

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, MARCH 21, 2016**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Frey, Bellm and Nicolaides were present. Councilman Schwarz was absent. Others in attendance were City Manager Mark Latham, City Attorney John Long; Directors Bell, Cook, Gillespie, Imming, Korte, Peck, Rosen and Schoeck; Fire Chief Bloemker, Supervisor Limestall, Deputy City Clerk Hediger, City Clerk Bellm; 2 citizens, and one member of the news media.

MINUTES

Councilwoman Bellm made a motion to approve the minutes of the March 7, 2016 Regular Session as attached; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

MAYORAL RECOGNITION

Mayor Michaelis noted the 2015-16 HHS Girls' Basketball Team recently won third place in Class 3A IHSA Girls Basketball State Finals, which is better than any basketball team has done in Highland High School's history. With this week being Spring Break, they were unable to attend, as several of the girls are out of town. They will be attending at a later date.

PUBLIC HEARING

Mayor Michaelis opened the public hearing to receive comments from the public regarding the proposed annexation agreement between the City of Highland and the Highland Pierron Fire Protection District. With no one coming forward to make comment, Mayor Michaelis closed the public hearing.

PUBLIC FORUM

Citizens' Requests and Comments:

No comments or requests presented.

Requests of Council:

No requests or comments provided.

Staff Reports:

City Manager Latham reported that Sportsman Road is closed. The contractor has started the improvement project, with plans to be done by the middle of May.

City Manager Latham encourage people to fill out the community survey and return as soon as possible. We have had good response, so far.

NEW BUSINESS

Bill #16-17/RESOLUTION Approving Annexation Agreement with the Highland Pierron Fire Protection District – Councilman Frey made a motion to approve Bill #16-17/Resolution #16-03-2369 approving annexation agreement with the Highland Pierron Fire Protection District as attached; seconded by Councilwoman Bellm. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Mayor Michaelis voted aye. Motion carried.

Bill #16-18/ORDINANCE Annexing Territory Owned By the Highland Pierron Fire Protection District Located on the Southeast Corner of St. Rose and Iberg Roads – Councilwoman Bellm made a motion to approve Bill #16-18/Ordinance #2722 annexing territory owned by the Highland Pierron Fire Protection District located on the southeast corner of St. Rose and Iberg Roads as attached; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-19/ORDINANCE Declaring Seven City-Owned Weather Sirens as Surplus Property and Authorizing Their Sale – Councilman Frey made a motion to approve Bill #16-19/Ordinance #2723 declaring seven city-owned weather sirens as surplus property and authorizing their sale as attached; seconded by Councilwoman Bellm. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-20/ORDINANCE Declaring Miscellaneous Electronic Equipment Surplus and Authorizing Responsible Recycling of Same – Councilwoman Bellm made a motion to approve Bill #16-20/Ordinance #2724 declaring miscellaneous electronic equipment surplus and authorizing responsible recycling of same as attached; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-21/RESOLUTION Waiving Normal and Customary Bidding Procedures and Authorizing the Purchase of One New 2016 Caterpillar 259D Compact Track Loader for the Streets & Alleys Department – Councilman Frey made a motion to approve Bill #16-21/Resolution #16-03-2370 waiving normal and customary bidding procedures and authorizing the purchase of a new 2016 Caterpillar 259D Compact Track Loader for the Streets & Alleys Department, in the amount of \$62,048.44 from Fabick CAT, Fenton, MO as attached; seconded by Councilwoman Bellm. Councilman Frey asked did we field testing from several others different manufacturing. If so, why did we not get bids from the other manufacturers? Public Works Director Joe Gillespie reported we did field testing of several units at the sewer plant. The reason for the Caterpillar is they have several attachments already that work with the skidster and the older machine. Councilman Frey inquired we are keeping the older piece of equipment. Director Gillespie replied yes. These machines are very handy because they get into tight areas and stay out of traffic. They can get into backyards and between buildings. Councilman Frey acknowledged he likes that we can use the attachments with all the other pieces of equipment. I am just trying to be very cautious of our spending because we do not know how much of the funds we are going to get from the State of Illinois. Mayor Michaelis asked even if others would have bid, would they have matched the bid specifications. Director Gillespie explained this vendor deals other manufacturers, which we tested, also. Because we were trying to utilize the attachments we have, it was specific. However, I

think the pricing would have been there, even if we had gone out to other vendors. Councilwoman Bellm stated I am more comfortable with the having the other bids. Knowing that this fits the requirements and others probably would not; and, knowing that it costs money to go out for bids, I am okay with this, this time. City Manager Latham pointed out they wanted a CAT. Based on sales territories, this would have been where the bid would have come from. Director Gillespie explained that Fabick CAT, in Fenton, Missouri has sales rights for this area. Councilwoman Bellm noted that, generally speaking, I like to have the most bids we can get. Councilman Nicolaides pointed out that in this case, the bid would have to be a lot less, from another manufacturer, to account for the attachments. Mayor Michaelis agreed the more bids we can get on these, the better the process. Councilwoman Bellm stated there have been some valid points brought up about this and about getting the most bids, we can, but I feel this is a very specific piece equipment here. Council member Frey concurred we are going to be alright with this, since the attachments from the other units are factored in. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Mayor Michaelis voted aye. Motion carried.

