

**MINUTES OF SPECIAL SESSION
HIGHLAND CITY COUNCIL
FRIDAY, APRIL 29, 2016**

Mayor Michaelis called the Special Session to order at 9:0am. Mayor Michaelis introduced Allison Workman, Mayor for the Day. Council members Frey, Bellm and Nicolaides were present. Councilman Schwarz was absent. Others in attendance were City Manager Mark Latham, Directors Bell, Cook, Gillespie, Imming, Korte, Peck, Rosen and Schoeck; EMS Chief Wilson, Fire Chief Bloemker, Deputy City Clerk Hediger, and City Clerk Bellm.

City Manager Latham explained the council last held a retreat in 2005. Staff used those goals for planning purpose. Today, you will hear from each department on what they foresee, as far as needs, which extends beyond those used in budgeting. During lunch, Director Peck will summarize the almost 400 Community Survey responses received. It is important that we prioritize what the council feels is priority, since state and federal funding is being reduced.

DEPARTMENT PRESENTATIONS

Parks & Recreation

Director Rosen reported at the Korte Recreation Center there will be the cost of replacing the pool heater, at \$60,000. The indoor pool is a large feature, drawing approximately 1600 people per week during the winter months. The exterior of the building will need maintenance, estimated at \$100,000. Demographics of visitors/users outside of immediate Highland limits live in Greenville/Pocahontas area, followed by Troy. Councilwoman Bellm noted that is interesting, since that is not what we find for different events. It says we need to be doing some of advertising through the KRC. Director Rosen provided tentative plans that The Korte Company developed for a future addition. The plan would be to add an addition to the north, with gymnasium, move the weights to lower level, with a multi-use facility in back, leaving an open grass courtyard for cross-fit and other outdoor activities between the existing and the new addition. Director Rosen noted that evaluation and investment is an ongoing need, making sure to provide what users want, but not investing in fads that are not cost effective investments.

The outdoor pool has far exceeded its life expectancy. Replacement of that pool is estimated at \$4,000,000. Location, location, location is the issue. There are more reasons to move out to Glik Park. If built in the same spot, the swim team loses its practice and event location for at least one year; we lose one season of outdoor pool; we don't own the property; and, the county fair and Saturday night races limit our revenues. At Glik Park, we own the property and we could share some resources, including centralized staffing. If there is inclement weather, we could accommodate the outdoor pool users inside. With the trails, Glik Park is more accessible now. Director Rosen suggested looking at selling bonds to do this, as we get closer. Councilwoman Bellm asked what would be the use of the old pool. Director Rosen stated we would have no use for the facilities, if we left there. Another option to building at Glik Park would be to swap positions with a new pool on The Four Diamonds area, fill in where the pool presently is with the dirt dug out to construct the new pool, to create parking in that area.

At the Weinheimer Community Center, the HVAC system needs to be addressed. Presently, one thermostat controls the whole facility. Approximately 8,500 – 9,500 people per year for general activities. Card clubs and games are not included. Gym ceiling replacement will be needed for an estimated cost of \$75,000. There are also ADA compliance needs and the electricity needs upgrading. We have had security issues, with, most recently, someone sleeping in the stairwell. Councilwoman Bellm noted several reports of a tremendous mold smell in there at times. Director Rosen acknowledged the basement is nothing more than a basement and takes in water when there are heavy rains.

At Silver Lake, water quality is ongoing issue. Staff continues to work with landowners on how their practices affect the water quality. We would like to expand north access with a canoe/kayak launch area near Grantfork. The 550-acres of water leaves it open for other options. If it comes available to purchase, we would recommend purchase of the quarry as a secondary water resource. It would allow us to offer scuba training and recreation. The closest is 3-3.5 hours away from here, so it would be unique opportunity for us to offer.

As far as park space, we want to maintain what we have. While we have had to cut staff, we cut 880 acres of grass each week. The playground equipment at Glik Park is already obsolete. Director Rosen suggested location of the arts center out at Silver Lake, on the north side of the entrance circle, as a good addition to the park. There are ADA compliance needs to be addressed. The pavilions could use new roofs and upgrades. A constant struggle is that wages are limited within the budget and we have to balance that with getting and retaining quality employees.

As far as the recreation programs offered, we have to balance serving the select team needs and requests with the other programs; getting coaching staff for recreational teams, delays the start of seasons; and we get continuous requests for a wide range of activities – music, art classes, senior services, athletics, and family functions.

Community Development

Director Lisa Peck pointed out that we have no border agreements with Marine & Pierron in place. We want to develop a cost/benefit analysis for potential annexations, and need to decide if the council wants to revisit I-70 & State Route 160 interchange discussion.

Property preservation is a big focus with increased focus on code enforcement, possibly instituting rental inspections, and continuation of the homebuyers programs. Director Peck provided information to the council on what surrounding communities are presently doing. She informed everyone that it became a very contentious issue in Collinsville and eventually the council dropped the issue there. Public Safety Director Bell reported we see the effects of this it all the time in call outs with renters coming into the community because the processes in place in these communities are pushing them out. Landlords that do not live in this community do not do due diligence. Those who live in the community are better at who they rent at. At same time, those property owners were upset that we were going to put some of this into place; however, we are trying to protect them and the community that they live in. Councilwoman Bellm expressed we need to talk about this more and at length. Getting \$700 per month for a dump. Whatever is put into place needs to be enforceable and with some teeth. Director Lisa Peck warned there is going to be controversial and with a lot of push back, even from groups outside of the community.

Other things for consideration is continuation of the homebuyer program; interest in a façade program for historic area downtown; and future use of the post office. As part of employment and retail retention or attraction or expansion of, we want to look at implementing a formal business retention program and continue to encourage entrepreneurship. Director Peck pointed out there is very defined

criteria that national chains use to come to a community: area median income, daytime traffic, and retail sales. Our best resources are the “Mom and Pop” shops. One thing we have not done and I feel is important is to implement a formal business retention program; a design questionnaire to evaluate the issues of businesses in the community. We want to evaluate if they are having potential problems that we can assist with before they are gone. We need to encourage entrepreneurship and cultivate a qualified workforce through partnerships with local colleges, high school, school districts, and the Chamber of Commerce. When you have a business evaluating Highland as a place to locate, they look at the quality of workforce. Nothing is being done at the state and county level to develop skills and cultivate a qualified workforce. Councilwoman Bellm asked how do you go about doing that. Director Peck responded through soft skills development with the leadership academy and training partners such as the high school and local higher education institutions.

Another area of focus is enhancing our visibility as a premier community in which to live and do business. You will hear from the community survey that some do not want the community to grow. However, Highland is not going to stay stagnant. Councilman Frey noted that marketing is tough. I do like the idea of bringing some type of schooling into the area for skill development. If drive up around the square and down Broadway, there is a lot of vacant buildings in the heart of our community. It is tough to attract business when you see that. Director Peck agreed the “broken window effect” does hurt us. A lot of the issue is with the age of buildings, lack of parking and dropping traffic numbers along Broadway. Councilman Frey expressed if the post office was going to leave that building, it would be a tremendous loss with the amount of traffic to the downtown area and another large vacant building. City Manager Latham noted we had a similar thing happen in Arkansas, and the city was able to purchase it for \$1 and turn it into a museum.

Public Works

Public Works Director Joe Gillespie reported that Streets & Alley is investigating the use of applying a rejuvenator to streets with an asphalt overlay. We are going to do a test project on 4-6 streets. The process is supposed to bring back the oils to the surface. If works, it would be a cost savings for those streets needing milling and overlay, which were last resurfaced in 1998. We want to work towards installing sidewalks in older subdivisions and the commercial areas north of US 40. Many subdivisions in town were developed without sidewalks. We continually hear from residents in those areas that they would like to have sidewalks in their neighborhoods. We would like to continue to utilize the Non-Home Rule Sales Tax to upgrade seal coat streets, patch concrete pavement, and repair alleys. Councilwoman Bellm noted that while the trash trucks do a lot of damage to the alleys, it will not be that many more years until we will be required by the waste hauling industry to move to automated pickup containers. City Manager Latham anticipates that this year. Director Gillespie stated the department will continue to work to address sidewalks not in compliance with ADA standards and continue with Master Storm Water plan to develop regional detention areas. With all these things being done and growth in the city, we will need to increase personnel to do these additional projects in house.

In the area of Water Distribution and Sewer Collection, Director Gillespie stated we want to implement a water main master plan and establish water rate increases for sufficient funding of O&M and main improvements. Councilwoman Bellm stated she had someone say something to her at Spring Bloom Festival: “If rates are a little higher, because the quality and service are better; then maybe people are not going to move into Highland.” City Manager Latham pointed out that while you hear those things from one perspective, you have to remember that we are a small operation system in comparison to Glen Carbon/Edwardsville, Bond-Madison, or American. Councilwoman Bellm noted this person did not feel it was a bad thing. City Manager Latham explained if things were maintained upfront we would not have to catch up. Director Gillespie concurred and added that we had not adjusted rates since 2006. If we had done small increases in every year, people would not feel that as much as larger ones over a shorter period. If we do not need the funding for the master plan right away, we can spread over a longer period.

We get a “D” grade for infrastructure, which we have to improve. We just finished the CIPP (Cured in Place Program) for clay sewer pipes. I would like to see us line every clay pipe in town lined, as a preventative. Clay pipe is a very good pipe. The difference between clay pipes made now and those many years ago is the technology in manufacturing.

Future items for the Water Treatment Plant would be to construct new plant that would utilize ultraviolet light technology. We looked at doing this process within our current plant; however, to add to the system in place does not make it cost effective. Director Gillespie stated he sees constructing a new water treatment plant within the next 20 years, next to the current facility. Within that time, we will need to update the booster station. We want to look for an alternate water source. Possibly a partnership with Bond-Madison or even the use of the quarry property, which has a natural spring, if purchased. There is also a need to reconstruct the water intake structure where the water comes into the facility from the lake.

An upgrade of the Water Reclamation Facility Plant will need to be completed to accommodate new technology. The technology in use with the tanks we have is coming up on being obsolete. We are in the process of formulating a plan for making the necessary upgrades. EPA regulations could eventually require us to look at alternate means for disposal of our bio-solids. We want to connect the plant and all the lift stations to the city fiber network for monitoring. In the process of looking at future growth of the system and residential area, we may want to consider purchase of additional land for plant expansions and to create a buffer zone. Director Rosen asked what you do with the old clay pipes. Director Gillespie responded we dispose of them as landfill.

Electric

Light & Power Director Dan Cook reported are continually work to meet changing EPA compliance issues that affect our operations and costs. While we have a consistent rates over time, we need to look at our rates of service overall and remain vigilant evaluating fees. In the next 1-3 years, we would like to create and engaged customers in Facebook and Twitter pages to inform people of outages or other issues, so people know we are aware of situations and help them plan as to the estimated length that the outage will last. Complete a pole survey to perform replacements as needed. Work to receiving Reliable Public Certification, which is similar to ISO 9000, but for utilities. This requires tracking of equipment documentation, tracking of system reliability, and tracking and documenting training of staff.

Three to five years out, we would like to complete rollout of smart meters to all customers, which will eliminate all physical pulls of non-pay meter. This allows us to shut off and turn off meters for people with pay issues by push of a button. It limits the need to roll a truck, have employees deal with any customers at the site, and the safety issues with a physical pull of a meter on those issues. These meters also notify us if power is cutting in and out at a location. We want to develop a system to do preventative maintenance on all substations on an annual basis. Our system allows for 60 megawatts of capacity in the system, while we are well under use of that, we need to be maintain the equipment so that it is ready to perform to that level. We want to move the feeder that comes down Michael Road to the hospital, installing an underground feeder from Eastside Substation to St Joseph Hospital, and then allow for back feed to some of the Northtown area from the backside, if needed.

In 5-7 year range, we want to continue to move toward all LED replacement of streetlights and our facilities. IDOT has not approved the use of LED along their roadways, so we have to hold off on those. The feedback from those in the community has been very positive. In this timeframe, we will integrate smart meters within the capacitor bank controls to automate means. We want to get dynamic feedback from more remote areas of the system with the automation as demand changes throughout different times of the days.

Around the ten-year window, we will need to put in a new SCADA system, which allows for pinpointing issues in the system and allows for remote, computer interfaced, switching of feeds in system. A new SCADA system will tie in better with the smart grid technology, generation and distribution within the system. Another thing we want to look at is a second Ameren tie-in source, which provides us a secondary feed should something happen with the current 138kV line coming in from Collinsville/St. Jacob.

Technology

Director Angela Imming stated a lot of what Joe and Dan talked about provides insight into where technology is tying into city services. How are we going to secure the technology, integrate the technology, and tie it into what is done on the daily basis. Our job in IT is to provide secure, reliable services to the citizen of Highland. Risk mitigation is key. We have to figure out a way to store and secure, but have it accessible to all those that need that data. Staff participated in a seminar with someone from the FBI, last week, to look at what we need to do to protect our information. We need to look at move data off old systems and move onto new systems that are more secure and reliable. With technology, we need to secure the data on iPads, cellphones, and other mobile devices. Development of a city portal is vital to allow our employees to log into, find documents, communicate securely in-house, and provide us with ability to track employees. Development of a more functional city website, which allows us to interact more with our citizens and provides information for them on where and when events are being held, forms, payments, and a means for communication between citizens and department staff for services.

We need to make our employees more aware of technology and data security measures, and be vigilant with this process. We went from several dozen individual servers to two new large integrated servers, which is more secure. Zoning and permitting applications allow for one modular application that integrates all department activities into one software or multiple software applications that work with each other. GIS assist in knowing where the hydrants are and what the pressure of those hydrants are. As we move to a more control center based operation with the SCADA smart grid system, and even in public works, GIS will be more important. Director Imming pointed out with the state of Illinois is such that we could become a tech hub for the surrounding communities and provide those communication and technology services we have to others.

Highland Communication Services

City Manager Latham reported HCS is in the process of finishing out the build out to every area within Highland. In order to grow, it costs money. How do we increase revenue or decrease costs to increase profits is what we constantly look at. We are now deploying some new set top boxes that are wireless for testing out. Phone is going away, so internet will be the key to replacing landline services and even video service. We need to make justified costs of data driven services decisions. Technology is changing quickly. I do feel that the technology we are offering will bring people to Highland, regardless of what the State of Illinois is doing. The problem with the State of Illinois is that no one has a vision and no one providing direction.

Councilwoman Bellm expressed the people on the outside of city limits need the services almost more than those within. How can we speed up getting the build out completed before the end of the year? Director Cook responded by hiring outside contractors. Councilwoman Bellm expressed the sooner we get the build out complete, the sooner we can bring customers in and get revenue from those areas. Director Cook suggested we could do wireless inside the community in the areas where build out is not done for those wanting the internet only. At the same time, we could continue with the extending the fiber. Director Imming added we could make a difference in affecting those underserved by providing internet technology, which affects education and income level of those living without technology. Director Peck noted that broadband availability is something on the list of many prospective homebuyers.

Public Safety / Police, Fire & EMS

Director Bell thanked Chiefs Bloemker and Wilson for working with developing the information presented today. We are working to develop a vehicle maintenance and replacement plan for all units in all areas of public safety, so we can plan for replacement costs. While we could not afford to buy the fire engine that we want to replace out now, we have to plan for getting it done in the future and look at what effects this will have on our fire ratings. Vehicles, computer-software, and training are all on-going costs that will continue.

A big priority is planning for construction of a new public safety facility. We have structural issues with some of the facilities, shortage of space for the number of staff, and ADA compliance issues. In the next ten year, the police department and Fire House #1 has cost estimates of \$1 million to address necessary immediate issues, in that time period. We would love to have the new public safety facility for police, fire and EMS. We would still maintain the downtown Fire House #1. With an estimated cost of \$4 million in 2015, the cost is not going to get any cheaper. Another option is purchase of Highland-Pierron Fire Departments facility on Woodcrest and add an addition to that. That is not ideal – just a Band-Aid. The other option is to stay where we are all at and keep putting money into those facilities. We recognize that we do not make money for the city like water/sewer and electric. The town is going to grow and our staff will need to increase. At the police department, there is settling of the structure and occasionally some of the doors will not open properly at time. The new facility would be a community center, allowing for interaction of citizens with public safety staff. Our employees want to be proud of the community and facilities where they work, so the facilities become an issue with recruitment. Director Peck added that the perception of safety is a huge factor in attraction to a community. Director Bell explained we know the council is a huge supporter of Public Safety. However, the infrastructure costs are starting to pile up.

Mayor Michaelis noted that he and City Manager Latham met with top representatives of HSHS. City Manager Latham explained the whole idea of purchasing the property for development with the hospital was that medical offices and other centers would be generate property tax funding. The new dental office that is building off US Route 160 built there only because HSHS only wants to lease the property. Infrastructure needs to be paid for based upon fair share. I have sent the agreement, along with the recapture agreement to them. They have not responded other than to state they would be open to selling property to an entity that would build an assisted care facility. Councilwoman Bellm expressed our thought was that so many people go to Belleville for treatments and other services and our hope was that these centers would develop on the surrounding property.

Councilwoman Bellm stated I do not see any point in putting more money and more money into the facilities that we have. This will be controversial, but is something that needed. City Manager Latham suggested putting it to vote in a referendum and the possible use of sales tax or utility tax. We are the only city that does not have a utility tax. If we are still going to keep a firehouse downtown, we need to figure out how to fund what is needed there, as far as meeting compliance issue and maintenance items.

General Administration

Director of Finance Kelly Korte pointed out that General Administration touches every employee and every citizen. We see a lot of people, and for some, we are the only ones they see. She stated we are thankful for the financial model put into place before I arrived. The model utilizes critical measures for budgeting, which makes it easier with planning for the next budget and prepares us from year to year, making it more apparent when rates need to be reviewed. We need to do a better job at actively checking those measures throughout the year. This past year, we spent down a lot of the reserves in all the departments, so we need to focus on replenishing those reserves to ensure self-sustaining finances. We

also need to track vehicle mileage, maintenance and usage, so that we can implement an optimal fleet maintenance and replacement program.

Director Lisa Schoeck noted City Hall is now 28 years old. We need to look at improvements to the facilities for expanded use and storage. The age of the facility is that it will require a new roof in the near future. There are issues with the front entry doors, which will require new doors and replacement of the wood around them, because there is no flashing behind the façade. Paper files are stored over at Public Works' office, next door. Everyone is evaluating what paper we produce, how and where we store data, and if paper copy is necessary. We are trying to decrease documents by utilizing technology. Councilman Frey questioned how bad we have been at tapping into our reserves, this past year, in comparison to past years. Director Korte responded that she has been with the city for seven years, now. In that time, this year has been the most that we dipped into those. With the issues of the State of Illinois, they overpaid schools and municipalities by \$168 million, in error, which they are now requesting payback. We only received \$20,000 paid in error. They will require us to start paying on that. Right now, there is a 3-4 month delay in tax reimbursements. Councilman Frey stated the amount of the reserves really matters to me when I look at these large projects. I do not want to deplete any one reserve. Director Peck explained that we would never get the best bond rating because we are in the state of Illinois, but does affect our rates. Director Korte reported we are at a decent rating, which is very good, for being in Illinois, but that was due to our large reserves.

Community Survey

Director Peck reviewed the summary of responses received from the community survey sent out in February. The last survey done was in 2007, with 132 responses received. This time, 430 survey responses received. Of those, 400 were paper copies and 30 done electronic. Results indicated that 90% of respondents rated Highland as good or excellent to live; 87% rated overall quality of life as good or excellent; 82% stated they would likely or highly likely recommend living in Highland; 81% rated the ability of the city to meet the needs of their families as good or excellent; and, 70% felt the City was responsive to the concerns of residents. While only 66% felt the city was doing a good or better job of using tax dollars efficiently, it was only 62% in 2007.

In reviewing the comments, which totaling about 1,000, overall themes were as follows: For Utilities, the water/sewer rates are too high and there is concerns about water quality. Parks & Recreation comments were mostly positive with a broad range of different things. The elementary school playground and Merwin Park had several comments, under different areas, regarding suspicious activities. For Streets & Alleys, people want roads improved and sidewalks improved or added. Under Community Development, the comments were numerous on property maintenance issues, landlords not keeping their property up and nuisance violations. Director Peck pointed out we have hired someone to handle these issues within this past year; however, those properties did not get into the condition they are in one year.

Vision & Priority Discussion

At 12:35pm, City Manager Latham explained that staff would like direction on what the council sees as priorities with the items presented to them today. Councilmembers were given colored dots with point values associated to each color: Red, 25 points; blue, 15; yellow, 10; and, green, 5 points. Council members were asked to place these dots by the different items to prioritize what council would like to see focus placed on.

Councilman Frey noted we have been addressing infrastructure, in the three years that I have been on the council. I feel we have a good handle on it. There are things in Public Works and the electric department that I feel can be done in house, so we should be able to build some reserves there. As far as Silver Lake, addressing water quality should be the biggest priority. City Manager Latham reported we

should be getting a study back from the engineering firm on a plan with options, as far as water treatment. In looking at these needs, I have to be reminded of what is set into the budget already.

City Manager Latham asked the council if there is anything that we have not touched here. Maybe things you are hearing from the public that we need to address. Councilman Frey stated I thought the responses in the survey would have been largely about the condition of the street curbs, because I hear that quite frequently. Director Peck responded that is in there. City Manager Latham reminded everyone that in order to keep the Non-Home Rule Sales Tax (NHRST) continuing when the bond runs out, the community needs to see their money working for them. Director Gillespie pointed out MFT funds were used for sidewalks and street maintenance. We used to use some of the MFT funds for sidewalk replacement and would do a full block replacement at a time. Ten years ago, it cost about \$10,000 per block. Most of the MFT funds have dried up. We have not been able to address full block replacements because of the lack of those funds. NHRST can be used for curbs, but not for sidewalks.

Councilwoman Bellm expressed somehow we need to let the public know that we are looking at these things. For example, knowing that one thermostat controls the whole Weinheimer Center. Mayor Michaelis stated you can tell the department directors have done their homework and are looking forward as to their needs. The 400+ people that returned the surveys participate in this by letting us know their concerns. I think we need to respond to the citizens and let them know that we took the time to look at the surveys, the feedback, and vision they are providing us. He the directors review those comments and set priorities on how we are going to address those concerns. Councilwoman Bellm noted people should know we are doing this planning also. Councilman Frey added that we shared and responded with those residents along Oak Street and then gave them feedback. I think the more we do that, the more citizens participate. He noted he picks up his grandkids each day from St. Paul School and see the edges of curbs that are broken down to rocks. Other comment on those as well. City Manager Latham stated from a financial prospective, this helps us all.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaidis voted aye, none nay. Motion carried. Meeting adjourned at 1:17pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk