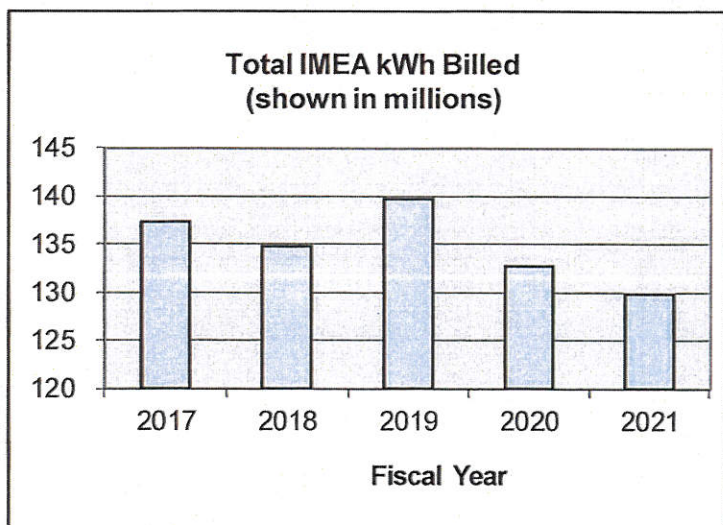
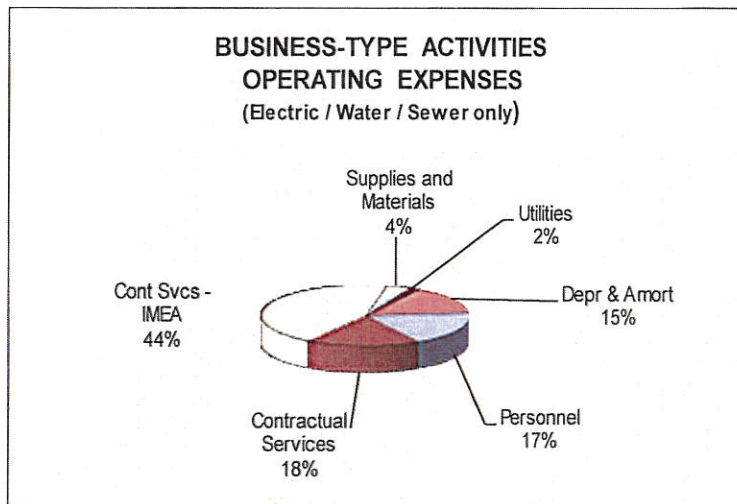
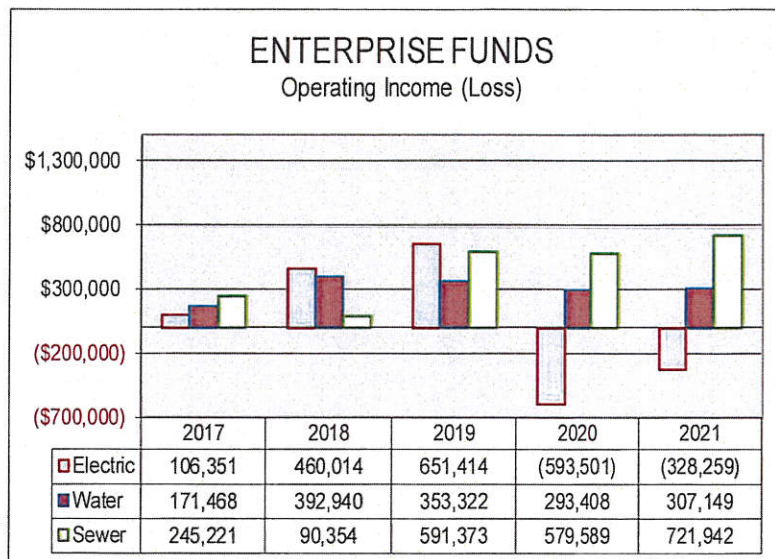


**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

**Business-Type Activities**

Business-type activities include revenues and expenditures related to the Electric, Water, Sewer, and Solid Waste funds. Business-type activities do not receive property or intergovernmental taxes. Each enterprise fund operates as an independent entity, relying solely on user fees for operations. The water and sewer funds had incremental rate increases over the past few years. The most recent electrical rate increase was effective in May of 2021 and fiber rate increases will continue to be evaluated and implemented as needed. The electric fund also includes revenues billed and expenditures for installation of the new fiber infrastructure and operations.

Operational expenses for the electric (including fiber) increased by 2% while the revenues increased by 3%. These costs include depreciation which is not a budgetary item. The rate increase effective in May 2021 and further increases for fiber services will continue to be investigated in the upcoming fiscal year to avoid operational losses in the future along with efforts aimed at controlling operational costs for each department.



The total kilowatt hours billed decreased during Fiscal year 2021 also contributing to the operational loss. The cost per kilowatt hour will again be used to determine if additional rate increases beyond the power cost adjustment are warranted in the upcoming year.

CITY OF HIGHLAND, ILLINOIS  
 April 30, 2021  
 Management's Discussion & Analysis

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**STATUS OF CITY RESERVES**

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The governmental funds reported a *combined* fund balance of \$18.4 million. The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in a prior fiscal year. This created five new classifications for fund balance reporting including non-spendable, restricted, committed, assigned and unassigned. The classifications are important in determining the order of use for fund balances remaining at year end.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

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**Capital Assets**

At the end of FY 2021, the City had \$95.3 million (net of depreciation) invested in a range of capital assets that include equipment, building and structures, and infrastructure. Infrastructure is valued based on the composite cost. The straight-line depreciation method is used, with a salvage value always being zero. More detailed information about the City's capital assets can be found in Note 5 of the Notes to the Financial Statements.

**City of Highland's Capital Assets**  
 (net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2021	2020	2021	2020	2021	2020
Land	\$ 8.1	\$ 7.8	\$ 1.9	\$ 1.9	\$ 10.0	\$ 9.7
Construction in Progress	5.4	3.8	0.4	8.3	5.8	12.1
Bldgs & Improvements	3.7	4.0	12.8	2.1	16.5	6.1
Other Improvements	6.2	3.3	5.2	5.7	11.4	9.0
Equipment	1.1	1.1	0.8	1.1	1.9	2.2
Infrastructure	23.1	21.7			23.1	21.7
Lines			22.8	23.1	22.8	23.1
Interconnect			3.8	2.9	3.8	2.9
<b>Totals</b>	<b>\$ 47.6</b>	<b>\$ 41.7</b>	<b>\$ 47.7</b>	<b>\$ 45.1</b>	<b>\$ 95.3</b>	<b>\$ 86.8</b>

The City of Highland transfers amounts between funds for the main purpose of saving for future capital expenditures. Each fund transfers excess funds at year-end to the City Property Replacement Fund where it remains, until needed, to be transferred back for eligible capital purchases. Transfers also exist among funds in order to allocate the general administrative expenses among the appropriate fund. For more information on these interfund transfers see Note 8 in the Notes to the Financial Statements.

**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

**Debt Administration**

The City of Highland only recently issued general obligation debt counting against its legal debt limit. Debt repayment is accomplished primarily with sales tax revenue and utility sales. The City of Highland's legal debt limit of \$7.9 million is available for general obligation debts. Total City debt per capita is approximately \$3,507. More detailed information about the City's debt can be located in Note 6 of the Notes to Financial Statements.

	Governmental Activities		Business-type Activities		Totals	
	Fiscal Year		Fiscal Year			
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ 4.9	\$ 6.1	\$ 11.1	\$ 12.0	\$ 16.0	\$ 18.1
Debt Certificates Payable	8.2	8.5			8.2	8.5
Notes Payable	0.1	0.2	10.4	7.8	10.5	8.0
Lease Payable	0.3	0.3			0.3	0.3
Maintenance Agreements Payable				0.1	0.0	0.1
<b>Totals</b>	<b>\$ 13.5</b>	<b>\$ 15.1</b>	<b>\$ 21.5</b>	<b>\$ 19.9</b>	<b>\$ 35.0</b>	<b>\$ 35.0</b>

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**CURRENT EVENTS AND NEXT YEAR'S BUDGET**

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The City of Highland has taken an aggressive approach towards managing the growth of the community. The following is a brief description of some of the actions taken in FY '21, with a brief look ahead into FY '22.

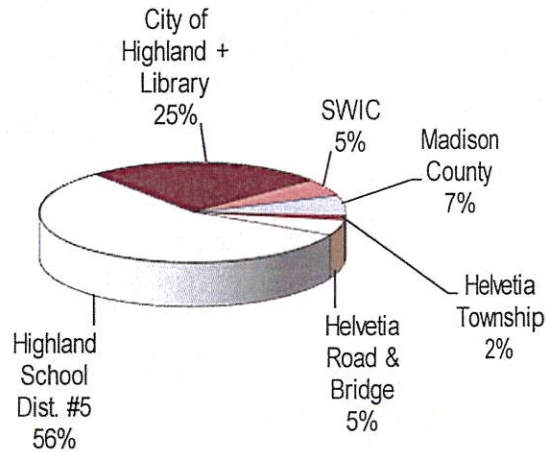
The City could have not anticipated the current pandemic situation but due to solid reserves policies and our diverse revenue streams it appears we have weathered the financial impacts and were able to maintain a solid financial position. It is our hope to continue to regain pre pandemic levels of activities in order to continue to provide the level of services our citizens have learned to expect from the City of Highland.

The Fiber-to-the-Premise (FTTP) project continues to gain customers in the available service areas. This exciting project continues to develop as customers are added, services are added, and more citizens and business owners realize how valuable these community provided services can be. The Public Works Department obtained low interest financing and recently completed construction of major upgrades to the Water Reclamation Facility. Planning continues to finalize additional financing for sewer trunk main improvements through the same low interest loan program administered by the IEPA. Construction continues on the new public safety facility and the downtown fire station upgrades were completed with the creation of new Business Districts as a tool to assist in financing these improvements. Substation upgrades are still being done to sustain the electrical systems' reliability.

**CITY OF HIGHLAND, ILLINOIS**  
**April 30, 2021**  
**Management's Discussion & Analysis**

Steps have been taken to improve daily operations and help the City become more efficient. The City uses aspects of various performance management tools for budgeting and trend analysis. Under the direction of the City Manager, various committees have been established to review policies and procedures and to take an active role in assisting the City with its management.

As of April 2021, the City's Equalized Assessed Value increased 2.88% to a total of \$204.3 million. The EAV is used in conjunction with the 2020 Property Tax Levy for the collection of property taxes during FY 2021-2022. The City of Highland's (including the Library portion) property tax rate for 2020 represents 25% of the total property tax rate in Helvetia Township (Saline Township is nearly identical). The City's portion of the total property tax rate for Highland residents has remained relatively the same for the past few years. The City strives to maintain its property tax rate at the lowest amount possible while providing the highest quality of service.



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**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Highland, PO Box 218, Highland, IL 62249.

General information relating to the City of Highland may be found at [www.highlandil.gov](http://www.highlandil.gov).



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Highland  
Highland, IL 62249

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Highland, IL's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, IL, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as referred to in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Prior Period Partial Comparative Information*

The prior year partial comparative information has been derived from the City of Highland's 2020 financial statements, and in our report dated October 1, 2020, we expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.


### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Highland, IL's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021, on our consideration of the City of Highland, IL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Highland, IL's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Highland, IL's internal control over financial reporting and compliance.

  
Highland, IL  
September 22, 2021



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council  
City of Highland, IL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, IL as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Highland, IL's basic financial statements and have issued our report thereon dated September 22, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Highland, IL's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Highland, IL's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Highland, IL's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Highland, IL's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Highland, IL  
September 22, 2021

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF NET POSITION

	PRIMARY GOVERNMENT						COMPONENT
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		UNIT
	APRIL 30,		APRIL 30,		APRIL 30,		INDUSTRIAL DEVELOPMENT COMMISSION
	2021	2020	2021	2020	2021	2020	2021
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 16,854,235	\$ 21,074,705	\$ 8,893,669	\$ 9,767,633	\$ 25,747,904	\$ 30,842,338	\$ 57,545
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	4,111,170	3,981,104			4,111,170	3,981,104	
Replacement Tax Receivable	65,939	25,298			65,939	25,298	
Accounts Receivable	1,196,927	869,996	942,785	863,591	2,139,712	1,733,587	
Income Tax Receivable	372,128	217,969			372,128	217,969	
Sales Tax Receivable	886,645	729,425			886,645	729,425	
Unbilled Revenue			1,599,207	1,297,874	1,599,207	1,297,874	
Other	126,990	112,737	32,705	41,173	159,695	153,910	
Prepaid Expenses	305,208	292,990	253,335	229,681	558,543	522,671	
Restricted Assets:							
Cash and Investments	247,927	173,886	1,579,325	1,050,865	1,827,252	1,224,751	
Capital Assets (Net of Accumulated Depreciation)	34,109,864	30,078,973	45,425,164	34,933,860	79,535,028	65,012,833	
Land	8,111,723	7,842,801	1,919,570	1,913,497	10,031,293	9,756,298	
Construction in Progress	5,368,295	3,803,374	376,042	8,252,921	5,744,337	12,056,295	
Net Pension Asset - IMRF and SLEP	661,368		385,398		1,046,766		
Total Assets	72,418,419	69,203,258	61,407,200	58,351,095	133,825,619	127,554,353	57,545
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Related to OPEB	371,707	39,169	187,811	16,539	559,518	55,708	
Related to Pensions - IMRF and SLEP	1,762,640	2,692,234	1,148,645	1,625,653	2,911,285	4,317,887	
Related to Pensions - Police Pension	2,273,410	2,200,284			2,273,410	2,200,284	
Total Deferred Outflows of Resources	4,407,757	4,931,687	1,336,456	1,642,192	5,744,213	6,573,879	0
Total Assets and Deferred Outflows of Resources	\$ 76,826,176	\$ 74,134,945	\$ 62,743,656	\$ 59,993,287	\$ 139,569,832	\$ 134,128,232	\$ 57,545
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 1,566,744	\$ 739,251	\$ 1,148,778	\$ 2,067,653	\$ 2,715,522	\$ 2,806,904	
Accrued Salaries and Benefits	134,746	403,520	73,025	206,970	207,771	610,490	
Accrued Interest	65,330	76,955	76,018	82,036	141,348	158,991	
Customer Deposits			90,397	93,360	90,397	93,360	
Long-Term Liabilities:							
Portion Due or Payable Within One Year:							
Bonds Payable	566,036	992,923	880,000	860,000	1,446,036	1,852,923	
General Obligation Debt Certificates Payable	320,000	305,000			320,000	305,000	
General Obligation Lease Payable	30,000				30,000	0	
Notes Payable	91,448	93,108	203,338		294,786	93,108	
General Obligation Notes Payable			154,000	149,000	154,000	149,000	
Premium on Debt	42,217	24,640	1,318	1,318	43,535	25,958	
Maintenance Agreement Payable				54,256		54,256	
Portion Due or Payable After One Year:							
Compensated Absences	898,309	887,652	413,947	364,592	1,312,256	1,252,244	
Net Pension Liability - IMRF and SLEP		1,439,998		887,632		2,327,630	
Net Pension Liability - Police Pension	8,944,750	7,958,780			8,944,750	7,958,780	
Other Post Employment Benefits Payable	1,688,382	1,269,810	853,078	536,143	2,541,460	1,805,953	
Premium on Debt	600,783	455,516	15,155	16,473	615,938	471,989	
Bonds Payable	4,348,621	5,084,657	10,275,000	11,155,000	14,623,621	16,239,657	
General Obligation Debt Certificates Payable	7,850,000	8,170,000			7,850,000	8,170,000	
General Obligation Lease Payable	270,000	300,000			270,000	300,000	
Notes Payable	50,278	141,726	8,860,717	6,364,123	8,910,995	6,505,849	
General Obligation Notes Payable			1,147,000	1,301,000	1,147,000	1,301,000	
Long-Term Accrued Interest	1,185,441	1,214,018			1,185,441	1,214,018	
Total Liabilities	28,653,085	29,557,554	24,191,771	24,139,556	52,844,856	53,697,110	\$ 0
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Property Taxes	4,111,170	3,981,104			4,111,170	3,981,104	
Related to OPEB	256,500	60,115	129,600	25,383	386,100	85,498	
Related to Pensions - IMRF and SLEP	3,520,249	2,999,141	2,224,481	1,774,909	5,744,730	4,774,050	
Related to Pensions - Police Pension	502,656	577,310			502,656	577,310	
Total Deferred Inflows of Resources	8,390,575	7,617,670	2,354,081	1,800,292	10,744,656	9,417,962	0
<b>NET POSITION</b>							
Invested in Capital Assets, Net of Related Debt	34,063,499	26,637,734	26,200,721	25,216,899	60,264,220	51,854,633	
Restricted for:							
Special Revenue Purposes	2,680,003	2,565,229			2,680,003	2,565,229	57,545
Capital Projects Purposes	3,362,951	8,423,675			3,362,951	8,423,675	
Other Purposes	258,698	134,264			258,698	134,264	
Long-Term Debt	222,095	148,337	1,579,325	1,050,865	1,801,420	1,199,202	
Unrestricted	(804,730)	(949,518)	8,417,758	7,785,675	7,613,028	6,836,157	
Total Net Position	39,782,516	36,959,721	36,197,804	34,053,439	75,980,320	71,013,160	57,545
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 76,826,176	\$ 74,134,945	\$ 62,743,656	\$ 59,993,287	\$ 139,569,832	\$ 134,128,232	\$ 57,545

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 2,137,755	\$ 1,850,248	\$ 1,367		\$ (286,140)		\$ (286,140)	
Public Safety	6,538,817	1,836,835	362,790		(4,339,192)		(4,339,192)	
Highways and Streets	2,855,783	7,200	42,878	\$ 573,851	(2,231,854)		(2,231,854)	
Culture and Recreation	2,328,462	538,241	85,556	272,561	(1,432,104)		(1,432,104)	
Economic Development	513,709				(513,709)		(513,709)	
Employer's Contribution to Retirement Fund	933,902		55,868		(878,034)		(878,034)	
Motor Fuel Taxes			379,373		379,373		379,373	
Interest on Long-Term Debt	441,757				(441,757)		(441,757)	
Total Governmental Activities	15,750,185	4,232,524	927,832	846,412	(9,743,417)	\$ 0	(9,743,417)	\$ 0
<b>Business-Type Activities:</b>								
Electric	17,969,672	17,432,457				(537,215)	(537,215)	
Water	2,552,321	2,808,069				255,748	255,748	
Sewer	1,782,655	2,376,233		1,650,000		2,243,578	2,243,578	
Solid Waste	1,748,521	1,707,437				(41,084)	(41,084)	
Total Business-Type Activities	24,053,169	24,324,196	0	1,650,000	0	1,921,027	1,921,027	0
Total Primary Government	\$ 39,803,354	\$ 28,556,720	\$ 927,832	\$ 2,496,412	(9,743,417)	1,921,027	(7,822,390)	0
<b>Component Unit:</b>								
Industrial Development								(20,341)
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes, Levied for General Purposes					4,071,650		4,071,650	
Intergovernmental					7,870,901		7,870,901	
Gain on Disposal of Capital Assets					1,912	4,526	6,438	
Unrealized Appreciation (Depreciation) of Investments					45,572	(7,915)	37,657	
Interest and Miscellaneous Income					506,177	296,727	802,904	
Transfers					70,000	(70,000)	0	
Total General Revenues					12,566,212	223,338	12,789,550	0
Change in Net Position					2,822,795	2,144,365	4,967,160	(20,341)
Net Position Beginning - Restated					36,959,721	34,053,439	71,013,160	77,886
Net Position Ending					\$ 39,782,516	\$ 36,197,804	\$ 75,980,320	\$ 57,545

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 2,031,438	\$ 1,898,753	\$ 6,819		\$ (125,866)		\$ (125,866)	
Public Safety	7,370,838	1,902,695	32,847		(5,435,296)		(5,435,296)	
Highways and Streets	3,019,154	9,300	41,828	\$ 98,536	(2,869,490)		(2,869,490)	
Culture and Recreation	2,743,765	863,088	108,650	46,885	(1,725,142)		(1,725,142)	
Economic Development	550,814				(550,814)		(550,814)	
Employer's Contribution to Retirement Fund	888,385				(888,385)		(888,385)	
Motor Fuel Taxes			368,521		368,521		368,521	
Interest on Long-Term Debt	295,432				(295,432)		(295,432)	
Total Governmental Activities	16,899,826	4,673,836	558,665	145,421	(11,521,904)	\$ 0	(11,521,904)	\$ 0
<b>Business-Type Activities:</b>								
Electric	18,005,184	16,886,323				(1,118,861)	(1,118,861)	
Water	2,480,597	2,717,282				236,685	236,685	
Sewer	1,800,184	2,304,216				504,032	504,032	
Solid Waste	1,691,965	1,675,783				(16,182)	(16,182)	
Total Business-Type Activities	23,977,930	23,583,604	0	0	0	(394,326)	(394,326)	0
Total Primary Government	\$ 40,877,756	\$ 28,257,440	\$ 558,665	\$ 145,421	(11,521,904)	(394,326)	(11,916,230)	0
<b>Component Unit</b>								
Industrial Development								0
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes, Levied for General Purposes					3,948,993		3,948,993	
Intergovernmental					7,127,494		7,127,494	
Gain (Loss) on Disposal of Capital Assets					114,546	(556,344)	(441,798)	
Unrealized Appreciation of Investments					60,697	77,501	138,198	
Interest and Miscellaneous Income					460,515	276,181	736,696	
Transfers					301,000	(301,000)	0	
Total General Revenues					12,013,245	(503,662)	11,509,583	0
Change in Net Position					491,341	(897,988)	(406,647)	0
Net Position Beginning					36,468,380	34,951,427	71,419,807	77,886
Net Position Ending - Restated					\$ 36,959,721	\$ 34,053,439	\$ 71,013,160	\$ 77,886

CITY OF HIGHLAND, ILLINOIS  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
APRIL 30, 2021

	PRIMARY GOVERNMENT						COMPONENT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	UNIT INDUSTRIAL DEVELOPMENT COMMISSION
<u>ASSETS</u>							
Cash and Investments	\$ 2,549,746	\$ 6,367,826	\$ 125,340	\$ 3,945,162	\$ 3,866,161	\$ 16,854,235	\$ 57,545
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,434,211		510,832		2,166,127	4,111,170	
Replacement Tax Receivable	45,399		6,699		13,841	65,939	
Accounts Receivable	38,898		911,029		247,000	1,196,927	
Income Tax Receivable	372,128					372,128	
Sales Tax Receivable	502,595			117,718	266,332	886,645	
Other	63,821	21,882	431		40,856	126,990	
Due from Other Fund	7,100	635,000				642,100	
Prepaid Expenses	82,436		5,087		217,685	305,208	
Restricted Cash					247,927	247,927	
<b>Total Assets</b>	<b>\$ 5,096,334</b>	<b>\$ 7,024,708</b>	<b>\$ 1,559,418</b>	<b>\$ 4,062,880</b>	<b>\$ 7,065,929</b>	<b>\$ 24,809,269</b>	<b>\$ 57,545</b>
<u>LIABILITIES</u>							
Accounts Payable	\$ 302,612		\$ 44,683	\$ 699,929	\$ 519,520	\$ 1,566,744	
Accrued Salaries and Benefits	94,358		21,550		18,838	134,746	
Due to Other Fund	355,000				287,100	642,100	
<b>Total Liabilities</b>	<b>751,970</b>	<b>\$ 0</b>	<b>66,233</b>	<b>699,929</b>	<b>825,458</b>	<b>2,343,590</b>	<b>\$ 0</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	1,434,211	0	510,832	0	2,166,127	4,111,170	0
<u>FUND BALANCES</u>							
Nonspendable	82,436		5,087		217,685	305,208	
Restricted	176,262			3,362,951	2,679,326	6,218,539	57,545
Assigned		7,024,708	977,266		1,248,016	9,249,990	
Unassigned	2,651,455				(70,683)	2,580,772	
<b>Total Fund Balances</b>	<b>2,910,153</b>	<b>7,024,708</b>	<b>982,353</b>	<b>3,362,951</b>	<b>4,074,344</b>	<b>18,354,509</b>	<b>57,545</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 5,096,334</b>	<b>\$ 7,024,708</b>	<b>\$ 1,559,418</b>	<b>\$ 4,062,880</b>	<b>\$ 7,065,929</b>	<b>\$ 24,809,269</b>	<b>\$ 57,545</b>

CITY OF HIGHLAND, ILLINOIS  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
APRIL 30, 2020

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
<u>ASSETS</u>							
Cash and Investments	\$ 2,726,412	\$ 5,853,741	\$ 50,183	\$ 8,620,759	\$ 3,823,610	\$ 21,074,705	\$ 77,886
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,371,475		484,435		2,125,194	3,981,104	
Replacement Tax Receivable	17,205		2,504		5,589	25,298	
Accounts Receivable	16,737		853,259			869,996	
Income Tax Receivable	217,969					217,969	
Sales Tax Receivable	424,297			97,170	207,958	729,425	
Other	51,323	24,440	208		36,766	112,737	
Due from Other Fund		517,500				517,500	
Prepaid Expenses	70,343		2,581		220,066	292,990	
Restricted Cash					173,886	173,886	
<b>Total Assets</b>	<b>\$ 4,895,761</b>	<b>\$ 6,395,681</b>	<b>\$ 1,393,170</b>	<b>\$ 8,717,929</b>	<b>\$ 6,593,069</b>	<b>\$ 27,995,610</b>	<b>\$ 77,886</b>
<u>LIABILITIES</u>							
Accounts Payable	\$ 369,264		\$ 17,119	\$ 294,254	\$ 58,614	\$ 739,251	
Accrued Salaries and Benefits	267,003		77,921		58,596	403,520	
Due to Other Fund	355,000		125,000		37,500	517,500	
<b>Total Liabilities</b>	<b>991,267</b>	<b>\$ 0</b>	<b>220,040</b>	<b>294,254</b>	<b>154,710</b>	<b>1,660,271</b>	<b>\$ 0</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	1,371,475	0	484,435	0	2,125,194	3,981,104	0
<u>FUND BALANCES</u>							
Nonspendable	70,343		2,581		220,066	292,990	
Restricted	63,921			8,423,675	2,490,919	10,978,515	77,886
Assigned		6,395,681	686,114		1,689,974	8,771,769	
Unassigned	2,398,755				(87,794)	2,310,961	
<b>Total Fund Balances</b>	<b>2,533,019</b>	<b>6,395,681</b>	<b>688,695</b>	<b>8,423,675</b>	<b>4,313,165</b>	<b>22,354,235</b>	<b>77,886</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 4,895,761</b>	<b>\$ 6,395,681</b>	<b>\$ 1,393,170</b>	<b>\$ 8,717,929</b>	<b>\$ 6,593,069</b>	<b>\$ 27,995,610</b>	<b>\$ 77,886</b>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
 RECONCILIATIONS OF THE GOVERNMENTAL FUNDS BALANCE SHEETS  
 TO THE STATEMENTS OF NET POSITION  
 APRIL 30, 2021  
 WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2020

	2021	2020
Total fund balances for governmental funds	\$ 18,354,509	\$ 22,354,235
Total net position reported for governmental activities in the statements of net position is different because:		
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 8,111,723	\$ 7,842,801
Construction in progress	5,368,295	3,803,374
Infrastructure, net of accumulated depreciation	23,101,613	21,655,792
Buildings and improvements, net of accumulated depreciation	3,741,488	3,982,098
Other improvements, net of accumulated depreciation	6,181,719	3,340,488
Equipment, net of accumulated depreciation	1,085,044	1,100,595
	47,589,882	41,725,148
Deferred outflows and inflows of resources related to defined benefit pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	4,036,050	4,892,518
Deferred inflows of resources related to pensions	(4,022,905)	(3,576,451)
Deferred outflows and inflows of resources related to defined benefit OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to OPEB	371,707	39,169
Deferred inflows of resources related to OPEB	(256,500)	(60,115)
Certain liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (both current and long-term) are reported in the statement of net position. Those liabilities consist of:		
Accrued interest	\$ (1,250,771)	\$ (1,290,973)
Bonds, notes, and lease payable	(5,356,383)	(6,612,414)
Debt Certificates Payable	(8,170,000)	(8,475,000)
Debt premium, net of accumulated amortization	(643,000)	(480,156)
Net pension asset	661,368	
Net pension liability	(8,944,750)	(9,398,778)
Other post employment benefits	(1,688,382)	(1,269,810)
Compensated absences	(898,309)	(887,652)
	(26,290,227)	(28,414,783)
Total net position of governmental activities	\$ 39,782,516	\$ 36,959,721

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2021

	PRIMARY GOVERNMENT					COMPONENT UNIT	
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
Revenues:							
General Property Taxes	\$ 1,486,952		\$ 481,658		\$ 2,103,040	\$ 4,071,650	
Corporate Personal Property Replacement Taxes	157,393		22,341		54,430	234,164	
Intergovernmental	4,992,444		333,287	\$ 728,913	1,582,093	7,636,737	
Motor Fuel Taxes					379,373	379,373	
Charges for Services	2,054,006		1,774,210		18,116	3,846,332	
Licenses, Permits and Other Taxes	279,071					279,071	
Fines and Forfeitures	18,692				1,111	19,803	
Revenue from Use of Property	87,318					87,318	
Grants and Contributions	320,887		362,790		711,194	1,394,871	
Miscellaneous and Interest Income	236,691	\$ 89,916	15,512	78,616	85,442	506,177	\$ 909
Total Revenues	<u>9,633,454</u>	<u>89,916</u>	<u>2,989,798</u>	<u>807,529</u>	<u>4,934,799</u>	<u>18,455,496</u>	<u>909</u>
Expenditures:							
Current-							
General Government	1,457,501				362,403	1,819,904	17,750
Public Safety	3,471,189		2,328,465			5,799,654	
Highways and Streets	1,000,712				243,371	1,244,083	
Culture and Recreation	1,605,878				364,346	1,970,224	
Economic Development	275,176			174	146,341	421,691	3,500
Employer's Contribution to Retirement Fund					933,902	933,902	
Capital Outlay	822,755		15,758	5,306,922	2,342,638	8,488,073	
Debt Service Expenditures-							
Debt Issue Costs and Fees					34,050	34,050	
Principal Retirement	475,310		47,798	305,000	582,923	1,411,031	
Interest and Fixed Charges	6,388		3,761	256,157	263,765	530,071	
Total Expenditures	<u>9,114,909</u>	<u>0</u>	<u>2,395,782</u>	<u>5,868,253</u>	<u>5,273,739</u>	<u>22,652,683</u>	<u>21,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>518,545</u>	<u>89,916</u>	<u>594,016</u>	<u>(5,060,724)</u>	<u>(338,940)</u>	<u>(4,197,187)</u>	<u>(20,341)</u>
Other Financing Sources (Uses):							
Bonds Issued for Refunding Debt					2,680,000	2,680,000	
Payment to Escrow for Refunding Debt					(2,830,000)	(2,830,000)	
Debt Premiums					211,059	211,059	
Proceeds from Sale of Capital Assets	20,830					20,830	
Unrealized Appreciation (Depreciation) of Investments	(2,244)	(4,889)	(358)		53,063	45,572	
Operating Transfers In	525,003	985,000				1,510,003	
Operating Transfers Out	(685,000)	(441,000)	(300,000)		(14,003)	(1,440,003)	
Total Other Financing Sources (Uses)	<u>(141,411)</u>	<u>539,111</u>	<u>(300,358)</u>	<u>0</u>	<u>100,119</u>	<u>197,461</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>377,134</u>	<u>629,027</u>	<u>293,658</u>	<u>(5,060,724)</u>	<u>(238,821)</u>	<u>(3,999,726)</u>	<u>(20,341)</u>
Fund Balance, Beginning of Year	<u>2,533,019</u>	<u>6,395,681</u>	<u>688,695</u>	<u>8,423,675</u>	<u>4,313,165</u>	<u>22,354,235</u>	<u>77,886</u>
Fund Balance, End of Year	<u>\$ 2,910,153</u>	<u>\$ 7,024,708</u>	<u>\$ 982,353</u>	<u>\$ 3,362,951</u>	<u>\$ 4,074,344</u>	<u>\$ 18,354,509</u>	<u>\$ 57,545</u>



CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2020

	PRIMARY GOVERNMENT					TOTAL GOVERNMENTAL FUNDS	COMPONENT UNIT INDUSTRIAL DEVELOPMENT COMMISSION
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS		
Revenues:							
General Property Taxes	\$ 1,401,280		\$ 468,232		\$ 2,079,481	\$ 3,948,993	
Corporate Personal Property Replacement Taxes	127,807		16,845		45,861	190,513	
Intergovernmental	4,461,002		318,966	\$ 635,068	1,521,945	6,936,981	
Motor Fuel Taxes					368,521	368,521	
Charges for Services	2,314,016		1,843,611		19,394	4,177,021	
Licenses, Permits and Other Taxes	380,890					380,890	
Fines and Forfeitures	16,789				2,518	19,307	
Revenue from Use of Property	96,618					96,618	
Grants and Contributions	274,457		32,847		28,261	335,565	
Miscellaneous and Interest Income	278,876	\$ 84,384	855	26,443	69,957	460,515	
Total Revenues	9,351,735	84,384	2,681,356	661,511	4,135,938	16,914,924	\$ 0
Expenditures:							
Current-							
General Government	1,377,144				349,202	1,726,346	
Public Safety	3,710,393		2,588,020			6,298,413	
Highways and Streets	1,031,321				240,666	1,271,987	
Culture and Recreation	1,916,215				335,123	2,251,338	
Economic Development	290,606			2,066	98,631	391,303	
Employer's Contribution to Retirement Fund					888,385	888,385	
Capital Outlay	1,658,391		79,588	520,317	856,500	3,114,796	
Debt Service Expenditures-							
Debt Issue Costs and Fees				142,724	100	142,824	
Principal Retirement	464,307		46,620		571,787	1,082,714	
Interest and Fixed Charges	15,528		4,940		251,676	272,144	
Total Expenditures	10,463,905	0	2,719,168	665,107	3,592,070	17,440,250	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,112,170)	84,384	(37,812)	(3,596)	543,868	(525,326)	0
Other Financing Sources (Uses):							
Debt Proceeds	300,000			8,475,000		8,775,000	
Debt Premiums				471,883		471,883	
Proceeds from Sale of Capital Assets	128,000		11,000			139,000	
Unrealized Appreciation (Depreciation) of Investments	20,908	46,429	398		(7,038)	60,697	
Operating Transfers In	969,476	1,103,000	33,203			2,105,679	
Operating Transfers Out	(953,000)	(34,000)		(737,858)	(79,821)	(1,804,679)	
Total Other Financing Sources (Uses)	465,384	1,115,429	44,601	8,209,025	(86,859)	9,747,580	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(646,786)	1,199,813	6,789	8,205,429	457,009	9,222,254	0
Fund Balance, Beginning of Year	3,179,805	5,195,868	681,906	218,246	3,856,156	13,131,981	77,886
Fund Balance, End of Year	\$ 2,533,019	\$ 6,395,681	\$ 688,695	\$ 8,423,675	\$ 4,313,165	\$ 22,354,235	\$ 77,886

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
 RECONCILIATIONS OF THE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENTS OF ACTIVITIES  
 FOR THE YEAR ENDED APRIL 30, 2021  
 WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2020

	2021	2020
Net change in fund balances - total governmental funds	\$ (3,999,726)	\$ 9,222,254
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation expense.	5,883,653	550,643
In the governmental funds, debt premiums are amortized over the life of the debt and this amortization reduces the amount of interest expense recorded on the debt. This is the amount by which debt premiums exceeded the amortization of debt premiums.	(162,844)	(466,905)
In the statement of activities, only the gain on the disposal of the capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase the financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.	(18,921)	(24,452)
Proceeds from new notes payable and debt certificates payable are recorded as revenues in the governmental funds but increase liabilities in the statement of net position.	(2,680,000)	(8,775,000)
Some expenses, including accrued interest, OPEB, and compensated absences, reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(252,874)	(229,793)
Governmental funds report defined benefit pension contributions as expenditures. However in the Statement of Activities, the cost of defined benefit pension benefits earned net of employee contributions is reported as pension expense.	(187,524)	(868,120)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	4,241,031	1,082,714
Change in net position of governmental activities	\$ 2,822,795	\$ 491,341

CITY OF HIGHLAND, ILLINOIS  
STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
APRIL 30, 2021

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
<u>ASSETS</u>					
Current Assets:					
Cash and Investments	\$ 252,745	\$ 4,270,968	\$ 3,759,141	\$ 610,815	\$ 8,893,669
Receivables:					
Accounts, Net	609,441	114,187	116,368	102,789	942,785
Unbilled Revenue	1,063,696	222,611	185,318	127,582	1,599,207
Other Receivable	1,178	14,676	14,752	2,099	32,705
Other Current Assets	175,604	40,992	36,739		253,335
Total Current Assets	2,102,664	4,663,434	4,112,318	843,285	11,721,701
Restricted Assets:					
Cash and Investments	1,045,553		533,772		1,579,325
Capital Assets (Net of Accumulated Depreciation)	23,114,027	7,518,306	14,792,831		45,425,164
Land	1,461,719	407,708	50,143		1,919,570
Construction in Progress	290,598	41,879	43,565		376,042
Net Pension Asset - IMRF	229,884	84,183	71,331		385,398
Total Noncurrent Assets	26,141,781	8,052,076	15,491,642	0	49,685,499
Total Assets	28,244,445	12,715,510	19,603,960	843,285	61,407,200
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to OPEB	117,382	43,040	27,389		187,811
Related to Pensions - IMRF	696,676	260,314	191,655		1,148,645
Total Deferred Outflows of Resources	814,058	303,354	219,044	0	1,336,456
Total Assets and Deferred Outflows of Resources	\$ 29,058,503	\$ 13,018,864	\$ 19,823,004	\$ 843,285	\$ 62,743,656
<u>LIABILITIES</u>					
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 884,608	\$ 72,092	\$ 48,424	\$ 143,654	\$ 1,148,778
Accrued Interest Payable		3,979	6,015		9,994
Current Portion Notes Payable			203,338		203,338
Current Portion General Obligation Notes Payable		154,000			154,000
Accrued Salaries and Benefits	44,341	17,422	11,262		73,025
Premium on Revenue Bonds			1,318		1,318
Total Current Liabilities (Payable from Current Assets)	928,949	247,493	270,357	143,654	1,590,453
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	90,397				90,397
Current Portion Revenue Bonds	755,000		125,000		880,000
Accrued Interest on Revenue Bonds	66,024				66,024
Total Current Liabilities (Payable from Restricted Assets)	911,421	0	125,000	0	1,036,421
Long-Term Liabilities:					
Premium on Revenue Bonds			15,155		15,155
Revenue Bonds (Net of Current Portion)	8,415,000		1,860,000		10,275,000
Notes Payable (Net of Current Portion)			8,860,717		8,860,717
General Obligation Notes Payable (Net of Current Portion)		1,147,000			1,147,000
Compensated Absences	241,699	99,996	72,252		413,947
Other Post Employment Benefits Payable	533,174	195,497	124,407		853,078
Total Long-Term Liabilities	9,189,873	1,442,493	10,932,531	0	21,564,897
Total Liabilities	11,030,243	1,689,986	11,327,888	143,654	24,191,771
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to OPEB	81,000	29,700	18,900		129,600
Related to Pensions - IMRF	1,326,867	485,896	411,718		2,224,481
Total Deferred Inflows of Resources	1,407,867	515,596	430,618	0	2,354,081
<u>NET POSITION</u>					
Net Investment in Capital Assets, Net of Related Debt	15,696,344	6,666,893	3,837,484		26,200,721
Restricted For Long Term Debt	1,045,553		533,772		1,579,325
Unrestricted	(121,504)	4,146,389	3,693,242	699,631	8,417,758
Total Net Position	16,620,393	10,813,282	8,064,498	699,631	36,197,804
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 29,058,503	\$ 13,018,864	\$ 19,823,004	\$ 843,285	\$ 62,743,656

CITY OF HIGHLAND, ILLINOIS  
STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
APRIL 30, 2020

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 1,535,931	\$ 3,976,113	\$ 3,611,889	\$ 643,700	\$ 9,767,633
Receivables:					
Accounts, Net	554,173	103,365	101,569	104,484	863,591
Unbilled Revenue	851,733	189,952	148,864	107,325	1,297,874
Other Receivable	6,802	16,602	15,081	2,688	41,173
Other Current Assets	161,034	35,924	32,723		229,681
Total Current Assets	3,109,673	4,321,956	3,910,126	858,197	12,199,952
Restricted Assets:					
Cash and Investments	1,050,865				1,050,865
Capital Assets (Net of Accumulated Depreciation)	23,032,726	7,632,380	4,268,754		34,933,860
Land	1,461,719	401,635	50,143		1,913,497
Construction in Progress	722,807	149,316	7,380,798		8,252,921
Total Noncurrent Assets	26,268,117	8,183,331	11,699,695	0	46,151,143
Total Assets	29,377,790	12,505,287	15,609,821	858,197	58,351,095
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to OPEB	9,575	3,482	3,482		16,539
Related to Pensions - IMRF	947,793	363,160	314,700		1,625,653
Total Deferred Outflows of Resources	957,368	366,642	318,182	0	1,642,192
Total Assets and Deferred Outflows of Resources	\$ 30,335,158	\$ 12,871,929	\$ 15,928,003	\$ 858,197	\$ 59,993,287
<b>LIABILITIES</b>					
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 986,743	\$ 59,069	\$ 894,500	\$ 127,341	\$ 2,067,653
Accrued Interest Payable		4,435	6,285		10,720
Current Portion General Obligation Note Payable		149,000			149,000
Current Portion Maintenance Agreement Payable		54,256			54,256
Accrued Salaries and Benefits	121,768	50,166	35,036		206,970
Premium on Revenue Bonds			1,318		1,318
Total Current Liabilities (Payable from Current Assets)	1,108,511	316,926	937,139	127,341	2,489,917
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	93,360				93,360
Current Portion Revenue Bonds	735,000		125,000		860,000
Accrued Interest on Revenue Bonds	71,316				71,316
Total Current Liabilities (Payable from Restricted Assets)	899,676	0	125,000	0	1,024,676
Long-Term Liabilities:					
Premium on Revenue Bonds			16,473		16,473
Revenue Bonds (Net of Current Portion)	9,170,000		1,985,000		11,155,000
Note Payable (Net of Current Portion)			6,364,123		6,364,123
General Obligation Note Payable (Net of Current Portion)		1,301,000			1,301,000
Compensated Absences	202,292	95,864	66,436		364,592
Net Pension Liability - IMRF	510,948	193,140	183,544		887,632
Other Post Employment Benefits Payable	310,399	112,872	112,872		536,143
Total Long-Term Liabilities	10,193,639	1,702,876	8,728,448	0	20,624,963
Total Liabilities	12,201,826	2,019,802	9,790,587	127,341	24,139,556
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to OPEB	14,695	5,344	5,344		25,383
Related to Pensions - IMRF	1,021,692	386,203	367,014		1,774,909
Total Deferred Inflows of Resources	1,036,387	391,547	372,358	0	1,800,292
<b>NET POSITION</b>					
Net Investment in Capital Assets, Net of Related Debt	15,312,252	6,679,075	3,225,572		25,216,899
Restricted for Long Term Debt	1,050,865				1,050,865
Unrestricted	733,828	3,781,505	2,539,486	730,856	7,785,675
Total Net Position	17,096,945	10,460,580	5,765,058	730,856	34,053,439
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 30,335,158	\$ 12,871,929	\$ 15,928,003	\$ 858,197	\$ 59,993,287

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2021

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 17,419,717	\$ 2,776,899	\$ 2,299,703	\$ 1,707,437	\$ 24,203,756
Connection Fees	12,740	31,170	76,530		120,440
Total Operating Revenues	<u>17,432,457</u>	<u>2,808,069</u>	<u>2,376,233</u>	<u>1,707,437</u>	<u>24,324,196</u>
Operating Expenses:					
Personnel Services	2,423,735	966,553	552,771		3,943,059
Contractual Services	3,106,084	408,227	358,154	1,732,366	5,604,831
Purchase Power (Less Generating Capacity Credit)	9,632,311				9,632,311
Supplies and Materials	455,706	230,675	110,792	16,155	813,328
Utilities	112,708	154,207	152,496		419,411
Depreciation and Amortization	2,030,172	741,258	480,078		3,251,508
Total Operating Expenses	<u>17,760,716</u>	<u>2,500,920</u>	<u>1,654,291</u>	<u>1,748,521</u>	<u>23,664,448</u>
Operating Income (Loss)	<u>(328,259)</u>	<u>307,149</u>	<u>721,942</u>	<u>(41,084)</u>	<u>659,748</u>
Non-Operating Revenues (Expenses):					
Interest Income	15,145	67,945	61,523	9,514	154,127
Grant Revenue			1,650,000		1,650,000
Miscellaneous Revenues	96,304	40,499	4,939	858	142,600
Unrealized Depreciation of Investments	(212)	(3,590)	(3,600)	(513)	(7,915)
Gain on Sale of Assets	4,026	500			4,526
Interest Expense	(208,656)	(51,401)	(128,214)		(388,271)
Service Charges	(300)		(150)		(450)
Total Non-Operating Revenues (Expenses)	<u>(93,693)</u>	<u>53,953</u>	<u>1,584,498</u>	<u>9,859</u>	<u>1,554,617</u>
Income (Loss) Before Operating Transfers	<u>(421,952)</u>	<u>361,102</u>	<u>2,306,440</u>	<u>(31,225)</u>	<u>2,214,365</u>
Operating Transfers:					
Transfers Out	(54,600)	(8,400)	(7,000)		(70,000)
Total Operating Transfers	<u>(54,600)</u>	<u>(8,400)</u>	<u>(7,000)</u>	<u>0</u>	<u>(70,000)</u>
Increase (Decrease) in Net Position	<u>(476,552)</u>	<u>352,702</u>	<u>2,299,440</u>	<u>(31,225)</u>	<u>2,144,365</u>
Total Net Position, Beginning of Year	<u>17,096,945</u>	<u>10,460,580</u>	<u>5,765,058</u>	<u>730,856</u>	<u>34,053,439</u>
Total Net Position, End of Year	<u>\$ 16,620,393</u>	<u>\$ 10,813,282</u>	<u>\$ 8,064,498</u>	<u>\$ 699,631</u>	<u>\$ 36,197,804</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2020

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 16,835,941	\$ 2,620,285	\$ 2,193,770	\$ 1,675,783	\$ 23,325,779
Connection Fees	50,382	96,997	110,446		257,825
Total Operating Revenues	<u>16,886,323</u>	<u>2,717,282</u>	<u>2,304,216</u>	<u>1,675,783</u>	<u>23,583,604</u>
Operating Expenses:					
Personnel Services	2,331,713	983,963	703,190		4,018,866
Contractual Services	3,135,875	362,120	373,401	1,662,937	5,534,333
Purchase Power (Less Generating Capacity Credit)	9,456,005				9,456,005
Supplies and Materials	415,323	185,234	92,166	29,028	721,751
Utilities	107,028	116,970	151,536		375,534
Depreciation and Amortization	2,033,880	775,587	404,334		3,213,801
Total Operating Expenses	<u>17,479,824</u>	<u>2,423,874</u>	<u>1,724,627</u>	<u>1,691,965</u>	<u>23,320,290</u>
Operating Income (Loss)	<u>(593,501)</u>	<u>293,408</u>	<u>579,589</u>	<u>(16,182)</u>	<u>263,314</u>
Non-Operating Revenues (Expenses):					
Interest Income	71,833	62,525	48,539	10,147	193,044
Miscellaneous Revenues	33,725	38,385	9,544	1,483	83,137
Unrealized Appreciation of Investments	12,197	31,580	28,611	5,113	77,501
Loss on Sale of Assets	(556,344)				(556,344)
Interest Expense	(440,360)	(56,723)	(75,407)		(572,490)
Debt Issue Costs	(84,350)				(84,350)
Service Charges	(650)		(150)		(800)
Total Non-Operating Revenues (Expenses)	<u>(963,949)</u>	<u>75,767</u>	<u>11,137</u>	<u>16,743</u>	<u>(860,302)</u>
Income (Loss) Before Operating Transfers	<u>(1,557,450)</u>	<u>369,175</u>	<u>590,726</u>	<u>561</u>	<u>(596,988)</u>
Operating Transfers:					
Transfers Out	<u>(268,124)</u>	<u>(18,228)</u>	<u>(14,648)</u>		<u>(301,000)</u>
Total Operating Transfers	<u>(268,124)</u>	<u>(18,228)</u>	<u>(14,648)</u>	<u>0</u>	<u>(301,000)</u>
Increase (Decrease) in Net Position	<u>(1,825,574)</u>	<u>350,947</u>	<u>576,078</u>	<u>561</u>	<u>(897,988)</u>
Total Net Position, Beginning of Year	<u>18,922,519</u>	<u>10,109,633</u>	<u>5,188,980</u>	<u>730,295</u>	<u>34,951,427</u>
Total Net Position, End of Year	<u>\$ 17,096,945</u>	<u>\$ 10,460,580</u>	<u>\$ 5,765,058</u>	<u>\$ 730,856</u>	<u>\$ 34,053,439</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2021

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 17,261,530	\$ 2,805,087	\$ 2,329,919	\$ 1,706,046	\$ 24,102,582
Cash Payments for Goods and Services	(13,426,989)	(788,744)	(1,476,602)	(1,749,034)	(17,441,369)
Cash Payments to Employees	(2,465,022)	(1,002,526)	(656,671)		(4,124,219)
Net Cash Provided (Used) by Operating Activities	<u>1,369,519</u>	<u>1,013,817</u>	<u>196,646</u>	<u>(42,988)</u>	<u>2,536,994</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Repayments of Loans from Other Funds	(54,600)	(8,400)	(7,000)		(70,000)
Net Cash Used by Non-Capital Financing Activities	<u>(54,600)</u>	<u>(8,400)</u>	<u>(7,000)</u>	<u>0</u>	<u>(70,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Interest Paid	(213,948)	(51,857)	(128,484)		(394,289)
Proceeds Received from Grants			1,650,000		1,650,000
Payments for Capital Acquisitions	(1,679,264)	(525,820)	(3,666,922)		(5,872,006)
Proceeds from Sale of Capital Assets	4,026	500			4,526
Proceeds from Loans			2,876,821		2,876,821
Repayments of Loans	(735,000)	(203,256)	(301,889)		(1,240,145)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,624,186)</u>	<u>(780,433)</u>	<u>429,526</u>	<u>0</u>	<u>(2,975,093)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Receipts of Interest	20,769	69,871	61,852	10,103	162,595
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(1,288,498)	294,855	681,024	(32,885)	(345,504)
CASH AND INVESTMENTS, BEGINNING OF YEAR	2,586,796	3,976,113	3,611,889	643,700	10,818,498
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,298,298</u>	<u>\$ 4,270,968</u>	<u>\$ 4,292,913</u>	<u>\$ 610,815</u>	<u>\$ 10,472,994</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	\$ (328,259)	\$ 307,149	\$ 721,942	\$ (41,084)	\$ 659,748
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization Expense	2,030,172	741,258	480,078		3,251,508
Miscellaneous Revenues	96,304	40,499	4,939	858	142,600
Service Charges	(300)		(150)		(450)
Amortization of Bond Premium			(1,318)		(1,318)
Unrealized Depreciation of Investments	(212)	(3,590)	(3,600)	(513)	(7,915)
(Increase) Decrease in Accounts Receivables	(55,268)	(10,822)	(14,799)	1,695	(79,194)
Increase in Unbilled Revenue	(211,963)	(32,659)	(36,454)	(20,257)	(301,333)
Increase in Other Current Assets	(14,570)	(5,068)	(4,016)		(23,654)
Increase in Net Pension Asset	(229,884)	(84,183)	(71,331)		(385,398)
Increase in Deferred Outflows Related to OPEB	(107,807)	(39,558)	(23,907)		(171,272)
Decrease in Deferred Outflows Related to Pensions	251,117	102,846	123,045		477,008
Increase (Decrease) in Accounts Payable	(102,135)	13,023	(846,076)	16,313	(918,875)
Decrease in Accrued Salaries and Benefits	(77,427)	(32,744)	(23,774)		(133,945)
Increase in Compensated Absences	39,407	4,132	5,816		49,355
Decrease in Customer Deposits	(2,963)				(2,963)
Increase in Other Post Employment Benefits	222,775	82,625	11,535		316,935
Decrease in Net Pension Liability	(510,948)	(193,140)	(183,544)		(887,632)
Increase in Deferred Inflows Related to OPEB	66,305	24,356	13,556		104,217
Increase in Deferred Inflows Related to Pensions	305,175	99,693	44,704		449,572
Total Adjustments	<u>1,697,778</u>	<u>706,668</u>	<u>(525,296)</u>	<u>(1,904)</u>	<u>1,877,246</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,369,519</u>	<u>\$ 1,013,817</u>	<u>\$ 196,646</u>	<u>\$ (42,988)</u>	<u>\$ 2,536,994</u>

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED APRIL 30, 2020

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 16,859,103	\$ 2,730,769	\$ 2,297,976	\$ 1,673,508	\$ 23,561,356
Cash Payments for Goods and Services	(13,205,313)	(1,012,349)	235,926	(1,710,427)	(15,692,163)
Cash Payments to Employees	(2,171,497)	(909,242)	(675,781)		(3,756,520)
Net Cash Provided (Used) by Operating Activities	<u>1,482,293</u>	<u>809,178</u>	<u>1,858,121</u>	<u>(36,919)</u>	<u>4,112,673</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Repayment of Loans from Other Funds	(268,124)	(18,228)	(14,648)		(301,000)
Net Cash Used by Non-Capital Financing Activities	<u>(268,124)</u>	<u>(18,228)</u>	<u>(14,648)</u>	<u>0</u>	<u>(301,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Interest Paid	(539,545)	(57,160)	(75,667)		(672,372)
Payments for Capital Acquisitions	(1,414,224)	(420,250)	(6,921,042)		(8,755,516)
Proceeds from the Sale of Capital Assets	1,015,000				1,015,000
Proceeds from Loans		(71,000)	6,364,123		6,293,123
Repayments of Loans	(470,000)	(240,902)	(120,000)		(830,902)
Net Cash Used by Capital and Related Financing Activities	<u>(1,408,769)</u>	<u>(789,312)</u>	<u>(752,586)</u>	<u>0</u>	<u>(2,950,667)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Receipts of Interest	<u>73,978</u>	<u>57,802</u>	<u>41,652</u>	<u>9,676</u>	<u>183,108</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(120,622)	59,440	1,132,539	(27,243)	1,044,114
CASH AND INVESTMENTS, BEGINNING OF YEAR	2,707,418	3,916,673	2,479,350	670,943	9,774,384
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 2,586,796</u>	<u>\$ 3,976,113</u>	<u>\$ 3,611,889</u>	<u>\$ 643,700</u>	<u>\$ 10,818,498</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating Income	\$ (593,501)	\$ 293,408	\$ 579,589	\$ (16,182)	\$ 263,314
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization Expense	2,033,880	775,587	404,334		3,213,801
Miscellaneous Revenues	33,725	38,385	9,544	1,483	83,137
Bond Issue Costs	(84,350)				(84,350)
Service Charges	(650)		(150)		(800)
Amortization of Bond Premium			(1,318)		(1,318)
Unrealized Appreciation of Investments	12,197	31,580	28,611	5,113	77,501
Increase in Accounts Receivables	(7,326)	(17,515)	(20,461)	(2,980)	(48,282)
(Increase) Decrease in Unbilled Revenue	(53,619)	(7,383)	3,109	(778)	(58,671)
(Increase) Decrease in Other Current Assets	(36,555)	(46)	1,568		(35,033)
Decrease in Deferred Outflows Related to OPEB	1,258	457	457		2,172
Decrease in Deferred Outflows Related to Pensions	312,150	96,288	131,373		539,811
Increase (Decrease) in Accounts Payable	20,662	(379,559)	825,886	(23,575)	443,414
Increase in Accrued Salaries and Benefits	38,196	13,510	5,475		57,181
Increase (Decrease) in Compensated Absences	14,867	11,006	(7,836)		18,037
Decrease in Customer Deposits	(2,386)				(2,386)
Decrease in Other Post Employment Benefits	(1,276)	(464)	(464)		(2,204)
Decrease in Net Pension Liability	(656,457)	(227,079)	(254,486)		(1,138,022)
Increase in Deferred Inflows Related to OPEB	14,695	5,344	5,344		25,383
Increase in Deferred Inflows Related to Pensions	436,783	175,659	147,546		759,988
Total Adjustments	<u>2,075,794</u>	<u>515,770</u>	<u>1,278,532</u>	<u>(20,737)</u>	<u>3,849,359</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,482,293</u>	<u>\$ 809,178</u>	<u>\$ 1,858,121</u>	<u>\$ (36,919)</u>	<u>\$ 4,112,673</u>



CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF NET POSITION  
FIDUCIARY FUND

		POLICEMEN'S PENSION TRUST FUND APRIL 30,	
<u>ASSETS</u>		2021	2020
Cash		\$ 311,912	
Receivables:			
Property Taxes, Current Year Levy		728,446	\$ 660,016
Interest Receivable		41,211	40,428
Total Receivables		<u>769,657</u>	<u>700,444</u>
Investments:			
Certificates of Deposit and Interest Bearing Accounts		465,055	352,131
Municipal Bonds		4,718,508	4,163,276
Mutual Funds		9,216,373	6,917,007
Total Investments		<u>14,399,936</u>	<u>11,432,414</u>
Total Assets		<u>\$ 15,481,505</u>	<u>\$ 12,132,858</u>
<u>LIABILITIES</u>			
Accounts Payable		<u>\$ 2,427</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Property Taxes		<u>728,446</u>	<u>\$ 660,016</u>
<u>NET POSITION</u>			
Net Position Held in Trust for Pension Benefits and Other Purposes		<u>14,750,632</u>	<u>11,472,842</u>
Total Deferred Inflows of Resources and Net Position		<u>\$ 15,481,505</u>	<u>\$ 12,132,858</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
STATEMENTS OF CHANGES IN NET POSITION  
FIDUCIARY FUND

	POLICEMEN'S PENSION TRUST FUND YEARS ENDED APRIL 30,	
	2021	2020
Additions:		
General Property Taxes:		
Real Estate	\$ 656,242	\$ 633,294
Intergovernmental:		
Corporate Personal Property Replacement Tax	6,900	6,900
Miscellaneous:		
Interest and Dividend Income	278,760	332,721
Miscellaneous Revenue		226
Employee Contributions	186,271	160,993
Realized/Unrealized Gain (Loss) on Investments	3,146,260	(404,758)
Total Additions	4,274,433	729,376
Deductions:		
Benefit Payments	923,015	816,505
Administration	73,628	40,715
Total Deductions	996,643	857,220
Increase (Decrease) in Net Position	3,277,790	(127,844)
Net Position, Beginning of Year	11,472,842	11,600,686
Net Position, End of Year	\$ 14,750,632	\$ 11,472,842

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The City of Highland, Illinois, was incorporated April 4, 1884. The City is a non-home rule unit and operates under a managerial council form of government. Under this form of government, the City council is legislative, except that it is empowered to approve all expenses and liabilities, and the manager is the administrative and executive head of government.

The accounting policies of the City of Highland conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

(A) PRINCIPLES USED TO DETERMINE SCOPE OF ENTITY

The City's reporting entity includes the City's governing board and all related organizations for which the City exercises significant influence.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the City exercises significant influence (which includes financial benefit or burden, appoints a voting majority, ability to significantly impose its will, and fiscal independence).

The City has determined that a component unit exists as of April 30, 2013. The Industrial Development Commission (IDC) was established by the City Council pursuant to the authority conferred by Section 11-74-4(8) of the Industrial Project Revenue Act (65 ILCS 5/11-74-4(8)) by Ordinance #2365 adopted and approved on July 6, 2009. The IDC meets monthly and makes recommendations about economic development decisions to the City Council. The IDC is a discretely presented component unit.

(B) BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounting policies of the City of Highland, Illinois, conform to accounting policies generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are grouped into three broad fund categories and six generic fund types for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City also has one fiduciary custodial fund.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the City and the primary government, as a whole, excluding fiduciary activities such as employee pension plans. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on the net position's use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on its net position use.

(ii) FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

General Fund - The government's primary operating fund. This fund is used to account for and report all financial resources not accounted for or reported in another fund.

Special Revenue - Ambulance - The fund that accounts for proceeds of specific revenue sources (other than those for major capital projects) that are restricted or committed to expenditure for the specified purposes of providing ambulance services.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects - City Property Replacement - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds).

Capital Projects - Business District A - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for economic development, including the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds).

The City reports the following major proprietary funds:

Light and Power Fund - This fund operates the electrical distribution system and includes the fiber-optic system that provides high-speed internet, television, and telephone services to customers in Highland.

Water Fund - This fund operates the water distribution system.

Sewer Fund - This fund operates the sewer treatment plant, sewage pumping stations, and collection systems.

Solid Waste Fund - This fund operates the collection of solid waste pickup.

(iii) GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. The length of time to define available is 60 days or less. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

(a) REVENUE RECOGNITION

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available. This concept includes investment earnings, fines and forfeitures, and state-levied locally shared taxes (including motor vehicle fees).

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and offset with a deferred inflow of resources until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) EXPENDITURE RECOGNITION

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, is recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

(iv) PROPRIETARY FUNDS

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. They report charges for services and connection fees as operating revenues, and items such as interest income, grants, and other miscellaneous items as non-operating revenues. The economic resource focus determines costs as a means of maintaining capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds, and unbilled utility receivables are recorded at each year end.

(v) FIDUCIARY FUNDS

The City currently has one fiduciary fund. The Policemen's Pension Trust Fund is used to account for pension assets held by the City in a trustee capacity. This fund is accounted for and reported in a manner similar to proprietary funds since capital maintenance is critical.

(C) VACATION AND SICK LEAVE

Vacation leave is accrued for full time employees of the City at the rate of one average work week per year upon completion of the first year of continuous service. These employees are granted two average work weeks per year following completion of the second year of continuous service through the sixth year. For the seventh through the eleventh year, three average work weeks are earned per year. From the twelfth through the twentieth year, four average work weeks are earned per year and five average work weeks per year are earned following the twentieth year and thereafter.

Sick leave is accrued for full time City employees at a rate of 13 days a year. Most employees can accumulate up to 30 days of vested sick pay and an additional 60 days of non-vested sick pay. Employees in the Sergeants and Telecommunicator Unions can accumulate up to 45 days of vested sick pay and an additional 45 days of non-vested sick pay. Terminated employees are compensated for all vested sick days. The City does not accrue the additional non-vested sick days totaling \$646,771. However, for the accrued vacation and vested sick days, the City is liable in the approximate amount of \$898,309 for payments to qualified employees of the governmental activities and \$413,947 for payments to qualified employees of the business-type activities as of April 30, 2021.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) CASH AND INVESTMENTS

The City maintains an investment pool that is available for use by all funds, except those of certain special revenue and agency funds. The City maintains a separate accounting of each fund's balance in the pool. Additionally, the City participates in the Illinois Fund. Investment income earned on pooled investments is distributed to the appropriate funds based on the average daily balance of the investments in each fund.

Investments are stated at fair value. Fair value for investments is determined by closing market prices at year-end as reported by the investment custodian.

All cash and investments of the proprietary funds are considered highly liquid, as these funds participate in the City's investment pool. Consequently, these are considered to be cash and cash equivalents for cash flow purposes.

Restricted cash on the financial statements represents cash for customer deposits, fiber bonds, and TIF bonds.

(E) GOVERNMENTAL RECEIVABLES

Long-term receivables due to governmental funds are reported on the balance sheets, in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. The City has determined that an allowance for uncollectible receivables is not needed based on prior years' collections.

(F) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(G) DEBT PREMIUMS, DISCOUNTS, AND ISSUANCE COSTS

On the government-wide statement of net position and the proprietary fund statement of net position, debt premiums and discounts are shown separately from debt payable, and debt issuance costs are recognized as an outflow of resources in the period incurred. In addition, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as inflows or outflows of resources in the period incurred.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) NET POSITION

Net position is calculated by taking assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The portion of net position that is titled "Invested in Capital Assets, Net of Related Debt" is capital assets less accumulated depreciation and outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on its use by City legislation or external restrictions by other governments, creditors, or grantors. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

(I) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period, and therefore, will not be recognized as an outflow of resources until that time. The government-wide statements report deferred outflows of resources related to the pension and OPEB plans. This deferred outflow represents the combination of changes in assumptions and the difference between projected and actual earnings on pension plan investments to be recognized in a future period.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The government-wide statements report unavailable revenues from property taxes and amounts related to pension and OPEB plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(J) CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in government-wide statements. Infrastructure such as streets, traffic signals and signs are capitalized in the government-wide statements. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated fixed assets are reported at their fair value as of the date received. The City maintains a capitalization threshold of \$15,000.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 20 to 50 years; improvements/infrastructure - 5 to 50 years; equipment - 3 to 25 years.



CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) GOVERNMENTAL FUND BALANCES

The City elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fiscal year ended April 30, 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. The City had no committed fund balances on April 30, 2021.

Assigned – Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed. The City Council has designated the City Manager and Finance Director the authority to make assignments.

Unassigned – All amounts not included in other spendable classifications.

For the classification of fund balance, the City requires restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balances, followed by assigned fund balances and then unassigned fund balances when more than one classification for unrestricted fund balances are available.

(L) COMPARATIVE DATA

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative notes to the financial statements have not been presented since their inclusion would make the notes to the financial statements unduly complex and difficult to read.

(M) RECLASSIFICATIONS

Certain accounts related to the prior year have been restated to conform to current year's presentation. The reclassifications have no effect on net position.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) RESTATEMENT

On December 2, 2020, the City and the Fraternal Order of Police Labor Council entered into an agreement that increased the maximum accrual for compensated absences effective May 1, 2019. The increased compensated absences accrual was not reflected in the previously issued April 30, 2020 financial statements as the agreement was not yet final. The table below summarizes the change in net position of the governmental activities.

Net Position, as Previously Reported	\$ 37,003,502
Additional Compensated Absences	<u>(43,781)</u>
Net Position, as Restated	<u>\$ 36,959,721</u>

(O) NEW ACCOUNTING PRONOUNCEMENTS

Effective May 1, 2020, the City adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations (AROs)*, GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement No. 83, *Certain Asset Retirement Obligations (AROs)*, establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in GASB 83. The City has determined that asset retirement obligations are not significant to these financial statements.

GASB Statement No. 84, *Fiduciary Activities*, establishes standards of accounting and financial reporting for fiduciary activities. The statement establishes criteria for identifying fiduciary activities, focusing on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The implementation of GASB Statement No. 84 had no impact on the financial statements of the City for the year ended April 30, 2021.

The objective of GASB Statement No. 88 is to improve the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The implementation of GASB Statement No. 88 resulted in changes to the long-term debt disclosure.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of April 30, 2021, including fiduciary funds, are classified in the accompanying financial statements as follows:

	Primary Government	Component Unit
Total Cash	\$ 18,063,265	\$ 57,545
Illinois Funds	867,481	
Total Investments	23,356,258	
Total	\$ 42,287,004	\$ 57,545

Cash includes \$1,000 of cash on-hand and \$18,062,265 of deposits with financial institutions for the primary government and \$57,545 deposited in a financial institution for the component unit.

The City may invest in any type of security allowed by Illinois Law (Public Funds Investment Act of the State of Illinois: 30 ILCS 235/1 et. Seq. as amended). The summary of the allowable instruments are: Passbook Savings Account; NOW, Super NOW, and Money Market Accounts; Commercial Paper – issuer must be a U.S. corporation with more than \$500,000,000 in assets, rating must be within 3 highest qualifications by 2 standard rating services, must mature within 180 days of purchase, and such purchase cannot exceed 10% of the corporation’s outstanding obligations, State treasurer’s investment pool; Money Market Mutual Funds – registered under the Investment Company Act of 1940, provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the federal government as to principal or interest; Repurchase Agreement – collateralized by full faith in credit U.S. Treasury securities; Certificates of deposit and time deposits, constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the FDIC, legally issuable by savings and loan associates incorporated under the laws of the State of Illinois or any other state or under the laws of the United States and only in those savings and loan associations insured by SAIF, bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, obligations of United States government agencies which are guaranteed by the full faith and credit of the United States government, short-term discount obligations of the Federal National Mortgage Association, insured account of credit unions whose principal office is in Illinois, various tax-exempt securities, and Illinois liquid assets.

The City’s Police Pension Fund is regulated by the Illinois Department of Insurance – Public Pension Division. The Police Pension Fund may invest assets in treasury bills, treasury notes and bonds, bank loan deposits, the state investment pool, zero coupon bonds, guaranteed investment contracts, mutual funds containing stocks, bonds, money market instruments and real estate, mortgage pass-through securities, State of Illinois bonds, tax anticipation warrants, and credit union investments.

When permitted by law, the City will pool cash from several different funds that are accounted for in the City’s annual financial report to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The primary objectives, in priority order, of investment activity shall be safety, liquidity, and yield. Investments shall be made with judgment and care, under circumstances then prevailing, with persons of prudence, discretion, and intelligence who exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. City officials and employees shall disclose to the City any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the City's portfolio. The City Treasurer, financial officers and others employed in a similar capacity shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

Authority to manage the investment program is granted to the Director of Finance and derived from the following: 65 ILCS 5/3.1-35-50 and the City of Highland Code by Resolution No. 99-12-1304.

Third party safekeeping is required for all collateral and for all securities. Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement, or custody agreement.

Any financial institution selected by the City shall provide normal banking services, including, but not limited to: checking accounts, wire transfers, purchase and sale of United States Treasury securities, and safekeeping services.

The City will not maintain funds in any financial institution that is not a member of the FDIC or SAIF system. In addition, the City will not maintain funds in any institution not willing to or capable of posting required collateral for funds in excess of FDIC or SAIF insurable limits.

Fees for banking services shall be mutually agreed to by an authorized representative of the depository bank and the Director of Finance in consultation with the City Manager and shall not be agreed to for any period exceeding three (3) years. Fees for services shall be substantiated by a monthly account analysis and shall be reimbursed by means of compensating balances.

All financial institutions acting as a depository for the City must enter into a "Depository Agreement". All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the following upon request by the Director of Finance or an agent of the Director of Finance: audited financial statements, proof of National Association of Securities Dealers (NASD) certification, proof of state registration, completed broker/dealer questionnaire, and certification of having read the City's investment policy.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the investments of the City's Governmental Funds measured at fair value on a recurring basis as of April 30, 2021:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit - Negotiable	\$ 2,798,343			\$ 2,798,343
Mutual Funds	1,442,685			1,442,685
	<u>\$ 4,241,028</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,241,028</u>

The following table presents the fair value hierarchy for the balances of the investments of the City's Police Pension Fund measured at fair value on a recurring basis as of April 30, 2021:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bonds	\$ 4,718,508			\$ 4,718,508
Mutual Funds	9,216,373			9,216,373
	<u>\$ 13,934,881</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,934,881</u>

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The assets measured at fair value for both the Governmental Funds and the Police Pension Fund are valued at the closing price reported on the active market on which the individual securities are traded.

(A) INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date will have a greater sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flow from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided in the following table. As of April 30, 2021, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Months)			
		12 Months or Less	13-36 Months	37-60 Months	> 60 Months
Certificates of Deposit -Negotiable	\$ 2,798,343	\$ 704,529	\$ 1,510,866	\$ 582,948	
Certificates of Deposit -Non-Negotiable	4,681,736		3,734,736	947,000	
Short Term Cash Equivalent	498,613	498,613			
Bonds	4,718,508		1,065,023	783,416	\$ 2,870,069
Mutual Funds	10,659,058	10,659,058			
Total	<u>\$ 23,356,258</u>	<u>\$ 11,862,200</u>	<u>\$ 6,310,625</u>	<u>\$ 2,313,364</u>	<u>\$ 2,870,069</u>

(B) CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's state investment pool has earned Fitch's rating (AAAmf). The Policemen's Pension Trust Fund can also invest in stocks, bonds, and mutual funds. The mutual funds held by the Policemen's Pension Trust Fund are not rated for credit risk. The City's bond holdings of the Policemen's Pension Trust Fund have earned at least Fitch's "BBB-" rating.

(C) CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All deposits are carried at cost plus accrued interest.

The City's balance in the state investment pool is fully collateralized. The City maintains a separate investment account representing a proportionate share of the pool assets and respective collateral; therefore, no collateral is identified with each individual participant's account. As of April 30, 2021, the balance in the City's state investment pool was \$867,481.

The City's cash deposits, including the fiduciary fund, at April 30, 2021 consisted of the following:

<u>Depository Account</u>	<u>Primary Government Bank Balance</u>	<u>Component Unit Bank Balance</u>
Insured	\$ 7,805,972	\$ 57,545
Collateralized:		
Held by pledging bank's trust department in the City's name	18,765,556	
Total Deposits	<u>\$ 26,571,528</u>	<u>\$ 57,545</u>

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

(D) CONCENTRATIONS OF CREDIT RISK

The City's investment policy limits the amount of funds deposited and/or invested in a financial institution. Deposits/investments shall not exceed 65% of a capital stock and surplus of such institution unless collateral security has been pledged, in which case the amount of such deposits and/or investments shall not exceed 75%.

Investments in any one financial institution or issuer that represent 5% or more of the total City investments are as follows:

Issuer	Investment Type	Reported Amount
FCB Highland Bank	Certificates of Deposit	\$ 1,395,238

NOTE 3. RISK MANAGEMENT

The City of Highland is exposed to risks of loss from normal items typically applicable to all municipalities. These include liability, worker's injury, property damage, and other risks that are too numerous to mention. To reduce the City's risk of loss from damages and claims, the City has purchased commercial insurance from the Illinois Municipal League, which provides insurance coverage for property and liability claims for over 600 Illinois municipalities. Settlement claims have not exceeded insurance coverage for each of the past three fiscal years.

NOTE 4. PROPERTY TAXES

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The 2020 levy was passed by the Council on December 21, 2020. Property taxes attach as an enforceable lien on property as of January 1, and are payable in four installments for 2021: July 8, September 8, October 8, and December 8. The County has not mailed tax bills as of April 30, 2021. The City receives significant distributions of tax receipts approximately one month after the bills are mailed by the County. In conjunction with NCGA Interpretation #3, revenue is accrued in the year of the levy to the extent that it is due to be paid by the taxpayer by April 30, 2021 and is expected to be collected soon enough after April 30, 2021 to be used to pay liabilities by June 30, 2021 (60 days or less) and has been budgeted for the current year.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 4. PROPERTY TAXES (CONTINUED)

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	MAXIMUM LEVY	2020	2019	2018	2017	2016	2015
General Government	.3330	0.3304	0.3249	0.3291	0.3298	0.3279	0.3330
Police Protection	.0750	0.0750	0.0732	0.0742	0.0743	0.0739	0.0750
Fire Protection	.0750	0.0750	0.0732	0.0742	0.0743	0.0739	0.0750
Playground & Rec	.0900	0.0900	0.0878	0.0890	0.0892	0.0887	0.0900
Band	.0400	0.0196	0.0202	0.0211	0.0250	0.0255	0.0259
Social Security		0.2105	0.2165	0.2317	0.2446	0.2495	0.2619
Retirement		0.2105	0.2165	0.2291	0.2446	0.2495	0.2787
Liability Insurance		0.1591	0.1637	0.1712	0.1783	0.1636	0.1295
Crossing Guards	.0200	0.0045	0.0046	0.0048	0.0055	0.0056	0.0070
Audit		0.0123	0.0101	0.0106	0.0087	0.0089	0.0096
Municipal Ambulance	.2500	0.2500	0.2439	0.2471	0.2476	0.2462	0.2500
Community Building	.0750	0.0750	0.0732	0.0742	0.0743	0.0739	0.0750
Police Pension		0.3565	0.3323	0.3342	0.3125	0.3059	0.2367
Library	.1500	0.1500	0.1464	0.1483	0.1486	0.1477	0.1500
Library Liability Ins.		0.0172	0.0182	0.0187	0.0191	0.0183	0.0189
Lease		0.0147	0.0152				
Public Comfort Station	.0333	0.0177	0.0182	0.0000	0.0109	0.0084	0.0141
TOTAL		<u>2.0680</u>	<u>2.0381</u>	<u>2.0575</u>	<u>2.0873</u>	<u>2.0674</u>	<u>2.0303</u>

The City has established two tax increment financing (TIF) districts to encourage development within the redevelopment project areas and to enhance the value of those properties. In connection with the agreements of the redevelopment project areas, the real estate taxes, which relate to the incremental increase in property values within the redevelopment project areas, are paid directly to the TIF districts for investing in redevelopment projects within the TIF districts.



CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 5. CAPITAL ASSETS

Summary of capital assets for governmental activities for the year ended April 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Not Being Depreciated:				
Land	\$ 7,842,801	\$ 268,922		\$ 8,111,723
Construction in Progress	3,803,374	4,355,665	\$ (2,790,744)	5,368,295
Subtotal	<u>11,646,175</u>	<u>4,624,587</u>	<u>(2,790,744)</u>	<u>13,480,018</u>
<b>Other Capital Assets:</b>				
Buildings and Improvements	11,423,152			11,423,152
Improvements	7,348,919	3,271,600		10,620,519
Equipment	6,101,407	374,638	(72,028)	6,404,017
Infrastructure	65,582,097	3,007,994		68,590,091
Subtotal	<u>90,455,575</u>	<u>6,654,232</u>	<u>(72,028)</u>	<u>97,037,779</u>
<b>Accumulated Depreciation:</b>				
Buildings and Improvements	7,441,054	240,610		7,681,664
Improvements	4,008,431	430,369		4,438,800
Equipment	5,000,812	371,268	(53,107)	5,318,973
Infrastructure	43,926,305	1,562,173		45,488,478
Subtotal	<u>60,376,602</u>	<u>2,604,420</u>	<u>(53,107)</u>	<u>62,927,915</u>
Net Other Capital Assets	<u>30,078,973</u>	<u>4,049,812</u>	<u>(18,921)</u>	<u>34,109,864</u>
Net Capital Assets	<u>\$ 41,725,148</u>	<u>\$ 8,674,399</u>	<u>\$ (2,809,665)</u>	<u>\$ 47,589,882</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 135,823
Public Safety	288,862
Highways and Streets	1,708,640
Culture and Recreation	444,302
Economic Development	26,793
Total Governmental Activities Depreciation Expense	<u>\$ 2,604,420</u>

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 5. CAPITAL ASSETS (CONTINUED)

Summary of capital assets for business-type activities for the year ended April 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Not Being Depreciated				
Land	\$ 1,913,497	\$ 6,073		\$ 1,919,570
Construction in Progress	8,252,921	246,921	\$ (8,123,800)	376,042
Subtotal	<u>10,166,418</u>	<u>252,994</u>	<u>(8,123,800)</u>	<u>2,295,612</u>
<b>Other Capital Assets:</b>				
Buildings	19,881,381	11,005,896		30,887,277
Lines	49,771,156	1,204,138		50,975,294
Equipment	13,168,965	216,203	(13,921)	13,371,247
Other Improvements	15,516,318	232,813		15,749,131
Interconnect	5,833,612	1,083,762		6,917,374
Subtotal	<u>104,171,432</u>	<u>13,742,812</u>	<u>(13,921)</u>	<u>117,900,323</u>
<b>Accumulated Depreciation:</b>				
Buildings	17,781,687	280,916		18,062,603
Lines	26,615,973	1,558,707		28,174,680
Equipment	12,082,870	474,076	(13,921)	12,543,025
Other Improvements	9,854,501	720,836		10,575,337
Interconnect	2,902,541	216,973		3,119,514
Subtotal	<u>69,237,572</u>	<u>3,251,508</u>	<u>(13,921)</u>	<u>72,475,159</u>
Net Other Capital Assets	<u>34,933,860</u>	<u>10,491,304</u>	<u>0</u>	<u>45,425,164</u>
Net Capital Assets	<u>\$ 45,100,278</u>	<u>\$ 10,744,298</u>	<u>\$ (8,123,800)</u>	<u>\$ 47,720,776</u>

Depreciation was charged to functions as follows:

Business-Type Activities:

Light and Power	\$ 2,030,172
Water	741,258
Sewer	480,078
	<u>\$ 3,251,508</u>

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 6. LONG-TERM OBLIGATIONS

The following is a summary of transactions for long-term liabilities of the City for the year ended April 30, 2021:

	April 30, 2020	Additions	Reductions	April 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
Premium on Debt	\$ 480,156	\$ 211,059	\$ (48,215)	\$ 643,000	\$ 42,217
Direct Placement Bonds	3,260,000	2,680,000	(3,480,000)	2,460,000	225,000
Public Offering Bonds	2,817,580		(362,923)	2,454,657	341,036
GO Direct Borrowings Debt Certificates Payable	8,475,000		(305,000)	8,170,000	320,000
Direct Borrowings Notes Payable	234,834		(93,108)	141,726	91,448
GO Long Term Lease	300,000			300,000	30,000
Compensated Absences	887,652	10,657		898,309	
Net Pension Liability - IMRF	1,439,998		(1,439,998)		
Net Pension Liability - Police Pension	7,958,780	985,970		8,944,750	
Other Post Employment Benefits	1,269,810	418,572		1,688,382	
Long Term Accrued Interest	1,214,018		(28,577)	1,185,441	
Long-Term Liabilities	<u>\$ 28,337,828</u>	<u>\$ 4,306,258</u>	<u>\$ (5,757,821)</u>	<u>\$ 26,886,265</u>	<u>\$ 1,049,701</u>
<b>Business-Type Activities:</b>					
Premium on Debt	\$ 17,791		\$ (1,318)	\$ 16,473	\$ 1,318
Public Offering Bonds	2,110,000		(125,000)	1,985,000	125,000
Direct Placement Bonds	9,905,000		(735,000)	9,170,000	755,000
GO Direct Borrowings Notes Payable	1,450,000		(149,000)	1,301,000	154,000
Direct Borrowings Notes Payable	6,364,123	\$ 2,876,821	(176,889)	9,064,055	203,338
Maintenance Agreements	54,256		(54,256)		
Compensated Absences	364,592	49,355		413,947	
Net Pension Liability - IMRF	887,632		(887,632)		
Other Post Employment Benefits	536,143	316,935		853,078	
Long-Term Liabilities	<u>\$ 21,689,537</u>	<u>\$ 3,243,111</u>	<u>\$ (2,129,095)</u>	<u>\$ 22,803,553</u>	<u>\$ 1,238,656</u>

The General Obligation (GO) debt are shown separately in the above table

Default Provisions

The City's GO debt certificates from direct borrowings related to governmental activities of \$8,170,000 contain a provision that in the event of a default, the Seller or Certificate holder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due. The City's outstanding notes from direct borrowings related to governmental activities of \$42,421 contains a provision that in an event of default, the entire unpaid principal balance and all accrued unpaid interest are immediately due. The City's outstanding notes from direct borrowings related to governmental activities of \$99,305 contains a provision that in an event of default, the Lender can exercise one or more of the following: accelerate indebtedness, assemble collateral, sell the collateral, be placed as a mortgagee in possession, collect revenues and apply accounts, obtain deficiency for any remaining indebtedness, and other rights and remedies under the Uniform Commercial Code. These notes are collateralized by the 2017 Johnson Street Sweeper and the 2017 Ford F450 Ambulance.

In the event of default on the City's outstanding GO notes payable related to business-type activities of \$1,301,000, the Bank may take any relief as permitted by law including suit and any rights and remedies. The City's outstanding notes from direct borrowings related to business-type activities of \$9,064,055 has the following delinquent loan provisions. The City must contact the Agency in writing within 15 days of payment due date. The Agency will then confirm in writing the acceptability of the City's response or take appropriate action. If the City doesn't comply with the above, the Agency shall promptly issue a notice of delinquency which requires a written response within 15 days. Failure to take appropriate action will result in the Agency pursuing the collection of the amounts past due, the outstanding loan balance and the costs incurred.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements for long-term debt on April 30, 2021 were as follows:

YEAR ENDING APRIL 30	Governmental Activities				Business-Type Activities			
	Bonds		Notes from Direct Borrowings		Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 566,036	\$ 257,214	\$ 411,448	\$ 253,534	\$ 880,000	\$ 268,685	\$ 357,338	\$ 108,894
2023	524,477	269,272	380,278	239,007	900,000	249,027	570,894	161,510
2024	511,261	283,489	345,000	224,525	925,000	228,582	582,584	149,893
2025	496,337	299,313	355,000	210,725	945,000	207,288	593,353	137,978
2026	485,764	310,686	370,000	196,525	965,000	185,303	605,201	125,798
2027-2031	2,080,782	1,362,768	2,040,000	797,700	5,175,000	568,868	2,704,608	453,556
2032-2036	250,000	7,500	2,305,000	537,138	1,365,000	50,129	2,390,459	268,336
2037-2041			2,105,000	165,550			2,560,618	98,179
Total	<u>\$ 4,914,657</u>	<u>\$ 2,790,242</u>	<u>\$ 8,311,726</u>	<u>\$ 2,624,704</u>	<u>\$ 11,155,000</u>	<u>\$ 1,757,882</u>	<u>10,365,055</u>	<u>\$ 1,504,144</u>

There are a number of limitations and restrictions contained in the various bond indentures.

The City was in compliance with all significant limitations and restrictions.

Note: The figures above include the preliminary IEPA loan repayment amounts.

Details of long-term obligations are as follows:

Public Offerings and Direct Placement Bonds

Governmental Activities:

2010 street alternate bonds are due in annual installments ranging from \$211,156 to \$381,787 beginning January 2020 through January 2030. Beginning in fiscal year 2011, the bond starts compounding interest at 3.70% to 4.95%. Revenue bonds were issued for future improvements to the City's streets. Total interest due on remaining balance is \$2,365,342. \$ 2,454,657

The 2012 revenue bonds were refinanced on August 24, 2020. The bonds are being repaid in semi-annual installments at interest rates ranging from 2% to 3% with a final maturity date of 1/1/2032. These bonds were originally issued to fund infrastructure improvements and reimburse certain development costs for the new hospital built in the City's Tif District #2.

Total interest due on the remaining balance is \$424,900. 2,460,000

Total Public Offerings and Direct Placement Bonds - Governmental Activities \$ 4,914,657

Public Offerings and Direct Placement Bonds

Business-Type Activities:

The 2010 and 2012 Electric system revenue bonds were refinanced on October 16, 2019. The bonds are being repaid in semi-annual installments at 2.16% interest with a final maturity date of 1/1/2032. This debt was issued to raise funding for the City's Fiber to the Premises Project. Total interest due on the remaining balance is \$1,222,020. \$ 9,170,000

2013 Sewerage system revenue bonds due in various semi-annual installments. These bonds have an increasing interest rate from 2.50% upon issue to 4.25% in 2033. Revenue bonds were issued to increase funding for the improvements to the sewer system. The total principal amount of the bonds is \$2,745,000, of which \$65,200 is attributable to bond issue costs. The maturity date of the bonds is October 1, 2033. The total interest due on the remaining balance is \$535,862. 1,985,000

Total Public Offerings and Direct Placement Bonds - Business-Type Activities \$ 11,155,000

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Direct Borrowings GO Debt Certificates Payable and Notes Payable

Governmental Activities:

In 2020, the City borrowed funds from BOK Financial with financing assistance from Commerce Bank in order to complete public safety facility improvements. The total amount borrowed was \$8,475,000 and is being repaid in semi-annual installments with an interest rate ranging from 2.0%-4.0%. The maturity date of this borrowing is February 1, 2040 and the total interest due on the remaining balance is \$2,620,412 \$ 8,170,000

In 2017, the City purchased a 2017 Johnston VT651 Street Sweeper with financing provided by Bradford National Bank. The total loan amount was \$221,000 and is being repaid in monthly installments over a 5 year period at 2.24% interest. Total interest due on the remaining balance is \$477. 42,421

In 2018, the City purchased a 2017 Ford F-450 Chassis with Braun Chief XL Ambulance with financing provided by First Collinsville Bank in Highland, Illinois. The total loan amount was \$193,723 and is being repaid in annual installments over a 4 year period at 2.55% interest. Total interest due on the remaining balance is \$3,815. 99,305

Total Direct Borrowings GO Debt Certificates Payable and Notes Payable - Governmental Activities \$ 8,311,726

Direct Borrowings GO Notes Payable and Notes Payable

Business-Type Activities:

In 2018, the City borrowed funds from the State Bank of Bern with financing assistance from Sterns Brothers in order to complete water main improvements in the City of Highland. The total loan amount was \$1,665,000 and is being repaid in various semi-annual installments at an interest rate of 3.670%. The maturity date of this loan is October 1, 2028 and total interest due on the remaining balance is \$198,896. \$ 1,301,000

In 2019, the City secured a low interest (1.38%) loan with the Illinois Environmental Protection Agency which will fund the rehabilitation of the Water Reclamation Facility. The total loan amount authorized was \$11,000,000 with \$1,650,000 approved to be forgiven by the IEPA. Funds are drawn as expended and total \$9,064,055 as of 4/30/21. Repayment terms have not yet been finalized. A preliminary debt schedule has been provided including \$1,305,248 interest remaining due. 9,064,055

Total Direct Borrowings GO Notes Payable and Notes Payable - Business-Type Activities \$ 10,365,055

GO Long Term Lease

Governmental Activities:

In 2019, the City entered into a lease agreement for a period of 10 years for a senior citizen facility with Frey Properties of Highland, LLC. Total lease payments will equal \$300,000. \$ 300,000

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS

(A) ILLINOIS MUNICIPAL RETIREMENT FUND – REGULAR AND SLEP EMPLOYEES

(i) PLAN DESCRIPTION

The City of Highland’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City of Highland’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. This report is available for download at [www.imrf.org](http://www.imrf.org).

(ii) BENEFITS PROVIDED

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(iii) EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2020, the following employees were covered by the benefit terms:

	REGULAR PLAN	SLEP PLAN
Retirees and Beneficiaries currently receiving benefits	94	0
Inactive Plan Members entitled to but not yet receiving benefits	61	1
Active Plan Members	106	0
Total	261	1

(iv) CONTRIBUTIONS

(a) REGULAR PLAN

As set by statute, the City’s Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual required contribution rate for calendar year 2020 was 10.74%. For the fiscal year ended April 30, 2021, the City contributed \$763,181 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(b) SLEP PLAN

As set by statute, the City’s Regular plan members are required to contribute 7.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual required contribution rate for calendar year 2020 was 14.04%. For the fiscal year ended April 30, 2021, the City contributed \$0 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(v) NET PENSION LIABILITY

The City of Highland’s net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vi) ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2020.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return:	Regular      7.25%
	SLEP         7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other Information:	
Notes	There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 Illinois Municipal Retirement Fund annual actuarial valuation report.



CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	1%	0.70%
Total	<u>100%</u>	

(vii) SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% for both the regular plan and the SLEP plan was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(viii) CHANGES IN THE NET PENSION LIABILITY (ASSET)

(a) REGULAR PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2019	\$ 38,290,498	\$ 35,925,062	\$ 2,365,436
Changes for the year:			
Service Cost	693,865		693,865
Interest on the Total Pension Liability	2,730,036		2,730,036
Changes of Assumptions	(373,941)		(373,941)
Difference Between Expected and Actual Experience of the Total Pension Liability	(352,395)		(352,395)
Contributions - Employer		780,493	(780,493)
Contributions - Employees		327,341	(327,341)
Net Investment Income		5,099,324	(5,099,324)
Benefit Payments, Including Refunds of Employee Contributions	(1,963,513)	(1,963,513)	0
Other (Net Transfer)		(157,854)	157,854
Net Changes	<u>734,052</u>	<u>4,085,791</u>	<u>(3,351,739)</u>
Balance, December 31, 2020	<u>\$ 39,024,550</u>	<u>\$ 40,010,853</u>	<u>\$ (986,303)</u>

(b) SLEP PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2019	\$ 124,484	\$ 162,289	\$ (37,805)
Changes for the year:			
Interest on the Total Pension Liability	9,025		9,025
Changes of Assumptions	3,652		3,652
Difference Between Expected and Actual Experience of the Total Pension Liability	4,699		4,699
Net Investment Income		39,492	(39,492)
Other (Net Transfer)		542	(542)
Net Changes	<u>17,376</u>	<u>40,034</u>	<u>(22,658)</u>
Balance, December 31, 2020	<u>\$ 141,860</u>	<u>\$ 202,323</u>	<u>\$ (60,463)</u>

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(ix) SENSITIVITY IN THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>REGULAR PLAN</u>		<u>SLEP PLAN</u>	
	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% Decrease	6.25%	\$ 3,524,334	6.25%	\$ (41,819)
Current Discount Rate	7.25%	(986,303)	7.25%	(60,463)
1% Increase	8.25%	(4,517,944)	8.25%	(76,000)

(x) PENSION BENEFIT, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended April 30, 2021, the City of Highland recognized pension benefit of \$998,709 for the Regular plan and \$1,595 for the SLEP plan. At April 30, 2021, the City of Highland recognized deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Regular Plan</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 547,243	\$ 375,944	\$ 171,299
Changes of Assumptions	426,578	594,358	(167,780)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,656,425	4,722,547	(3,066,122)
Pension Contributions Made Subsequent to the Measurement Date	249,278		249,278
Total Deferred Amounts Related to Pensions	<u>\$ 2,879,524</u>	<u>\$ 5,692,849</u>	<u>\$ (2,813,325)</u>

	<u>SLEP Plan</u>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 31,761	\$ 51,881	\$ (20,120)
	<u>\$ 31,761</u>	<u>\$ 51,881</u>	<u>\$ (20,120)</u>

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

Amounts realized as net deferred inflows and outflows of resources related to pensions will be realized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Inflows of Resources Regular Plan	Net Deferred Inflows of Resources SLEP Plan
2021	\$ (718,907)	\$ (4,065)
2022	(190,346)	2,684
2023	(1,285,014)	(13,197)
2024	(619,058)	(5,542)
Total	\$ (2,813,325)	\$ (20,120)

(B) POLICE PENSION

(i) PLAN ADMINISTRATION

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contributions level are governed by Illinois Compiled Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois Legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the board are appointed by the City, two are active members of the police department elected by the membership, and one is a retired member of the police department elected by the membership.

At April 30, 2020, the Police Pension Plan membership consisted of:

Inactive Plan Members and Beneficiaries Currently Receiving Benefits	14
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	1
Active Plan Members	20
Total	35

(ii) BENEFITS PROVIDED

The Plan provides retirement, disability, death, and termination benefits. The Police Pension Plan has two tiers. Police officers hired prior to January 1, 2011 are eligible for Tier 1. Police officers hired on or after January 1, 2011 are eligible for Tier 2.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

Under Tier 1, a police officer age 50 or more with 20 or more years of creditable service shall receive a pension of one-half of the salary attached to the rank held by the officer at the date of retirement. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary. The minimum monthly benefit is \$1,000 per month. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter. Those that retire prior to age 55 receive an increase of 1/12 of 3% for each full month from benefit commencement until age 55 is reached.

Under Tier 2, a police officer age 55 or more with 10 or more years of creditable service shall receive a pension of 2.5% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary. An annual cost-of-living adjustment is calculated each January 1<sup>st</sup>. The increase is equal to 3% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1<sup>st</sup>, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension state date, whichever is later.

Officers totally and permanently disabled as determined by the Board of Trustees are eligible to receive a disability benefit. Officers disabled in the performance of an act of duty are entitled to 65% of the salary attached to the rank held on the date of service and the monthly retirement pension that the member is entitled to receive if he or she retired immediately. If the disability occurs while the officer is not in performance of an act of duty, the officer is entitled to a disability benefit of 50% of the salary attached to the rank on the last day of service.

If an officer dies in the line of service, the named beneficiary is entitled to a death benefit equal to 100% of the officer's salary attached to the rank held by the officer on the last day of service. For a non-service death, the beneficiary would receive a maximum of 50% of the salary attached to the rank held by the officer on the last day of service, and the monthly retirement pension earned by the deceased officer at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

After termination of service, an officer with less than 10 years of service will receive a refund of their contributions. If the officer has 10 or more years of service, the officer will receive either a refund of their contributions, or the termination benefit, payable upon reaching age 60 provided contributions are not withdrawn. The termination benefit is 2.50% of the annual salary held in the year prior to termination times years of creditable service.

(iii) CONTRIBUTIONS

Plan members are required to contribute 9.91% of their base salary to the Police Pension Plan. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(iv) INVESTMENT POLICY

The fund's Board of Trustees is required to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The plan complies with the investment guidelines set forth at 40 ILCS 5/1-113. The investment policy was modified on April 19, 2018.

Fixed-income securities are reported at cost subject to adjustment for market declines judged to be other than temporary (lower of cost or market). Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date. Equity securities are reported at fair value. The plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's Fiduciary Net Position.

For the year ended April 30, 2020, the annual money-weighted rate of return on plan investments, net of pension plan investment expense, was -0.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the Board's adopted asset allocation policy and best estimate of arithmetic real rates of return as of April 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Certificates of Deposit	0%	0.40%
Municipal Obligations	15%	1.20%
Mutual Funds	60%	5.85%
U.S. Government Obligations	20%	1.20%
Cash	5%	0.00%
Total	<u>100%</u>	

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(v) CHANGES IN THE NET PENSION LIABILITY (ASSET)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, April 30, 2019	\$ 19,559,466	\$ 11,600,686	\$ 7,958,780
Changes for the year:			
Service Cost	421,128		421,128
Interest on the Total Pension Liability	1,272,202		1,272,202
Changes of Benefit Terms	50,128		50,128
Difference Between Expected and Actual Experience of the Total Pension Liability	(13,517)		(13,517)
Changes of Assumptions	(55,310)		(55,310)
Contributions - Employer		640,194	(640,194)
Contributions - Employees		160,993	(160,993)
Net Investment Income		(101,452)	101,452
Benefit Payments, Including Refunds of Employee Contributions	(816,505)	(816,505)	0
Administrative Expenses		(11,074)	11,074
Net Changes	<u>858,126</u>	<u>(127,844)</u>	<u>985,970</u>
Balance, April 30, 2020	<u>\$ 20,417,592</u>	<u>\$ 11,472,842</u>	<u>\$ 8,944,750</u>

(vi) ACTUARIAL ASSUMPTIONS

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increase	Service-related table with rates grading from 10.5% to 3.0% at 30 years of service
Discount Rate	6.50%
Investment Rate Of Return	6.50%

Mortality rates were based on the RP-2014 Combined Healthy Mortality with a blue collar adjustment, projected generationally using scale MP-2019 from 2013. Disabled mortality rates were based on the RP-2014 Combined Disabled Mortality with a blue collar adjustment, projected generationally using scale MP-2019 from 2013. The date of the most recent experience study for which significant assumptions are based upon is not available.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vii) DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(viii) SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 12,248,469	\$ 8,944,750	\$ 6,301,241

(ix) DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At April 30, 2021, the City of Highland recognized deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 194,857	\$ (400,407)
Changes of Assumptions	1,246,581	(91,425)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	831,972	(10,824)
Total Deferred Amounts Related to Pensions	<u>\$ 2,273,410</u>	<u>\$ (502,656)</u>



CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 7. RETIREMENT FUND COMMITMENTS (CONTINUED)

Amounts realized as deferred outflows of resources related to pensions will be realized in pension expense in future periods as follows:

Year Ending April 30,	Net Deferred Outflows of Resources
2021	\$ 495,607
2022	498,227
2023	464,701
2024	200,691
2025	121,363
Thereafter	(9,835)
Total	<u>\$ 1,770,754</u>

NOTE 8. INTERFUND ACTIVITY

Interfund balances exist on the governmental and proprietary fund financial statements and represents amounts loaned among the funds that are expected to be repaid within the next year. Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated in the government-wide statement of net position. Interfund balances at April 30, 2021, consisted of the following:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Corporate	Other Governmental Funds	\$ 7,100
City Property Replacement Fund	General Corporate Fund	355,000
City Property Replacement Fund	Other Governmental Funds	280,000

Interfund transfers exist due to the allocation of general administrative expenses among the funds and to provide funding for the economic development fund. The transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Interfund transfers for the year ended April 30, 2021, consisted of the following:

	General Corporate	City Property Replacement	Ambulance	Other Governmental Funds	Light And Power	Water	Sewer	Total
Transfer To:		\$ 441,000		\$ 14,003	\$ 54,600	\$ 8,400	\$ 7,000	\$ 525,003
	\$ 685,000		\$ 300,000					985,000
	<u>\$ 685,000</u>	<u>\$ 441,000</u>	<u>\$ 300,000</u>	<u>\$ 14,003</u>	<u>\$ 54,600</u>	<u>\$ 8,400</u>	<u>\$ 7,000</u>	<u>\$ 1,510,003</u>

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 9. OTHER POST EMPLOYMENT BENEFITS

The City of Highland's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The City allows for retired employees to purchase medical, pharmacy, and dental insurance through the City's single employer group plans. This constitutes an other post employment benefit (OPEB) provided to the employees. These benefits are governed by the City Council and can be amended through the City's personnel manual and union contracts. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust and does not issue a stand-alone financial report.

(i) Employees Covered by Benefit Terms

At April 30, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	122
	143

(ii) BENEFITS PROVIDED

Retirees and their spouses or surviving spouses are eligible to purchase medical, pharmacy and dental benefits at the City's group rates. Although retirees pay 100% for dental and vision coverage, and the majority of the cost for medical coverage, the City in effect also subsidizes a portion of the insurance costs by allowing them to remain on the group plan. Eligible employees must be at least 55 years of age with 20 years of service or 60 years of age with 8 years of service for all departments other than the police. Police department retirees must be 50 years of age with 20 years of service or 60 years of age with 8 years of service. Retirees and their spouses may only receive these benefits until reaching the age of 65.

(iii) NET OPEB LIABILITY

The measurement period for the OPEB expense was May 1, 2020 to April 30, 2021. The reporting period is May 1, 2020 through April 30, 2021. The City's Total OPEB Liability was measured as of April 30, 2021.

The components of the net OPEB liability of the plan at April 30, 2021, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 2,541,460
Plan Fiduciary Net Position	0
Net OPEB Liability	\$ 2,541,460

Plan fiduciary net position as a percentage of the total OPEB liability is 0%.

See the schedule of changes in total OPEB liability and related ratios in the required supplementary information for additional information related to the funded status of the plan.

For the year ended April 30, 2021, the City will recognize OPEB expense of \$532,299.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(iv) ACTUARIAL ASSUMPTIONS

The Total OPEB Liability was determined by an actuarial valuation as of April 30, 2021 using the following actuarial assumptions:

Price Inflation	2.50%
Annual Wage Increases	2.75%
Discount Rate	1.83%
Immediate Trend Rate	7.50%
Ultimate Trend Rate	4.50%

For healthy pre-retirement lives: Pub-2010, amount-weighted, below-median income, general, employee, male and female tables. For healthy post-retirement lives: Pub-2010, amount-weighted, below-median income, general, retiree, male (adjusted 106%) and female (adjusted 105%) tables. For disabled retirement lives: Pub-2010, amount-weighted, general, disabled retiree, male and female tables.

(v) DISCOUNT RATE

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 1.83%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA/Aa by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

(vi) CHANGES IN TOTAL OPEB LIABILITY

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending April 30, 2020	\$ 1,805,953
Changes for the Year:	
Service Cost	86,310
Interest	65,476
Changes of Assumptions	576,080
Ad Hoc Postemployment Benefit Change:	379,403
Differences Between Expected and Actual Experience	(349,988)
Benefit Payments	(21,774)
Net Changes	<u>735,507</u>
Reporting Period Ending April 30, 2021	<u>\$ 2,541,460</u>

Changes of assumptions reflect a change in the discount rate from 2.85% for the fiscal year ending April 30, 2020 to 1.83% for the fiscal year ending April 30, 2021.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(vii) SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 0.83%	Current Discount Rate 1.83%	1% Increase 2.83%
Total OPEB Liability	\$ 2,795,937	\$ 2,541,460	\$ 2,309,799

(viii) SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.50% - 6.50%	Healthcare Cost Trend Rates 4.50% - 7.50%	1% Increase 5.50% - 8.50%
Total OPEB Liability	\$ 2,219,763	\$ 2,541,460	\$ 2,927,439

(ix) DEFERRED OUTFLOWS OF RESOURCES RELATED TO OPEB

At April 30, 2021, the City of Highland recognized deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences Between Expected and Actual Experience		\$	310,531
Changes in Assumptions	\$ 559,518		75,569
Total Deferred Amounts Related to OPEB	<u>\$ 559,518</u>	<u>\$</u>	<u>386,100</u>

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Amounts realized as deferred inflows of resources related to OPEB will be realized in OPEB expense in future periods as follows:

	Net Deferred Outflows of Resources
2022 \$	22,880
2023	22,880
2024	22,880
2025	22,880
2026	22,880
Thereafter	59,018
Total \$	<u>173,418</u>

NOTE 10. TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under the Illinois Tax Increment Allocation Redevelopment Act. Under this act, localities may grant property tax abatements for the purpose of rehabilitation of blighted or conservation areas. The abatements may be granted to any business located within the TIF District boundaries which incur qualified redevelopment costs. A typical agreement will reimburse a developer's qualified costs up to 100% of the annual property tax increment. For the fiscal year ended April 30, 2021, the City abated property taxes totaling \$24,984 under this program.

The City entered into sales tax rebate agreements with multiple businesses within the City's business district as an incentive for the businesses to complete improvements to their businesses. These businesses receive sales tax rebates of up to 100% of the 1% city sales tax increment, to be paid annually. For the fiscal year ended April 30, 2021, the City abated sales taxes totaling \$58,216 under these agreements.

The City entered into property tax abatement agreements with multiple businesses within the City's business district as an incentive for the businesses to complete improvements to the buildings within the district. These agreements reimburse the businesses up to 100% of the City's portion of the ad valorem tax increment generated on the increase in equalized assessed value for the improved property. For the fiscal year ended April 30, 2021, the City abated property taxes totaling \$9,797 under these agreements.

The City entered into a property tax abatement agreement to secure two easements. This agreement abates the City's portion of real estate tax. For the fiscal year ended April 30, 2021, the City abated property taxes totaling \$18,999 under this agreement.

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED APRIL 30, 2021

NOTE 11. LEGAL DEBT MARGIN

The legal debt margin for the City of Highland was \$7,852,687 for general obligation debts. The computation was as follows:

Assessed Valuation as of April 30, 2021	\$	204,332,603
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$	17,623,687
Less: Debt Counting Against Limit		(9,771,000)
Legal Debt Margin	\$	7,852,687

The total debt counting against the legal debt margin for the City of Highland at April 30, 2021 was \$9,771,000.

NOTE 12. DEFICIT FUND BALANCES

The following individual nonmajor funds reported deficit fund balances on April 30, 2021:

Fund	Deficit Fund Balance	
Cemetery Land Replacement	\$	10,142
Library Endowment		60,541
Total Deficit Fund Balance	\$	70,683

NOTE 13. UNCERTAINTIES

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the report date, the City's office locations remain open. The City cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the financial statements.

NOTE 14. SUBSEQUENT EVENTS

In July of 2021, the City refinanced the 2013 Sewerage System Revenues Bonds to obtain lower interest rates. The bond closing was on July 6, 2021.

As part of the American Rescue Plan Act (ARPA), the City of Highland is eligible to receive \$1,336,875 from the Coronavirus Local Fiscal Recovery (CLFR) Fund allotment for non-entitlement units of local government. The City of Highland has requested the funds, that will be paid in two annual installments, and is currently determining the best use of these funds as permitted. In September 2021, \$668,438 of the funds were received.

The City of Highland has entered into a memorandum of understanding with Ameren Services Company for a Joint Transmission Project Development and Asset Purchase. The final terms of this transaction are not available as of September 22, 2021. This agreement is tentatively expected to be completed in 2023.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED APRIL 30, 2021

NOTE 15. GOVERNMENTAL FUND BALANCES

As of April 30, 2021, governmental fund balances are classified as follows:

	General Corporate Fund	City Property Replacement Fund	Ambulance Fund	Business District A	Other Governmental Funds	Totals
Nonspendable:						
Prepaid Expenses	\$ 82,436		\$ 5,087		\$ 217,685	\$ 305,208
Total Nonspendable	<u>82,436</u>	<u>\$ 0</u>	<u>5,087</u>	<u>\$ 0</u>	<u>217,685</u>	<u>305,208</u>
Restricted for:						
Cemetery Operations and Maintenance					730,876	730,876
Economic Development				3,362,951	255,310	3,618,261
Fire Protection	32,575					32,575
Tourism and Conventions	15,491					15,491
Highways and Streets					1,396,876	1,396,876
IMRF					62,653	62,653
Debt Service					222,095	222,095
Library Insurance					11,516	11,516
Library Capital Improvements						0
Municipal Band	51,616					51,616
Senior Community Center	30,017					30,017
Public Comfort Station	28,498					28,498
School Crossing Guard	18,065					18,065
Total Restricted	<u>176,262</u>	<u>0</u>	<u>0</u>	<u>3,362,951</u>	<u>2,679,326</u>	<u>6,218,539</u>
Assigned, Reported in:						
Special Revenue Funds			977,266		1,248,016	2,225,282
Capital Projects Funds		7,024,708				7,024,708
Total Assigned	<u>0</u>	<u>7,024,708</u>	<u>977,266</u>	<u>0</u>	<u>1,248,016</u>	<u>9,249,990</u>
Unassigned	<u>2,651,455</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(70,683)</u>	<u>2,580,772</u>
<b>TOTAL FUND BALANCES</b>	<u><b>\$ 2,910,153</b></u>	<u><b>\$ 7,024,708</b></u>	<u><b>\$ 982,353</b></u>	<u><b>\$ 3,362,951</b></u>	<u><b>\$ 4,074,344</b></u>	<u><b>\$ 18,354,509</b></u>

The Business District A fund balance is restricted for economic development capital projects.

CITY OF HIGHLAND, ILLINOIS  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED APRIL 30, 2021 AND 2020

	GENERAL CORPORATE FUND					
	APRIL 30, 2021			APRIL 30, 2020		
	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis
Original Budget	Final Budget					
<b>Revenues:</b>						
General Property Taxes	\$ (1,506,469)	\$ (1,506,469)	\$ 1,486,952		\$ 1,486,952	\$ 1,401,280
Corporate Personal Property Taxes	(113,650)	(113,650)	157,393		157,393	127,807
Intergovernmental	(4,322,500)	(4,322,500)	4,992,444		4,992,444	4,461,002
Charges for Current Services	(2,526,136)	(2,482,136)	2,054,006		2,054,006	2,314,016
Licenses and Permits	(307,500)	(307,500)	279,071		279,071	380,890
Fines and Forfeitures	(16,000)	(16,000)	18,692		18,692	16,789
Revenue from Use of Property	(92,200)	(92,200)	87,318		87,318	96,618
Miscellaneous, Grants, and Interest	(375,976)	(471,976)	557,578		557,578	553,333
<b>Total Revenues</b>	<b>(9,260,431)</b>	<b>(9,312,431)</b>	<b>9,633,454</b>	<b>\$ 0</b>	<b>9,633,454</b>	<b>9,351,735</b>
<b>Expenditures:</b>						
General Government	1,459,435	1,459,435	1,467,861	(10,360)	1,457,501	1,377,144
Public Safety	3,594,085	3,629,085	3,598,025	(126,836)	3,471,189	3,710,393
Highways and Streets	1,146,280	1,158,610	1,026,452	(25,740)	1,000,712	1,031,321
Economic Development	309,050	342,850	275,176		275,176	290,606
Culture and Recreation	1,886,094	1,920,594	1,653,659	(47,781)	1,605,878	1,916,215
Capital Outlay	531,050	955,050	822,755		822,755	1,658,391
Principal Debt Retirement	3,930,000	430,000	475,310		475,310	464,307
Interest and Fixed Charges on Debt	4,515	4,515	6,388		6,388	15,528
<b>Total Expenditures</b>	<b>12,860,509</b>	<b>9,900,139</b>	<b>9,325,626</b>	<b>(210,717)</b>	<b>9,114,909</b>	<b>10,463,905</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(22,120,940)</b>	<b>(19,212,570)</b>	<b>307,828</b>	<b>210,717</b>	<b>518,545</b>	<b>(1,112,170)</b>
<b>Other Financing Sources (Uses):</b>						
Note Payable Proceeds						300,000
Proceeds from Sale of Capital Assets			20,830		20,830	128,000
Unrealized Appreciation (Depreciation) of Investments			(2,244)		(2,244)	20,908
Operating Transfers In	153,001	153,001	525,003		525,003	969,476
Operating Transfers Out	(44,600)	(44,600)	(685,000)		(685,000)	(953,000)
<b>Total Other Financing Sources (Uses)</b>	<b>108,401</b>	<b>108,401</b>	<b>(141,411)</b>	<b>0</b>	<b>(141,411)</b>	<b>465,384</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (22,012,539)</b>	<b>\$ (19,104,169)</b>	<b>\$ 166,417</b>	<b>\$ 210,717</b>	<b>377,134</b>	<b>(646,786)</b>
<b>Fund Balance, Beginning of Year</b>					<b>2,533,019</b>	<b>3,179,805</b>
<b>Fund Balance, End of Year</b>					<b>\$ 2,910,153</b>	<b>\$ 2,533,019</b>
The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ (7,528)	\$ 93,536
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(32,021)	60,699
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(171,168)	22,790
					<b>\$ (210,717)</b>	<b>\$ 177,025</b>



CITY OF HIGHLAND, ILLINOIS  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED APRIL 30, 2021 AND 2020

	AMBULANCE FUND					APRIL 30, 2020
	Budgeted Amounts		APRIL 30, 2021		Actual Amounts GAAP Basis	
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)		
Revenues:						
General Property Taxes	\$ (484,363)	\$ (484,363)	\$ 481,658		\$ 481,658	\$ 468,232
Replacement Taxes	(15,500)	(15,500)	22,341		22,341	16,845
Intergovernmental	(340,351)	(340,351)	333,287		333,287	318,966
Charges for Services	(1,850,000)	(1,700,000)	1,774,210		1,774,210	1,843,611
Miscellaneous, Grants, and Interest	(3,000)	(366,000)	378,302		378,302	33,702
Total Revenues	<u>(2,693,214)</u>	<u>(2,906,214)</u>	<u>2,989,798</u>	<u>\$ 0</u>	<u>2,989,798</u>	<u>2,681,356</u>
Expenditures						
Public Safety	2,515,083	2,455,083	2,340,703	(12,238)	2,328,465	2,588,020
Capital Outlay	89,060	89,060	15,758		15,758	79,588
Principal Retirement			47,798		47,798	46,620
Interest and Fixed Charges			3,761		3,761	4,940
Total Expenditures	<u>2,604,143</u>	<u>2,544,143</u>	<u>2,408,020</u>	<u>(12,238)</u>	<u>2,395,782</u>	<u>2,719,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,297,357)</u>	<u>(5,450,357)</u>	<u>581,778</u>	<u>12,238</u>	<u>594,016</u>	<u>(37,812)</u>
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets						11,000
Unrealized Appreciation (Depreciation) of Investments			(358)		(358)	398
Operating Transfers In						33,203
Operating Transfers Out	(86,000)	(86,000)	(300,000)		(300,000)	
Total Other Financing Sources (Uses)	<u>(86,000)</u>	<u>(86,000)</u>	<u>(300,358)</u>		<u>(300,358)</u>	<u>44,601</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ (5,383,357)</u>	<u>\$ (5,536,357)</u>	<u>\$ 281,420</u>	<u>\$ 12,238</u>	<u>293,658</u>	<u>6,789</u>
Fund Balance, Beginning of Year					<u>688,695</u>	<u>681,906</u>
Fund Balance, End of Year					<u>\$ 982,353</u>	<u>\$ 688,695</u>
(1) The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ 16,569	\$ (916)
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					27,564	(23,377)
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(56,371)	12,445
					<u>\$ (12,238)</u>	<u>\$ (11,848)</u>

CITY OF HIGHLAND, ILLINOIS  
 NOTES TO SCHEDULE "1"  
 APRIL 30, 2021

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the first quarter of the calendar year, the City Manager submits to the City Council a proposed budget for the year commencing May 1 of that year. Expenditures, interest, payroll, claims, and compensated absences are budgeted to the extent anticipated to be paid in cash.
2. Public hearings are conducted to obtain taxpayer comments.
3. On April 20, 2020, the budget ordinance was legally enacted. The budget ordinance was legally amended on December 21, 2020 and April 19, 2021.
4. The operating budget for the major governmental and special revenue funds is reflected in the financial statements.
5. The formal budget is adopted and used as a management control device during the year for the general fund, special revenue funds, capital project funds, debt service funds, enterprise funds and pension and nonexpendable trust funds. Budgetary control is at the total individual fund level and is alternatively achieved through bond indenture provisions for the debt service funds. This allows the City Manager and the finance department to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures/expenses of any individual fund, by more than 10% must be approved by the City Council.
6. The City files with the county an annual budget ordinance which is the legally required document that levies a tax on the owners of property located in the City. The City budgets for expenditures to the extent anticipated to be paid in cash. All appropriations lapse at year end. The budget is the legal document that limits the spending capacity by fund of the City for its services and operations.

As of April 30, 2021, the City's expenses exceeded budget in the following funds. The amounts do not account for the change in accruals, debt proceeds, or the transfers to other funds or reserve accounts.

TIF #2 Fund	\$	15,102
Library Working Fund		298
Library Tax Fund		2,082
Library Endowment Fund		68,635
Children's Library		1,091
Library Special Projects		104
Street Bond		153,339

CITY OF HIGHLAND, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN  
 MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year Ending December 31,	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 693,865	\$ 673,683	\$ 621,283	\$ 641,150	\$ 673,608	\$ 665,293
Interest on the Total Pension Liability	2,730,036	2,608,858	2,447,068	2,415,253	2,360,617	2,187,028
Difference Between Expected and Actual Experience of the Total Pension Liability	(352,395)	243,036	938,637	64,339	(818,131)	778,452
Changes of Assumptions	(373,941)		1,032,887	(1,086,422)	(81,602)	40,606
Benefit Payments, Including Refunds of Employee Contributions	(1,963,513)	(1,764,985)	(1,653,797)	(1,546,587)	(1,401,283)	(1,230,296)
Net Change in Total Pension Liability	734,052	1,760,592	3,386,078	487,733	733,209	2,441,083
Total Pension Liability - Beginning	38,290,498	36,529,906	33,143,828	32,656,095	31,922,886	29,481,803
Total Pension Liability - Ending (a)	<u>\$ 39,024,550</u>	<u>\$ 38,290,498</u>	<u>\$ 36,529,906</u>	<u>\$ 33,143,828</u>	<u>\$ 32,656,095</u>	<u>\$ 31,922,886</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer	\$ 780,493	\$ 585,077	\$ 701,482	\$ 729,699	\$ 699,617	\$ 732,050
Contributions - Employees	327,341	316,998	301,376	304,900	283,885	290,735
Net Investment Income	5,099,324	5,763,176	(1,696,987)	4,947,037	1,874,891	134,946
Benefit Payments, Including Refunds of Employee Contributions	(1,963,513)	(1,764,985)	(1,653,797)	(1,546,587)	(1,401,283)	(1,230,296)
Other (Net Transfer)	(157,854)	114,913	689,364	(465,726)	70,952	50,581
Net Change in Plan Fiduciary Net Position	4,085,791	5,015,179	(1,658,562)	3,969,323	1,528,062	(21,984)
Plan Fiduciary Net Position - Beginning	35,925,062	30,909,883	32,568,445	28,599,122	27,071,060	27,093,044
Plan Fiduciary Net Position - Ending (b)	<u>\$ 40,010,853</u>	<u>\$ 35,925,062</u>	<u>\$ 30,909,883</u>	<u>\$ 32,568,445</u>	<u>\$ 28,599,122</u>	<u>\$ 27,071,060</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ (986,303)</u>	<u>\$ 2,365,436</u>	<u>\$ 5,620,023</u>	<u>\$ 575,383</u>	<u>\$ 4,056,973</u>	<u>\$ 4,851,826</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.53%	93.82%	84.62%	98.26%	87.58%	84.80%
Covered Employee Payroll	7,267,173	\$ 6,948,660	\$ 6,611,522	\$ 6,599,116	\$ 6,308,543	\$ 6,460,770
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-13.57%	34.04%	85.00%	8.72%	64.31%	75.10%

## NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - REGULAR PLAN  
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 721,668	\$ 732,050	\$ (10,382)	\$ 6,460,770	11.33%
2016	699,617	699,617	0	6,308,543	11.09%
2017	724,583	729,699	(5,116)	6,599,116	11.06%
2018	701,482	701,482	0	6,611,522	10.61%
2019	585,077	585,077	0	6,948,660	8.42%
2020	780,494 *	780,493	1	7,267,173	10.74%

\* Estimated based on contribution rate of 10.74% and covered valuation payroll of \$7,267,173.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN  
THE CALCULATION OF THE 2020 CONTRIBUTION RATE\*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2020 CONTRIBUTION RATES:

Actuarial Cost Method: Aggregate Entry Age Normal  
Amortization Method: Level Percentage of Payroll, Closed  
Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period.  
Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period  
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).  
Asset Valuation Method: 5-Year smoothed market; 20% corridor  
Wage Growth: 3.25%  
Price Inflation: 2.50% - approximate; No explicit price inflation assumption is used in this valuation.  
Salary Increases: 3.35% to 14.25% including inflation  
Investment Rate of Return: 7.25%  
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.  
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year Ending December 31,	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>						
Interest on the Total Pension Liability	\$ 9,025	\$ 8,316	\$ 8,284	\$ 7,921	\$ 7,928	\$ 8,814
Difference between Expected and Actual Experience of the Total Pension Liability	4,699	1,465	(7,608)	(4,684)	(8,011)	(20,631)
Changes of Assumptions	3,652		3,568	1,603		
Net Change in Total Pension Liability	17,376	9,781	4,244	4,840	(83)	(11,817)
Total Pension Liability - Beginning	124,484	114,703	110,459	105,619	105,702	117,519
Total Pension Liability - Ending (a)	<u>\$ 141,860</u>	<u>\$ 124,484</u>	<u>\$ 114,703</u>	<u>\$ 110,459</u>	<u>\$ 105,619</u>	<u>\$ 105,702</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer					\$ 2,067	\$ 4,901
Net Investment Income	\$ 39,492	\$ 46,666	\$ (65,794)	\$ 44,062	6,414	632
Other (Net Transfer)	542	(213)	334	(297)	7,157	(7,633)
Net Change in Plan Fiduciary Net Position	40,034	46,453	(65,460)	43,765	15,638	(2,100)
Plan Fiduciary Net Position - Beginning	162,289	115,836	181,296	137,531	121,893	123,993
Plan Fiduciary Net Position - Ending (b)	<u>\$ 202,323</u>	<u>\$ 162,289</u>	<u>\$ 115,836</u>	<u>\$ 181,296</u>	<u>\$ 137,531</u>	<u>\$ 121,893</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ (60,463)</u>	<u>\$ (37,805)</u>	<u>\$ (1,133)</u>	<u>\$ (70,837)</u>	<u>\$ (31,912)</u>	<u>\$ (16,191)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	142.62%	130.37%	100.99%	164.13%	130.21%	115.32%
Covered Employee Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - SLEP  
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 0	\$ 4,901	\$ (4,901)	\$ 0	0.00%
2016	0	2,067	(2,067)	0	0.00%
2017	0	0	0	0	0.00%
2018	0	0	0	0	0.00%
2019	0	0	0	0	0.00%
2020	0 *	0	0	0	0.00%

\* Estimated based on contribution rate of 14.04% and covered valuation payroll of \$0.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN  
THE CALCULATION OF THE 2020 CONTRIBUTION RATE\*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2020 CONTRIBUTION RATES:

Actuarial Cost Method: Aggregate Entry Age Normal  
 Amortization Method: Level Percentage of Payroll, Closed  
 Remaining Amortization Period:  
 Non-Taxing bodies: 10-year rolling period.  
 Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period  
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).

Asset Valuation Method: 5-Year smoothed market; 20% corridor  
 Wage Growth: 3.25%  
 Price Inflation: 2.50% - approximate; No explicit price inflation assumption is used in this valuation.  
 Salary Increases: 3.35% to 14.25% including inflation  
 Investment Rate of Return: 7.25%  
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality:

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
POLICE PENSION  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal Year Ended April 30,	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 421,128	\$ 434,862	\$ 393,913	\$ 387,630	\$ 393,643	\$ 393,643
Interest on the Total Pension Liability	1,272,202	1,211,789	1,098,989	1,044,467	1,045,672	848,335
Benefit Changes	50,128					
Difference Between Expected and Actual Experience of the Total Pension Liability	(13,517)	159,034	58,476	(112,104)	(824,401)	130,394
Assumption Changes	(55,310)	(61,622)	879,770	153,120		1,942,512
Benefit Payments, Including Refunds of Employee Contributions	(816,505)	(785,270)	(688,165)	(593,024)	(661,861)	(630,741)
Net Change in Total Pension Liability	858,126	958,793	1,742,983	880,089	(46,947)	2,684,143
Total Pension Liability - Beginning	19,559,466	18,600,673	16,857,690	15,977,601	16,024,548	13,340,405
Total Pension Liability - Ending (a)	<u>\$ 20,417,592</u>	<u>\$ 19,559,466</u>	<u>\$ 18,600,673</u>	<u>\$ 16,857,690</u>	<u>\$ 15,977,601</u>	<u>\$ 16,024,548</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer	\$ 640,194	\$ 580,144	\$ 559,395	\$ 425,482	\$ 432,136	\$ 413,798
Contributions - Employees	160,993	159,751	145,573	150,130	158,168	143,460
Net Investment Income	(101,452)	582,650	518,280	695,462	(63,296)	557,433
Benefit Payments, Including Refunds of Employee Contributions	(816,505)	(785,270)	(688,165)	(593,024)	(661,861)	(630,741)
Administrative Expenses	(11,074)	(10,952)	(9,401)	(9,631)	(5,486)	(6,066)
Net Change in Plan Fiduciary Net Position	(127,844)	526,323	525,682	668,419	(140,339)	477,884
Plan Fiduciary Net Position - Beginning	11,600,686	11,074,363	10,548,681	9,880,262	10,020,601	9,542,717
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,472,842</u>	<u>\$ 11,600,686</u>	<u>\$ 11,074,363</u>	<u>\$ 10,548,681</u>	<u>\$ 9,880,262</u>	<u>\$ 10,020,601</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 8,944,750</u>	<u>\$ 7,958,780</u>	<u>\$ 7,526,310</u>	<u>\$ 6,309,009</u>	<u>\$ 6,097,339</u>	<u>\$ 6,003,947</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.19%	59.31%	59.54%	62.57%	61.84%	62.53%
Covered Employee Payroll	\$ 1,627,308	\$ 1,580,264	\$ 1,582,463	\$ 1,544,154	\$ 1,506,282	\$ 1,372,110
Net Pension Liability as a Percentage of Covered Employee Payroll	549.67%	503.64%	475.61%	408.57%	404.79%	437.57%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - POLICE PENSION  
Last 10 Calendar Years

Calendar Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 412,622	\$ 413,798	\$ (1,176)	\$ 1,372,110	30.16%
2016	763,756	432,136	331,620	1,506,282	28.69%
2017	825,186	425,482	399,704	1,544,154	27.55%
2018	633,618	559,395	74,223	1,582,463	35.35%
2019	641,539	580,144	61,395	1,580,264	36.71%
2020	678,541	640,194	38,347	1,627,308	39.34%

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN  
THE CALCULATION OF THE 2020 CONTRIBUTION RATE\*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2020 CONTRIBUTION RATES

Actuarial Cost Method: Entry Age Normal Cost Method  
 Amortization Method: Closed level percentage of payroll amortization of 90% of the Unfunded Actuarial Accrued Liability using a 3.00% payroll growth assumption over the period ending on April 30, 2040 (20-year amortization in 2020)  
 Asset Method: 5 year smoothing of asset gains and losses  
 Salary Increases: Service-related table with rates grading from 10.5% to 3.0% at 30 years of service.  
 Cost-of-living Increases: 3.0% (1.25% for those hired after 1/1/2011)  
 Investment Rate of Return: 6.50%, net of investment expenses  
 Retirement Rates:

Tier I		Tier II	
Age	Rate of Retirement	Age	Rate of Retirement
50-51	15%	50-54	5%
52-54	20%	55	40%
55-64	25%	56-64	25%
65-69	40%	65-69	40%
70+	100%	70+	100%

Mortality: Active Lives  
 RP-2014 Mortality Table with blue collar adjustment, projected generationally using scale MP-2019 from 2013.  
Disabled Lives  
 115% of the healthy mortality table, projected generationally using improvement scale MP-2019 from 2013  
 10% of deaths are assumed to be in the line of service.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



CITY OF HIGHLAND, ILLINOIS  
SCHEDULE OF INVESTMENT RETURNS - POLICE PENSION  
Last 10 Calendar Years

Fiscal Year Ended April 30,	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return Net of Investment Expense	-0.88%	5.28%	4.91%	7.05%	1.72%	4.54%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PROGRAM  
MULTIYEAR OPEB SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Fiscal Year Ending April 30,	2021	2020	2019
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 86,310	\$ 105,806	\$ 94,216
Interest on the Total OPEB Liability	65,476	60,351	62,463
Difference Between Expected And Actual Experience	(349,988)		
Postemployment Benefit Changes	379,403		
Assumption Changes	576,080	(95,429)	70,351
Benefit Payments	(21,774)	(78,151)	(80,352)
Net Change in Total OPEB Liability	735,507	(7,423)	146,678
Total OPEB Liability - Beginning	1,805,953	1,813,376	1,666,698
Total OPEB Liability - Ending	<u>\$ 2,541,460</u>	<u>\$ 1,805,953</u>	<u>\$ 1,813,376</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Employer Contributions	\$ 21,774	\$ 78,151	\$ 80,352
Total Benefits Paid	(21,774)	(78,151)	(80,352)
Net Change in Plan Fiduciary Net Position	0	0	0
Total Plan Fiduciary Net Position - Beginning	0	0	0
Total Plan Fiduciary Net Position - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 8,229,287	\$ 7,725,231	\$ 7,157,460
Net OPEB Liability As A Percentage Of Covered Employee Payroll	30.88%	23.38%	25.34%

Notes to Schedule:

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending April 30, 2021: 1.83%  
Fiscal Year Ending April 30, 2020: 2.85%  
Fiscal Year Ending April 30, 2019: 3.21%  
Fiscal Year Ending April 30, 2018: 3.63%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PROGRAM  
MULTIYEAR SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Fiscal Year Ended April 30,	Actuarially Determined Contribution (a)	Historical Contribution (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)
4/30/2019	\$ 80,352	\$ 80,352	-	\$ 7,157,460	1.12%
4/30/2020	78,151	78,151	-	7,725,231	1.01%
4/30/2021	21,774	21,774	-	8,229,287	0.26%

Notes to Schedule:

Beginning Fiscal Year Ending 2019, the ADC is calculated in accordance with the Employer's substantive 'pay-as-you-go' funding policy. Prior to Fiscal Year Ending 2019, the ADC is equal to the Annual Required Contribution (ARC) as calculated under GASB No. 45.

*Italicized amounts are yet to be determined*

Historical contributions prior to year-ended April 30, 2020, include implicit subsidy. Beginning year-ended April 30, 2021, historical contributions include only the explicit premium subsidy paid by the City.

CITY OF HIGHLAND, ILLINOIS  
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB  
LIABILITY AND RELATED RATIOS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2021 OPEB LIABILITY

Methods and Assumptions Used to Determine Contribution Rates:

Valuation and Measurement Date: May 1, 2020  
 Actuarial Cost Method: Individual Entry Age Normal as a level percentage of payroll  
 Discount Rate: 2.85% at valuation date.  
 1.83% as of measurement period ending April 30, 2021  
 Annual Wage Increases: 2.75%  
 Price Inflation: 2.50%

Annual Healthcare Trend:

Years after Valuation	Gross Claims	Retiree Contributions
1	7.50%	5.00%
2	7.25%	5.00%
3	7.00%	5.00%
4	6.75%	5.00%
5	6.50%	5.00%
6	6.25%	5.00%
7	6.00%	5.00%
8	5.75%	5.00%
9	5.50%	5.00%
10	5.25%	5.00%
11	5.00%	5.00%
12	4.75%	5.00%
13+	4.50%	5.00%

Annual Per-Capita Claims Costs:

Age	Plan			Future Retirees
	Base	Buy-Up	H.S.A.	
40	\$ 6,294	\$ 6,304	\$ 5,436	\$ 6,039
45	7,475	7,487	6,456	7,173
50	8,878	8,892	7,668	8,519
55	10,545	10,561	9,107	10,118
60	12,524	12,543	10,816	12,017
64	14,371	14,393	12,412	13,790

Healthcare Reform:

Per the *Setting Every Community Up for Retirement Enhancement Act* ("SECURE"), signed into law on December 20, 2019, the excise tax on high-cost healthcare plans ("Cadillac" tax) has been repealed. As a result the liability for future excise taxes is reduced to zero.

Other legislative changes related to the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

Participation:

*Future Retirees*: 80% of future retirees are assumed to elect coverage at retirement. 40% of participating retirees are assumed to elect the Base plan. 30% the Buy-Up plan, and 30% the H.S.A. plan. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

*Current Retirees*: Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

Spousal Participation:

*Future Retirees*: 50% of participating retirees are assumed to be married and cover their spouse.

*Current Retirees*: Based on current coverage election.

Spouse Age:

Male spouses are assumed to be 3 years older, and female spouses are assumed to be 3 years younger. Actual age is used for spouses of current retirees, if provided.

Mortality Rate:

*Healthy Pre-Retirement:*

Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female tables

*Healthy Post-Retirement:*

Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables.

*Disabled Retirement:*

Pub-2010, Amount-Weighted, General, Disabled Retiree, Male and Female tables

Margin for mortality improvements: Scale MP-2020

CITY OF HIGHLAND, ILLINOIS  
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB  
LIABILITY AND RELATED RATIOS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2021 OPEB LIABILITY

Retirement:

Participants are assumed to retire in accordance with annual rates varying by age, gender, and group. The following table illustrates the assumed rate of such retirements per year:

Age	Police Tier 1		Police Tier 2		All Others		
	<32 YOS	32+ YOS	<32 YOS	32+ YOS	Age	Male	Female
50	30.00%	32.60%	0.00%	0.00%	55	33.00%	29.50%
51	30.00%	32.60%	0.00%	0.00%	56	26.50%	20.25%
52	27.00%	32.60%	0.00%	0.00%	57	18.50%	15.50%
53	22.00%	32.60%	0.00%	0.00%	58	22.50%	16.50%
54	26.50%	32.60%	0.00%	0.00%	59	22.00%	17.50%
55	25.00%	32.60%	60%	80%	60	13.00%	11.50%
56	24.50%	32.60%	18%	55%	61	12.50%	10.50%
57	27.00%	32.60%	23%	55%	62	21.50%	17.50%
58	27.50%	32.60%	33%	55%	63	20.00%	17.50%
59	28.50%	32.60%	13%	55%	64	18.00%	16.00%
60	21.00%	32.60%	8%	55%	65	26.00%	27.00%
61	24.00%	32.60%	8%	55%	66	32.00%	32.00%
62	28.00%	32.60%	23%	55%	67	26.00%	28.50%
63	22.50%	32.60%	18%	55%	68	23.00%	23.00%
64	24.50%	32.60%	18%	55%	69	22.50%	25.00%
65	21.00%	32.60%	23%	55%	70	26.00%	25.50%
66	23.00%	32.60%	23%	55%	71	24.00%	23.00%
67	28.00%	32.60%	23%	55%	72	17.50%	22.50%
68	36.50%	32.60%	23%	55%	73	22.00%	21.00%
69	29.50%	32.60%	23%	55%	74	20.00%	22.50%
70+	100%	100%	100%	100%	75-79	23.00%	24.00%
					80+	100%	100%

Disability:

Participants are assumed to become disabled in accordance with annual rates varying by age, gender, and group. The following table illustrates a sample of the assumed rate of such disabilities per year:

Age	Police		All Others	
	Male	Female	Male	Female
20	0.00%	0.01%	0.00%	0.00%
25	0.01%	0.01%	0.00%	0.00%
30	0.01%	0.02%	0.00%	0.00%
35	0.01%	0.03%	0.01%	0.00%
40	0.02%	0.05%	0.01%	0.01%
45	0.03%	0.07%	0.02%	0.01%
50	0.04%	0.10%	0.03%	0.01%
55	0.06%	0.14%	0.05%	0.02%
60	0.05%	0.13%	0.06%	0.03%
65	0.04%	0.08%	0.06%	0.04%
70	0.02%	0.05%	0.05%	0.03%
75	0.01%	0.01%	0.04%	0.02%
80	0.00%	0.00%	0.03%	0.02%

Withdrawal:

Participants are assumed to terminate employment for reasons other than death, disability, or retirement in accordance with annual rates varying by age, service, gender, and group. The following table illustrates a sample of the assumed rate of such terminations per year:

Age	Service	Police	All Others	
			Male	Female
All	0	18.3%	24.8%	27.7%
	1	11.0%	19.8%	22.0%
	2	8.0%	15.3%	17.8%
	3	8.0%	13.3%	14.5%
	4	6.5%	10.7%	12.0%
	5	5.7%	8.8%	10.5%
	6	4.1%	7.7%	9.2%
	7	N/A	7.7%	8.8%
30		3.7%	4.8%	7.7%
35		2.5%	3.8%	5.9%
40	8+	1.6%	3.0%	4.6%
45		1.5%	2.5%	3.8%
50		1.5%	2.1%	3.2%

TABLE 1

CITY OF HIGHLAND, ILLINOIS  
 GENERAL GOVERNMENTAL REVENUES BY SOURCE  
 FOR THE LAST TEN FISCAL YEARS  
 INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30	GENERAL PROPERTY TAX	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX	INTERGOV- ERNMENTAL	CHARGES FOR SERVICES	LICENSE AND PERMITS	FINES AND FORFEITS	INTEREST	MISC.	TOTAL
2012	\$ 3,241,161	\$ 158,971	\$ 5,593,882	\$ 3,228,552	\$ 253,021	\$ 39,391	\$ 357,188	\$ 373,906	\$ 13,246,072
2013	3,285,930	166,695	5,741,080	3,236,736	244,256	36,070	315,726	395,761	13,422,254
2014	3,316,000	177,447	5,878,534	3,435,972	234,720	35,787	190,000	4,861,048	18,129,508
2015	3,356,566	186,556	5,936,918	3,612,417	273,768	30,176	159,996	2,473,835	16,030,232
2016	3,652,264	149,890	6,363,869	3,715,043	249,133	33,691	122,485	1,083,672	15,370,047
2017	3,702,813	211,386	6,051,810	3,559,153	242,861	22,086	140,689	911,035	14,841,833
2018	3,794,954	158,068	6,363,785	3,819,310	251,510	21,098	147,230	838,125	15,394,080
2019	3,898,828	170,962	6,944,823	4,167,512	282,042	22,713	186,243	850,400	16,523,523
2020	3,948,993	190,513	6,936,981	4,177,021	380,890	19,307	240,179	1,021,040	16,914,924
2021	4,071,650	234,164	7,636,737	3,846,332	279,071	19,803	282,034	2,085,705	18,455,496

## COMMENTS

In fiscal year 2014, 2015, and 2016 there are numerous reimbursements for Street projects included in the Misc revenue amount.

In fiscal year 2020 Motor Fuel Tax revenues are included with Misc revenue as they are now separately stated.

TABLE 2

CITY OF HIGHLAND, ILLINOIS  
 INTERGOVERNMENTAL TAX REVENUES BY SOURCE  
 FOR THE LAST TEN FISCAL YEARS  
 INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30	SALES TAX	NON-HOME RULE SALES TAX	BUSINESS DISTRICT SALES TAX	ILLINOIS INCOME TAX	FOREIGN FIRE INSURANCE	SIMPLIFIED MUNICIPAL TELECOMM. TAX	MOTOR FUEL TAX	FIRE DIST. AMBULANCE REVENUE	MISC. REVENUE	TOTAL
2012	\$ 2,346,665	\$ 1,365,968		\$ 971,061	\$ 18,632	\$ 398,496	\$ 292,156	\$ 185,690	\$ 15,214	\$ 5,593,882
2013	2,366,296	1,357,612		1,137,011	18,186	362,642	285,370	190,769	23,194	5,741,080
2014	2,406,532	1,350,631		1,140,257	17,623	334,627	337,057	226,869	64,938	5,878,534
2015	2,473,224	1,356,778		1,171,822	19,898	269,460	294,314	260,294	91,128	5,936,918
2016	2,624,354	1,397,348		1,421,357	20,739	293,914	263,985	262,525	79,647	6,363,869
2017	2,687,754	1,409,810		1,046,684	20,728	247,597	261,693	272,956	104,588	6,051,810
2018	2,692,857	1,402,969		1,359,263	23,372	219,336	263,386	281,672	120,930	6,363,785
2019	2,718,178	1,458,085	\$ 493,431	1,327,101	23,674	212,280	261,805	318,966	131,303	6,944,823
2020	2,795,003	1,459,030	685,585	1,322,714	26,121	184,914		318,966	144,648	6,936,981
2021	2,964,817	1,569,326	729,281	1,734,720	30,585	151,181		333,287	123,540	7,636,737

## COMMENTS

In fiscal year 2013 the City started receiving video gaming revenue. These are included under the miscellaneous revenue category.

Fiscal year 2020 represents a full year's collection of the business district sales tax and MFT is now separately stated.

TABLE 3

CITY OF HIGHLAND, ILLINOIS  
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
 FOR THE LAST TEN FISCAL YEARS  
 INCLUDES ALL GOVERNMENTAL FUND TYPES

<u>YEAR ENDING APRIL 30</u>	<u>GENERAL GOVERN- MENTAL</u>	<u>PUBLIC SAFETY</u>	<u>HIGHWAY AND STREETS</u>	<u>CULTURE AND RECREATION</u>	<u>OTHER</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
2012	\$ 1,463,305	\$ 4,061,839	\$ 2,315,086	\$ 2,522,697	\$ 1,134,503	\$ 1,575,334	\$ 13,072,764
2013	1,379,194	4,745,807	3,013,880	2,343,311	2,945,835 **	1,729,926	16,157,953
2014	1,476,274	4,960,364	4,694,239	2,281,886	1,293,407	1,733,486	16,439,656
2015	1,650,483	5,568,489	4,845,670	2,590,978	1,145,969	1,698,108	17,499,697
2016	1,687,311	5,549,989	4,225,527	3,213,727	1,181,708	1,906,160	17,764,422
2017	1,572,823	5,458,665	1,821,517	2,657,890	1,246,544	1,931,661	14,689,100
2018	1,679,800	5,990,443	1,609,788	2,489,351	1,155,742	1,973,865	14,898,989
2019	1,807,259	6,911,767	1,706,017	2,808,433	1,389,191	1,520,988	16,143,655
2020	1,835,925	7,220,034	2,687,154	2,861,735	1,337,720	1,497,682	17,440,250
2021	1,882,958	11,042,889	3,887,277	2,493,814	1,370,593	1,975,152	22,652,683

## COMMENTS

\*\*In fiscal year 2013, the City reimbursed for the redevelopment costs of the new hospital complex under the other category.



TABLE 4

CITY OF HIGHLAND, ILLINOIS  
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,  
 PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION, AND TAX EXTENSIONS  
 FOR THE LAST TEN YEARS

AXES LEVIED BY CITY IN	DEC 2011	DEC 2012	DEC 2013	DEC 2014	DEC 2015	DEC 2016	DEC 2017	DEC 2018	DEC 2019	DEC 2020
ESTIMATED TAXABLE VALUE	\$ 549,401,196	\$ 544,265,430	\$ 529,010,859	\$ 533,481,255	\$ 532,837,035	\$ 541,215,249	\$ 552,063,054	\$ 569,838,918	\$ 595,861,524	\$ 612,997,809
ASSESSED VALUATION	183,133,732	181,421,810	176,336,953	177,827,085	177,612,345	180,405,083	184,021,018	189,946,306	198,620,508	204,332,603
<b>TAX RATES:</b>										
GENERAL	0.3330	0.3312	0.3330	0.3220	0.3330	0.3279	0.3298	0.3291	0.3249	0.3304
POLICE	0.0750	0.0746	0.0750	0.0726	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750
FIRE	0.0750	0.0746	0.0750	0.0726	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750
COMMUNITY BUILDING	0.0750	0.0746	0.0750	0.0726	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750
PARKS & RECREATION	0.0900	0.0895	0.0900	0.0871	0.0900	0.0887	0.0892	0.0890	0.0878	0.0900
LIBRARY	0.0257	0.0254	0.0259	0.0259	0.0259	0.0255	0.0250	0.0211	0.0202	0.0196
LIBRARY PENSION	0.1826	0.2200	0.2324	0.2404	0.2367	0.3059	0.3125	0.3342	0.3323	0.3565
SOCIAL SECURITY	0.1994	0.2040	0.2099	0.2587	0.2619	0.2495	0.2446	0.2317	0.2165	0.2105
AUDIT	0.0110	0.0100	0.0100	0.0096	0.0096	0.0089	0.0087	0.0106	0.0101	0.0123
RETIREMENT	0.2021	0.2150	0.2212	0.2756	0.2787	0.2495	0.2446	0.2291	0.2165	0.2105
LIABILITY INSURANCE	0.1611	0.1627	0.1673	0.1294	0.1295	0.1636	0.1783	0.1712	0.1637	0.1591
SCHOOL CROSSING GUARD	0.0069	0.0067	0.0069	0.0068	0.0070	0.0056	0.0055	0.0048	0.0046	0.0045
AMBULANCE SERVICE	0.2389	0.2411	0.2481	0.2418	0.2500	0.2462	0.2476	0.2471	0.2439	0.2500
SEWER										
PUBLIC COMFORT STATION	0.0126	0.0124	0.0171	0.0141	0.0141	0.0084	0.0109		0.0182	0.0177
TOTAL RATE-CITY CORP	1.6883	1.7418	1.7868	1.8292	1.8614	1.9014	1.9196	1.8905	1.8735	1.9008
LIBRARY	0.1500	0.1492	0.1500	0.1451	0.1500	0.1477	0.1486	0.1483	0.1464	0.1500
LIBRARY LIABILITY INSURANCE	0.0170	0.0193	0.0176	0.0175	0.0189	0.0183	0.0191	0.0187	0.0182	0.0172
TOTAL TAX RATE	1.8553	1.9103	1.9544	1.9918	2.0303	2.0674	2.0873	2.0575	2.0381	2.0680
<b>TAX EXTENSIONS:</b>										
GENERAL	\$ 609,835	\$ 600,869	\$ 587,202	\$ 572,603	\$ 591,449	\$ 591,549	\$ 606,901	\$ 625,113	\$ 645,318	\$ 675,115
POLICE	137,350	135,341	132,253	129,103	133,209	133,319	136,728	140,940	145,390	153,249
FIRE	137,350	135,341	132,253	129,103	133,209	133,319	136,728	140,940	145,390	153,249
COMMUNITY BUILDING	137,350	135,341	132,253	129,103	133,209	133,319	136,728	140,940	145,390	153,249
PARKS & RECREATION	164,820	162,373	158,703	154,887	159,851	160,019	164,147	169,052	174,389	183,899
LIBRARY	47,065	46,081	45,671	46,057	46,002	46,003	46,005	40,079	40,121	40,049
LIBRARY PENSION	334,402	399,128	409,807	427,496	420,408	551,859	575,066	634,801	660,016	728,446
SOCIAL SECURITY	365,169	370,100	370,131	460,039	465,167	450,111	450,115	440,106	430,013	430,120
AUDIT	20,145	18,142	17,634	17,071	17,051	16,056	16,010	20,134	20,061	25,133
RETIREMENT	370,113	390,057	390,057	490,091	495,006	450,111	450,115	435,167	430,013	430,120
LIABILITY INSURANCE	295,028	295,173	295,012	230,108	230,008	295,143	328,109	325,188	325,142	325,093
SCHOOL CROSSING GUARD	12,636	12,155	12,167	12,092	12,433	10,103	10,121	9,117	9,137	9,195
AMBULANCE SERVICE	437,506	437,408	437,492	429,986	444,031	444,157	455,636	469,357	484,435	510,832
SEWER										
PUBLIC COMFORT STATION	23,075	22,496	30,154	25,074	25,043	15,154	20,058		36,149	36,168
TOTAL RATE-CITY CORP	3,091,844	3,160,005	3,150,789	3,252,813	3,306,076	3,430,222	3,532,467	3,590,934	3,721,154	3,883,954
LIBRARY	274,701	270,681	264,505	258,027	266,419	266,458	273,455	281,690	290,780	306,499
LIBRARY LIABILITY INSURANCE	31,133	35,014	31,035	31,120	33,569	33,014	35,148	35,520	36,149	35,145
TOTAL EXTENSIONS	\$ 3,397,678	\$ 3,465,700	\$ 3,446,329	\$ 3,541,960	\$ 3,606,064	\$ 3,729,694	\$ 3,841,070	\$ 3,908,144	\$ 4,048,083	\$ 4,225,598

TABLE 5

CITY OF HIGHLAND, ILLINOIS  
 PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION  
 ALL DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN YEARS (UNAUDITED)

RESIDENTS LIVING IN THE CITY OF HIGHLAND IN SALINE TOWNSHIP

YEAR LEVIED IN <u>IN</u>	<u>MADISON COUNTY</u>	<u>SALINE TOWNSHIP</u>	<u>SALINE ROAD &amp; BRIDGE</u>	<u>HIGHLAND SCHOOL DIST. #5</u>	<u>CITY OF HIGHLAND + LIBRARY</u>	<u>S.W.I.C. DIST. #522</u>	<u>TOTAL</u>
2011	0.6864	0.1494	0.3060	4.6885	1.8553	0.3743	8.0599
2012	0.6974	0.1462	0.3138	4.6669	1.9103	0.3919	8.1265
2013	0.7210	0.1493	0.3161	4.7646	1.9544	0.4048	8.3102
2014	0.7329	0.1470	0.3138	4.7452	1.9918	0.4242	8.3549
2015	0.7073	0.1439	0.3179	4.9043	2.0303	0.4637	8.5674
2016	0.6514	0.1422	0.3231	4.8699	2.0674	0.4743	8.5283
2017	0.6157	0.1198	0.3212	4.8563	2.0873	0.4648	8.4651
2018	0.5953	0.1214	0.3157	4.8075	2.0575	0.4599	8.3573
2019	0.5746	0.0926	0.2845	4.6673	2.0381	0.4544	8.1115
2020	0.5469	0.0779	0.2549	4.6671	2.0680	0.4462	8.0610

RESIDENTS LIVING IN THE CITY OF HIGHLAND IN HELVETIA TOWNSHIP

YEAR LEVIED IN <u>IN</u>	<u>MADISON COUNTY</u>	<u>HELVETIA TOWNSHIP</u>	<u>HELVETIA ROAD &amp; BRIDGE</u>	<u>HIGHLAND SCHOOL DIST. #5</u>	<u>CITY OF HIGHLAND + LIBRARY</u>	<u>S.W.I.C. DIST. #522</u>	<u>TOTAL</u>
2011	0.6864	0.1513	0.4262	4.6885	1.8553	0.3743	8.1820
2012	0.6974	0.1516	0.4268	4.6669	1.9103	0.3919	8.2449
2013	0.7210	0.1560	0.4317	4.7646	1.9544	0.4048	8.4325
2014	0.7329	0.1612	0.4304	4.7452	1.9918	0.4242	8.4857
2015	0.7073	0.1694	0.4479	4.9043	2.0303	0.4637	8.7229
2016	0.6514	0.1669	0.4483	4.8699	2.0674	0.4743	8.6782
2017	0.6157	0.1631	0.447	4.8563	2.0873	0.4648	8.6342
2018	0.5953	0.1589	0.4425	4.8075	2.0575	0.4599	8.5216
2019	0.5746	0.1342	0.4074	4.6673	2.0381	0.4544	8.2760
2020	0.5469	0.1319	0.4059	4.6671	2.0680	0.4462	8.2660

TABLE 6

CITY OF HIGHLAND, ILLINOIS  
COMPUTATION OF LEGAL DEBT MARGIN  
APRIL 30, 2021

ASSESSED VALUATION FOR 2020	\$ 204,332,603
STATUTORY DEBT LIMITATION: 8.625% of Assessed Valuation	17,623,687
DEBT COUNTING AGAINST LIMIT	* <u>(9,771,000)</u>
LEGAL DEBT MARGIN	<u>\$ 7,852,687</u>

\*Includes outstanding promissory notes for water improvements, debt certificates for public safety facility improvements, and senior center lease. All debts are expected to be repaid with designated revenues.

CITY OF HIGHLAND, ILLINOIS  
 RATIO OF NET GENERAL DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

<u>YEAR ENDING APRIL 30,</u>	<u>POPULATION</u>	<u>ASSESSED VALUATION</u>	<u>GENERAL BONDED DEBT</u>	<u>RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUATION</u>	<u>BONDED DEBT PER CAPITA</u>
2012	9,919	\$ 183,133,732	\$ 0	0.000	0.00
2013	9,919	181,421,810	0	0.000	0.00
2014	9,919	176,336,953	0	0.000	0.00
2015	9,919	177,827,085	0	0.000	0.00
2016	9,919	177,612,345	0	0.000	0.00
2017	9,919	180,405,083	0	0.000	0.00
2018	9,919	184,021,018	0	0.000	0.00
2019	9,919	189,946,306	* 1,593,000	0.008	160.60
2020	9,919	198,620,508	* 10,225,000	0.051	1030.85
2021	9,991	204,332,603	* 9,771,000	0.048	977.98

\* These amounts reflect the total obligations counting against the City's debt limit.

CITY OF HIGHLAND, ILLINOIS  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT  
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
 FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT			TOTAL GENERAL GOVERNMENTAL EXPENDITURES	GENERAL BONDED DEBT SERVICE TO GENERAL EXPENDITURES
	PRINCIPAL	INTEREST AND FIXED CHARGES	TOTAL		
2012	\$ 0	\$ 0	\$ 0	\$ 13,072,764	0.0%
2013	0	0	0	16,157,953	0.0%
2014	0	0	0	16,439,656	0.0%
2015	0	0	0	17,499,697	0.0%
2016	0	0	0	17,764,422	0.0%
2017	0	0	0	14,689,100	0.0%
2018	0	0	0	14,898,989	0.0%
2019	* 72,000	* 26,988	* 98,988	16,143,684	0.6%
2020	* 143,000	* 57,160	* 200,160	17,440,250	1.1%
2021	* 454,000	* 308,014	* 762,014	22,652,683	3.4%

\* These amounts reflect the annual payments for obligations counting against the City's debt limit.

CITY OF HIGHLAND, ILLINOIS  
REVENUE BOND COVERAGE  
2019 FTTP BONDS

<u>YEAR ENDING APRIL 30</u>	<u>GROSS REVENUES</u>	<u>OPERATING EXPENSES LESS DEPRECIATION &amp; GASB 68 PENSION AND OPEB EXPENSE</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>DEBT SERVICE REQUIREMENTS</u>			<u>COVERAGE*</u>
				<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	
2020	\$ 16,991,881	\$ 15,338,790	\$ 1,653,091	\$ 470,000	\$ 539,545	\$ 1,009,545	1.64
2021	17,543,906	15,733,810	1,810,096	735,000	213,948	948,948	1.91

\*The coverage requirement per the 2019 FTTP Bond Ordinance is 1.20.

TABLE 10

CITY OF HIGHLAND, ILLINOIS  
 PROPERTY VALUE AND CONSTRUCTION INFORMATION  
 LAST TEN FISCAL YEARS (UNAUDITED)

YEAR ENDING APRIL 30,	CONSTRUCTION					PROPERTY VALUE (IN 000'S) **				
	RESIDENTIAL		COMMERCIAL AND INDUSTRIAL		TOTAL	ASSESSMENT YEAR	RESIDENTIAL	COMMERCE & INDUSTRY	RAILROAD & FARM	TOTAL
	NO. OF PERMITS	VALUE (in 000's)	NO. OF PERMITS	VALUE (in 000's)						
2012	192	\$ 3,922	49	\$ 46,115	\$ 50,037	2011	\$ 395,744	\$ 153,025	\$ 632	\$ 549,401
2013	199	4,486	53	4,531	9,017	2012	393,175	150,444	646	544,265
2014	167	5,712	49	7,476	13,189	2013	382,193	146,159	659	529,011
2015	181	3,078	50	3,439	6,517	2014	386,486	146,317	678	533,481
2016	255	5,400	40	4,272	9,672	2015	384,168	147,943	726	532,837
2017	243	7,222	38	1,369	8,591	2016	389,057	151,373	785	541,215
2018	184	5,878	32	5,477	11,355	2017	399,706	151,535	822	552,063
2019	343	9,443	58	6,565	16,008	2018	413,891	154,960	988	569,839
2020	277	11,399	47	4,369	15,768	2019	429,766	165,003	1,093	595,862
2021	376	10,398	46	38,368 *	48,766	2020	442,141	169,691	1,166	612,998

\*\* Source: Property Value based on County Clerk's information on assessed valuation as 33 1/3 % of fair market value.

\* Includes \$23,670,323 for a remodeling of Walmart

CITY OF HIGHLAND, ILLINOIS  
 LIGHT AND POWER FUND  
 COMPARATIVE SUMMARY OF OPERATIONS  
 FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	OPERATING REVENUE	OPERATING EXPENSES INCLUDING DEPRECIATION, INTEREST AND GASB 68 PENSION EXPENSE		INCOME (LOSS) EXCLUDING OTHER INCOME	
		AMOUNT	PERCENT OF OPERATING REVENUE	AMOUNT	PERCENT OF OPERATING REVENUE
2012	\$ 12,625,213	\$ 13,389,524	106.05	\$ (764,311)	(6.05)
2013	13,997,817	14,447,104	103.21	(449,287)	(3.21)
2014	15,202,314	15,361,797	101.05	(159,483)	(1.05)
2015	15,266,278	15,489,666	101.46	(223,388)	(1.46)
2016	15,483,184	15,937,329	102.93	(454,145)	(2.93)
2017	16,038,325	16,499,976	102.88	(461,651)	(2.88)
2018	16,548,836	16,637,576	100.54	(88,740)	(0.54)
2019	17,046,844	16,922,499	99.27	124,345	0.73
2020	16,886,323	17,920,184	106.12	(1,033,861)	(6.12)
2021	17,432,457	17,969,372	103.08	(536,915)	(3.08)

\*The City does not budget for depreciation or pension expense.



TABLE 12

CITY OF HIGHLAND, ILLINOIS  
WATER FUND  
 COMPARATIVE SUMMARY OF OPERATIONS  
 FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	GROSS REVENUE	OPERATING EXPENSES INCLUDING DEPRECIATION, INTEREST AND GASB 68 PENSION EXPENSE		INCOME (LOSS) EXCLUDING OTHER INCOME	
		AMOUNT	PERCENT OF GROSS REVENUE	AMOUNT	PERCENT OF GROSS REVENUE
2012	\$ 2,056,773	\$ 2,258,364	109.80	\$ (201,591)	(9.80)
2013	2,126,935	2,326,022	109.36	(199,087)	(9.36)
2014	2,003,215	2,252,837	112.46	(249,622)	(12.46)
2015	1,971,690	2,197,558	111.46	(225,868)	(11.46)
2016	2,028,123	2,203,540	108.65	(175,417)	(8.65)
2017	2,309,309	2,137,841	92.57	171,468	7.43
2018	2,628,949	2,236,009	85.05	392,940	14.95
2019	2,688,256	2,366,794	88.04	321,462	11.96
2020	2,717,282	2,480,597	91.29	236,685	8.71
2021	2,808,069	2,552,321	90.89	255,748	9.11

\*The City does not budget for depreciation or pension expense.

CITY OF HIGHLAND, ILLINOIS  
SEWER FUND  
COMPARATIVE SUMMARY OF OPERATIONS  
FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	GROSS REVENUE	OPERATING EXPENSES INCLUDING DEPRECIATION, INTEREST AND GASB 68 PENSION EXPENSE		INCOME (LOSS) EXCLUDING OTHER INCOME	
		AMOUNT	PERCENT OF GROSS REVENUE	AMOUNT	PERCENT OF GROSS REVENUE
2012	\$ 1,739,417	\$ 1,983,372	114.03	\$ (243,955)	(14.03)
2013	1,809,340	1,991,646	110.08	(182,306)	(10.08)
2014	2,044,434	2,159,013	105.60	(114,579)	(5.60)
2015	2,082,634	2,081,066	99.92	1,568	0.08
2016	2,138,010	2,128,431	99.55	9,579	0.45
2017	2,281,337	2,140,575	93.83	140,762	6.17
2018	2,180,024	2,178,645	99.94	1,379	0.06
2019	2,277,562	1,764,662	77.48	512,900	22.52
2020	2,304,216	1,800,034	78.12	504,182	21.88
2021	2,376,233	1,782,505	75.01	593,728	24.99

\*The City does not budget for depreciation or pension expense.

TABLE 14

CITY OF HIGHLAND, ILLINOIS  
 MISCELLANEOUS STATISTICS  
 APRIL 30, 2021 (UNAUDITED)

Date of Incorporation		1884	
Form of Government		Council/Manager	
Number of Employees -	(As of 8/31/21)		
Total		326	
Full Time		117	
Total Area		7.591	square miles
Number of Dwelling Units		4827	
Population	(Updated for 2020 Census, remains uncertified)	9991	
CITY OF HIGHLAND FACILITIES AND SERVICES			
Fire Protection:			
Number of Stations		2	
Number of Firemen		25	Volunteers
Fire Insurance Rating		4	
Police Protection:			
Number of Policemen and Officers		20	
Number of Police Vehicles	(7 patrol and 4 admin)	11	
Ambulance:			
Number of Ambulances in Service 24 hours per day		2	
Number of Ambulances in Reserve		2	
Number of Paramedics and Emergency Medical Technicians		17	Full time
Culture and Recreation:			
Public Library (Volume of Books and Audio Visuals)		1	(118,353 items)
Parks		12	
Ball Diamonds Available		17	
Tennis Courts Available		9	
Public Pools		2	
Recreation Buildings		2	
Senior Citizen Centers		2	
Skate Park		1	
Electric Service:			
Number of Accounts		6,885	customers
Area Served		46.0	square miles
Water Service:			
Number of Accounts		4,895	customers
Water Districts		4	
Average Daily Demand		1.200	MG/day
Treatment Capacity		4.2	MG/day
Sewer Service:			
Number of Accounts		4,528	customers
Present Flow		1.094	MG/day
Treatment Capacity		2.0	MG/day
FACILITIES AND SERVICES NOT INCLUDED IN THE REPORTING ENTITY:			
Education: All Schools in District	No. of schools	Teachers	Enrollment
Elementary (K-5)	4	88	1,358
Middle School	2	49	624
High School	1	<u>56</u>	<u>913</u>
		193	2,895
Utilities:			
Electric, Water, Sewer, Refuse	City of Highland Utilities		
Cable and Satellite TV	HCS, Charter Communications, Dish and Direct TV		
Gas	Ameren IP		
Telephone	HCS, Frontier, Charter Communications		
Hospital	1		
Nursing Homes and Assisted Living	4		

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING A MEMORANDUM OF UNDERSTANDING  
BETWEEN CITY OF HIGHLAND, ILLINOIS AND MADISON COUNTY, ILLINOIS  
REGARDING THE EMERGENCY TELEPHONE SYSTEM ACT, 50 ILCS 750, ET SEQ.,  
AND 2022 DISPATCH SERVICES**

**WHEREAS**, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

**WHEREAS**, City and Madison County, Illinois (“Madison County”) wish to enter a Memorandum of Understanding regarding City dispatch services beginning in 2022; and

**WHEREAS**, the proposed Memorandum of Understanding is attached hereto as **Exhibit A**; and

**WHEREAS**, once finalized and implemented, the current Madison County, Illinois 911 consolidation plan will route City 911 calls through the Collinsville Police Department, which, logistically, is not ideal seeing as Madison County is already dispatching all the departments around the City, both fire and police, post-911-consolidation; and

**WHEREAS**, City has determined the logical operational choice for City’s 911 call dispatch beginning in 2022 would be Madison County; and

**WHEREAS**, according to a recently completed impact study, Madison County would incur approximately \$250,000 in both direct and indirect costs to dispatch all calls for City, and City would be responsible for reimbursement of these costs to Madison County; and

**WHEREAS**, City will save the taxpayers approximately \$236,000 dollars per year (not including future increases in employment costs) by contracting with Madison County, Illinois to dispatch City’s calls:

1. Cost of Retaining City Dispatch – approximately \$486,000;

- a. \$476,000 – Telecommunicator’s (“TCs”) salary, benefits, etc. (not including future increases in employment and benefit costs);
  - b. \$10,000 - annual expenses for City’s connection to Madison County that serves City’s current records management and CAD system, and will provide digital radio communications connection;
2. Cost of moving City dispatch to Madison County – approximately \$250,000;
  3. Annual savings to City taxpayers through contracting with Madison County for dispatch – approximately \$236,000 per year;
- and

**WHEREAS**, City has determined the cost of law enforcement is increasing exponentially with the passage of new Illinois legislation requiring body cameras, increased training, increased record keeping, and other ancillary costs associated with running a municipal police department, as well as the cost to recruit and retain qualified City police officers; and

**WHEREAS**, City has determined it shall contract with Madison County for dispatch services beginning in 2022; and

**WHEREAS**, Madison County has agreed to dispatch for City for an agreed amount to be established by the impact study and actual call volume (estimate of \$250,000 per year); and

**WHEREAS**, City has determined the City Manager and/or Mayor shall be authorized and directed to execute any documents necessary to formalize this Memorandum of Understanding with Madison County (**Exhibit A**) for dispatch services beginning in 2022.

**NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Highland as follows:**

*Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

*Section 2.* City agrees to contract with Madison County, Illinois for all dispatch services beginning in 2022, and agrees to formalize an intergovernmental agreement with Madison County, Illinois formalizing said agreement.

*Section 3.* Madison County, Illinois agrees to contract with City for all dispatch services beginning in 2022, and agrees to formalize an intergovernmental agreement with Madison County, Illinois formalizing said agreement.

*Section 4.* The City Manager and/or Mayor is authorized and directed to enter the Memorandum of Understanding (**Exhibit A**) and execute the Agreement on behalf of the City.

*Section 5.* That this Ordinance shall be known as Ordinance No. \_\_\_\_\_ and shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

---

Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

---

Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois



City of Highland  
1115 Broadway, PO Box 218  
Highland, IL 62249

**To:** Honorable Mayor Hemann and City Council  
**From:** Chris Conrad-City Manager  
**Date:** September 30, 2021  
**Re:** Recommendation to approve MOU with Madison County for 911/dispatch services

---

I am submitting for your approval a Memorandum of Understanding between the City of Highland and the Madison County Sheriff's Department. This MOU will authorize the City Manager to negotiate an intergovernmental agreement with the County for the purposes of consolidating 911 and police/fire/ems dispatch services.

**Discussion:** I have attached the staff report provided to the council at the September 20, 2021 meeting as documentation of the research and actions taken to this point regarding potential consolidation. I am also attaching the cost analysis conducted in concert with the County on the actual cost to the county for taking on our duties.

After thorough review of the research, I have not found a viable alternative to consolidation of these services. Factors taken into consideration for this recommendation, as can be inferred from the staff report, have included financial, operational and liability concerns.

I recommend the council approve the MOU as presented to authorize the City Manager to negotiate an Intergovernmental agreement between the City and Madison County for 911 and non-emergency dispatch for police, fire and ems services.

## Staff Report for Council

**History:** The State legislature passed the 911 consolidation bill in 2015 that required consolidation of 911 centers (AKA PSAPS) across the state. The requirement for Madison County was to go from 16 to 8. At the time of the legislation, then Chief Bell was serving on the local Emergency Telephone System Board and he and I in my role as the lieutenant at the time, spent time both locally and at the state level lobbying against the bill. We soon found that consolidation was the only thing legislators on both sides of the aisle agreed upon. After the law was passed we continued to lobby for a trailer bill and even testified at a hearing on behalf of Madison County trying to get an exemption. We lost, and Chief Bell was removed from the local ETSB by Chairman Prenzler. At that point, Highland no longer had a voice at the table concerning the eventual consolidations. I will tell you from having attended many of the meetings, the talks were highly emotional and political. Madison County has been working with the State to submit an approved plan ever since with plans being rejected and challenged in court. It appeared that consolidation was on an indefinite hold while things played out in court.

In the meantime, most other counties that were required to consolidate, did so. Madison County is one of the last to take action on the consolidation mandate. In February, we found out that Bethalto was voluntarily consolidating with the Wood River PSAP for both 911 and dispatch. I spoke to their Chief about his discussions and the ultimate decision and started calling current ETSB board members to get an update on consolidation timelines as the 2 court cases concerning our plan were coming to resolution. We realized we needed to take a step back and take a hard look at our operations and run the numbers on what it would look like for Highland once consolidation happens. So that brings us to where we are now.

**Research:** I started by looking at our current operations. Fortunately, we have good data. We answer about 10-11K incidents a year and this is combined police, fire and EMS. We also dispatch for Highland-Pierron FD and our EMS serves HPFD, St. Jacob Fire Department, Marine Fire Department, Grantfork FD and St Rose FD. So a little over 2000 of those 10-11K incidents handled by dispatch are EMS calls. As far as actual telephone calls into HPD Dispatch, we get about 15K calls a year and this includes non-emergency calls, calls for electric department outages and other after-hours city related calls. This comes out to about 2 calls per hour, with our heaviest call volume between 2 and 5pm, and lightest call volume between 10p-6am.

I then looked at costing, I pulled data from finance on payroll, insurance, misc benefits and pension costs for the 6 current dispatchers who answer and manage those 15K phone calls. We currently spend \$476K on those 6 employees with average growth of salary and benefits right around 4% per



annum. We get reimbursed about \$40K/year from the ETSB for answering 911 calls for Highland right now. That money goes away once consolidation happens. We will also have to start paying for our connection to Madison County that serves our current records management and CAD system (which currently also provides our 911 service, so the ETSB pays for it now) which will be an additional \$8-10K/year post-consolidation. So to maintain the status quo year 1 post-consolidation, we would need to find about \$50K in new Highland money in addition to any new increases of owed salary, pension or insurance costs. To put that in perspective, during my tenure as chief I could not fill the LT position due to budget restrictions and I had to say no to a proposal from one of the officers for a K-9 program because the first year cost was roughly \$40K and I didn't have the money for it.

I then started calling agencies that have already been through consolidation. Swansea, Shiloh, Fairview Heights, O'Fallon, Bethalto and Maryville. We discussed their research, decisions, and implementation of their consolidations. None of these agencies kept a dispatch presence post-consolidation citing concerns about long-term financial viability and operational concerns about having officers serve two separate dispatch centers. The primary operational concern is that having separate centers for emergency and non-emergency, calls and/or officers could be forgotten or missed due to having 2 different centers responsible for dispatching the same officers/resources. Having 2 centers creates an additional point of failure in our emergency response system. This issue was highlighted in an IL Supreme Court case that was decided in 2016 (Coleman v. East Joilet FPD) where there was confusion and miscommunication between 2 separate dispatch centers that served the same area. The Supreme Court struck down the Public Duty Rule with this decision and is the single biggest operational factor against having 2 separate centers because of the liability knowingly created by having 2 centers.

I then called the Statewide 911 coordinator trying to locate an agency that had consolidated and actually kept their dispatch center, and the only one I found outside of the Chicagoland area was Chatham, IL. I called Chief Foli from Chatham and discussed their situation. Chatham actually consolidated prior to the State law taking effect, so they are not subject to the restrictions of the State law like we are, so how they are doing their procedures for calls, we are not allowed to do, but that is a much more in depth conversation into the nuances of the actual state law concerning consolidation than what we will get into tonight. Chief Foli was very blunt that the decision to keep their dispatch center was an emotional one and not backed by research or data. He also pointed out that as of April when we spoke, it had been approximately 7 years since they consolidated and they had downsized their police officers by 3 due to budget constraints, although he was hoping to get 2 back this year. I then asked about his staffing. Chatham is approximately 12500 population, answer about 15000 incidents a year and offers all of the same services we do in

Highland (electric, water, sewer, Fire/EMS). At the time, they were staffed at 15 officers and hoping to get back to 17. Highland is 10,000 population and we are staffed at 20 officers including the chief and School resource officer. This was eye opening to hear him say they had lost 3 officers in 7 years following consolidation. This account was confirmed by the Highland Dispatchers Union Rep who happens to live in Chatham and confirmed Chief Foli's version of events. A 24/7 dispatch center requires 6 employees minimum to cover time off, and is a fixed cost with legacy cost increases. Chatham staffs their current dispatch center identically to how we have historically staffed our center.

At this point I started looking at our operations and options. The current Madison County consolidation plan has our 911 calls going to Collinsville PD. Operationally this doesn't make sense with MADCO already dispatching all the departments around us both fire and police post-consolidation. So if we do nothing and just allow this to be imposed on us, our 911 calls go to Collinsville, this is not ideal.

So I opened a dialog with the Sheriff's Department about their taking over our dispatch operations. The county has a policy that requires an impact study for any new services, so we commissioned a study to determine the financial impact of the county taking on our dispatch responsibilities in addition to taking our 911 calls. We got that study back about a month ago and I shared it with both the union and a few of the officers who had requested the information as well. That study found that the county would take on about \$240K in both direct and indirect costs to take on our dispatch operations. In discussions with the county we think that because of how some calls are currently documented, there are potentially some double-counted calls (calls that currently go into County as 911 but we end up dispatching EMS or Fire, so the calls are documented both at the County and in Highland), but the numbers are not significant so we are considering setting a rate based on the study and then reevaluating the numbers after one full year once all ops are under one center, and then would be more accurate.

When I provided these numbers to the union and the officers who requested it, I also worked out the compounding interest impact for them. If the starting line is \$250K (remember we will have to pay for our connection post-consolidation) and \$500K to maintain the status quo, over 10 years that difference is almost \$400K using the federal rate of costing of a service of 4.2%/year to cover increases in all costs associated with a service. To put that in perspective, 3 years ago when I had to cut the LT position at the PD, the cost was going to be \$117K the first year, and I didn't have the money. Over 10 years, that comes out to 3 LT's positions.

So the questions became clear to me as it did with every other Chief who had to examine this issue. Do we want to spend our limited resources on local people answering phone calls? Or local people with guns, badges and radios physically

answering calls for the police? I think we can all agree we want the people with badges and guns answering calls and responding when needed.

Operationally we are looking to mirror what a few of the other communities are already doing. The benefit we have in going last is we get to learn from everyone else's mistakes. We are putting processes in place make sure that when your power goes out, you can report it to the electric department on-call (actually quicker by taking out the middle man), we already share a records management and computer aided dispatch system with county to track our officers and their safety. We designed the front reception area of the new public safety building knowing that consolidation would come during the life of the building, so we designed it to be able to offer access to all citywide systems and services in one location that is both safe and secure both for the citizens and the workers. We are working through these processes with our directors and staff now in preparation for the consolidation. We are also in discussions with County on potentially hiring 2 of our dispatchers if they desire to continue dispatching. I can assure the public that post-consolidation whether you call 911 or our non-emergency number, you will speak directly to a trained dispatch professional who will have the same direct radio contact with our officers, fire department and EMS and all the same access to the mapping technology our current dispatchers have.

None of this takes into consideration the increased costs associated with law enforcement that will be coming as a result of the new criminal justice reform legislation. This will increase costs for both operations, salary as we try to recruit qualified people, body cameras, and the substantial increase in insurance costs if the legislature decides to end qualified immunity for police this fall.

Consolidation is a complex issue with a lot of moving parts and is quite distressing for all concerned. I can assure you that nobody from me, the council, or any of the directors like where this law has led us, but I hope our citizens understand that I can't make a recommendation to the council that the data and research tells me will result in fewer cops on the street in the future.

If you have any more questions or would like to discuss further, please don't hesitate to reach out.

Thanks,

Chris

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ABATING TAXES LEVIED FOR THE  
GENERAL OBLIGATION SEWERAGE SYSTEM REFUNDING BONDS (ALTERNATE  
REVENUE SOURCE) SERIES 2021 BOND AND INTEREST FOR THE 2021 TAXES  
PAYABLE IN 2022**

WHEREAS, the City of Highland has heretofore, under and by virtue of the provisions of Ordinance Number 3115, levied a tax in the sum of \$175,400.00 for the 2021 taxes payable in 2022; and

WHEREAS, the City Council of this said City has determined and found that the said levy is not necessary to be made for the said fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS AS FOLLOWS:

1. That the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest tax of \$175,400.00 levied by Ordinance No. 3115 for the 2021 taxes payable in 2022 be and is hereby abated.
2. That a true copy of this Ordinance shall be certified to the County Clerk of Madison County, Illinois.
3. That this Ordinance shall be known as Ordinance No. \_\_\_\_\_, and shall be in full force and effect upon adoption.

Passed by the City Council of the City of Highland, Madison County, Illinois and deposited and filed in the office of the City Clerk on this \_\_\_\_\_ day of \_\_\_\_\_, 2021 the vote being taken by ayes and noes entered on the legislative record as follows:

AYE:

NAY:

Approved by the Mayor this 4th day of October, 2021.

ATTEST:

\_\_\_\_\_  
Kevin B. Hemann, Mayor of the City of Highland  
Madison County, Illinois

\_\_\_\_\_  
Barbara Bellm, City Clerk of the City of Highland  
Madison County, Illinois



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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

City Council  
City of Highland  
Highland, IL 62249

Dear Council,

We have performed the procedures enumerated below on the accompanying Computation of Revenue Sufficiency of the City of Highland, Illinois for the year ended April 30, 2021. The City's management is responsible for the accompanying Computation of Revenue Sufficiency.

The City of Highland has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of computing revenue sufficiency. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

The City of Highland, Illinois, in accordance with Ordinance 2590, which authorized the issuance of the Sewerage System Alternate Revenue Bonds, must complete an analysis that computes that the pledged revenues from the sewer system, as defined by Ordinance 2590, exceeds 125% of the debt service requirements of all outstanding sewer system revenue bonds payable from pledged revenues. If the revenues exceed the 125% level, then the City can forego an increase in the rates charged for the use and services furnished through the City's sewer system. The attached Computation of Revenue Sufficiency indicates that the City has exceeded the 125% requirement stated above.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Computation of Revenue Sufficiency. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Highland, Illinois and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Scheffel Boyle*

Scheffel Boyle  
Highland, IL  
September 23, 2021

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CITY OF HIGHLAND, ILLINOIS  
2013 SEWER ALTERNATE REVENUE BONDS  
COMPUTATION OF REVENUE SUFFICIENCY  
FOR THE YEAR ENDED APRIL 30, 2021

	Amounts Per 4/30/2021 <u>Audit</u>
<b>REVENUES:</b>	
Charges for Services	\$ 2,299,703
Connection Fees	76,530
Interest Income	61,523
Miscellaneous Income	4,939
Total Revenues	<u>2,442,695</u>
<b>OPERATING EXPENSES:</b>	
Total Operating Expenses (Less: Depreciation, GASB 68 adjustment and GASB 75 adjustment)	<u>1,260,155</u>
Net Operating Revenue Available for Alternate Revenue Bond Debt Service	<u>\$ 1,182,540</u>
Alternate Revenue Bond Debt Service: 2013 Bond Issue *	<u>\$ 198,800</u>
Percentage of Revenues Over Alternate Revenue Bond Debt Service (\$1,182,540 / \$198,800)	<u>594.84%</u>

\* Subsequent to April 30, 2021, the City issued General Obligation Sewerage System Bonds (Alternate Revenue Source) Series 2021.



# City of Highland

## Finance Department

MEMO TO: Christopher Conrad, City Manager  
FROM: Kelly Korte, Director of Finance  
SUBJECT: Tax Abatements for Bonds  
DATE: September 21, 2021

I have placed three ordinances on the upcoming council agenda. These Ordinances are needed in order to abate taxes for prior bond issuances for the 2021 taxes payable in 2022. I have also included sufficiency reports provided by the audit firm for each of these bonds. The sufficiency report for the 2019 FTTP bonds is for the council's information only and no tax abatement is required for this bond issue. If you should need further clarification, please do not hesitate to ask.



ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ABATING TAXES LEVIED FOR THE  
GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE),  
SERIES 2020 BOND AND INTEREST FOR THE 2021 TAXES PAYABLE IN 2022**

WHEREAS, the City of Highland has heretofore, under and by virtue of the provisions of Ordinance Number 3029, levied a tax in the sum of \$256,750 for the 2021 taxes payable in 2022; and

WHEREAS, the City Council of this said City has determined and found that the said levy is not necessary to be made for the said fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS AS FOLLOWS:

1. That the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020 Bond and Interest tax of \$256,750 levied by Ordinance No. 3029 for the 2021 taxes payable in 2022 be and is hereby abated.
2. That a true copy of this Ordinance shall be certified to the County Clerk of Madison County, Illinois.
3. That this Ordinance shall be known as Ordinance No. \_\_\_\_\_, and shall be in full force and effect upon adoption.

Passed by the City Council of the City of Highland, Madison County, Illinois and deposited and filed in the office of the City Clerk on this \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes entered on the legislative record as follows:

AYE:

NAY:

Approved by the Mayor this 4th day of October, 2021.

ATTEST:

\_\_\_\_\_  
Kevin B. Hemann, Mayor of the City of Highland  
Madison County, Illinois

\_\_\_\_\_  
Barbara Bellm, City Clerk of the City of Highland  
Madison County, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

City Council  
City of Highland  
Highland, IL 62249

Dear Council,

We have performed the procedures enumerated below on the accompanying Computation of Revenue Sufficiency of the City of Highland, Illinois for the year ended April 30, 2021. The City's management is responsible for the accompanying Computation of Revenue Sufficiency.

The City of Highland has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of computing revenue sufficiency. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

As requested by the City of Highland, Illinois, we have calculated the percentage of revenues over alternate bond debt service for the 2020 TIF Alternate Revenue Bonds.

The attached Computation of Debt Coverage indicates that the City of Highland, Illinois, has achieved an 104.15% of revenues over alternate bond debt service for the 2020 TIF Alternate Revenue Bonds.

We were engaged by the City of Highland to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Computation of Revenue Sufficiency. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Highland, Illinois and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Scheffel Boyle*

Scheffel Boyle  
Highland, IL  
September 23, 2021

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CITY OF HIGHLAND, ILLINOIS  
2020 TIF ALTERNATE REVENUE BONDS  
COMPUTATION OF REVENUE SUFFICIENCY  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Amounts Per</u> <u>4/30/2021</u> <u>Audit</u>
<b>REVENUES:</b>	
General Property Taxes	\$ 405,318
Miscellaneous and Interest Income	2,432
Total Revenues	<u>407,750</u>
 <b>OPERATING EXPENSES:</b>	
Current Economic Development	49,401
Other Debt Service Fees	33,950
	<u>83,351</u>
Net Operating Revenue Available For Alternate Revenue Bond Debt Service	<u>\$ 324,399</u>
 <b>Alternate Revenue Bond Debt Service:</b>	
2012 Bond Issue *	\$ 67,622
2020 Bond Issue	243,865
	<u>\$ 311,487</u>
Percentage of Revenues Over Alternate Revenue Bond Debt Service (\$324,399 / \$311,487)	<u>104.15%</u>

\* On August 24, 2020 the City issued General Obligation Refunding Bonds (Alternate Revenue Source) Series 2020.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ABATING TAXES LEVIED FOR THE  
2010 STREET BOND ALTERNATE REVENUE BOND AND INTEREST FOR THE  
2021 TAXES PAYABLE IN 2022**

WHEREAS, the City of Highland has heretofore, under and by virtue of the provisions of Ordinance Number 2436, levied a tax in the sum of \$535,000 for the 2021 taxes payable in 2022; and

WHEREAS, the City Council of this said City has determined and found that the said levy is not necessary to be made for the said fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS AS FOLLOWS:

1. That the 2010 Street Bond Alternate Revenue Bond and Interest tax of \$535,000.00 levied by Ordinance No. 2436 for the 2021 taxes payable in 2022 be and is hereby abated.

2. That a true copy of this Ordinance shall be certified to the County Clerk of Madison County, Illinois.

3. That this Ordinance shall be known as Ordinance No. \_\_\_\_\_, and shall be in full force and effect upon adoption.

Passed by the City Council of the City of Highland, Madison County, Illinois and deposited and filed in the office of the City Clerk on this \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes entered on the legislative record as follows:

AYE:

NAY:

Approved by the Mayor this 4th day of October, 2021.

\_\_\_\_\_  
Kevin B. Hemann, Mayor of the City of Highland  
Madison County, Illinois

ATTEST:

\_\_\_\_\_  
Barbara Bellm, City Clerk of the City of Highland  
Madison County, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

City Council  
City of Highland  
Highland, IL 62249

Dear Council,

We have performed the procedures enumerated below on the accompanying Computation of Revenue Sufficiency of the City of Highland, Illinois for the year ended April 30, 2021. The City's management is responsible for the accompanying Computation of Revenue Sufficiency.

The City of Highland has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of computing revenue sufficiency. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

The City of Highland, Illinois, in accordance with Ordinance 2436, which authorized the issuance of the 2010 Street Alternate Revenue Bonds, must complete an analysis that computes that the pledged non-home rule sales tax revenue, as defined by Ordinance 2436, exceeds 125% of the debt service requirements. If the revenues exceed the 125% level, then the City can abate the assessment of tax on property to pay for the bonds. The attached Computation of Revenue Sufficiency indicates that the City has exceeded the 125% requirement stated above.

We were engaged by the City of Highland to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Computation of Revenue Sufficiency. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Highland, Illinois and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Scheffel Boyle*

Scheffel Boyle  
Highland, IL  
September 23, 2021

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CITY OF HIGHLAND, ILLINOIS  
2010 ALTERNATE REVENUE STREET BOND  
COMPUTATION OF REVENUE SUFFICIENCY  
FOR THE YEAR ENDED APRIL 30, 2021

Amounts Per  
4/30/2021  
Audit

REVENUES:

Non-Home Rule Sales Tax	<u>\$ 1,569,326</u>
Net Operating Revenue Available For Alternate Revenue Bond Debt Service	<u>\$ 1,569,326</u>
Alternate Revenue Bond Debt Service: 2010 Bond Issue	<u>\$ 535,000</u>
Percentage of Revenues Over Alternate Revenue Bond Debt Service (\$1,569,326 / \$535,000)	<u>293.33%</u>





# City of Highland

## Finance Department

MEMO TO: Mayor Hemann and City Council Members  
FROM: Kelly Korte, Director of Finance  
SUBJECT: Recommendations for Health Insurance Package Renewal  
DATE: September 24, 2021

### **Health Insurance Plan:**

We are close to completing our sixth year of health care coverage with Cigna Healthcare which includes our participation in the Cigna Max Health Program. The benefits offered through this program are an ability to earn up to 100% of the surplus remaining following payment of all claims and a \$210 employee reward for completing wellness initiatives. At the end of the plan year November 2019 through October 2020, the City was paid \$58,699 as a result of this surplus arrangement. This surplus offsets the benefit costs that are expended by the City funds for health insurance coverage. It was also reported that our plan members have better than average utilization of low cost options when available, which contributes to keeping the renewal rate as low as possible. The initial renewal rate for the City to stay with our current provider was a 12% increase over the current year. Cornerstone began negotiations with our current provider resulting in Cigna updating their renewal rates to a 5.6% overall increase based on current enrollment levels for each plan option. It was decided to recommend proceeding with this updated renewal based on multiple factors, the impact to our employees being the most valued.

We are proposing to continue with the same plans (Base 6.83% increase, Buy-Up 6.49% increase and HSA 2.91% increase) as in the prior year. The employee and retiree premium costs were increased by the rate increase for each plan option noted above. One other change this year was a City cost share of 25% of any employee not currently under an approved cost share. This was done in an effort to reduce the employee's premium costs to keep the rates more comparable to other employees with negotiated cost shares. The cost shares, along with premium costs from prior years that have not been passed onto the employees, will be absorbed by the various city budgets in hopes that a surplus in the upcoming year will be realized to offset the increases. We are also proposing to contribute an amount to each HSA plan enrollee's health savings account to equalize the City cost per employee to the amount contributed for an employee in the base plan with the same dependent coverage. The HSA plan continues to be well received and create savings, as noted by the minimal increase noted in the renewal. We are hopeful that more employees will be able to benefit from this offering in each upcoming year.

We feel that it is in the City's best interest to continue with Cigna Healthcare and to continue efforts to inform, educate, and engage our employees in efforts to contain the health care costs for the City and members of the plan.

### **Dental Insurance/Voluntary Vision and Life Insurance:**

Dental, Vision, and Employer Provided Life Insurance coverage will be transitioned from Guardian to Metlife. This move reduces the premiums for Dental and Vision by 9- 10% and increases a few plan benefits for dental and vision.

### **Benefit Portal:**

We will continue to offer the online portal that can be used for employees wishing to modify their medical care plan option. Paper forms and personal conversations with employees will also be available as always, but this new offering will allow the renewal process to be implemented without the need for in person employee meetings, unless requested, or paper enrollment forms. It will offer access to complete any updates or simply access health insurance information from the employee's home or office computers. We are looking forward to utilizing this portal much more in each plan year for the convenience of our employees and retirees. An added benefit of this option is the reporting provided to the employees totaling the benefit costs that both they and the City contribute to. We plan to provide this report to all full time employees, regardless of their portal access, as a way to share valuable information with them.

### **Recommendation Summary**

In summary, we are requesting your approval of the plan changes for the 2021-2022 plan year by continuing to obtain coverage from Cigna Healthcare and transitioning to Metlife for Dental, Vision and Life Insurance coverages. As always, voluntary supplemental offerings will also be offered at the employee's cost. If there are any questions or concerns, please let Chris or I know. We will also have representatives from The Cornerstone Insurance Group present at the council meeting.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE DESIGNATING DEPOSITORIES FOR THE FUNDS  
AND MONEY OF THE CITY OF HIGHLAND, ILLINOIS**

WHEREAS, the City Council of the City of Highland deems it advisable – in accordance with Section 3.1-35-50 of the Illinois Municipal Code (65 ILCS 5/3.1-35-50) – to designate depositories for the funds and money of the City of Highland, Illinois;

WHEREAS, the City Council of the City of Highland has determined that Section 17 of the State Treasurer Act (15 ILCS 505/17) permits the designation of the Illinois Funds – which funds are part of the Public Treasurer’s Investment Pool established by the Treasurer of the State of Illinois – as a depository of the City of Highland, Illinois;

WHEREAS, the City Council finds it necessary to designate those persons, among its officers and employees, who shall have the authority, either singly or in combination, to consent to, and to direct, the expenditure, investment, or other transfer of the funds and money of the City of Highland, Illinois; and

WHEREAS, the City Council finds that, for the sake of promoting the efficient daily operation of the municipal government, it should approve a depository’s making electronic transfers of funds and money – either between Accounts of the City of Highland, or for the making of legally permissible investments for the City of Highland, or for the payment of expenses of the City of Highland – upon the depository’s receiving oral authorization or electronic authorization (by email or facsimile transmission) therefor from Director of Finance Kelly Korte or from Assistant Director of Finance Reanna Ohren;

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Highland, as follows:

*Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland.

*Section 2.* FCB Highland Bank, Regions Bank, and the Illinois Funds (hereinafter collectively referred to as the “City’s depositories”) are designated as depositories of the funds and money of the City of Highland, Illinois.

*Section 3.* The funds and money of the City of Highland, Illinois, deposited in the City's depositories may be withdrawn upon a properly authorized check, note, or written order of the City of Highland, Illinois.

*Section 4.* A check, note, or written order – for the withdrawal of the funds or money of the City of Highland – shall be deemed to be properly authorized only if it is made in accordance with the restrictions set forth in the following subsections that are applicable to the Account or Accounts in question: namely,

- 4(a). Checks drawn against the Operating Account and Payroll Account of this City shall be executed, with facsimile signatures of two individuals, by either the Mayor, City Clerk; City Treasurer, or City Manager, provided further, that, if such a check equals or exceeds Ten Thousand Dollars (\$10,000.00), the second signature must be a manual signature of one of the following persons: Mayor, City Clerk, City Treasurer or City Manager.
- 4(b). Checks drawn against the Street Bond Account, the Motor Fuel Tax Account, the Foreign Fire Insurance Fund, TIF #2- Bond, Public Safety Facility Bond Fund, City of Highland, IL Series 2019 Debt Service Reserve Fund, American Rescue Plan Act Fund, and the Illinois Funds shall be executed by the manual signature of any two of the following: the Mayor, City Manager, and the Director of Finance.
- 4(c). Checks drawn against the Cemetery Board of Managers Account shall be executed by the manual signature of any two of the following; the Treasurer of the Cemetery Board of Managers, the City Manager, and the Director of Finance.
- 4(d). Checks drawn against the Police General Seizure Account and the Police Asset Forfeiture Account shall be executed with manual signatures by the Interim Chief of Police and the second signature must be a manual signature of the City Manager.
- 4(e). The City Clerk shall certify to the City's depositories the manual or facsimile signatures of the authorized officers and employees identified in subsections 4(a), 4(b), 4(c), and 4(d) above.
- 4(f). No check, draft, note, or written order drawn against any of the Accounts identified in subsections 4(a), 4(b), 4(c), and 4(d) above shall be valid unless signed or authorized in accordance with this ordinance.

*Section 5.* The authorized officers and employees identified in subsections 4(a), 4(b), 4(c), and 4(d) above may file with the Secretary of State, of the State of Illinois, manual signatures, certified under oath. Each such authorized officer and employee (for the purpose of

placing his or her signature on a check, draft, note, or written order, as referred to in Section 4 above) may execute his or her signature manually, or, in lieu thereof, may cause his or her signature to be executed with a true and accurate facsimile signature.

*Section 6.* The City's depositories are authorized and directed to honor and to pay any check, draft, note, or written order drawn in accordance with the requirements of Section 4 above, regardless of (a) whether the check, draft, note, or written order is payable to the order of any such persons signing and/or countersigning the check, draft, note or written order, or (b) whether any such persons sign in their individual capacities or not, or (c) whether the check, draft, note or written order is deposited to the individual credit of the person so signing and/or countersigning the check, draft, note or written order or to the individual credit of any of the other officers or not.

*Section 7.* The City's depositories are authorized and directed to honor and to make electronic transfers of funds and money – either between Accounts of the City of Highland, or for the making of legally permissible investments for the City of Highland, or for the payment of expenses of the City of Highland – upon the depositories' receiving oral authorization or electronic authorization therefor *only from Director of Finance Kelly Korte or from Assistant Director of Finance Reanna Ohren.*

*Section 8.* The City of Highland, Illinois, may invest in Certificates of Deposit and other statutorily-allowed investments or securities at various banks (even though not among the City's depositories), and to sell, cash in or dispose of investments of the City, with proceeds to be payable to the City, provided (a) that the amount of the investment is fully covered by the FDIC or, to the extent not so covered, by legal collateral in accordance with Section 3.1-35-50(b) of the Illinois Municipal Code (65 ILCS 5/3.1-35-50(b)), and (b) that both the City Manager and Director of Finance authorize such investments (or the cashing in of such investments) by their manual signatures.

*Section 9.* This ordinance supersedes Ordinance #3102 dated May 3, 2021.

*Section 10.* This ordinance shall continue in force– and the City's depositories may consider the manual or facsimile signatures of the officers and employees designated in Section 4 above to be as set forth in the certification of the City Clerk, accompanying a copy of this

ordinance when delivered to the City's depositories, or in any similar, subsequent certification – until the City Clerk serves written notice to the contrary upon the City's depositories.

*Section 11.* This ordinance shall be effective upon its passage, approval, and publication in pamphlet form in accordance with law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

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Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

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Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois

CITY OF HIGHLAND SIGNATURE CERTIFICATION

This is to certify that the names and signatures below are those of the persons holding the offices and positions indicated:

Kevin B. Hemann, Mayor \_\_\_\_\_

Barbara Bellm, City Clerk \_\_\_\_\_

Neill Nicolaides, Treasurer \_\_\_\_\_

Christopher Conrad, City Manager \_\_\_\_\_

Kelly Korte, Director of Finance \_\_\_\_\_

Clifton Couch, Treasurer  
Cemetery Board of Managers \_\_\_\_\_

Reanna Ohren, Assistant Director  
Of Finance \_\_\_\_\_

Charles Becherer, Interim Chief of Police \_\_\_\_\_

(CORPORATE SEAL)

ATTEST:

\_\_\_\_\_  
Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois



# City of Highland

## Finance Department

MEMO TO: Christopher Conrad, City Manager  
FROM: Kelly Korte, Director of Finance  
SUBJECT: Banking Ordinance Update  
DATE: September 21, 2021

I have placed an Ordinance on the upcoming council agenda to include an additional bank account for the receipts and disbursements associated with the American Rescue Plan Act Funds. If anyone has any questions this, please contact me for clarification.



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING OWNER CHANGE ORDER NUMBER FOURTEEN FOR THE HIGHLAND PUBLIC SAFETY BUILDING, AND WAIVING COMPETITIVE BIDDING REQUIREMENT**

WHEREAS, the City of Highland, Madison County, Illinois (“City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined there is a change order needed at the newly constructed City Public Safety Building (“PSB”), including a change to cabinetry in the shift commanders closet to accommodate a weapons safe (*See Exhibit A*; “Owner Change Order Number Fourteen (14)”); and

WHEREAS, City has determined Owner Change Order Number Fourteen (14), comprised of the aforementioned request, will add zero dollars in additional costs to the PSB Project because it was part of the original Contract and accounted for under the Owner Contingency (*See Exhibit A*); and

WHEREAS, City has determined the pricing for Owner Change Order Number Fourteen (14), \$1,306.91 (*See Exhibit A*), can only be guaranteed for a short time, so time is of the essence; and

WHEREAS, City has determined it necessary to waive the competitive bidding requirement for this job and authorize Owner Change Order Number Fourteen (14) (**Exhibit A**); and

WHEREAS, City has determined it is in the best interests of public health, safety, general welfare and economic welfare to approve Owner Change Order Number Fourteen (14) (**Exhibit A**); and

WHEREAS, City Council finds that the Mayor and/or City Manager should be authorized and directed, on behalf of City, to execute any documents required to approve Owner Change Order Number Fourteen (14).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, MADISON COUNTY, ILLINOIS:**

*Section 1.* The foregoing recitals are incorporated herein as express findings of fact and legislative intent of the City Council of the City of Highland, Illinois.

*Section 2.* City has determined it is in the best interests of public health, safety, general welfare, and economic welfare to waive the competitive bidding requirement and approve Owner Change Order Number Fourteen (14) (**Exhibit A**).

*Section 3.* City Council finds that the Mayor and/or City Manager should be authorized and directed, on behalf of City, to execute any documents necessary to give force and effect to Owner Change Order Number Fourteen (14) (**Exhibit A**).

*Section 4.* This Resolution will be in full force and effect upon its passage and approval in accordance with the law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

---

Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

---

Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois

City of Highland  
 1115 Broadway  
 Highland, IL 62249

**Change Order**  
**NO. OCO 014**

**Title:** Owner Change Order #014 **Issue Date :** 09/13/21  
**Project:** Highland Public Safety Building **Job:** 0120061.00  
**To (Contractor):** S. M. Wilson & Co. **Contract Number:** 0120061.00 Highland Public Safety Building  
 2185 Hampton Ave., St. Louis, MO 63139  
 222 1st Ave., Suite A, Edwardsville, IL 62025  
 145 S. Mount Auburn Rd., Suite A, Cape Girardeau, MO 63703

**You are directed to make the following changes in this Contract:**

PCO	Description	Amount
096	24" Cabinet in Mud Room 160	0.00
<b>Total For Change Order:</b>		<b>0.00</b>

The work covered by this order shall be performed under the same Terms and Conditions as that included in the Original Contract .

<b>The original Contract Sum was</b> .....	<b>6,599,036.00</b>
<b>The net change by previously authorized Change Orders was</b> .....	<b>245,877.55</b>
<b>The Contract Sum prior to this Change Order was</b> .....	<b>6,844,913.55</b>
<b>The Contract Sum will be increased by this Change Order</b> .....	<b>0.00</b>
<b>The new Contract Sum will be</b> .....	<b>6,844,913.55</b>

The Contract Time will be unchanged

**Accepted By Contractor:**

S. M. Wilson & Co.  
 2185 Hampton Ave.  
 St. Louis, MO 63139

**By:** *Kerry Lantz*  
9/27/2021  
**Date:** \_\_\_\_\_

**Authorized By Owner:**

City of Highland  
 1115 Broadway  
 Highland, IL 62249

**By:** Chris Conrad  
9/28/2021  
**Date:** \_\_\_\_\_



S. M. Wilson & Co.  
 2185 Hampton Ave., St. Louis, MO 63139  
 222 1st Ave., Suite A, Edwardsville, IL 62025  
 145 S. Mount Auburn Rd., Suite A, Cape Girardeau, MO 63703

**CHANGE ORDER REQUEST**  
**No. 096**

<b>TO:</b> City of Highland 1115 Broadway P.O. Box 218 Highland IL 62249  <b>ATTN:</b> Christopher Conrad  <b>RE:</b> 24" Cabinet in Mud Room 160	<b>JOB #:</b> 0120061.00  <b>JOB NAME:</b> Highland Public Safety Building  <b>DATE:</b> September 11, 2021
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This change order request is associated with the additional costs to remove two upper cabinets from the wall in the Mud Room, relocate these cabinets to the electrical room, patch the holes left in the plaster wall in the mud room, and paint the wall in the mud room. Also included are the costs to furnish a 24" cabinet to be installed in the mud room at a later date. Installation of the cabinet by others. All per the direction from the City of Highland.

Description	Net Amount
VWR Construction	
This change order is associated with the additional costs to furnish a 24" cabinet for mud room 160.	475.00
Von Alst	
This subcontract change order is associated with the additional costs to patch the holes left behind from the wall cabinets that were removed, in mud room 160. 1 carpenter 3 hours to complete work, plus material costs.	350.00
AME	
This subcontract change order is associated with the additional costs to remove the two upper cabinets in the mud room and reinstall them in the electrical room. One carpenter two hours to complete work.	200.00
Morrissey Painting	
This subcontract change order is associated with the additional costs to paint the wall in the mud room where the cabinets were removed and the plaster wall was patched. One painter two hours to complete work, plus material costs.	250.00
Owner Contingency	
Using owner contingency to cover additional costs.	(1,306.91)
<b>Subtotal:</b>	<b>\$(31.91)</b>
Performance & Payment Bond:	\$3.09
General Liability:	\$5.07
Overhead and Profit:	\$23.75
<b>Total Cost:</b>	<b>\$0.00</b>

NOTES: 1. The approval of this Change Order Request is important to the progress of this project. Your approval is required as soon as possible. Upon execution of this Change Order Request, a Change Order will be processed and forwarded to you for signature.  
 2. This work is on hold pending authorization unless previously authorized.  
 3. Extension of time necessary for this change is 0 calendar days.



S. M. Wilson & Co.  
2185 Hampton Ave., St. Louis, MO 63139  
222 1st Ave., Suite A, Edwardsville, IL 62025  
145 S. Mount Auburn Rd., Suite A, Cape Girardeau, MO 63703

**CHANGE ORDER REQUEST**  
**No. 096**

<b>TO:</b>	City of Highland 1115 Broadway P.O. Box 218 Highland IL 62249	<b>JOB #:</b>	0120061.00
<b>ATTN:</b>	Christopher Conrad	<b>JOB NAME:</b>	Highland Public Safety Building
<b>RE:</b>	24" Cabinet in Mud Room 160	<b>DATE:</b>	September 11, 2021

This form will serve as our written authorization to proceed with the above work pending an official change order to our contract showing the revised contract amount .

City of Highland

DAVID A. LOYET AND ASSOC. INC.  
ARCHITECTS

S. M. WILSON & CO.

Christopher Conrad

Brad Homes

*Chris Conrad*

*[Signature]*

*[Signature]*

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Authorized Signature**

9/20/2021

9/16/2021

09/11/21

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**



City of Highland  
1115 Broadway, PO Box 218  
Highland, IL 62249

**To:** Honorable Mayor Hemann and City Council  
**From:** Chris Conrad- City Manager  
**Date:** September 29, 2021  
**Re:** Owner Change Orders 14 and 15 for the Public Safety Building Project

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I am submitting for your consideration and approval 2 change orders (OCO 14 and 15) for the Public Safety Building Project.

The first concerns Owner Change Order 14 which is a change order that falls under our Owner Contingency of the contract, so no additional cost to the City. This change order concerns a change to cabinetry in the shift commanders closet to accommodate a weapons safe. The cabinet that was there was reused in a storage area, and new smaller cabinet was ordered to accommodate space for our gun safe.

The second change order is Owner Change Order 15 which is a change above the contract amount. The change in this change order is additional lightening protection for the additional equipment put on the roof with regard to the stand-alone HVAC system for the rack room to accommodate the increased equipment going in that room. This cost is **\$2,110.19**

The total cost for this change order is **\$2,110.19**, and we recommend the approval of this change order. This change order combined with the previous above contract price change orders brings the total contract price to **\$228,525.55**. So our current total change order amount for the building remains at 3% of the project price with several of the change orders items we had intended to purchase outside of the contract or where functional additions (like the epoxy flooring). Change orders currently being discussed that pertain to the construction contract total \$14,820.00, and these are



City of Highland  
1115 Broadway, PO Box 218  
Highland, IL 62249

some unforeseen conditions that have been discovered as we complete the building.

**Budget Impact:** Our original budget for this project was \$7.1 million dollars with the source of the funds being the debt certificate proceeds and police department reserves which had been set aside for this project over many years. With this change order and other authorized purchases thus far, we have committed to \$7,140,460.19 in expenses.

I met with Finance Director Korte, Officer Bland, Chief Wilson and Jackie Heimburger about remaining incidental expenses such as additional electronic equipment, minor security fencing, a storage trailer, landscaping, etc. We had set for ourselves a hard number of \$700,000.00 in PD reserves of which we would not go below on this project. That is 3 months of operational expenses for the police department based on the current budget and is the reserve level we strive to maintain for all departments. Using this as a guide for the remaining incidental expenses, we expect to go over the original \$7.1-million-dollar budget by \$165,000.00, or roughly 2% of total project costs. We are very pleased with that number especially when roughly half of that overage is the epoxy flooring and the above mentioned HVAC system which add significant value to the building's intended purpose. We just received our first disbursement of the ARPA funds, and believe that the cost of the additional HVAC system for the additional equipment in the rack room will be a reimbursable expense which will add about \$25K back to the PD reserves.

We are working towards taking possession on October 1. A rough move-in date could be as early as mid-October depending upon the delivery of certain items and completion of work by our own staff once we have possession.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING OWNER CHANGE ORDER NUMBER FIFTEEN FOR THE HIGHLAND PUBLIC SAFETY BUILDING, AND WAIVING COMPETITIVE BIDDING REQUIREMENT**

WHEREAS, the City of Highland, Madison County, Illinois (“City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined there are change orders needed at the newly constructed City Public Safety Building (“PSB”), including:

1. HVAC system for the rack room to accommodate the increased equipment - \$2,110.19

See **Exhibit A** (“Owner Change Order Number Fifteen (15)”); and

WHEREAS, City has determined Owner Change Order Number Fifteen (15), comprised of the aforementioned requests, will add \$2,110.19 in additional costs to the PSB Project because it was not part of the original Contract (*See Exhibit A*); and

WHEREAS, City has determined the pricing for the materials needed for Owner Change Order Number Fifteen (15) can only be guaranteed for a short time, so time is of the essence; and

WHEREAS, City has determined it necessary to waive the competitive bidding requirement for this job and authorize Owner Change Order Number Fifteen (15) (**Exhibit A**); and

WHEREAS, City has determined it is in the best interests of public health, safety, general welfare and economic welfare to approve Owner Change Order Number Fifteen (15) (**Exhibit A**); and

WHEREAS, City Council finds that the Mayor and/or City Manager should be authorized and directed, on behalf of City, to execute any documents required to approve Owner Change Order Number Fifteen (15).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, MADISON COUNTY, ILLINOIS:**

*Section 1.* The foregoing recitals are incorporated herein as express findings of fact and legislative intent of the City Council of the City of Highland, Illinois.



*Section 2.* City has determined it is in the best interests of public health, safety, general welfare, and economic welfare to waive the competitive bidding requirement and approve Owner Change Order Number Fifteen (15) (**Exhibit A**).

*Section 3.* City Council finds that the Mayor and/or City Manager should be authorized and directed, on behalf of City, to execute any documents necessary to give force and effect to Owner Change Order Number Fifteen (15) (**Exhibit A**).

*Section 4.* This Resolution will be in full force and effect upon its passage and approval in accordance with the law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

---

Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

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Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois

City of Highland  
 1115 Broadway  
 Highland, IL 62249

**Change Order**  
**NO. OCO 015**

**Title:** Owner Change Order #015 **Issue Date :** 09/27/21  
**Project:** Highland Public Safety Building **Job:** 0120061.00  
**To (Contractor):** S. M. Wilson & Co. **Contract Number:** 0120061.00 Highland Public Safety Building  
 2185 Hampton Ave., St. Louis, MO 63139  
 222 1st Ave., Suite A, Edwardsville, IL 62025  
 145 S. Mount Auburn Rd., Suite A, Cape Girardeau, MO 63703

**You are directed to make the following changes in this Contract:**

PCO	Description	Amount
101	Lightning Protection	2,110.19
<b>Total For Change Order:</b>		<b>2,110.19</b>

The work covered by this order shall be performed under the same Terms and Conditions as that included in the Original Contract .

<b>The original Contract Sum was</b> .....	<b>6,599,036.00</b>
<b>The net change by previously authorized Change Orders was</b> .....	<b>246,575.55</b>
<b>The Contract Sum prior to this Change Order was</b> .....	<b>6,845,611.55</b>
<b>The Contract Sum will be increased by this Change Order</b> .....	<b>2,110.19</b>
<b>The new Contract Sum will be</b> .....	<b>6,847,721.74</b>

The Contract Time will be unchanged

**Accepted By Contractor:**

S. M. Wilson & Co.  
 2185 Hampton Ave.  
 St. Louis, MO 63139

**By:**   *Kerry Lantz*    
**Date:**   9/27/2021  

**Authorized By Owner:**

City of Highland  
 1115 Broadway  
 Highland, IL 62249

**By:**   *Chris Conrad*    
**Date:**   9/28/2021



S. M. Wilson & Co.  
 2185 Hampton Ave., St. Louis, MO 63139  
 222 1st Ave., Suite A, Edwardsville, IL 62025  
 145 S. Mount Auburn Rd., Suite A, Cape Girardeau, MO 63703

**CHANGE ORDER REQUEST**  
**No. 101**

<b>TO:</b>	City of Highland 1115 Broadway P.O. Box 218 Highland IL 62249	<b>JOB #:</b>	0120061.00
<b>ATTN:</b>	Christopher Conrad	<b>JOB NAME:</b>	Highland Public Safety Building
<b>RE:</b>	Lightning Protection	<b>DATE:</b>	September 23, 2021

This change order is associated with the additional lightning protection costs required due to the additional roof top equipment that was added during the project. Additional lightning protection is required on this equipment in order to provide a complete system.

Description	Net Amount
MC Electric	
This change order is associated with the additional lightning protection costs due to the roof top equipment that was added during construction.	2,009.70
<b>Subtotal:</b>	<b>\$2,009.70</b>
Overhead and Profit:	\$100.49
<b>Total Cost:</b>	<b>\$2,110.19</b>

NOTES: 1. The approval of this Change Order Request is important to the progress of this project. Your approval is required as soon as possible. Upon execution of this Change Order Request, a Change Order will be processed and forwarded to you for signature.  
 2. This work is on hold pending authorization unless previously authorized.  
 3. Extension of time necessary for this change is 0 calendar days.

This form will serve as our written authorization to proceed with the above work pending an official change order to our contract showing the revised contract amount .

City of Highland

DAVID A. LOYET AND ASSOC. INC.  
ARCHITECTS

S. M. WILSON & CO.

Christopher Conrad

Brad Homes

*Chris Conrad*

*[Signature]*

*Brad Homes*

Authorized Signature

Authorized Signature

Authorized Signature

9/27/2021

9/23/2021

**09/23/21**

Date

Date

Date

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING CITY OF HIGHLAND'S ACCEPTANCE OF REAL ESTATE AS A DONATION FROM ST. JOSEPH'S HOSPITAL, OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS, FOR USE AS A FUTURE ROAD, OR ANOTHER PUBLIC PURPOSE**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter "City"), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has the authority, pursuant to 65 ILCS 5/2-2-12, to acquire real estate for public purposes; and

WHEREAS, City intends to build a road connecting Troxler Street to US Route 40 on land currently owned by St. Joseph's Hospital, of the Hospital Sisters of the Third Order of St. Francis ("St. Joseph") and City ("Road Project"); and

WHEREAS, to complete the Road Project, City has determined it necessary to acquire property from St. Joseph, including:

Parcel Number: 02-1-18-33-00-000-001

Part of the Northwest Quarter of Section 33, Township 4 North, Range 5 West of the Third Principal Meridian, Madison County, Illinois, described as follows:

Commencing at the northeast corner of said Northwest Quarter; thence on an assumed bearing of South 01 degree 35 minutes 06 seconds East on the east line of said Northwest Quarter, 29.50 feet to the southerly right of way line of Troxler Lane; thence South 89 degrees 12 minutes 34 seconds West on said southerly right of way line, 27.90 feet; thence westerly 492.28 feet continuing on said southerly right of way line, being a curve to the left having a radius of 7,578.66 feet, the chord of said curve bears South 87 degrees 20 minutes 55 seconds West, 492.19 feet to

the westerly line of a tract of land described in the deed to the City of Highland, as recorded in the Recorder's Office of Madison County, Illinois as Document Number 2019R17504, said point being the Point of Beginning.

From said Point of Beginning; thence South 01 degree 35 minutes 06 seconds East on said westerly line, 981.78 feet; thence southeasterly 227.11 feet continuing on said westerly line, being a curve to the left having a radius of 272.00 feet, the chord of said curve bears South 25 degrees 30 minutes 16 seconds East, 220.57 feet; thence South 49 degrees 25 minutes 26 seconds East continuing on said westerly line, 56.65 feet to the northwesterly right of way line of United States Route 40, also known as Illinois Route 143; thence southwesterly 20.01 feet on said northwesterly right of way line, being a non-tangential curve to the right having a radius of 3,744.83 feet, the chord of said curve bears South 42 degrees 31 minutes 19 seconds West, 20.01 feet; thence North 49 degrees 25 minutes 26 seconds West, 55.97 feet; thence northwesterly 243.81 feet on a curve to the right having a radius of 292.00 feet, the chord of said curve bears North 25 degrees 30 minutes 16 seconds West, 236.79 feet; thence North 01 degree 35 minutes 06 seconds West, 980.73 feet to the southerly right of way line of Troxler Lane; thence easterly 20.03 feet on said southerly right of way line, being a non-tangential curve to the right having a radius of 7,578.66 feet, the chord of said curve bears North 85 degrees 24 minutes 43 seconds East, 20.03 feet to the Point of Beginning.

Said parcel contains 25,461 square feet or 0.5845 acre, more or less.

(hereinafter "Property") (*See* Commercial Real Estate Contract attached hereto as **Exhibit A**); and

WHEREAS, St. Joseph will donate the Property to City for the Road Project (*See* **Exhibit A**); and

WHEREAS, City has determined the Property will be accepted by City from St. Joseph for a public purpose, specifically the Road Project; and

WHEREAS, City has determined it to be in the best interest of public health, safety, general welfare, and economic welfare to authorize the City Manager and/or Mayor to execute any documents necessary to accept the Property and complete the Road Project.

**NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Highland as follows:**

*Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

*Section 2.* City has determined it to be in the best interest of public health, safety, general welfare and economic welfare to accept the Property (*See* **Exhibit A**) as a donation from St. Joseph for the Road Project.

*Section 3.* City has determined it to be in the best interest of public health, safety, general welfare and economic welfare to authorize the City Manager and/or Mayor to execute whatever documents may be necessary to accept the Property (*See Exhibit A*) as a donation from St. Joseph for the Road Project.

*Section 4.* This Ordinance shall be known as Ordinance No. \_\_\_\_\_ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

---

Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

---

Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois

**COMMERCIAL REAL ESTATE SALES CONTRACT**

**THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT LEGAL ADVICE.**

**THIS REAL ESTATE CONTRACT** ("Agreement") is made and entered into effective subsequent to the date of execution by all necessary parties and will become effective as of the date of approval by the corporate authorities of the City of Highland, Illinois (the "Effective Date"), by and between St. Joseph's Hospital, of the Hospital Sisters of the Third Order of St. Francis ("Donor" or "HSHS") and CITY OF HIGHLAND, ILLINOIS, an Illinois municipal corporation ("Donee" or "City").

**I. Gift of Property.** Donor agrees to gift, transfer, and convey to Donee and Donee agrees to accept from Donor, in accordance with the terms of this Agreement, all of Donor's right, title, estate, and interest in and to a portion of that certain real property known as:

Parcel Number: 02-1-18-33-00-000-001

Part of the Northwest Quarter of Section 33, Township 4 North, Range 5 West of the Third Principal Meridian, Madison County, Illinois, described as follows:

Commencing at the northeast corner of said Northwest Quarter; thence on an assumed bearing of South 01 degree 35 minutes 06 seconds East on the east line of said Northwest Quarter, 29.50 feet to the southerly right of way line of Troxler Lane; thence South 89 degrees 12 minutes 34 seconds West on said southerly right of way line, 27.90 feet; thence westerly 492.28 feet continuing on said southerly right of way line, being a curve to the left having a radius of 7,578.66 feet, the chord of said curve bears South 87 degrees 20 minutes 55 seconds West, 492.19 feet to the westerly line of a tract of land described in the deed to the City of Highland, as recorded in the Recorder's Office of Madison County, Illinois as Document Number 2019R17504, said point being the Point of Beginning.

From said Point of Beginning; thence South 01 degree 35 minutes 06 seconds East on said westerly line, 981.78 feet; thence southeasterly 227.11 feet continuing on said westerly line, being a curve to the left having a radius of 272.00 feet, the chord of said curve bears South 25 degrees 30 minutes 16 seconds East, 220.57 feet; thence South 49 degrees 25 minutes 26 seconds East continuing on said westerly line, 56.65 feet to the northwesterly right of way line of United States Route 40, also known as Illinois Route 143; thence southwesterly 20.01 feet on said northwesterly right of way line, being a non-tangential curve to the right having a radius of 3,744.83 feet, the chord of said curve bears South 42 degrees 31 minutes 19 seconds West, 20.01 feet; thence North 49 degrees 25 minutes 26 seconds West, 55.97 feet; thence northwesterly 243.81 feet on a curve to the right having a radius of 292.00 feet, the chord of said curve bears North 25 degrees 30 minutes 16 seconds West, 236.79 feet; thence North 01 degree 35 minutes 06 seconds West, 980.73 feet to the southerly right of way line of Troxler Lane; thence easterly 20.03

feet on said southerly right of way line, being a non-tangential curve to the right having a radius of 7,578.66 feet, the chord of said curve bears North 85 degrees 24 minutes 43 seconds East, 20.03 feet to the Point of Beginning.

Said parcel contains 25,461 square feet or 0.5845 acre, more or less.

(the "Property").

**II. Prorations and Adjustments.** The following prorations and adjustments shall be made at Closing:

- a. Taxes. All ad valorem real estate taxes ("Taxes") imposed on the Property for the year in which Closing occurs and any prior years which are not yet due and payable shall be prorated and adjusted to the Closing Date, hereinafter defined, based on the latest information available with respect to Taxes. All prorations will be on the basis of a 365-day year with the Closing Date being charged to Donee. The Taxes which are charged to Donee pursuant hereto shall be a Permitted Encumbrance, as defined below; and Donee shall be responsible for the payment of such Taxes when they become due. Any Taxes owed on the Property on the Closing Date, any tax liens assessed to the Property on the Closing Date, or any other tax related encumbrances on the Property shall be the responsibility of Donor and shall be paid prior to the Closing Date and according to this Agreement.
- b. Release of Encumbrances. Donor shall convey to Donee good, marketable, and insurable fee simple title to the Property, free and clear of all liens and encumbrances, subject only to: (i) the lien of taxes not yet due and payable, (ii) all matters shown in public records, (iii) any matter that is waived or not timely objected to by Donee that is shown on the Commitment (defined below), (iv) any matter that is waived or not timely objected to by Donee that would be shown by a current and accurate survey and/or inspection of the Property, (v) any matter created by or arising from an act, omission or acquiescence of Donee, its employees, agents, contractors or subcontractors; (vi) any lien or encumbrance relating to general or special assessments; (vii) any other matters of title to which Donee expressly consents to in writing. Each item listed shall be a "Permitted Encumbrance" and shall be collectively referred to as the "Permitted Encumbrances." Other than the Permitted Encumbrances, on or before Closing, Donor shall cause, at Donor's cost, any and all Taxes, assessments, liens, security interests, mortgages or deeds of trust and other encumbrances affecting the Property that were not caused by Donee ("Donor Encumbrances"), to be satisfied and released, unless they are assumed by Donee at Closing. The proceeds due at Closing may be applied to satisfy or pay any such Donor Encumbrances.
- c. Expenses. Donor shall be responsible to pay for all expenses in connection with the payment of any Donor Encumbrances and recording costs to release any



Donor Encumbrances, Donor's attorneys' fees, real estate transfer or documentary taxes, and customary escrow or closing fees charged by the Title Company.

Donee shall be responsible to pay for the recording fee for the deed, Donee's attorney's fees, the customary escrow or closing fees charged by the Title Company, Donee's title insurance endorsements, if any, Donee's lender's policy of title insurance and any endorsements thereto, if any, Donee's tests and inspections, Donee's survey, the premium for Donee's basic owner's policy of title insurance in the amount of the appraised amount, and such other expenses provided to be paid by Donee herein.

**DONEE AGREES TO PAY ALL CLOSING COSTS ASSOCIATED WITH THIS REAL ESTATE TRANSACTION.**

**III. Items to be delivered to Donee.** After purchase of the Property, Donor shall deliver to Donee, in the form of photocopies of executed originals, any documents related to the Property that Donor is aware of and able to locate ("Donor Documents"). Donee acknowledges and agrees that Donor acquired the Property years ago and, as a result, Donor may not be aware of the location or existence of some or all of the Donor Documents. Based on this information, Donee acknowledges and agrees that Donor will be deemed to have complied with this Section if Donor provides to Donee the Donor Documents that are known to exist, if any, by Donor after purchase of the Property, and without any obligation or duty being imposed on Donor to investigate or to confirm the accuracy or completeness of the Donor Documents.

**IV. Investigation of the Property.** From and after the date that this Agreement is signed by the last party hereto, Donor grants to Donee and its agents and representatives access to the Property for the sole purpose of conducting a complete physical inspection of the Property including, without limitation, preparation of boundary line, spot and topographical surveys, soil sampling and boring tests, and such other engineering, environmental, and mechanical inspections and investigations as Donee may reasonably require (collectively, "Investigations").

Donee shall indemnify, protect, defend and hold harmless the Donor against all mechanic's liens and other claims, demands, causes of action, liens, fines, damages, losses, costs and expenses (including attorneys' fees and litigation costs) and all other liabilities asserted against or incurred by the Property or Donor's ownership therein in connection with Donee's entry upon the Property or Donee's inspection, surveying, test borings or other work performed by or through Donee and Donee shall restore the Property to substantially the same condition as in which it existed prior to such Investigations. The Donee shall pay for all inspections and reports ordered by Donee, promptly; and shall not allow any liens to be filed against the Property. For purposes of Donee's indemnification of Donor described herein, the term "Donee" shall mean any agent, broker, contractor, employee, or representative of Donee. This provision shall survive Closing or other termination of this Agreement.

**V. Contingencies.** In addition to any other conditions set forth in this Agreement, Donee's acceptance of the Property shall be subject to the fulfillment of the following items by Donee on or before thirty (30) business days from execution of this contract and any and all required action(s) by City (the "Contingency Date") (each a "Contingency" and collectively, the "Contingencies"):

- a. Title Commitment/Examination. Donee, at Donee's cost and expense, may order a title search and commitment for title insurance ("Commitment") on the Property, together with complete copies of all exception documents to title ("Exceptions") from Title Company. Donee shall notify Donor, in writing on or prior to the expiration of the Contingency Date, if the Commitment reveals any Exceptions which are unacceptable to Donee; otherwise said Commitment shall be deemed approved and such Exceptions shall be deemed Permitted Encumbrances to which the deed conveying the Property to Donee shall be subject.
- b. Physical Inspection. Donee shall be satisfied with the results of the Investigations. Donee shall notify Donor, in writing, of any condition disclosed during its Investigations that is not satisfactory to Donee and Donor shall have thirty days (30) days to cure such condition, with the Contingency Date automatically extended for such period, if cure is undertaken.
- c. Survey. Donee, at its sole cost and expense, may order a survey of the Property (the "Survey"). Donee shall notify Donor, in writing on or prior to the expiration of the Contingency Date, if the Survey reveals any matter(s) affecting the Property unacceptable to Donee, including, but not limited to, discrepancies in the legal description on the Survey as compared to the legal description recorded in the chain of title, verification of the total acreage of the Property, the Property boundary lines, and the location of all recorded easements and other encroachments, if any, the location of the improvements on the Property, and any other considerations deemed necessary by Donee. Donee shall notify Donor, in writing, if the Survey reveals any encroachments or other survey conditions which are unacceptable to Donee. If Donee fails to provide written notice of its objection to any items, prior to the expiration of the Contingency Date, to Donor that (i) are disclosed on the Survey, or (ii) would have been disclosed on a survey of the Property if Donor would have secured a survey, such items shall be Permitted Encumbrances.
- d. Permitted Use. Donee shall determine the existing zoning and other governmental regulations that permit the use of the Property for Donee's intended use.

**If Donee does not give written notice to Donor on or before the Contingency Date that any one of the Contingencies has not been satisfied, then Donee's obligation under this Agreement shall be enforceable by Donor pursuant to the terms set forth herein.**

**If Donee does give written notice to Donor on or before the Contingency Date that any one of the Contingencies has not been satisfied, and Donor fails to cure the Contingency prior to the Closing date, this Agreement shall be terminated and be of no further force or effect, except for Donee's obligations and indemnity as stated herein.**

**VI. Closing**

- a. Place and Closing Date. Subject to the terms of this Agreement, the closing of the purchase and sale of the Property ("Closing") shall take place at Highland Community Title or Highland City Hall, on or before November 1, 2021, or after all Contingencies are waived by Donee ("Closing Date"), or on a mutually agreed to date.
- b. Donee waives any claim to contingencies or any right to the Contingency Date on the Closing Date as stated herein. **In all instances, the Closing Date and Contingency Date shall be the same date.**
- c. Possession. Donor shall deliver possession of the Property to Donee at Closing and shall remove all personal property that will be retained by Donor at that time.
- d. Donor's Obligations at Closing. At Closing, Donor shall execute and acknowledge in recordable form if necessary, the following documents (collectively, "Donor's Obligations") upon satisfaction of Donee's Obligations (as defined below):
  1. Deed. A Special Warranty Deed conveying fee simple title of the Property to Donee, subject to the Permitted Encumbrances.
  2. P-Tax Declaration. Execute along with Donee, an Illinois Transfer Tax Declaration Form.
  3. Donor's Plat Act Affidavit. A commercially reasonable Donor's Plat Act Affidavit.
  4. Affidavit of Non-Production and Non-Development. A commercially reasonable Donor's Affidavit of Non-Production and Non-Development.
  5. Non-Foreign Donor Affidavit. An affidavit of Donor in form and substance satisfactory to Donee setting forth Donor's United States taxpayer identification number and certifying that Donor is not a foreign person as that term is used and defined in Section 1445 of the United States Internal Revenue Code.
  6. Miscellaneous. Any other documents reasonably required by this Agreement, or Donee to be delivered by Donor or necessary to implement and effectuate the Closing hereunder, including without limitation, a settlement statement, or

other documents, consents, and approvals from Donor and any Tenant under any lease being assumed by Donee satisfactory to Donee.

- e. Donee's Obligations at Closing. At Closing, Donee shall, in addition to any other obligations of Donee as set forth in this Agreement, execute and deliver the following items to Donor, as the case may be (collectively, "Donee's Obligations"):
1. P-Tax Declaration. Execute along with Donor an Illinois Transfer Tax Declaration.
  2. Deed. Acknowledge and accept a copy of Donor's Special Warranty Deed conveying fee simple title of the Property to Donee, subject to the Permitted Encumbrances.
  3. Miscellaneous. Any other documents reasonably required by this Agreement, or Donor to be delivered by Donee or necessary to implement and effectuate the Closing hereunder, including, without limitation, a settlement statement, or other documents, consents, and approvals from Donee satisfactory to Donor.

**VII. Notices.** Any notice, request, approval, demand, instruction or other communication to be given to either party hereunder, except those required to be delivered at Closing, shall be in writing, and shall be conclusively deemed to be delivered when personally delivered, emailed, or when transmitted by telefax to the applicable telefax number followed with mailing by regular United States mail, addressed as follows:

If to Donor: ST. JOSEPH'S HOSPITAL, OF THE HOSPITAL SISTERS OF  
THE THIRD ORDER OF ST. FRANCIS  
Attention: President and CEO  
12866 Troxler Avenue  
Highland, Illinois, 62249  
Facsimile: (618) 651-2533

Copy To: HOSPITAL SISTERS HEALTH SYSTEM  
Attention: Patrick Langdon  
800 E. Carpenter Street  
Springfield, IL 62769  
Email: Patrick.Langdon@hshs.org

If to Donee: CITY OF HIGHLAND, ILLINOIS  
Attention: Christopher Conrad  
City Manager  
1115 Broadway  
P.O. Box 218  
Highland, Illinois, 62249-0218

Telephone: (618) 654-9891

Facsimile: (618) 654-4768

**VIII. Additional Covenants.**

- a. Brokerage. Donor and Donee each hereby represent and warrant to the other that neither has dealt with any broker or finder in connection with the transaction contemplated hereby, and each hereby agrees to indemnify, defend and hold the other harmless against and from any and all manner of claims, liabilities, loss, damage, attorneys' fees and expenses, incurred by either party and arising out of, or resulting from, any claim by any such broker or finder in contravention of its representation and warranty herein contained.

**IX. AS IS.**

- a. DONEE ACKNOWLEDGES AND AGREES THAT DONOR HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE WARRANTY OF TITLE), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (II) THE INCOME TO BE DERIVED FROM THE PROPERTY; (III) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH DONEE OR ANYONE ELSE MAY CONDUCT THEREON; (IV) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (V) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (VI) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (VII) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; OR (VIII) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND, SPECIFICALLY, THAT DONOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION, ZONING OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN OR ON THE PROPERTY OF HAZARDOUS MATERIALS EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. DONEE FURTHER ACKNOWLEDGES AND AGREES THAT, HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, DONEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION

PROVIDED OR TO BE PROVIDED BY DONOR ITS AGENTS, BROKERS, CONTRACTORS, OR EMPLOYEES. DONEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES; THAT DONOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION; AND THAT DONOR MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. DONOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON. DONEE FURTHER ACKNOWLEDGES AND AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS-IS" CONDITION AND BASIS WITH ALL FAULTS. ALL PROVISIONS OF THIS SUBSECTION SHALL SURVIVE CLOSING OR THE TERMINATION OF THIS AGREEMENT WITHOUT CLOSING, AS APPLICABLE.

**X. Litigation.**

- a. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois. The parties hereby consent to the exclusive jurisdiction of the State of Illinois and hereby consent and agree that any action or proceeding involving the interpretation of, enforcement of, or in any way relating to this agreement shall be brought in the Circuit Court in Madison County, Illinois.

**XI. Defaults and Remedies**

- a. Default by Donor. In the event that Donor shall have failed to have timely performed any of Donor's Obligations, covenants, and/or agreements contained herein which are to be performed by Donor, then Donee, at its option and as its sole and exclusive remedy, may either: (i) specifically enforce the provisions of this Agreement; or (ii) cancel and terminate this Agreement.
- b. Default by Donee. In the event that Donee shall have failed to have timely performed any of Donee's Obligations, covenants, and/or agreements contained herein which are to be performed by Donee, then Donor, at its option and as its sole and exclusive remedy, may either: (i) specifically enforce the provisions of this Agreement; or (ii) cancel and terminate this Agreement.

**XII. Miscellaneous**

- a. Binding Effect. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators,

- successors and assigns. This Agreement may not be assigned by Donee without the written approval of Donor.
- b. Donor and Donee Defined. The words "Donor" and "Donee" as used herein shall include all individuals, partnerships, limited liability companies, corporations, municipalities, public entities, any business entities of any kind, or any other entities whatsoever, as may be applicable to describe the parties to this Agreement.
  - c. Exhibits/Time Periods. Any reference herein to any exhibits, addenda or attachments refers to the applicable exhibit, addendum, or attachment that is attached to this Agreement, and all such exhibits, addenda or attachments shall constitute a part of this Agreement and are expressly made a part hereof. If any date, time period or deadline hereunder falls on a weekend or a state or federal holiday, then such date shall be extended to the next occurring business day.
  - d. Agreement Separable. If any provision hereof is for any reason held to be unenforceable or inapplicable, the other provisions hereof will remain in full force and effect in the same manner as if such unenforceable or inapplicable provision had never been contained herein, and any such unenforceable provision shall be reformed to, as nearly as possible, reflect the parties' intent in an enforceable manner.
  - e. Counterparts. This Agreement may be executed in several counterparts, via email, and/or via facsimile, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement. The parties further agree that signatures transmitted by email, facsimile, or in Portable Document Format (pdf) may be considered an original for all purposes, including, without limitation, the execution of this Agreement and the enforcement of this Agreement.
  - f. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
  - g. Fees. In the event of any dispute between the parties arising in connection with the subject matter of this Agreement, the party prevailing on the merits in any resulting action, mediation, arbitration, proceeding, or litigation shall be entitled to recover from the other party all fees, costs, and expenses including, without limitation, attorneys' fees, consultants' fees, and litigation costs, incurred in connection therewith.
  - h. Entire Agreement. This Agreement constitutes the entire agreement between Donor and Donee, and, except for any addenda attached hereto, there are no other covenants, agreements, promises, terms and provisions, conditions, undertakings, or understandings, either oral or written, between the parties concerning the Property other than those herein set forth. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding upon Donor or Donee unless in writing and signed by both Donor and Donee. No subsequent amendment or change to an addendum shall be binding, unless signed by both parties.

- i. Construction. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by one of the parties or party's brokers, it being recognized that both Donor and Donee have contributed substantially and materially to the preparation and/or negotiation of this Agreement.
  
- j. Compliance with Laws, Regulations, and Accreditation. Donee and Donor believe and intend that this Agreement complies with all relevant federal and state laws as well as relevant regulations. Should Donor or Donee have a good faith belief that this Agreement creates a material risk of violating any such laws or regulations, or any revisions or amendments thereto made prior to the Closing, Donor or Donee shall give written notice to the other party regarding such belief. The parties shall then make a good faith effort to reform the Agreement to comply with such laws and regulations. If, within thirty (30) days of Donor or Donee first providing notice to the other party of the need to amend this Agreement to comply with the laws and regulations, the parties, acting in good faith, are (i) unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or (ii) alternatively, the parties determine in good faith that amendments or alterations to the requirements are not feasible, then either may terminate this Agreement upon thirty (30) days prior written notice.

**XIII. Acceptance of Contract.** Donee and Donor intend to execute this Agreement prior to Donee obtaining the approvals necessary to give force and effect to this Agreement. Donee represents that this Agreement must be passed by Ordinance and by the affirmative vote of 2/3 of the corporate authorities then holding office. Neither Donee nor Donor shall have any obligation under this Agreement until Donee has obtained all necessary approvals to this Agreement having full force and effect; and, if such approvals have not been obtained by Donee prior to July 1, 2021 this Agreement shall have no force or effect unless an extension is agreed to by both parties.

**XIV. Reversion of Donated Parcel Should Parcel Not Be Used as a Public Street.**

Donor is donating the Property in consideration of the Property being developed into a public street by Donee. If the Property donated by Donor according to the Agreement is not developed into a public street within the next fifty (50) years, the Property may revert to Donor with all improvements. This right to reversion shall exist between Donor and Donee only and shall not be assigned without written consent from both parties. This right of reversion shall be reflected and noted on the deed of conveyance of the Property by Donor to Donee.

**XV. Ingress and Egress Easement.**

Donor is granted an ingress and egress easement with the ability to curb cut from the Property in accordance with the Ordinances of the City of Highland, Illinois ("Access



Easement”). The Access Easement shall run the length of the Property and shall give Donor easement access from the new public road onto Donor’s property.

**XVI. Deed Restrictions.**

Donor and Donee agree the Property is donated according to the following deed restrictions (“Deed Restrictions”):

1. The Property (which term includes any improvements that may be located thereon in the future) shall not be used to operate any healthcare facilities or to provide the following hospital or healthcare services, including, but not limited to any of the following: (a) short-term or long-term hospital, (b) urgent care center, (c) ambulatory surgery center, (d) cardiology center or catheterization laboratory, (e) orthopedics center, (f) cancer center, (g) dialysis center, (h) occupational therapy, speech therapy, language pathology or physical therapy center, (i) radiology or imaging center (including, but not limited to, magnetic resonance imaging (MRI), computerized tomography (CT), diagnostic ultrasound, mammography, bone density, PET-CT, or fluoroscopy center), (j) reproductive medicine center, (k) sleep center, (l) vision or dental center, (m) assisted living facility, skilled nursing facility or nursing facility, (n) rehabilitation or transitional care facility, (o) in-patient hospice center, (p) wellness or fitness center, (q) pharmacy, (r) invasive and/or intravascular procedures (s) osteoporosis screening services, (t) emergency or urgent care services, (u) any procedure involving the administration of a radiopharmaceutical for diagnosis, therapy or research (nuclear medicine), (v) any procedure requiring anesthesia which must be administered by an anesthesiologist or certified registered nurse anesthetist (CRNA) or other trained anesthetist; (w) medical office building used by physicians, nurses or healthcare professionals to see patients requiring medical attention; or (x) laboratory.
2. The Property shall not be used, without limitation, for any of the following (as these terms are understood within the Ethical and Religious Directives for Catholic Health Care Services, 6th ed.): (i) abortion procedures, (ii) family planning, pregnancy center or any form of healthcare delivery that offers or assists in the performance of abortion procedures, (iii) procedures related to embryonic stem cell harvesting, human cloning, or cryopreservation of human embryos, or (iv) physician assisted suicide or euthanasia.
3. The Property shall not be used for or as any of the following: (a) the sale of alcoholic beverages (where the sale of alcohol is the primary purpose), (b) the sale of tobacco (where the sale of tobacco is the primary purpose), (c) the sale of marijuana or any related products, (c) head shop store or any store that sells drug-related paraphernalia, (d) gambling activities that involve games of chance, (e) massage parlor, (f) adult book store, (g) peep show store, (h) adult entertainment establishment, (i) erotic dance establishment, (j) any store or club that sells pornographic materials, nude photos, sexual devices, magazines, videos, tapes or objects depicting nudity or sexual activity, (k) tattoo parlors, or (l) any store or club whose activities include the display of partially or totally nude males or females

(whether topless or bottomless). The prohibition in Section 3(e) of these Deed Restrictions is not intended to prevent the Property from being operated as a business that includes spa or massage therapy services. The prohibition in Section 3(l) of these Deed Restrictions is not intended to prevent the Property from being operated as a public or private pool.

4. The restrictions and covenants imposed on the Property pursuant to the terms and provisions hereof shall be binding upon the Donee and all present and future owners, users and occupants of the Property and shall inure to the benefit of the Donor, and its successors and assigns and shall run with and bind the Property. All covenants, restrictions and agreements of Donor and Donee hereunder, together with the benefits and burdens thereof shall be deemed to be real covenants which touch and concern the Property.
  
5. In addition to any and all other rights and remedies to which it may be entitled hereunder, at law or in equity, in the event of a breach or attempted breach of any of the restrictions or covenants set forth in this Deed on the part of any owner, user or occupant of all or any part of the Property or any improvements from time to time located thereon, Donor shall be entitled to the remedy of specific performance and injunctive relief in connection therewith and be permitted to recover all amounts expended in connection with exercising any such remedy (including, without limitation, court costs and attorneys' fees). Any breach hereunder on the part of Donee or its successors and assigns would cause immediate and irreparable harm and damage to Donor for which the remedy of monetary damages would be insufficient, inadequate and incomplete and impossible to quantify accurately. No failure by Donor to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a default shall constitute a waiver of any such right or remedy or any such term set forth herein. Any terms, provisions or restrictions in this Deed that are found to be in violation of the law or deemed to be unenforceable shall be severed from this Deed, shall be deemed to be null and void, and shall not affect the validity of any other term or provision of this Deed.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the date(s) below:

**DONOR:**

**ST. JOSEPH'S HOSPITAL, OF THE  
HOSPITAL SISTERS OF THE THIRD  
ORDER OF ST. FRANCIS  
12866 Troxler Avenue  
Highland, Illinois, 62249**

John Ludwig  
CEO

DocuSigned by:  
By: John Ludwig  
CC72BFCDE26C4D3...

Date: 9/29/2021

**DONEE:**

**CITY OF HIGHLAND, ILLINOIS  
1115 Broadway  
P.O. Box 218  
Highland, Illinois, 62249-0218**

Chris Conrad  
City Manager  
City of Highland, Illinois

By: 

Date: 9-20-21

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A PROPOSAL FOR PROFESSIONAL ENGINEERING SERVICES WITH OATES ASSOCIATES, INC. FOR THE PROPOSED BROADWAY RESURFACING PROJECT**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled

WHEREAS, City has determined Broadway Street in Highland, Illinois, needs to be resurfaced; and

WHEREAS, City staff has presented plans to City Council for the proposed Broadway resurfacing from Laurel Street to Poplar Street (hereinafter “Project”); and

WHEREAS, City has determined that resurfacing Broadway Street will benefit the health, safety, general welfare, and economic welfare of City residents; and

WHEREAS, City has consulted with Oates & Associates, Inc. (hereinafter “Oates”), an engineering firm, to assess the engineering needs for the Project; and

WHEREAS, Oates has prepared a proposal to provide professional engineering and surveying services in connection with the construction of the Project (hereinafter “Oates Proposal, attached hereto as **Exhibit A**); and

WHEREAS, Oates has agreed to furnish the above engineering services for approximately \$39,200.00 (**Exhibit A**); and

WHEREAS, City finds that the terms of the Oates Proposal (**Exhibit A**) are fair and reasonable, and City finds the Oates Proposal (**Exhibit A**) should be approved; and

WHEREAS, City has determined it to be in the best interests of public health, safety, general welfare, and economic welfare of City to approve the Oates Proposal (**Exhibit A**); and

WHEREAS, City finds that the City Manager and/or Mayor should be authorized and directed, on behalf of City, to execute the Oates Proposal (**Exhibit A**).

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Highland as follows:

*Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

*Section 2.* The Oates Proposal (**Exhibit A**) for the Project is approved.

*Section 3.* The City Manager and/or Mayor is authorized and directed, on behalf of the City of Highland, to execute and date the Oates Proposal (**Exhibit A**) for the Project.

*Section 4.* This Resolution shall be known as Resolution No. \_\_\_\_\_ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

---

Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

---

Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois



**Collinsville**  
 100 Lanter Court, Suite 1  
 Collinsville, IL 62234  
 618.345.2200

**St. Louis**  
 720 Olive, Suite 700  
 St. Louis, MO 63101  
 314.588.8381

**Belleville**  
 20 East Main Street  
 Belleville, IL 62220  
 618.416.4688

**St. Charles**  
 820 South Main, Suite 309  
 St. Charles, MO 63301  
 636.493.6277

September 16, 2021

Mr. Joe Gillespie  
 Director of Public Works  
 City of Highland  
 1113 Broadway, PO Box 218  
 Highland, Illinois 62249-0218

Re: Broadway Resurfacing  
 Laurel Street to Poplar Street

Dear Mr. Gillespie:

We propose to render professional engineering and surveying services in connection with the construction of the above referenced project (hereinafter called the "Project").

Our Basic Services will consist of preparing plans, specifications and estimates for the project, all as set forth in the attached Estimate of Person Hours. We will also furnish such Additional Services as you may request.

You agree to pay us for our Basic Services and any authorized Additional Services at the hourly rates set forth on Exhibit A. Billings for Basic Services are estimated at \$39,200.

All services are provided subject to the General Conditions shown on the attached Exhibit A. This proposal and the attachments represent the entire understanding between you and Oates Associates, Inc. with respect to the Project and may only be modified in writing signed by both of us. If it satisfactorily sets forth your understanding of our agreement, please sign the enclosed copy of this letter in the space provided below and return it to us.

Sincerely,

OATES ASSOCIATES, INC.

Steven M. Keil, PE, PLS  
 Project Manager

Jeffrey Rensing, PE, SE  
 Project Principal

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A HOURLY RATE SCHEDULE**

Principal Engineer	225.00
Senior Professional II	200.00
Senior Professional I	190.00
Professional IV	175.00
Professional III	160.00
Professional II	130.00
Professional I	115.00
Junior Professional	95.00
Technician III	140.00
Technician II	120.00
Technician I	90.00
Technician	75.00
Technician Intern	50.00

The above hourly rates are effective as of July 1, 2021 and are subject to adjustment annually.

### **TERMS**

When used below, the term "we" and "our" refers to Oates Associates, Inc. and its consultants, stockholders, agents and employees. The term "you" and "your" refers to the person or entity to whom this proposal is addressed.

### **PAYMENT PROVISIONS**

We will bill you monthly for services and reimbursable expenses. Our invoices are due and payable within 30 days of issuance. If invoices are not paid when due, we will stop work on the project until paid. In addition, a late charge of 1-1/2% per month will be assessed on invoices not paid within 30 days.

We will bill you for any direct costs we incur in the prosecution of this work. Direct costs may include subconsultants we contract to perform a portion of our scope. Reimbursable expenses will also include any out of pocket costs directly related to this project. Basis for billings of reimbursable expenses will be actual cost.

The above financial arrangements are on the basis of prompt payment of our bills and the orderly and continuous progress of the Project. We would expect to start our services promptly after receipt of your acceptance of this proposal. If there are protracted delays for reasons beyond our control, we would expect to negotiate with you an equitable adjustment of our compensation taking into consideration the impact of such delay including but not limited to changes in price indices and pay scales applicable to the period when services are in fact being rendered.

### **GENERAL LIABILITY AND LIMITATION THEREOF**

We agree to hold you harmless and to indemnify you on account of any liability due to bodily injury or property damage arising directly out of our negligent acts, but such hold harmless and indemnity will be limited to that covered by our comprehensive general liability insurance. At your request, we will provide certificates evidencing such coverage and, if available, will purchase additional limits of liability that you may require as a separate cost item to be borne by you.

#### **LIMITATION OF LIABILITY**

You recognize that our fee includes an allowance for funding a variety of risks which are imposed on us by virtue of our involvement in and association with your project. One of these risks stems from the potential for human error. In order for you to obtain a reduction in fee by virtue of a smaller allowance for risk funding, you agree to limit our professional liability to you for any and all claims, losses, expenses, injuries or damages (including consequential damages) to the extent caused by our professional acts, errors, or omissions, such that our total aggregate liability to you shall not exceed the total compensation received by us under this agreement, or the sum of \$50,000, whichever is greater. If you wish to discuss higher limits and the charges involved, you should speak with our personnel.

### **THIRD PARTY CLAIMS**

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either you or us. Our services under this Agreement are being performed solely for your benefit, and no other entity shall have any claim against us because of this Agreement or the performance or nonperformance of services hereunder. You agree to include a provision in all contracts with contractors and other entities involved in this project to carry out the intent of this paragraph.

## **GENERAL CONDITIONS (continued)**

### **OWNERSHIP AND USE**

Upon full payment of all sums due or anticipated to be due us under this Agreement and upon performance of all your obligations under this Agreement, the latest original Drawings and Specifications and the latest electronic data prepared by us for the Project shall become your property. This conveyance shall not deprive us of the right to retain electronic data or other reproducible copies of the Drawings and Specifications or the right to reuse information contained in them in the normal course of our professional activities. We shall be deemed the author of such electronic data or documents, shall retain all rights not specifically conveyed, and shall be given appropriate credit in any public display of such Drawings and Specifications. We will, however, retain ownership and possession of original recorded plats.

You will not use or authorize any other person to use the Drawings, Specifications, electronic data and other instruments of service on other projects, for additions to this Project or for completion of this Project by others so long as we are not adjudged to be in default under this Agreement. Reuse without our professional involvement will be at your sole risk and without liability to us. You agree to indemnify and hold us and our subconsultants or agents harmless from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of unauthorized reuse of Drawings, Specifications, electronic data or other instruments of service.

### **TIMING OF STANDARDS**

We endeavor to perform our services in accordance with standards, building codes, and ordinances in effect at the time of service using that level of care and skill ordinarily exercised by members of the profession currently practicing in the same or similar locality and under similar conditions. You understand that these standards and level of care and skill change with time and that substantially delayed use of our documents without our involvement is at your own risk.

### **TERMINATION, SUSPENSION OR ABANDONMENT**

You recognize that if you terminate, suspend or abandon this project we will incur many costs which we would not have incurred had the project continued to completion. Therefore it is agreed that an equitable adjustment to our compensation shall include but not be limited to all reasonable costs incurred by us on account of suspension or abandonment of the Project, for preparation of documents for storage; maintaining space and equipment pending resumption; orderly demobilization of staff; maintaining employees on a less than full-time basis; terminating employment of personnel because of suspension; rehiring former employees or new employees because of resumption; reacquainting employees with the Project upon resumption; and making revisions to comply with Project requirements at the time of resumption.

### **DISPUTE RESOLUTION**

In an effort to resolve any conflicts that arise during the design or construction of the Project or following the completion of the Project, you and we agree that all disputes between us arising out of or relating to this Agreement or the Project shall be submitted to non-binding mediation unless the parties mutually agree otherwise.

### **UNFORESEEN CONDITIONS**

Our services may be provided to assist you in making changes to an existing facility for which you shall furnish documentation and information upon which we may rely for its accuracy and completeness. Unless specifically authorized or confirmed in writing by you, we shall not be required to perform or to have others perform destructive testing or to investigate concealed or unknown conditions.

### **RELIANCE ON INFORMATION**

In the event documentation or information furnished by you is inaccurate or incomplete, all resulting damages, losses and expenses, including the cost of our Additional Services, shall be borne by you. You shall indemnify and hold harmless Oates Associates, Inc. our subconsultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, which arise as a result of documentation or information furnished by you.

### **CONSTRUCTION MEANS AND METHODS**

Performance of our services does not imply liability by us for Contractor means, methods, techniques, sequences or procedures of construction selected by Contractor or safety precautions and programs incident to the work of Contractor or for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor furnishing and performing their work. Accordingly we can neither guarantee the performance of the construction contracts by Contractor nor assume responsibility for Contractor failure to furnish and perform work in accordance with Contract Documents.

### **JOBSITE SAFETY**

Insofar as jobsite safety is concerned, we are responsible solely for our own and our employees' activities on the jobsite, but this shall not be construed to relieve you or any construction contractors from their responsibilities for maintaining a safe jobsite. Neither our professional activities nor the presence of our employees and subconsultants, shall be construed to imply we have any responsibility for methods of work performance supervision, sequencing of construction, or safety in, on, or about the jobsite. You agree that the general contractor is solely responsible for jobsite safety, and you warrant that this intent shall be made evident in your agreement with the general contractor. You also warrant we shall be made an additional insured under the general contractor's general liability insurance policy.

### **HAZARDOUS MATERIALS**

As used in this Agreement, the term "hazardous materials" shall mean any substances, including but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gasses and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the Project site.

You and we acknowledge that our scope of services does not include any services related to the presence of any hazardous or toxic materials. In the event that we or any other party encounter any hazardous materials, or should it become known to us that such materials may be present on or about the jobsite or any adjacent areas that may affect the performance of our services, we may, at our option and without liability for consequential or any other damages, suspend performance of our services under this Agreement until you retain appropriate consultants or contractors to identify and abate or remove the hazardous materials and warrant that the jobsite is in full compliance with laws and regulations regarding such materials.





FIRM: OATES ASSOCIATES, INC.  
 ROUTE: Broadway  
 CITY: Highland  
 COUNTY: Madison  
 JOB NO.: 221094  
 PTB NO.: N/A

ESTIMATE OF PERSON HOURS

TASK	PRIN.	SR. PROF. II	PROF. I	JR. PROF.	TOTAL	SCOPE OF WORK
<b>1.0 FIELD SURVEYS</b>		1	4	12	17	
1.1 horizontal & vertical control						included in 1.2
1.2 topography		1	4	12	17	
locate existing utilities						contact JULIE, measure structure depths
topo / profile / cross sections (surface features)						
drone survey		1	4	12	17	includes control, flight, and processing the aerial ortho photo. Broadway from Laurel to Poplar. Document existing conditions
supplemental field surveys						drainage surveys, sign surveys...
1.3 hydraulic survey						n/a
1.4 process survey data for CADD						included in 1.2
1.5 staking						n/a
<b>2.0 INTERSECTION DESIGN STUDY</b>						n/a
<b>3.0 PROJECT DEVELOPMENT REPORT</b>						n/a
<b>4.0 UTILITY &amp; RAILROAD COORDINATION</b>						n/a
<b>5.0 HYDRAULIC REPORT</b>						n/a
<b>6.0 BRIDGE CONDITION REPORT</b>						n/a
<b>7.0 GEOTECHNICAL REPORT</b>						n/a
<b>8.0 TYPE SIZE &amp; LOCATION PLANS</b>						n/a
<b>9.0 STRUCTURE PLANS</b>						n/a
<b>10.0 DRAINAGE</b>						n/a
<b>11.0 PRELIMINARY PLANS - ROAD</b>		20	52		72	
11.1 data collection/ criteria		4	12		16	
develop design criteria						
develop existing & proposed typical sections		4	12		16	modify 6 typ sect @ 2 hrs ea
pavement cores						n/a
11.2 horizontal alignment						n/a
11.3 vertical alignment						n/a
11.4 preliminary design development						
pavement analysis & design						assume not required, 2" mill and fill
intersection / interchange geometrics design						n/a
develop construction staging						n/a
guardrail/ barriers requirements						n/a
signage/ pavement markings						n/a
utility relocation requirements						n/a

FIRM: OATES ASSOCIATES, INC.  
 ROUTE: Broadway  
 CITY: Highland  
 COUNTY: Madison  
 JOB NO.: 221094  
 PTB NO.: N/A

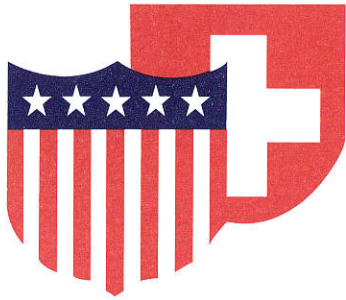
ESTIMATE OF PERSON HOURS

TASK	PRIN.	SR. PROF. II	PROF. I	JR. PROF.	TOTAL	SCOPE OF WORK
layout entrances						n/a
s/w ramp layouts						n/a
11.5 preliminary plan development		12	36		48	modify plan sheets (6) from contract 97735
11.6 preliminary cross-sections/ earthwork						n/a
11.7 submittals		4	4		8	
preliminary alignment						
preliminary plan		4	4		8	strip plot and meet with City
pre-final plan (field check)						
cost estimate						
<b>12.0 FINAL PLANS - ROAD</b>		<b>43</b>	<b>126</b>		<b>169</b>	
12.1 cover sheet		4	10		14	
location map/ project limits		1	2		3	
index of sheets		1	2		3	
standard drawings index		1	2		3	
general notes		1	4		5	
12.2 quantities		8	32		40	
pay items & code numbers		1	4		5	
pavement schedule & quantities		1	8		9	
entrances schedule & quantities						n/a
storm sewer schedule & quantities						n/a
pavement markings schedule & quantities		2	8		10	
removals schedule & quantities		2	8		10	
earthwork schedule & quantities						n/a
other schedules & quantities						n/a
summary of quantity schedule		2	4		6	
12.3 typical sections		1	4		5	
existing/ proposed typical sections - label pay-items/ thicknesses		1	4		5	address preliminary plan comments
structural pavement design table						n/a
12.4 construction detail sheets			12		12	
side streets			8		8	
pavement details			4		4	temp ramp, pavt markings
s/w ramp details/ sheets						n/a
drainage structures						n/a
retaining walls						n/a
guardrail/ barriers						n/a
survey tie points						n/a
12.5 intersection/ interchange sheets						n/a
12.6 maintenance of traffic						n/a
12.7 traffic signal plans						n/a
12.8 specialty plan sheets		8	16		24	
pavement markings		8	16		24	

FIRM: OATES ASSOCIATES, INC.  
 ROUTE: Broadway  
 CITY: Highland  
 COUNTY: Madison  
 JOB NO.: 221094  
 PTB NO.: N/A

ESTIMATE OF PERSON HOURS

TASK	PRIN.	SR. PROF. II	PROF. I	JR. PROF.	TOTAL	SCOPE OF WORK
signing plans						n/a
lighting plans						n/a
erosion control						n/a
landscape plans						n/a
<b>12.9 road plan/profile sheets</b>		4	16		20	address preliminary plan comments
<b>12.10 cross sections</b>						n/a
<b>12.11 contract documents</b>		12	24		36	
check sheets		1	2		3	
supplemental specifications		1	2		3	
interim special provisions (ISP)		1	2		3	
BDE special provisions		2	4		6	
special provisions		4	8		12	
estimate of time		1	2		3	
estimate of cost		2	4		6	
<b>12.12 bidding documents (local letting only)</b>		4	4		8	
notice to contractors		2			2	
proposal		1	2		3	
schedule of prices		1	2		3	
<b>12.13 final PS&amp;E submittal</b>		2	8		10	
plot and assemble final plans		2	4		6	
copy and review final CADD files						
copy and assemble computations			1		1	
copy and assemble contract documents			1		1	
final submittal and close-out			2		2	
obtaining signatures						
<b>13.0 RIGHT OF WAY</b>						n/a
<b>14.0 CONSTRUCTION PHASE SERVICES</b>						to be negotiated later.
<b>15.0 ADMINISTRATION / MANAGEMENT</b>		10			10	
<b>16.0 QA/QC</b>	4	6			10	



# City of Highland

**MEMO TO:** Christopher Conrad, City Manager  
**FROM:** Joe Gillespie, Director of Public Works  
**DATE:** September 30, 2021  
**SUBJECT:** Broadway Resurfacing Laurel Street to Poplar Street, PW-09-21  
Recommendation for Approval of Preliminary Engineering Services

## RECOMMENDATION

I recommend that you request council approval of a preliminary engineering services agreement with Oates Associates for the above referenced project for an estimated not to exceed \$39,200.

## DISCUSSION

The project consists of milling and overlaying Broadway with a new asphalt wearing surface from Laurel Street to Poplar Street. The extents coincide with the Broadway Streetscape project recently constructed. We did not receive funding for phase 2 of the Broadway Streetscape project. However, we will reapply when the funds become available again. Since it is not known if or when we can fund phase 2, we should proceed with resurfacing of phase 1. Construction is planned for early spring 2022.


The services include the preparing plans, specifications and estimates. Our resident engineer will oversee the project construction and management.

## FISCAL IMPACT

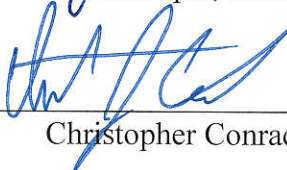
This project will utilize Non Home Rule Sales Tax funds.

## CONCURRENCE

Recommended by: \_\_\_\_\_

  
Joe Gillespie, Director of Public Works

Approved by: \_\_\_\_\_

  
Christopher Conrad, City Manager

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE DECLARING PERSONAL PROPERTY OF THE CITY OF  
HIGHLAND, ILLINOIS, SURPLUS AND AUTHORIZING ITS SALE AND/OR  
DISPOSAL, INCLUDING STREET AND ALLEY DIVISION EQUIPMENT, AND  
OTHER PERSONAL PROPERTY**

**WHEREAS**, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

**WHEREAS**, 65 ILCS 5/11-76-4 provides that whenever a municipality in the state of Illinois owns any personal property which, in the opinion of a simple majority of the corporate authorities then holding office, is no longer necessary or useful to, or in the best interests of the municipality to keep, a majority of the corporate authorities at any regular or special meeting called for that purpose, may: (1) by Ordinance authorize the sale of such personal property in whatever manner they designate with or without advertising the sale; or (2) may authorize any municipal officer to convert that personal property to the use of the City; or (3) may authorize any municipal officer to convey or turn in any specified article of personal property as part payment on a new purchase of any similar article; and

**WHEREAS**, the City Street and Alley Division currently owns equipment which, in the opinion of this City Council, is no longer necessary or useful to or in the best interests of the City to retain, and should be declared surplus personal property, including:

Dinzler Paint Machine -Paint Striper	VIN or Serial # 300101295
SMCI Tar Kettle - STEPP	VIN or Serial # SOJK16560
Wheel Loader - CASE	VIN or Serial # JFF0058069

**WHEREAS**, City has determined the City Manager or his designee is permitted to sell the surplus personal property for the maximum value that can be obtained, or to dispose of the surplus personal property where appropriate, to be determined solely by the City Manager or his designee; and

**WHEREAS**, City has determined it to be in the best interest of public health, safety, general welfare and economic welfare to declare the aforementioned personal property surplus, and sell and/or dispose of the same.

**NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Highland, Illinois, as follows:**

*Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

*Section 2.* That the City personal property, specifically:

Dinzler Paint Machine -Paint Striper	VIN or Serial # 300101295
SMCI Tar Kettle - STEPP	VIN or Serial # SOJK16560
Wheel Loader - CASE	VIN or Serial # JFF0058069

is hereby declared no longer useful to the City or necessary for City purposes, that the City personal property is declared surplus, and that it is in the best interest of the City to sell and/or dispose of the same.

*Section 3.* That the City Manager or his designee is directed and authorized to sell and/or dispose of the surplus personal property as the City Manager or his designee sees fit.

*Section 4.* That the City Manager is directed and authorized to sell the surplus personal property for the maximum value that can be obtained, or to dispose of the surplus personal property where appropriate, to be determined solely by the City Manager or his designee.

*Section 5.* That this Ordinance shall be known as Ordinance No. \_\_\_\_\_ and shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

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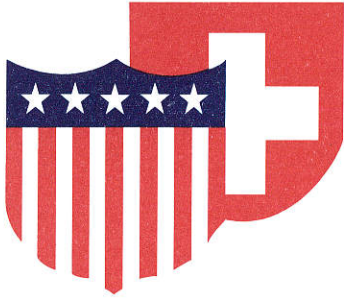
Kevin B. Hemann  
Mayor  
City of Highland  
Madison County, Illinois

ATTEST:

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Barbara Bellm  
City Clerk  
City of Highland  
Madison County, Illinois





# City of Highland

**MEMO TO:** Christopher Conrad, City Manager  
**FROM:** Joe Gillespie, Director of Public Works  
**DATE:** September 30, 2021  
**SUBJECT:** Declaring Surplus Property for the Street and Alley Division  
Paint Striping Machine, Tar Kettle, Wheel Loader  
Recommendation for Approval

## RECOMMENDATION

I recommend that you request council approval to declare a paint striping machine, tar kettle, and Case Wheel Loader in the Street and Alley division as surplus property.

## DISCUSSION

The division has a newer paint striping machine and does not use this older machine. The tar kettle is approximately 30 years old. The division has found it more cost effective to rent a kettle and not have the maintenance. The wheel loader is a 1999 Case 621B. The loader has become expensive to operate and the cab is nearly rusted through its mounts. We recently purchased a new loader that is shared with the Water Reclamation Facility. We intend to sell these items.

## FISCAL IMPACT

Funds from the sales will go in to the division account.

## CONCURRENCE

Recommended by: \_\_\_\_\_  
  
Joe Gillespie, Director of Public Works

Approved by: \_\_\_\_\_  
  
Christopher Conrad, City Manager

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING AND DIRECTING  
THE SALE OF CERTAIN SURPLUS PERSONAL PROPERTY  
OF THE CITY OF HIGHLAND, ILLINOIS  
(REFUSE DUMPSTERS)**

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WHEREAS, Section 11-76-4 of the Illinois Municipal Code (65 ILCS 5/11-76-4) provides that whenever a City owns any personal property which in the opinion of a simple majority of the corporate authorities then holding office is no longer necessary or useful to, or in the best interests of the City to keep, a majority of the corporate authorities at any regular or special meeting called for that purpose, may (1) by ordinance authorize the sale of such personal property in whatever manner they designate with or without advertising the sale, or (2) may authorize any municipal officer to convert that personal property to the use of the City, or (3) may authorize any municipal officer to convey or turn in any specified article of personal property as part payment on a new purchase of any similar article; and

WHEREAS, the City of Highland has certain personal property – namely, 1 yard dumpster (3), 2 yard dumpsters (3), 6 yard dumpsters (5), 8 yard dumpsters (6), and 4 yard dumpsters (5) and the City Council finds and determines that the personal property is no longer necessary or useful to the City and that it is not in the best interests of the City to retain the personal property;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Highland, Illinois, as follows:

*Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.

*Section 2.* 1 yard dumpster (3), 2 yard dumpsters (3), 6 yard dumpsters (5), 8 yard dumpsters (6), and 4 yard dumpsters (5) are declared to be no longer useful to the City or necessary for City purposes.

*Section 3.* It is in the best interests of the City to dispose of and to scrap the 1 yard dumpster (3), 2 yard dumpsters (3), 6 yard dumpsters (5), 8 yard dumpsters (6), and 4 yard dumpsters (5).

*Section 4.* The City Director of Finance is hereby authorized and directed to sell for scrap the 1 yard dumpster (3), 2 yard dumpsters (3), 6 yard dumpsters (5), 8 yard dumpsters (6), and 4 yard dumpsters (5) in whatever manner she shall designate, with or without advertising the sale.

*Section 5.* The City Director of Finance is hereby authorized and directed to execute any documents necessary to complete the sale for scrap of the 1 yard dumpster (3), 2 yard dumpsters (3), 6 yard dumpsters (5), 8 yard dumpsters (6), and 4 yard dumpsters (5) and to deposit the proceeds of the sale into the City treasury.

*Section 6.* This ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form as provided by law.

Passed by the City Council of the City of Highland, Illinois, approved by the Mayor, and deposited and filed in the Office of the City Clerk, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

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Kevin B. Hemann  
Mayor  
City of Highland, Madison County, Illinois

ATTEST:

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Barbara Bellm  
City Clerk  
City of Highland, Madison County, Illinois



# City of Highland

## Finance Department

MEMO TO: Christopher Conrad, City Manager  
FROM: Kelly Korte, Director of Finance  
SUBJECT: Surplus Property Request  
DATE: September 24, 2021

The City's trash contractor has determined that there are more dumpsters that are no longer suitable and not cost effective to be repaired. I am requesting approval by the City Council to surplus a total of 22 additional dumpsters that have become unsuitable for use. These dumpsters have been in use since 2010. We will be obtaining quotes to replace some, if not all, of these dumpsters in the near future in order for commercial customers to be serviced by our trash contractor.



Check No.	Vendor/Employee	Transaction Description	Date	Amount
Fund: 001 General Fund				
Department: 000 Balance Sheet Accounts				
6444	AMAZON CAPITAL SERVICES	QTY 7 - AVERY SHIPPING LABELS, LASER PRINTERS, PERM ADHESIVE	09/24/2021	275.69
6552	TRIPACK, INC.	Supplies for Central Purchasing.	09/24/2021	988.63
Total for Department: 000 Balance Sheet Accounts				1,264.32
Department: 011 General Admin				
ACH PAID	US POSTAL SERVICE	SEPTEMBER UTILITY BILLING POSTAL CHARGES	09/20/2021	2,746.17
6444	AMAZON CAPITAL SERVICES	LOGITECH WEBCAM (QTY6), HDMI ADAPTER	09/24/2021	278.17
6448	Aramark Uniform Services	AUGUST RUG SERVICE	09/24/2021	51.28
6449	AssuredPartners Cornerstone LLC	AUGUST FSA PLAN ADMIN / DEBIT CARD FEE	09/24/2021	208.00
6464	City Utilities	UTILITIES - CITY HALL	09/24/2021	910.47
6472	DJ Howards & Assoc. Inc.	BENSON / NICKERSON PROPERTY APPRAISAL - US RTE 40 VACANT LAND	09/24/2021	2,000.00
6480	FRONTIER	PHONE CHARGES - ALARM	09/24/2021	47.03
6493	Highland Area Christian Servic	JULY GOOD SAMARITAN	09/24/2021	1,645.86
6494	Highland Communication Services	HCS SERVICES - HACSM	09/24/2021	51.95
6505	Mastercard	ITIA CONFERENCE CHRIS CONRAD	09/24/2021	2,677.43
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,102.00
6530	ROBERT (BOB) SANDERS WASTE SYST	CITY HALL RECYCLING SERVICES	09/24/2021	7.50
6532	SANDBERG PHOENIX & VON GONTAR	LEGAL FEES THROUGH 08/31/2021- JM	09/24/2021	247.67
6534	SPRINGBROOK HOLDING COMPANY L	PROFESSIONAL SERVICES FOR ESS MODEULE (@ \$120 FOR .25HRS)	09/24/2021	30.00
6543	THE HOWARD E NYHART CO. INC.	GASB 67/68 REPORT & ADMIN SERV 08/01/2021-08/31/2021	09/24/2021	2,750.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	1,776.96
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	437.87
6560	Watts Copy Systems Inc.	COPIER LEASE / USAGE - LANAS COPIER	09/24/2021	107.94
6565	ZOOM VIDEO COMMUNICATIONS, INC	BIZ MONTHLY (09/21/2021-10/20/2021)	09/24/2021	199.90
Total for Department: 011 General Admin				17,276.20
Department: 012 Police Dept				
ACH PAID	S.M. WILSON & CO	NEW PSB GENERAL CONSTRUCTION PAY APP 12	09/24/2021	33,387.32
ACH PAID	CHARLES J BECHERER	INTERIM CHIEF OF POLICE PER CONTRACT	09/21/2021	5,000.00
6440	MORROW BROTHERS FORD INC	POLICE VEHICLE 2021 VIN # 1FMSK8ABXMGB24848	09/20/2021	36,780.00
6443	Albers Fire Prot. Equipment Inc.	QTY 8 - FIRE EXTINGUISHER INSPECTION	09/24/2021	61.00
6444	AMAZON CAPITAL SERVICES	TV WALL MOUNTS FOR NEW PSB	09/24/2021	1,733.99
6445	Ameren Illinois	NEW PUBLIC SAFETY BUILDING GAS UTILITIES	09/24/2021	295.53
6446	ANIXTER, INC.	HCS ITEMS FOR NEW PSB CAT6 BOXES	09/24/2021	453.70
6448	Aramark Uniform Services	AUGUST RUG SERVICE	09/24/2021	60.70
6464	City Utilities	POLICE DEPT-TOWER	09/24/2021	5,633.78
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	2.16
6480	FRONTIER	POLICEDEPT FAX LINE	09/24/2021	39.51
6492	Heros In Style	Uniforms for B. Sutton Polos shirts and pants	09/24/2021	250.95
6497	Illinois Prosecutor Services, LLC	FOIA membership	09/24/2021	100.00
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	42.40
6502	Karen Leadbetter	LEADBETTER UNIFORM ITEMS	09/24/2021	64.66
6505	Mastercard	EQUIPMENT FOR KINGERY	09/24/2021	356.83
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,102.00
6525	Quench USA, Inc	POLICE DEPT WATER COOLER	09/24/2021	1,181.61
6528	Reding Tire & Battery Inc	INSULATOR ASSEMBLY ENGINE SUPPORT, CONTROL ARM LEFT / RIGHT	09/24/2021	859.38
6529	Ressler & Assoc Inc	REPLACEMENT COOLING FAN FIT (2)	09/24/2021	354.18
6530	ROBERT (BOB) SANDERS WASTE SYST	PD RECYCLING SERVICES	09/24/2021	15.00
6532	SANDBERG PHOENIX & VON GONTAR	LEGAL FEES THROUGH 08/31/2021 - LABOR & EMPLOYMENT SPECIAL PROJE	09/24/2021	1,000.00
6533	Splish Splash Auto Bath LLC	AUGUST PD CAR WASHES	09/24/2021	210.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	156.87
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	760.07
6562	WEX BANK	AUGUST FUEL	09/24/2021	4,095.23
Total for Department: 012 Police Dept				93,996.87
Department: 013 Building & Zoning				
ACH PAID	CARDPOINT MERCHANT SERVICES	SEPTEMBER CREDIT CARD FEES	09/20/2021	221.23
6444	AMAZON CAPITAL SERVICES	QTY 1 - 4 INK CARTRIDGES -BLACK, CYAN, MAGENTA, YELLOW	09/24/2021	135.59
6445	Ameren Illinois	GAS CHARGE	09/24/2021	9.77
6450	BARNETT PEST SOLUTIONS	INSPECTION AND TREATMENT	09/24/2021	28.00
6451	BASS COMPANY LLC	Ordinance Violation Notices	09/24/2021	198.00
6456	BRIDGEPAY NETWORK SOLUTIONS	BRIDGE PAY FEE	09/24/2021	6.20
6463	City Of Highland	UTILITY CHARGE	09/24/2021	416.27
6468	Crawford, Murphy & Tilly Inc	PROFESSIONAL PERSONNEL	09/24/2021	60.00
6471	DigitalArtz LLC	GRAPHIC INSTALLATION	09/24/2021	150.00
6480	FRONTIER	COMMUNICATION CHARGE	09/24/2021	39.52
6494	Highland Communication Services	COMMUNICATION CHARGE	09/24/2021	237.00

6505	Mastercard	PICTURE FRAMES FOR BUILDING AND ZONING	09/24/2021	312.45
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,102.00
6530	ROBERT (BOB) SANDERS WASTE SYST BZ RECYCLING SERVICES		09/24/2021	15.00
6532	SANDBERG PHOENIX & VON GONTAR	LEGAL FEES THROUGH 08/31/2021- JM	09/24/2021	247.67
6544	The Kwik Konnection Printing Inc	LEGAL FOR MILES MAGGIO- DENT SPECIALIST	09/24/2021	80.00
6550	Trendy Tees & More LLC	BUILDING AND ZONING LOGO ON SHIRTS	09/24/2021	42.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	259.03
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	201.65
6562	WEX BANK	AUGUST FUEL	09/24/2021	60.23

Total for Department: 013 Building & Zoning 3,821.61

Department: 014 Fire Dept

6445	Ameren Illinois	GAS CHARGES - STATION # 1	09/24/2021	134.30
6464	City Utilities	UTILITIES - FIRE STATION # 2	09/24/2021	1,109.36
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	2.16
6470	DATATRONICS, INC	1.75 HRS LAND MOBILE LABOR / MILEAGE CHARGE - TRUCK # 1517	09/24/2021	246.75
6476	EMERGENCY SERVICES MARKETING (	1YR SUBSCRIPTION (7/20/21-7/19/22), SET UP FEE, 1YR PHONE CALL	09/24/2021	860.00
6480	FRONTIER	PHONE CHARGES - STATION # 2	09/24/2021	47.02
6481	Frost Electric Supply Co. Inc.	OUTLETS FOR PUBLIC SAFETY BUILDNG TO PLUG FIRE TRUCKS IN	09/24/2021	138.99
6484	GLOBAL TECHNICAL SYSTEMS, INC	REPLACED ANTENNA ON RADIO	09/24/2021	136.51
6494	Highland Communication Services	HCS SERVICES - FIRE STATION #1	09/24/2021	2.00
6505	Mastercard	FUEL UNIT # 1527 - MABAS 35 MISSION	09/24/2021	333.89
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	79.32
6554	UNITED COMMUNICATIONS CORP.	PAGER & NEW BATTERY W/ 12 MNTH WARRANTY	09/24/2021	1,282.78
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	195.26
6562	WEX BANK	AUGUST FUEL	09/24/2021	220.04

Total for Department: 014 Fire Dept 4,788.38

Department: 017 Streets / PW Admin

6444	AMAZON CAPITAL SERVICES	QTY 2 - TILLMAN 1414 TOP GRAIN LEATHER DRIVING GLOVES	09/24/2021	46.80
6445	Ameren Illinois	Utilities	09/24/2021	55.11
6447	APEX PHYSICAL THERAPY	PW NEW HIRE TESTING / STREET ALLEY - KURTIS SKOGLEY	09/24/2021	157.00
6457	Broadway Battery & Tire	Thunderer R501 Trailer Tire F/12. - Tilt Bed Trailer.	09/24/2021	223.00
6464	City Utilities	Utilities	09/24/2021	1,326.99
6465	COMPUSTITCH SCREEN PRINTING ANI	CITY LOGO EMBROIDERY ONLY FOR - BRET KLEIN (QTY 4)	09/24/2021	272.80
6494	Highland Communication Services	Communication Services	09/24/2021	33.95
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	237.93
6500	Journal Printing	200 Parade Route Signs	09/24/2021	65.00
6501	Korte Landscaping	Weed all 3 Roundabouts & Troxler City Signs x 2	09/24/2021	300.00
6504	Lucy Equipment Services	2021 CASE 621G Wheel Loader - Share with WRF.	09/24/2021	90,600.00
6507	MCCLATCHY	Legal Ad 8/18/21 & 8/25/21- Broadway & Zschokke Parking Lot	09/24/2021	331.52
6508	McKay Auto Parts Inc	Oil Dry	09/24/2021	31.26
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	79.32
6514	Northtown Auto & Tractor	Hydraulic Hose - Bulk, 6G-6FFORX	09/24/2021	67.66
6515	Nu Way Concrete Forms Troy LLC	Stakes, Cement Finish Push Broom, Broom Bracket Adapter	09/24/2021	64.32
6516	Oates Associates Inc	HIGHLAND PARKING LOT BROADWAY/ZSCHOKKE SERVICE-7 /31/21-8/27/21	09/24/2021	3,108.75
6517	OCCUPATIONAL HEALTH & WELLNES	New Employee- Drug Screen, 5 panel rapid - kskogley	09/24/2021	25.00
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,102.00
6527	Red E Mix LLC	88PCCEV43 SI/PV, Super P -Tic. 60242078-MEADOWLARK proj.	09/24/2021	3,026.50
6531	Safe Supply Company Inc	Air/water hose, Hydraulic hose, Male NPTF Pipe- Swivel & Rigid	09/24/2021	403.16
6532	SANDBERG PHOENIX & VON GONTAR	LEGAL FEES THROUGH 08/31/2021- JM	09/24/2021	247.66
6547	Thole Fabrication & Welding Inc	6.00 x 6.00 x .125 Steel bend angsel 36.00 long truck bed.	09/24/2021	300.00
6551	Tri Ford Inc	Truck # 607 - Oil and filter change, inspection, battery test	09/24/2021	108.53
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	24.12
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	244.05
6562	WEX BANK	AUGUST FUEL	09/24/2021	391.38
6563	Wissehr Electrical Contractors Inc	Service call - IL 160 & Cypress St. - Red LED dark SB on Cypress	09/24/2021	132.50

Total for Department: 017 Streets / PW Admin 103,006.31

Total for Fund:001 General Fund 224,153.69

Fund: 007 Community Development Fund

Department: 007 Community Development

6503	LINDOW CONTRACTING, INC	100N HARVEST CREST-SINGLE FAMLII HOME INCENTIVE PAY-EXISTING SUB	09/24/2021	4,000.00
6505	Mastercard	JIMMY JOHNS - IDC MEETING	09/24/2021	94.68
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	0.73
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	51.22

Total for Department: 007 Community Development 4,146.63

Total for Fund:007 Community Development Fund 4,146.63

Fund: 008 Motor Fuel Tax Fund

Department: 008 Motor Fuel Tax

6461	Christ Bros Inc	HMA: N50 Surface - LEB - OIL & CHIP projec	09/24/2021	1,561.52
6473	Don Anderson Co	HFRS 2 - MFT - Oil & Chip project	09/24/2021	35,967.40

Total for Department: 008 Motor Fuel Tax 37,528.92

Total for Fund:008 Motor Fuel Tax Fund 37,528.92

Fund: 009 Parks & Rec Fund

Department: 009 Korte Rec Center

ACH PAID	CARDPOINT MERCHANT SERVICES	SEPTEMBER CREDIT CARD FEES	09/20/2021	466.08
6444	AMAZON CAPITAL SERVICES	QTY 1 - IPHONE CHARGER, QTY 3 - IPHONE SE 2020 CASE	09/24/2021	70.79
6445	Ameren Illinois	Gas utilities-KRC	09/24/2021	168.85
6458	BUILDINGSTARS INC	KRC cleaning service	09/24/2021	2,663.00
6463	City Of Highland	Utilities-krc sprinklers	09/24/2021	13,802.73
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	151.51
6467	CONTINENTAL RESEARCH CORPORAT	Melt away salt for this winter	09/24/2021	535.02
6471	DigitalArtz LLC	Gobble Hobble Banner	09/24/2021	120.00
6475	ECOLAB	Hand sanitizer	09/24/2021	230.44
6477	Essenpreis Plumbing & Htg	New faucet in restroom upstairs-krc	09/24/2021	230.37
6480	FRONTIER	krc phone bill	09/24/2021	172.79
6488	Heather Harris	Refund for cancelled party	09/24/2021	120.00
6494	Highland Communication Services	KRC wifi	09/24/2021	334.23
6495	Highland Pool & Spa Inc	pool chemicals	09/24/2021	18.95
6499	JOHN DEERE FINANCIAL	Denatured alcohol for slide paint removal	09/24/2021	12.99
6505	Mastercard	Party favor materials	09/24/2021	262.31
6530	ROBERT (BOB) SANDERS WASTE SYST	KRC RECYCLING SERVICES	09/24/2021	15.00
6535	Toni Stackpole	Refund for cancelled birthday party	09/24/2021	120.00
6539	Tech Electronics Inc	central monitoring coverage	09/24/2021	81.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	210.16
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	51.22

Total for Department: 009 Korte Rec Center 19,837.44

Department: 016 Parks & Recreation

6441	A 1 Security Specialist Inc	padlocks and keys for Brad/parks	09/24/2021	232.86
6444	AMAZON CAPITAL SERVICES	QTY 2 - ROCKNIGHT POLARIZED SPORTS SUNGLASSES MED BLUE RIMELSS	09/24/2021	156.22
6445	Ameren Illinois	Gas utilities-senior center	09/24/2021	125.12
6463	City Of Highland	Utilities	09/24/2021	6,988.63
6465	COMPUSTITCH SCREEN PRINTING ANI	CITY LOGO EMBROIDERY / SHIRTS FOR RYAN HUMMERT (QTY 6)	09/24/2021	209.84
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	3.02
6477	Essenpreis Plumbing & Htg	Restrooms at the square - Woodford 2" sillcock	09/24/2021	495.10
6480	FRONTIER		09/24/2021	47.03
6482	St. Clair Service Company FS Turf Solutions	Sotriion and Sure Power for fields	09/24/2021	257.50
6490	HEARTLANDS CONSERVANCY	Watershed plan	09/24/2021	2,368.50
6491	Helitech	Remainder due for lifting restroom at Rinderer Park	09/24/2021	7,512.78
6494	Highland Communication Services	senior center wifi	09/24/2021	19.90
6499	JOHN DEERE FINANCIAL	Bungey for Brad	09/24/2021	1,108.21
6505	Mastercard	Budwiser Brewery Experience- YAH trip	09/24/2021	679.17
6506	Larry Mathews	Refund for trip Larry can't attend	09/24/2021	176.00
6511	MUNIE TRENCHING & EXCAVATING, I	Highland Rec Center Lake Improvements	09/24/2021	18,700.00
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	79.32
6513	Michael Nitro	Thursday night live performer on 9/30/2021	09/24/2021	500.00
6515	Nu Way Concrete Forms Troy LLC	Aluminum Concrete Placer	09/24/2021	21.55
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,102.00
6537	SUMNER ONE, INC.	wcc printer	09/24/2021	52.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	49.18
6556	Vandalia Bus Lines Inc	Bus trip to Botanical Gardens	09/24/2021	855.00
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	250.81
6562	WEX BANK	AUGUST FUEL	09/24/2021	3,070.76
6566	Jamie Keys	SUMMER MUNY BAND PAYROLL 2021- REPLACEMENT CK 6183	09/23/2021	320.00
6571	GREGORY BISHOP	SOUND & LIGHTING FOR 9/30/2021 PERFORMANCE AT SQUARE- FIREBALL	09/30/2021	500.00
6572	The Sherwin Williams Co	QTY 1 - PRO PARK WB RED	09/29/2021	92.18

Total for Department: 016 Parks & Recreation 45,972.68

Department: 503 Swimming Pool Fund

6463	City Of Highland	Utilities- pool	09/24/2021	302.48
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Total for Department: 503 Swimming Pool Fund 302.48

Department: 715 Cemetery Fund

6463	City Of Highland	Utilities-cemetery chapel	09/24/2021	69.93
6499	JOHN DEERE FINANCIAL	wasp and hornet killer for cemetery	09/24/2021	165.73
6527	Red E Mix LLC	washed sand for cemetery	09/24/2021	115.00

Total for Department: 715 Cemetery Fund 350.66

Total for Fund:009 Parks & Rec Fund 66,463.26

Fund: 012 Business District A

Department: 012 Police Dept

ACH PAID	S.M. WILSON & CO	NEW PSB GENERAL CONSTRUCTION PAY APP 12	09/24/2021	297,486.61
6446	ANIXTER, INC.	HCS ITEMS FOR NEW PSB CAT6 JACKET BOXES	09/24/2021	453.70
6460	CDW G Inc	HCS ITEMS FOR NEW PSB RACK AND 6PT PNL	09/24/2021	334.53
6485	Graybar	HCS ITEMS FOR NEW PSB; CABLE RACK CAPS	09/24/2021	49.92
6516	Oates Associates Inc	HIGHLAND PARKING LOT BROADWAY/ZSCHOKKE SERVICE-7 /31/21-8/27/21	09/24/2021	2,468.75

Total for Department: 012 Police Dept 300,793.51

Total for Fund:012 Business District A 300,793.51

Fund: 053 2010 Street Bond and Interest

Department: 053

6542	THE BANK OF NEW YORK MELLON	ADMINISTRATION FEE 10/15/21-10/14/22 - CAPITAL APPRECIATION BOND	09/24/2021	100.00
Total for Department: 053				100.00
Total for Fund:053 2010 Street Bond and Interest				100.00

Fund: 101 Electric Fund

Department: 000 Balance Sheet Accounts

ACH PAID	AMERICAN EXPRESS	SEPTEMBER CREDIT CARD FEES	09/20/2021	164.27
ACH PAID	CARDPOINT MERCHANT SERVICES	SEPTEMBER CREDIT CARD FEES	09/20/2021	201.38
ACH PAID	MERCHANT TRANSACT	WEB PROCESSING FEE	09/20/2021	4,321.27
6439	CIPPY MEIER	Refund Check 006059-000	09/18/2021	20.50
Total for Department: 000 Balance Sheet Accounts				4,707.42

Department: 101 Electric Admin

ACH PAID	IL Dept Of Revenue	AUGUST UTILITY TAX	09/24/2021	44,024.46
6445	Ameren Illinois	GAS CHARGE	09/24/2021	19.54
6448	Aramark Uniform Services	AUGUST RUG SERVICE	09/24/2021	115.26
6450	BARNETT PEST SOLUTIONS	INSPECTION AND TREATMENT	09/24/2021	28.00
6463	City Of Highland	UTILITY CHARGE	09/24/2021	971.30
6494	Highland Communication Services	COMMUNICATION CHARGE	09/24/2021	92.90
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	18.99
6505	Mastercard	UPS FOR LORA DESK	09/24/2021	836.43
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	79.32
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	3,043.00
6549	Transworld Systems Inc	AUGUST COLLECTION AGENCY DUES	09/24/2021	135.49
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	40.45
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	202.03
6562	WEX BANK	AUGUST FUEL	09/24/2021	276.27
Total for Department: 101 Electric Admin				49,883.44

Department: 102 Electric Production

6443	Albers Fire Prot. Equipment Inc.	QTY 22 - FIRE EXTINGUISHER INSPECTION	09/24/2021	141.50
6445	Ameren Illinois	GAS CHARGE	09/24/2021	48.83
6448	Aramark Uniform Services	AUGUST UNIFORM AND RUG SERVICE	09/24/2021	154.90
6452	BHMG Engineers Inc	EPA AND DOE REPORTING- PROFESSIONAL SERVICES	09/24/2021	1,289.84
6463	City Of Highland	UTILITY CHARGE	09/24/2021	5,137.96
6494	Highland Communication Services	COMMUNICATION CHARGE	09/24/2021	8.95
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	101.35
6520	O'Reilly Automotive Inc.	CODE READER	09/24/2021	299.90
6562	WEX BANK	AUGUST FUEL	09/24/2021	1,088.92
Total for Department: 102 Electric Production				8,272.15

Department: 104 Electric Distribution

6445	Ameren Illinois	OPTIONAL LIGHTING CHARGE	09/24/2021	26.59
6446	ANIXTER, INC.	441921-040 Key Meter Sentinel BI- Directional Upgrade	09/24/2021	570.00
6452	BHMG Engineers Inc	FOR MATERIALS/EQUIP/SUPPLIES ON PROJECT 1201.SC HIGHLAND SC	09/24/2021	2,157.50
6457	Broadway Battery & Tire	TIRES FOR LOCATOR TRUCK	09/24/2021	442.00
6479	Fletcher Reinhardt Company	167ESA-10 Elbow Arrester	09/24/2021	4,600.40
6481	Frost Electric Supply Co. Inc.	HEADLAMPS	09/24/2021	921.10
6485	Graybar	GTAP-1 (B72) Gel-Tap Splice Kit	09/24/2021	1,303.92
6487	DAVID GROSSMANN	CDL RENEWAL	09/24/2021	61.35
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	141.03
6505	Mastercard	WINDOW TRACK FOR TRIMMERS	09/24/2021	4.74
6508	McKay Auto Parts Inc	GASKET KIT	09/24/2021	11.86
6518	Mike Odorizzi	POLE TESTING 8/1/21- 8/31/21	09/24/2021	1,935.00
6523	Power Line Supply	ZHP0030C00100 Arrester Polymer 3KV	09/24/2021	500.85
6526	R & M OIL & SUPPLY, INC.	ROTELLA 15/40	09/24/2021	687.50
6536	Steinmann Service	ICE MACHINE REPAIR	09/24/2021	225.00
6538	T.R. MILLER MILL CO. INC.	40' Class 3	09/24/2021	11,337.48
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	237.66
6562	WEX BANK	AUGUST FUEL	09/24/2021	115.52
Total for Department: 104 Electric Distribution				25,279.50
Total for Fund:101 Electric Fund				88,142.51

Fund: 111 FTTP Fund

Department: 000

6483	CLARK GABEL	HCS REFUND	09/24/2021	1,346.89
Total for Department: 000				1,346.89

Department: 111

ACH PAID	CARDPOINT MERCHANT SERVICES	SEPTEMBER CREDIT CARD FEES	09/20/2021	1,591.75
6444	AMAZON CAPITAL SERVICES	WIFI ROUTERS (QTY 30)	09/24/2021	989.70
6445	Ameren Illinois	GAS CHARGES - HCS	09/24/2021	50.85



6446	ANIXTER, INC.	2-PK MINUTEMAN POWER STRIPS	09/24/2021	606.00
6448	Aramark Uniform Services	AUGUST RUG SERVICE	09/24/2021	91.70
6459	Calix Networks Inc	803G -AM PA	09/24/2021	4,519.49
6462	Home Box Office Cinemax	SEPTMEMBER VIDEO CONTENT FEE	09/24/2021	60.00
6464	City Utilities	UTILITIES - HCS	09/24/2021	3,091.21
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	1.29
6486	GREAT LAKES DATA SYSTEMS	PROFESSIONAL SERVICES, 1.5HRS, BROADHUB UPGRADE PROJECT #9720	09/24/2021	1,106.13
6489	Home Box Office HBO	SEPTEMBER VIDEO CONTENT FEE	09/24/2021	255.00
6494	Highland Communication Services	HCS SERVICES	09/24/2021	2,029.50
6496	iconectiv, LLC	PROJECTED REGIONAL ANNUAL PORTING FEE FOR CURRENT YEAR	09/24/2021	436.76
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	2.49
6505	Mastercard	ANNUAL MTN RENEWAL FOR SOLAR WINDS PERFORMANCE MONITOR	09/24/2021	2,472.92
6510	MOMENTUM TELECOM, INC.	SEPTEMBER VOICE CONTENT FEE ACCT# 325794	09/24/2021	10,664.08
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	79.32
6522	PERSONAL PREFERENCE SERVICES	MONTHLY CLEANING SERVICE - HCS	09/24/2021	69.00
6531	Safe Supply Company Inc	HYDRAULIC HOSE & COUPLING	09/24/2021	62.60
6541	TELIA CARRIER	TELIA CARRIER ETHERNET VIRTUAL PRIVATE LINE	09/24/2021	4,280.00
6548	TIVO PLATFORM TECHNOLOGIES LLC	NC PT MOBI - 311 ACCTS, 44 NDVR ADDTL, 147 STREAMS ADDTL	09/24/2021	2,500.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	5,452.86
6557	Vantage Point Solutions, Inc	A1.0 GENERAL CONSULTING - WALMART CIRCUIT MIGRATION PLANNING	09/24/2021	145.00
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	320.08
6560	Watts Copy Systems Inc.	COPIER LEASE / USAGE - LANA'S COPIER	09/24/2021	107.94
6562	WEX BANK	AUGUST FUEL	09/24/2021	136.50

Total for Department: 111 41,122.17

Total for Fund:111 FTTP Fund 42,469.06

Fund: 201 Water Fund

Department: 000 Balance Sheet Accounts

6439	CIPPY MEIER	Refund Check 006059-000	09/18/2021	6.37
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Total for Department: 000 Balance Sheet Accounts 6.37

Department: 201 Water Admin

6445	Ameren Illinois	Utilities	09/24/2021	76.47
6464	City Utilities	Utilities	09/24/2021	272.44
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	4.75
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	99.99
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,101.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	74.01
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	51.23

Total for Department: 201 Water Admin 1,679.89

Department: 202 Water Production

6445	Ameren Illinois	Utilities	09/24/2021	59.97
6453	Bluff Equipment Inc	Belt for mower	09/24/2021	61.65
6455	BREFELD PLBG & HEATING, INC.	Supplies,Repair,Labor on 3" RPZ for Surface Wash Arms Filters	09/24/2021	2,594.50
6464	City Utilities	Utilities	09/24/2021	12,569.36
6466	Constellation NewEnergy Gas Division, LLC	GAS SERVICE	09/24/2021	9.93
6469	Curry & Associates Engineers Inc	2021- Concrete Repairs for Silver Lake Spillway	09/24/2021	5,641.62
6474	DPC Enterprises, L.P	Chlorine Gas	09/24/2021	580.00
6477	Essenpreis Plumbing & Htg	1" Union	09/24/2021	3.04
6494	Highland Communication Services	Communication Services	09/24/2021	119.66
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	199.02
6521	PDC Laboratories Inc	Fluoride by probe	09/24/2021	36.24
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	45.18
6555	USA Blue Book	Hach Orthophosphate Chemkey, Hach Total Ammonia Chemkey	09/24/2021	250.16
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	93.13
6559	Water Solutions Unlimited	Phosphate	09/24/2021	8,102.25
6562	WEX BANK	AUGUST FUEL	09/24/2021	74.72

Total for Department: 202 Water Production 30,440.43

Department: 203 Water Distribution

6443	Albers Fire Prot. Equipment Inc.	20 Inspected & Tagged Portable ABC Fire Extinguisher, Serv. Call	09/24/2021	65.00
6444	AMAZON CAPITAL SERVICES	5 GATE REMOTES FOR WATER DEPT	09/24/2021	77.90
6445	Ameren Illinois	GAS CHARGE	09/24/2021	9.76
6464	City Utilities	Utilities	09/24/2021	323.96
6494	Highland Communication Services	Communication Services	09/24/2021	4.48
6498	Illinois Section AWWA	UndergroundUtility Line Locat.-IEPA Class - Oct.14,21: DJ,BB, DG	09/24/2021	222.00
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	474.07
6509	Midwest Municipal Supply Inc	Repair Clamp	09/24/2021	590.50
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	39.66
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	144.45
6562	WEX BANK	AUGUST FUEL	09/24/2021	374.54

Total for Department: 203 Water Distribution 2,326.32

Total for Fund:201 Water Fund 34,453.01

Fund: 301 Sewer Fund

Department: 000 Balance Sheet Accounts

6439	CIPPY MEIER	Refund Check 006059-000	09/18/2021	6.45
			Total for Department: 000 Balance Sheet Accounts	6.45
Department: 301 Sewer Admin				
6494	Highland Communication Services	Communication Services	09/24/2021	204.00
6519	ONSOLVE, LLC	CODE RED STANDARD RENEWAL 9/25/2021-9/24/2022	09/24/2021	1,101.00
6530	ROBERT (BOB) SANDERS WASTE SYST	PW RECYCLING SERVICES	09/24/2021	7.50
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	3.71
6561	WELLS FARGO VENDOR FIN SERV	Ricoh Copier IM C3500	09/24/2021	204.77
			Total for Department: 301 Sewer Admin	1,520.98
Department: 303 Sewer Collection				
6443	Albers Fire Prot. Equipment Inc.	20 Inspected & Tagged Portable ABC Fire Extinguisher,Serv. Call	09/24/2021	65.00
6444	AMAZON CAPITAL SERVICES	QTY 1 - HP 67 BLACK/TRI-COLOR INK CARTRIDGES 2-PACK	09/24/2021	14.94
6445	Ameren Illinois	GAS CHARGE	09/24/2021	9.76
6464	City Utilities	Utilities	09/24/2021	323.95
6477	Essenpreis Plumbing & Htg	PVC Glue	09/24/2021	15.82
6494	Highland Communication Services	Communication Services	09/24/2021	4.47
6498	Illinois Section AWWA	UndergroundUtility Line Locat. - IEPA Class -Oct. 14,21: DJ,BB, DG	09/24/2021	222.00
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	393.76
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	39.67
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	30.03
6562	WEX BANK	AUGUST FUEL	09/24/2021	374.53
			Total for Department: 303 Sewer Collection	1,493.93
Department: 304 Water Reclamation Facility				
6464	City Utilities	Utilities	09/24/2021	11,085.95
6478	Ferrellgas	272.10 Gal. Propane - 800 Chestnut St.	09/24/2021	582.02
6494	Highland Communication Services	Communication Services	09/24/2021	149.99
6499	JOHN DEERE FINANCIAL	HIGHLAND RURAL KING OPERATING SUPPLIES	09/24/2021	112.95
6504	Luby Equipment Services	2021 CASE 621G Wheel Loader - Share with S&A.	09/24/2021	60,400.00
6540	Teklab Inc	Nitrogen, Aqueous, Preserv; Total Kjeldahl Nitrogen, Aqueous	09/24/2021	50.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	1.73
6555	USA Blue Book	Supplies	09/24/2021	162.49
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	123.25
6562	WEX BANK	AUGUST FUEL	09/24/2021	141.26
			Total for Department: 304 Water Reclamation Facility	72,809.64
Department: 305 WRF Pretreatment				
6464	City Utilities	Utilities	09/24/2021	18.00
			Total for Department: 305 WRF Pretreatment	18.00
			Total for Fund:301 Sewer Fund	75,849.00
Fund: 401 Ambulance Fund				
Department: 000 Balance Sheet Accounts				
ACH PAID	CARDPOINT MERCHANT SERVICES	SEPTEMBER CREDIT CARD FEES	09/20/2021	463.63
			Total for Department: 000 Balance Sheet Accounts	463.63
Department: 401 Ambulance Fund				
6442	Airgas USA,LLC	EMS SUPPLIES- OXYGEN	09/24/2021	162.10
6454	Bound Tree Medical, LLC	EMS SUPPLIES	09/24/2021	1,048.99
6494	Highland Communication Services	HCS SERVICES - EMS	09/24/2021	284.05
6512	Neumayer Equipment Co Inc	LABOR & MILEAGE - DIGI DEVICE DISCOVERY PROGRAM	09/24/2021	79.32
6524	PWW MEDIA INC.	XI AND ABC HERSHEY - REGISTRATION FOR T RUSTERBERG, S NICKLIN	09/24/2021	1,760.00
6553	U S Postal Service	POSTAGE READINGS FROM 4/27/2021-9/21/2021	09/24/2021	992.65
6558	Verizon Wireless - State	VERIZON CELL PHONE CHARGES	09/24/2021	260.83
6562	WEX BANK	AUGUST FUEL	09/24/2021	366.46
6564	ZirMed INC.	MONTHLY MANAGEMENT FEE / REMITTANCE ADVICE ACCESS FEE	09/24/2021	143.55
			Total for Department: 401 Ambulance Fund	5,097.95
			Total for Fund:401 Ambulance Fund	5,561.58
Fund: 713 Solid Waste Fund				
Department: 000 Balance Sheet Accounts				
6439	CIPPY MEIER	Refund Check 006059-000	09/18/2021	8.21
			Total for Department: 000 Balance Sheet Accounts	8.21
Department: 713 Solid Waste Fund				
6530	ROBERT (BOB) SANDERS WASTE SYST	COMMERCIAL AND RESIDENTIAL TRASH SERVICE	09/24/2021	148,881.80
6546	The Shopper's Review	2 X 6 - CURBSIDE CLEANUP	09/24/2021	118.80
			Total for Department: 713 Solid Waste Fund	149,000.60

Total for Fund:713 Solid Waste Fund

149,008.81

Grand Total

\$ 1,028,669.98

Accepted by City Council October 4, 2021

Mayor:

Clerk:

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