Bill #16-22/RESOLUTION Authorizing and Directing Application to the Madison County Sustainability Grant Program for the Purpose of Installing Rip-Rap to the Remaining Shoreline of Old City Lake Reservoir – Councilwoman Bellm made a motion to approve Bill #16-22/Resolution #16-03-2371 authorizing and directing application to the Madison County Sustainability Grant Program for the purpose of installing rip-rap to the remaining shoreline of Old City Lake Reservoir as attached; seconded by Councilman Frey. Mayor Michaelis stated he had a chance to take a drive around Silver Lake Park this weekend. The riprap out there really looks good; it seems to have help mitigate all damage done by the geese over the years. Director Rosen concurred. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting for 2016 MFT Maintenance Materials (Section 16-00000-00-GM) - Councilman Frey made a motion to approve Notice of Municipal Letting for 2016 MFT Maintenance Materials (Section 16-00000-00-GM) as attached; seconded by Councilwoman Bellm. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

REPORTS

Approve Warrant #1016 – Councilwoman Bellm made a motion to approve Warrant #1016 as attached; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn before going into discussion of the budget; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried and meeting temporarily adjourned at 7:23 pm.

Mayor Michaelis reconvened the Regular Session at 8:10pm. Council members Frey, Bellm and Nicolaides were present. Councilman Schwarz was absent. Others in attendance were City Manager Mark Latham, City Attorney John Long; Directors Cook, Imming, Korte and Schoeck, Deputy City Clerk Hediger, City Clerk Bellm; and one citizen.

NEW BUSINESS (*Continued*)

Discussion – FY 2016-2017 Annual Budget:

Electric Department

City Manager Latham reported we had three of our most experienced lineman retire, this past year. We filled the positions with one from Carlyle and two apprentices. The budget includes \$50,000 for clearing of vegetation along the 138kV line. This past year, we did quite a bit of upgrading on the startup for the generators, with building a new facility to house the five CAT generators. In the upcoming year, we doing upgrades to the CAT controls.

City Manager Latham informed the council that the electrical study should be completed soon and for their review, in 30-45 days. Things to look at will be pole attachment fees, for Frontier and Charter); meter charges, currently at \$6; possible rate increases, and connection charges. We spend a lot of money putting equipment in new developments with lines, poles, and transformers, with no return until the lots are developed. Commercial rates seem to be a little less than they should be.

There is \$250,000 in the budget to continue replacing old meters with Smart meters, which allow for remote read. City Manager Latham reported Director Cook and he had had a meeting with Ameren. Ameren's infrastructure is not strong enough to service areas over near O'Fallon and Shiloh, with the growth in that area. Ameren is looking at building a service line along Route 4. If they do this, it would shorten our connection into the 138kV. \$150,000 is budgeted for safety lighting along Bulldog Trail and Sportsmans Road. Director Cook has done very well at getting money through IMEA for lighting projects.

Fiber to the Premises

City Manager Latham stated I am still overseeing HCS. Director Dan Cook is handling the construction crew, and Director Angela Imming handles the operations and installation side. We have had good growth, this past year, with over 400 new customers; we are starting to see the businesses come onboard. By the end of April, we project 1900 customers. We continue to look at our rate structures and must consider a rate increase. Most customers only want internet access, and new (smart) television sets are using internet access to download broadcasts and movies. We are proposing rate increase of \$5 for internet and local video by \$5 per month. We are looking at getting out of the AT&T contract, with ICN/Bluebird as our redundant line. That cost is \$3800 per month for AT&T; so, if we can term that, it will be a big savings. City Attorney Long stated he will review the contract language for termination. City Manager Latham reported he and Angela had a phone conference with Scott Bowles, developer of the fiber-to-premises business plan. We have asked Scott to make sure we are not undervaluing our services or missing out on some revenue sources.

City Manager Latham reported Director Cook has set a plan to complete all service with city limits by the end of the next budget year. From a capital standpoint, it is \$1300 per customer to get them up and running. If you look at 2018, you are starting to see a reprieve because of a drop in demand for personnel and equipment, with build-out completed. Mayor Michaelis asked what area of the city we are currently working on. City Manager Latham reported HCS is presently working to provide to Augusta Estates area. From there they will head to Prairie Trails, down Daiber Road to Lakeview Hills, and then up Sportsman Road over to Liberty Hills.

Councilman Nicolaidis questioned if Scott Bowles is the person to evaluate the plan, since he developed the initial business plan. City Manager Latham explained we deviated from Mr. Bowles' plan, as he was the one that suggested not offering video up front or hiring people, but rather contracting labor. We diverted a little bit on what he proposed. Director Cook recalled prospective customers did not want internet from one provider and video from a different company. City Manager Latham pointed out the infrastructure and headend are our biggest asset.

City Manager Latham noted, unless there are any questions from council, the next step will be public hearing.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Frey. All council members voted aye, none nay. Motion carried and meeting adjourned at 7:55pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk