

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, OCTOBER 17, 2016**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Schwarz, Frey, Bellm and Nicolaides were present. Others in attendance were City Manager Mark Latham, Asst. City Manager Lisa Peck, City Attorney John Long; Directors Cook, Gillespie, Imming, Korte and Rosen; Police Lt. Conrad, EMS Chief Wilson, Deputy City Clerk Hediger, City Clerk Bellm; 5 representatives of Scheffel & Boyle; 3 citizens, and one member of the news media.

MINUTES

Councilman Schwarz made a motion to approve the minutes of the October 3, 2016 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

PROCLAMATIONS

Susie Dewaele, President of IBFW Highland, and member Paula Redman were present as Mayor Michaelis read a document proclaiming October 16-22, 2016 as Illinois Women in Business Week.

PUBLIC FORUM

Citizens' Requests and Comments:

No requests or comments.

Requests of Council:

No requests or comments.

Staff Reports:

City Manager Latham reported that we received a letter from IDOT, today, notifying us that our application for Troxler Avenue Underpass Project was not approved the budget year submitted. We will have to discuss if we want to continue to pursue that project without that funding.

Scheffel Boyle – Presentation of Combined Annual Financial Report – Mark Korte, Principle of Highland Office, along with Heather Clugston, Sarah Kincade, Amber Rode, and Howard Held were in attendance to answer any questions the council may have regarding the prepared financial statements. Mr. Korte reported that this year's report larger with the addition of GASB Statement 68 for actuarial studies of pensions associated with the entity. The pension information will appear on the financial statements for the City of Highland. The information is based upon assumptions of the years participants will contribute, withdraw, and investment performance. Director Korte and her staff composed the Management Discussion section. It provides a good read of the city's standpoint from where it is, things

going on, and a view of things coming down the road. Since the implementation of GASB 68, there is a lot more detail in the notes with respect to the pension funds. It shows how a 1% decrease or increase in performance will affect those funds and entities. The Statistical Section provides a good view of trends on sales tax, income tax, property taxes and bonds.

Mr. Korte reported that on Page 14, you will find Exhibits 1 & 2, The Statement of Net Position, is similar to a Balance Sheet for private businesses; and, The Statement of Activities is similar to private businesses' income statement. They are comprehensive views of how the city is doing. As you can see the city's net position increased from \$110,672,885, as of April 30, 2015, to \$110,775,866, as of April 30, 2016, for an increase of about \$100,000. Revenue from taxes, intergovernmental funds, and interest income is reported at the bottom of Exhibit 2. Governmental activities had a net increase of a little over \$1,099,566, with a total net increase for the city of \$780,287, representing positive growth. Additional details of these activities are found in Exhibits 7-9. It is important to look at these details, in order to determine rates and any needed increases.

Mr. Korte turned the attention to focus on Enterprise Funds (Exhibit 8). The Electric Department (Light & Power) had a loss of \$362,388, and the Water Fund has a net loss of \$75,369. Mr. Korte noted that it has been many years since the city has had an electric rate increase. The water fund had an increase that went into January 2016, so you can already see that affecting the totals. The Fiber System continues to be built out. The figures includes the depreciation of the system in addition to the build out and operation expenses. General property tax evaluation continues to show strength. You can see that Non-Home Rule Sales Tax, and Sales Tax have both continued to trend upward, while Motor Fuel Tax went up slightly. Table 3 shows overall increases in expenditures were held in check, with modest growth in expenditures. Assessed valuation of property within the city of Highland has stayed virtually the same, while the property tax rate has increased slightly. If you take a big view of this - over the last ten years - you do see some positive trends with the downturn in the economy in the middle there. Mr. Korte thanked Director Korte and the city's staff. Records were in good shape, everything was accessible, and all questions were answered fully. Mayor Michaelis thanked Mr. Korte and the staff of Schefel & Boyle for all they do.

NEW BUSINESS

Approve Combined Annual Financial Report – Councilman Schwarz made a motion to approve the Combined Annual Financial Report for Fiscal Year Ending April 30, 2016 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Approve 2016 Treasurer's Report – Councilwoman Bellm made a motion to approve the 2016 Treasurer's Report as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-2/ORDINANCE Abating Taxes Levied for 2013 General Obligation Sewerage System Bonds – Councilman Schwarz made a motion to approve Bill #16-92/Ordinance #2750 abating taxes levied for 2013 General Obligation Sewerage System Bonds as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-93/ORDINANCE Abating Taxes Levied for 2012 General Obligation TIF Bond – Councilwoman Bellm made a motion to approve Bill #16-93/Ordinance #2751 abating taxes levied for 2012 General Obligation TIF Bond as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-94/ORDINANCE Abating Taxes Levied for 2014A Korte Recreation Center Bonds – Councilman Schwarz made a motion to approve Bill #16-94/Ordinance #2752 abating taxes levied for 2014A Korte Recreation Center Bonds as attached; seconded by Councilman Frey. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-95/ORDINANCE Abating Taxes Levied for 2014B Street Bonds – Councilwoman Bellm made a motion to approve Bill #16-95/Ordinance #2753 abating taxes levied for 2014B Street Bonds as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-96/RESOLUTION Approving Contract for Ambulance Service with Marine Community Fire Protection District – Councilman Schwarz made a motion to approve Bill #16-96/Resolution #16-10-2416 approving contract for ambulance service with Marine Community Fire Protection District as attached; seconded by Councilwoman Bellm. Councilman Schwarz asked, in the previous one contract, was it running as we expected. EMS Chief Brian Wilson reported that both districts saw increases in their assessed evaluation. We work with the finance department on these contracts. Marine is at the top of the amount that they can levy. St. Jacob is slightly under; however, the call volume is not as much as it is with Marine's district. Councilman Schwarz asked, is it worth it. Chief Wilson replied yes. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #16-97/RESOLUTION Approving Contract for Ambulance Service with St. Jacob Fire Protection District – Councilwoman Bellm a motion to approve Bill #16-97/Resolution #16-10-2417 approving contract for ambulance service with St. Jacob Fire Protection District as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Award Bid #PW-09-16 for the Purchase of One Street Sweeper – Councilman Schwarz made a motion to award Bid #PW-09-16 for one Johnston VT651 truck-mounted pure air street sweeper to Wm. Nobbe & Company, Inc. of Waterloo, IL, in the amount of \$238,000, and the trade-in of our present unit for an amount of \$17,000 as attached; seconded by Councilwoman Bellm. City Attorney Long explained that we had them bid the trade-in value of present units separate from the proposed sale of the unit. We may consider doing that with the police vehicles in the future also. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

REPORTS

Approve Warrants #1036 & #1037 – Councilwoman Bellm made a motion to approve Warrants #1036 & #1037 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey and Bellm voted aye, none nay. Councilman Nicolaides abstained. Motion carried.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Schwarz. All council members voted aye, none nay. Motion carried and meeting adjourned at 7:34pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk