

**MINUTES OF SPECIAL SESSION
HIGHLAND CITY COUNCIL
MONDAY, OCTOBER 30, 2017**

Mayor Michaelis called the Regular Session to order at 6:00pm. Council members Frey, Bellm and Nicolaides were present. Others in attendance were City Manager Mark Latham, Asst. City Manager Peck, City Attorney McGinley; Director Korte, Police Lt. Conrad, EMS Chief Wilson, Fire Chief Bloemker, 4 EMS Staff, Deputy City Clerk Hediger, and City Clerk Bellm, 8 citizens and one member of the news media.

PUBLIC FORUM

Citizens' Requests and Comments:

No comments or requests presented.

Requests of Council:

No comments or requests presented.

Staff Reports:

City Manager Latham reminded everyone that the council delayed the vote to establish the business districts, along with the 1% sales tax, with a request for additional information. The Public Safety arena has done a tremendous job at looking at options. They would like to discuss these options tonight.

NEW BUSINESS

Discussion – Future Needs of Public Safety Departments - Director Bell thanked the council for taking an extra night to deliberate on this issue. He thanked Lieutenant Conrad, EMS Chief Wilson and Fire Chief Bloemker for their collaboration on this with their hopes and needs, for the long-term of their departments. More specifically, what do we need and what that looks like in terms of finances. Director Bell stated let me start-off with what we are not doing. We are not looking at the combined public safety that we were talking about in 2012-2013. At that time, the cost was \$12-\$14M. In 2017-18 dollars, that is now \$17-\$18M. We cannot afford to do that, even if we had the additional sales tax dollars. We are not promoting that any longer. It is off the table. The intent and purpose of this is to identify and prioritize needs across public safety, review potential options to address needs; and, look at the costs associated to the options to meet those needs. Still need funds for these needs, regardless of what happens: Equipment replacement for Fire and EMS; renovation of Fire Station #1 (Broadway) to address current use and ADA deficiencies; renovate or relocate police department to address current use and ADA deficiencies; and, space concerns for all three departments for both current operations and future growth.

Director Bell showed a picture of Highland's 1914 Fire Engine, on loan at Collinsville's fire station. He noted the equipment we are looking to replace is not that old. However, last year, we were trying to replace the aerial fire truck, used to dump a large amount of water on top of a structure. The truck has considerable miles on it and age, as shows it was built in 1979. Director Bell pointed out this truck is older than Fire Station #1 and the police department structure. On the EMS side, our oldest ambulance is a 2000 Model, with over 11,759 hours on it. The odometer shows 153,813 miles; however, it has turned over once, already; so, there is over a million miles on this ambulance. Actually, the odometer has been replaced, so it is even higher. Estimated cost to replace an ambulance is \$230,000. Additional equipment needs would be fire apparatus replacement, \$675,000 - \$1M; (4) cardiac monitors, \$34,000 each; (4) stretchers have computerized technology, \$20,000 each; (3) auto pulse machines, \$11,000 each; bunker gear, \$70,000; SCBA, \$120,000; and rescue tools, \$25,000. Director Bell stated if we are going to provide these services, we need to have equipment to properly serve and to keep our staff safe.

With the growth of Highland, at some point, we need a building on the other side of the railroad tracks. Fire Station #1 was built in 1980. At that time, all EMS and fire service was all volunteer and not 24-hour staffing. The building is not intended for full-timer personnel and 24/7 use. It has been retrofitted to accommodate as best as we can. Even with the proposals presented here, it is landlocked; and, there are ADA concerns. The elevated walkway, from the alley in back is the only way to get up to the upper level without doing stairs. This means going outside to access this walkway. The steel stairs in the inside are very, very steep. If the staff needs to go to restroom in the middle of the night, they do have to do down the stairs to get to the restrooms. We want to expand the lower level to the back to give us more living space. The storage space is very limited and staff has been very creative in tightly packing things in for EMS and fire equipment and supplies. There are continual water issues with the ceiling and the retaining wall in the back of the building. The fire station out on Woodcrest Drive is used for additional storage space and overflow of equipment. Our fire chief is stationed at the Woodcrest facility. The EMS chief works out of the Public Works building, across the street from Fire Station #1.

The police department was built in 1982, as temporary home for the department of twelve employees, at that time. At move in, the 5400 sq. ft. building had two interview rooms, four cells and inside garage space for the entire fleet. We now have twenty-seven employees, one interview room and two cells, due to repurposing of space to meet the needs. The biggest problem is its location with running cars out of a residential area with older, narrower streets. One problem is the safety issue with the sally port. Many times, we have family members or others that have been fighting with the person we have in custody, right there. It should be enclosed. The sally port, as it is, has experienced settling issues. In the basement, we have long-term storage. The state requires so many years of storage on files. One example of doubled up work areas, is the picture that shows how we have a workstation in the hallway for processing of evidence, due to a lack of space. On the right, the original training room, which now is used for smaller meetings and storage. The bathrooms, which are to be for public use, are in the basement. We usually escort them into our secured areas upstairs. In our garage, we have the officer lockers. There are water issues, which have caused mold problems that we deal with 1-2 times per year, in the garage. We have areas where we have cut out two-to-three foot of drywall and replaced it, to get the mold out, within the department building. We have several small trailers outside that we use to store bikes and other recovered, unclaimed items.

So, what are the options? Director Bell presented Option 1, is that we can do nothing. The benefit is that there is no need to dedicate revenue source, right now. However, we would just be able to meet the needs of today. Costs just keep climbing. The cost of upgrades and renovations continue to rise and the needs continue to grow. They are not going to go down. We still have lingering liability issues with steep stairwells, ADA fines, or suits related to workers' comp or ADA. Option 2 is renovation of Fire Station #1 and Police Department. At Station #1: Add two floors to the rear of the building and

address the collapsing retaining wall in the process; add an elevator and address remaining ADA issues; add on to the front of the building to accommodate larger apparatuses; and, redesign floor plan to allow for better use of space and ability to move command staff and supervisors back to the building. Minimal estimate is \$2.8M. Renovations at the police department would involve adding on to front of the building out to the sidewalk to enable redesign of floor plan with lobby and elevator, public restrooms and a witness interview room; add on an enclosed sally port, sixth garage bay and covered outside storage. Estimated cost is \$1.8M. Director Bell pointed out this would only address needs for today. It does not create anything for future. Both buildings would be pushed out to the footprint of the parcels they are on. Councilman Schwarz asked would it be possible to utilize the additional parcels. Is there other nearby property that could be purchased? Director Bell stated I am not going to say that is not a possibility. The way utilities are set, we would incur a lot of cost to relocate them. Total estimate for both departments, to meet our needs today would be \$4.6M minimum.

Option 3 is what staff feels is the best option. There is an Option 3A and 3B. Both 3A and 3B involve renovating Station #1. Option 3A police and EMS renovate existing structures. Option 3B is that we build a new one on our own property, but on a lesser scale than originally planned. With Option 3A, we scale back renovation of Station #1 to accommodate current EMS operations, add a single story to the rear of the building, and address ADA issues through the remodel and addition of an elevator or lift. We relocate the police department to an existing building in town. We looked at these buildings around town. You recognize each of these. There are positive and negative aspects to each. One is what price we could obtain these structures for. There is also the Highland-Pierron Fire Department's building on Woodcrest Drive. Highland-Pierron Fire Department has plans to build a new facility. We could look at utilizing this structure. Remodel cost would be a lot less. We have not locked into anything here. This is just a snapshot. The owners of these properties could sell these to someone else tomorrow. Part of the problem with the existing structures is that it does not include the purchase price of the properties. Each property has unique issues. Both of these are retail areas. We would lose the potential sales tax that these buildings could generate if other tenants came in. For Option 3A, our best estimate is \$5M-\$5.5M, with the most an estimated cost of \$1.1M for Fire Station #1 renovations. Councilman Schwarz asked what happens to current police department structure if we relocated the department. Director Bell responded that is above my pay grade to determine if the property is sold or used for another department's needs. Councilman Schwarz asked if it could be utilized for EMS. Director Bell pointed out it is dangerous enough to have police cars going down those narrow residential streets much less a large ambulance. If you make it into a public facility, there are issues that would still need to be mitigated.

Councilman Schwarz pointed out you have a range of approximately 10% there. I am worried we are going to try to make a decision on something that is not certain. Director Bell stated I do not know how I can present something that had more legitimacy to it. It does not make sense to invest public money into things that are options being presented. Lt. Chris Conrad reported part of the cost estimate is based off advertised property that exist out there now. The renovation per square foot we are confident in that estimate. The biggest variable comes in the purchase price. Councilman Schwarz asked is not there different variables in the renovations needed based upon which building it is. The devil is in the details. Director Bell acknowledged when you go into an existing property, you always have a risk of what you will find or have to deal with. This is our best estimate. We are proposing what we feel are viable options.

Option 3B would be to renovate Station 1 and basic construction of a new police station. As state and federal funds have dried up over the years, we feel these (shown pictures) are the structures that departments are going to go towards. They are more reasonable in costs. With this idea, we control design and layout and reduce the cost compared to custom construction. It reduces our space concern for future growth for all departments. With new construction, there are no unseen things. You know what you are getting from the front end. The basic construction is not as aesthetic as an all brick structure, but

serves its purpose. Staff would have to be more involved in the process. We are looking at construction estimates for anything above ground at \$45/sq. ft., or if it has a basement, that cost would be \$70/sq. ft. Interior cost of \$150-\$17/sq. ft. Cost summary of Option 3B, is \$1.1M for renovation of Station 1, and \$1.1-\$1.8M for basic construction and build out of basic construction would be \$2.1-\$2.6M, for a total estimated cost of \$4.9-\$5.5M, based upon a 15,000 sq. ft. police department. Infrastructure costs are not included in these estimates. The property owned by the hospital does not have infrastructure. If built in another area where there are area streets, and sewer and water nearby, it would be less.

Director Bell covered the required revenue needed for each department and potential funding sources. The fire department needs about \$200,000 per year for equipment replacement. Property taxes and sales taxes are the areas they have to draw from. EMS equipment replacement costs requires about \$80,000 per year. Property taxes and sales taxes are the areas to draw from. They could look at doing some fee increases. We are billing lower than other departments. Depending upon the options chosen, an estimated \$375,000 would be needed for any building renovations or replacement. With \$200,000 for equipment replacement annually or building renovation or construction of \$375,000, the annual cost is \$575,000 - \$600,000. Director Bell summarized these are what we feel are viable options and what we feel we truly need. We will not know exact costs until we get elbow deep in any of these options. Steve Kloss asked are these twenty-year figures. Director Bell replied yes. Mayor Michaelis stated you and Lt Conrad did an excellent job at putting this information together. Director Bell stated we know this is not the facility that we all want to see; however, we do not want to cause discord amongst the citizens. We have good citizen support. This is what we feel can achieve our mission and the city can be proud of.

Councilman Schwarz asked if we do not raise sales tax, what other options are there for us to raise the funds. Director Bell stated we looked at internal options and state and federal grants; however, the business district tax is the only thing we have found. With the state of federal and state government, the funding sources not there. I think this could be done with a lesser of a 1% sales tax, but to say we have other options, I do not know of any. City Manager Latham stated a minimum of a ½% sales tax is needed. Assistant City Manager Lisa Peck pointed out if you want funds to put back into any of the business districts, you would need more than half-percent sales tax.

Councilman Schwarz asked is renovation an option with the subsidence at the police department. Director Bell stated it is something that can be worked with. Councilwoman Bellm pointed out that when that building was built, it was supposed to be a temporary facility. Director Bell expressed my fear is spend a lot of money on continual repairs and not having something for the future. A good portion of what you could be put into a new structure would be put towards fixes of the same issues we continue to see. I just question if that is the best use of taxpayer funds. Councilman Schwarz asked does the property you targeted have the infrastructure. Director Bellm reported we have ten acres of property by the hospital, which does not have the infrastructure to it. If we sold that property, we could use that to fund purchase or renovation of an existing structure. Councilman Frey stated the property across the roadway from the city's property has a starting value of just over \$75,000 an acre. Mayor Michaelis expressed renovating the police department is not an option. That should not have been built in a residential area. It is too hard to find for people needing that service. I would not remotely consider that. Councilwoman Bellm agreed. Director Bell stated these are the best and viable options. We need to look at what is the best bang for our buck. We need to walk through this and make sure it is done correctly with a plan in place of how we go about this. We do not want to rush into this and have the cost soar because we did not plan properly. Councilman Nicolaides asked why the police department is falling apart. Is it construction or subsidence? Director Bell responded subsidence is a significant portion. We are doing the best we can to keep the structures up; however, we are putting money into maintaining the issues. These are money pits. Issues just keep reoccurring. Director Bell reported we have done a lot of updates for technology and updates to repurpose, to make the best use of this.

Councilwoman Bellm asked to discuss some financing options. Councilman Frey agreed we need a running start before the next meeting. Councilwoman Bellm we need to be prepared on any ordinances drafted. Councilman Schwarz expressed I do not think anything other than a sales tax would be appropriate. I do think we need to narrow it down. I was in favor of re-drawing the business districts. I know it would require Moran Development to start over, but I do not think it would cost as much as the initial study, as a lot of the work is done already. Councilman Schwarz stated I do not want to levy a tax against a business that make it uncompetitive. Councilwoman Bellm expressed I understand; however, to eliminate one business, but tell another they have to stay within the business district. It is all or none. Councilman Frey agreed. The three areas eliminated are by state law. Those being automotive, medicine and food. I do not want to waste any more money on studies. I do not think the cost would be much less than what it was before. Councilman Schwarz asked are we going to kick on all three districts at the same time or do just one and see how it goes. Councilman Frey stated it would put other businesses at a disadvantage if we did just one. Use gas stations as an example. People would go to one versus another to get their stuff.

City Manager Latham proposed doing an RFP to have someone develop the property by the hospital. We could sell the property off in lots. We could outright sell the property; however, we would lose control over how it is used. A property tax increase is off the table. I have been a big proponent of the plan. We have had two referendums. One for sales tax increase and another to pay off electric bonds for fiber and they were both supported. Councilman Frey stated these items are necessities. We have to give the city these things – police, fire and ambulance. I hate to keep pushing it off and wait. If we wait another two years. The other option is that we cut back on services.

Councilman Frey pointed out that 1% is \$1.00 on a \$100 purchase. One-quarter percent of that is \$0.25. I think people can live with those numbers. At one-quarter percent, our rate would become 8.10%. Keep in mind and think about these towns: Aviston 6.25%; Breese, 6.25%; Troy, 7.85%; O'Fallon, 7.85%; Greenville, 7.75%; Edwardsville, 8.10%; and, Collinsville, 9.10%. Collinsville is considering raising their sales tax again, to 10%. I do think 1% is too much. I want to keep us competitive. I could vote for ½% or less. City Attorney Michael McGinley warned council members should keep the talk about funding and not about votes. Councilwoman Bellm stated these departments have been very conservative with their spending over the past several years. Costs and needs keep increasing. We are not going to find any savings in the budget to find an additional \$250,000 per year. I tend to agree with Councilman Frey. I am still listening before making a decision. A 1% sales tax pushes us up farther than where we want to be. A one-quarter percent tax does not give us the assurance that we are going to get what we need to fund public safety. There was some talk about seeing what we receive the first year, before spending anything.

Councilman Nicolaidis asked is every business in town in a business district. Asst. City Manager Peck stated there are very few that not within a district. Councilman Frey asked what would prevent a business from coming into Highland to locate outside a business district. Asst. City Manager Peck explained they would have to find it within our ordinance and zoning, look at frontage to attract customers, and then decide if a half-percent sales tax is worth the location or not. Councilwoman Bellm pointed out buying a can of paint may not make a person think about it; however, it may make a person re-think a larger purchase. City Manager Latham pointed out you have not voted in any of those districts yet. Councilman Frey noted \$250 on \$100,000, is at a 1/4% sales tax. You look at what Aviston's tax rate is, but look at what we have to offer over them. Look at Edwardsville, where a \$600,000 home cost \$300,000 in Highland. Councilwoman Bellm stated the issues are here now and they need to be addressed now and dealt with, politically killing or not. Councilman Frey agreed. He added, as we wait, prices continue to increase. Councilwoman Bellm reported I did ask staff these questions: We can vote on the business districts now and put them into place, but not impose a sales tax, if we decide that we

want to look further and implement a sales tax charge later. We do lose the money that we could have taken in, in that time. The sales tax does not have to put into place with the business districts.

Councilman Schwarz made a motion to adjourn; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried and meeting adjourned at 7:42pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk