

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, MARCH 19, 2018**

Mayor Michaelis called the Regular Session to order at 7:17pm. Council members Schwarz, Frey, Bellm and Nicolaides were present. Others in attendance were City Manager Mark Latham, City Attorney McGinley; Directors Bell, Cook, Imming, Korte and Rosen, EMS Chief Wilson, Fire Chief Bloemker, Treasurer Foehner, Deputy City Clerk Hediger, and City Clerk Bellm, Director of Latzer Library Kim; 15 citizens and one member of the news media.

**MINUTES**

Councilman Schwarz made a motion to approve the minutes of the March 5, 2018 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*Highland Arts Council 2018 Art in the Park Funding Request* – Lynette Schuepbach requested sponsorship from the City for this year's Art in the Park. I requested a range of \$6,000-\$8,000 for sponsorship. Mayor Michaelis asked what it was last year. Finance Director Korte replied \$6,000; however, based on projected funds, we budgeted \$7,000 for this year. Councilman Schwarz made a motion to approve sponsorship of the 2018 Art in the Park, in the amount of \$7,000, from the hotel/motel tax fund; seconded by Councilman Frey. Councilman Schwarz noted, last year, I had asked if you had any idea of how many rooms were booked from this event. Ms. Schuepbach reported the Baymont Inn has ten rooms. They actually send some away due to a lack of rooms. Roll Call Vote: Schwarz, Frey, and Nicolaides voted aye, none nay. Councilwoman Bellm stated, because she hopes to be a vendor, she abstained from the vote. Motion carried.

Tim Kruse, with Kruse Properties, stated he is trying to get more information about this ordinance for inspection of rental property. Explain the purpose of the ordinance. City Attorney Michael McGinley stated the purpose is to insure the health and safety of the properties. Mr. Kruse asked is there any considerations to those in private residences. Any concern about those properties owned by the residents? Are there not general issues there? You say this is about health and safety. Are we not concerned about all citizens of Highland? If the ordinance takes into account those in private residences. I work with the City of Highland. I have taken private residence and have turned them around. Glenn Neumann and I have been doing this for twenty years now. You are saying this is for safety and health, but you do not say it was for private residences. I called Building & Zoning, and I asked if I was purchasing property, would this inspection be required. I was told no. The City of Collinsville realized there was a discrimination between private and rental properties. Have you received reports of substandard issues? How many in 2017? Mayor Michaelis responded the person that used to handle that department is not here. Mr. Kruse stated so, reports were received, but we have no idea of what supports the ordinance.

The ordinance states 'Where as the City has determined that most landlords are responsible owners.' If that is the case, then why are you putting in such an ordinance? City Attorney McGinley explained we have to treat all similar situated people equally. If we are going to address the health and safety of all of these items, we have to do it for similar groups. Most of the landlords are responsible; there are some that are not. There are people that are living in these properties that are living in substandard conditions. Mr. Kruse stated I am asking about the residents that own their own property. Are you not concerned about private homes? Why discriminate against me and other property owners that take care of their properties? Surely, there are privately owned homes with similar issues as these. Why discriminate? City Attorney McGinley asked why are you saying the City is discriminating? This is addressing one specific area. Mr. Kruse stated you are talking about health and safety of the citizens of community. Yet this is for only rental property. Why is there not an ordinance and inspections for all homes? Attorney McGinley advised if you would like to have one for that issue, and then feel free to come up and make your request. If you are asking for empirical data? Are there issues with private residences? Building & Zoning is addressing all kinds of issues on a week-to-week and month-to-month basis. The idea is to address this issue at this time.

Attorney McGinley asked Director Bell if he would like to address the issue. Public Safety Director Terry Bell reported we have a lot of people that do not choice as to how the property is maintained. They do not inherently have an inspection done by virtue of getting a home loan. We are trying to insure that those people are living in safe conditions. You cannot address a few without addressing all those in that sector. Mr. Kruse stated it is not fair to discriminate against good property owners. City Attorney McGinley contended this has nothing to do with discrimination or separation. Mr. Kruse stated I respectfully disagree, you said that this is about the health & safety of residents, but it only pertains to rental property. Mayor Michaelis stated I cannot begin to tell you how much our Building & Zoning Department addresses with violation of nuisance. You are renting the property out. I am aware of your properties and you rent nice property. We can only drive by and look in, based upon rights of privacy owners. Mr. Kruse contended the numbers are lacking to support this ordinance. I will live with it. I am concerned that the ordinance is being driven to increase revenue sources.

Mr. Kruse asked City Manager Latham what the testing is going to be for the person that will take the inspection role on. City Manager Latham replied ability to know some plumbing, electric and codes. We have spent over a year and visited several communities to develop this program. Mr. Kruse stated a good friend of mine is an inspector in the City of Madison. Mayor Michaelis reported we are in the process of looking for someone that fill this role, once this is put into place. Mr. Kruse asked if this person needs to be a certified building inspector. City Manager Latham replied not necessarily. Attorney McGinley advised the checklist for inspection, that has been presented, is only an example. We are looking to come up with a finalized list. We are open to input on developing that list, if you wish to participate in that process.

Mr. Kruse stated we have a variety of properties with different age levels. As a business owner, what is the service level that is expected? I typically rent out our properties with short turnarounds. City Attorney McGinley stated as long as we have the permission of the tenant to come in. If you have someone moving out on Monday and another one in on Wednesday, we should be able to handle it. Our goal is to have this not take more than 48 hours. We realize we do not want to inhibit your ability to rent your properties. Mr. Kruse expressed I feel that is a fair time. I went to the city's website regarding the codes. What is the city's plan to address older structures where it may be impossible to meet current codes. Councilwoman Bellm responded I asked that question, and was told there are properties that are grandfathered in. Mr. Kruse provided one example is now a bedroom is required to have an egress window. There are a lot that do not have a window in the bedroom. Councilwoman Bellm replied you will not be required in an older structure. Mayor Michaelis stated this ordinance is not about looks and attractions of the property, it is simply health and safety. City Attorney McGinley pointed out if the

inspection is done and something is found, there is an appeal process in the ordinance. The ordinance is not intended to be a hindrance.

Ron Dietrich, with Illinois Property Realtors Association, addressed the council with regards to Section 33-7-6 (page 9), Items c, d & e. If I own a rental property here in town, and I make sure it is registered, in June. In September, I have a new tenant move in. In December, I sell the property. I am paying \$25, \$25 and \$25? City Attorney McGinley advised any time there is a change in ownership and tenant change. Mr. Dietrich requested there be a timeline. If I have a tenant in there for two years. \$25 this year and \$25 in 2020. Tenant, sale, and beginning of compliance in June. He asked tightening up that language. Concerning Section J, I (first Roman numeral), I have a son and they have parking tickets and since the car is in my name, the parking tickets are in my name. I have rental health & safety permits that are in my name. City Attorney McGinley stated the intent is not revoking permits based upon parking tickets. Mr. Dietrich expressed I hope that is codified in here, so that future plans work with this. This is well thought out. As far as the inspection list and criteria, I did see an instance where a city inspector shows up, sidewalk that does not present any obstacles, but the permit is denied because of cosmetic crack. I hope to be brought into that conversation.

Robert Patterson, homeowner and property owner in Highland, stated you say this will not affect private homeowners. Is that not how all these things start? You were talking about hiring a qualified person. Where are you going to find that person? They are not going to come to do this for \$40,000 or \$80,000. You cannot even get an inspector to come in and do those inspections now. People do not need someone to come in and tell you that a sidewalk needs to be properly repaired. I don't see where this is going to work. We have rental agreements. If we want to collect on a deadbeat, you have to show the court judges that you have a good property. Belleville has tried this. You are going to end up with vacant property. When the tenant moves in, you have to make sure that by state statute that these things have been done. You have not had an inspector that is valid in the thirty-five years. You have one inspector that gives their opinion and another inspector that will make another opinion. I just don't see how this is going to work. I had a friend look at a home built in Highland, seventeen years ago. The staircase was 9" risers, it should never have been. I still build homes today. If you are going to implement an ordinance. How are you going to know which building is grandfathered in? That house should never have passed, but it did. I buy a house and flip it. I fix all those problems I see. I put on a covered deck. The person that did the inspection never went up on the deck. You are not going to get a qualified health and safety inspection. I have seen inspectors that think they are as important as a police officer. Mayor Michaelis expressed I think the things the inspector is going to look for are the obvious. Mr. Patterson stated renters have the option of moving out, if there are issues. We do not have those properties in Highland. I own close to twenty homes. I have been doing this for forty years. I don't need someone to inspect my homes. We don't rent homes like that in Highland. It starts off innocence, but it becomes a monster. The money you are going to spend trying to do this. People are not coming to Highland for \$4,000. Put the money into good infrastructure. I am not going to stay in Highland, if I am going to be treated like this. Talk to people like me. Not the people that have fifty complexes. Every house I have owned has tripled in property value. I have never owned a house more than thirty days after putting them on the market. I would invite people like me to come talk to you. We just hear about what you are going to impose on us.

Requests of Council:

No comments or requests.

Staff Reports:

City Manager Latham reported the police pension board is going to move to an active manager. Wealth Management Group, out of the Bank of Edwardsville, will be handling the administrative functions.

*Presentation by Dan Cook Regarding Development within the City's Electric Service Area –* Director Dan Cook stated we felt it was prudent to discuss electric service within the city. I know we talked about the requirements of subdivisions be inside our utilities service area. The city's electric service boundaries are unique. We are the only municipality that serves outside the city limits. Ameren and Southwest Electric Cooperative border our service area. We did an exhaustive investigation to see if we want to exchange some of those inside for those outside city limits. We determined it was best to keep what we have. I do not know that it is that important that they have all the utilities. The infrastructure required to service a new subdivision is a substantial amount to start it up, and it takes years to get that money back. Mark and I are to meet with Ameren, March 29, to discuss service areas. Ameren would like some alternate power sources to balance loads. Some recent results, is a person off Hill Road, inquired with us to service them. Knowing that was Ameren service territory, I gave them the information of whom to contact at Ameren. They received permission for the City of Highland to serve them, from Ameren. This is the case with another customer in a different area. Years ago, Ameren and City would fight over service to areas. Ameren was more interested in distribution services. They are now more interested in transmission and have sold off some of their distribution. Even the one, two customers, it takes a few months to provide service. Councilwoman Bellm stated that is interesting to think about. I understand what you are saying. Look at property tax and sales tax from shopping in town versus utilities. Perhaps it is not as crucial as I would have thought before. Director Cook stated, as director, I am not going to feel slighted if someone builds a subdivision outside our service area.

## **NEW BUSINESS**

Approve Mayor's Appointment of Craig Korte to the Silver Lake Advisory Commission – Councilman Schwarz made a motion to approve the mayor's appointment of Craig Korte to the Silver Lake Advisory Commission, for a three-year term, to expire March 2021 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill 18-27/ORDINANCE Amending Section 78-112, of Chapter 78 of the Code of Ordinances Amending Recreational Non-Profit Demand Rate and Associated Definitions, Terms and Conditions – Councilwoman Bellm made a motion to approve Bill 18-27/Ordinance #2835 amending Section 78-112, of Chapter 78 of the Code of Ordinances amending Recreational Non-Profit Demand Rate and associated definitions, terms and conditions as attached; seconded by Councilman Schwarz. Councilwoman Bellm noted this was discussed a while back and notes were in the packet. Any big changes? Director Cook stated we had discussed the rates effective Memorial Day to Labor Day; however, the computer software does not recognize that, so we had to pick dates. We looked at the time for sunrise and sunsets to help with setting the specifics. I think this will serve everyone well. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill 18-28/ORDINANCE Amending Chapter 33 of the Code of Ordinances to Include Article 7 Entitled Health Safety Inspections – Councilman Schwarz made a motion to approve Bill 18-28/ Ordinance #2836 amending Chapter 33 of the Code of Ordinances to include Article 7 Entitled Health Safety Inspections as attached; seconded by Councilwoman Bellm. Councilman Schwarz asked, with some of the things heard tonight, could we make money off this? City Manager Latham replied no. Councilman Schwarz asked could we do every twelve months. City Attorney Michael McGinley stated I have looked at that. To do this to ensure consistency, and with the spirit of the law, and research done, it does not make any sense.

This ensure a new tenant moves in, and you want to make sure that everything meet health and safety. Councilman Schwarz acknowledged we have a trigger. Councilman Schwarz asked can't we waive that fee. Attorney McGinley stated I do not think that is something we can do. Councilman Frey

stated I had rentals. It does happen. You think you rent to a good person, but then you get there and there are no light bulbs left and broken sockets. I think it is necessary to have it done between tenants. I have had renters stay two years and everything is still perfect. Councilman Schwarz noted we are not going to get everything perfect with the inspection process; however, do we have a plan for what we are looking for? City Manager Latham reported there would be a night for feedback. Mayor Michaelis suggested we have a meeting night for all property owners to meet the inspector(s) and discuss the process. Councilwoman Bellm stated I do not want this a “nitpick”. However, I have seen houses with windows broken, steps falling apart, toilets backed up, and yet, for some reason the tenant will not report it. If you have places well-kept and good background checks, I don’t think it will be a problem. I am concerned about it to. However, it has to address some issues that we have. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill 18-29/ORDINANCE Approving Rezoning of Property at 2774 State Route 143 From “R-1-A” Single-Family Residential District to “C-3” Highway Business District – Councilwoman Bellm made a motion to approve Bill 18-29/Ordinance #2837 approving rezoning of property at 2774 State Route 143 from “R-1-A” Single-Family Residential District to “C-3” Highway Business District as attached; seconded by Councilman Schwarz. Councilman Schwarz asked where this property is. Attorney McGinley reported this was originally the school’s property, along Route 143, next to the cigarette shop, across from Basler Electric. Councilman Schwarz questioned that is residential there. Attorney McGinley replied everything comes into the city as residential. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill 18-30/RESOLUTION Making Separate Statement of Findings of Fact in Connection with an Ordinance Granting a Special Use Permit for a Drive-Through Establishment at 2774 State Route 143 – Councilman Schwarz made a motion to approve Bill 18-30/Resolution #18-03-2510 making Separate Statement of Findings of Fact in Connection with an Ordinance Granting a Special Use Permit for a drive-through establishment at 2774 State Route 143 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-31/ORDINANCE Granting Special Use Permit to Sunset Commercial Properties, LLC, to Operate a Drive Through Establishment in the “C-3” Highway Business Zoning District at 2774 State Route 143 – Councilwoman Bellm made a motion to approve Bill #18-31/Ordinance #2838 granting Special Use Permit to Sunset Commercial Properties, LLC, to operate a drive-through establishment in the “C-3” Highway Business Zoning District at 2774 State Route 143 as attached per the restrictions as specified by Planning & Zoning; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-32/ORDINANCE Approving and Authorizing City Manager to Execute an Agreement With Surjit (Sunny) Tut d/b/a Tut Properties, Inc. for Tax Increment Finance Proceeds and Other Actions Related Thereto – Councilman Schwarz made a motion to approve Bill #18-32/Ordinance #2839 approving and authorizing City Manager to execute an agreement with Surjit (Sunny) Tut d/b/a Tut Properties, Inc. for Tax Increment Finance (TIF) proceeds and other actions related thereto as attached; seconded by Councilwoman Bellm. Councilman Schwarz noted, so what the memo says is they are going to construct a 2,000 sq. ft. building and we are going to reimburse them, not to exceed \$62,500, over ten years. This is the standard package we give? City Manager Latham replied yes. The estimated property value will increase \$20,000 per year. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-33/ORDINANCE Approving and Authorizing City Manager to Execute an Agreement With Gayle Frey d/b/a Sunset Commercial Properties, LLC for Tax Increment Finance Proceeds and Other Actions Related Thereto – Councilwoman Bellm made a motion to approve Bill #18-33/Ordinance

#2840 approving and authorizing City Manager to execute an agreement with Gayle Frey d/b/a Sunset Commercial Properties, LLC for Tax Increment Finance(TIF) proceeds and other actions related thereto as attached; seconded by Councilman Schwarz. City Manager Latham reported the EVA will increase about \$50,000. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-34/ORDINANCE Approving and Authorizing City Manager to Execute an Agreement With Kidds Restaurant, Inc. for a Project in Business District Number One and Other Actions Related Thereto – Councilwoman Bellm made a motion to approve Bill #18-34/Ordinance #2841 approving and authorizing City Manager to execute an agreement with Kidds Restaurant, Inc. for a project in Business District Number One and other actions related thereto as attached; seconded by Councilman Schwarz. Councilman Schwarz asked what we are saying here with the city’s portion of the sales tax will be abate up to \$47,400 over the next ten years. Attorney McGinley explained that based upon one million dollar project value, the city will give 25% back of the 1% sales tax. Within ten years or 20% of their cost of the project. Councilman Schwarz asked have we done this with others. Do we feel this is the differential factor in them deciding to put this in Highland. Attorney McGinley replied yes. I have seen the numbers. Councilwoman Bellm expressed when I was in business no one gave me any money or incentives. All communities are doing this now. This is how you compete. We did approve these business districts and TIF districts. As long as they qualify, we pretty much are set to do this, unless they do not meet the requirements. For example, if they do not meet the numbers or do not want to do the reporting, we do not have to pay them. I am familiar with one that chose to do that. We are giving 25% of the 1% sales tax. Without giving that back we would not get anything. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-35/RESOLUTION Determining the Intent of the City to Reimburse Itself for Certain Capital Expenditures in Connection with the Transmission Water Main Relocation From IL State Route 143 to Koepfli Lane – Councilman Schwarz made a motion to approve Bill #18-35/Resolution #18-03-2511 determining the intent of the City to reimburse itself for certain capital expenditures in connection with the transmission water main relocation from IL State Route 143 to Koepfli Lane as attached; seconded by Councilwoman Bellm. Councilman Schwarz stated I don’t understand. City Manager Latham explained we have, basically, \$2.4M in a loan for this project. We are saying if the bid comes in \$200,000 less, for example, we can actually use the loan money. Director of Finance Kelly Korte explained, when we borrow money for such things, if you don’t specify any overages going back, and then the money would just sit there. This way we can use it. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-36/RESOLUTION Approving and Authorizing the Execution of a Proposal for Civil Engineering Services with Curry & Associates Engineers, Inc. for a Water Main Replacement Project – Councilwoman Bellm made a motion to approve Bill #18-36/Resolution #18-03-2512 approving and authorizing the execution of a proposal for civil engineering services with Curry & Associates Engineers, Inc. for a Water Main Replacement Project as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-37/RESOLUTION Approving and Authorizing Execution of a Proposal for Civil Engineering Services with Oates Associates, Inc. for a Project to Remove and Replace Culvert Pipe Underlying the CSXT Railroad Tracks – Councilman Schwarz made a motion to approve Bill #18-37/Resolution #18-03-2513 approving and authorizing execution of a proposal for civil engineering services with Oates Associates, Inc. for a project to remove and replace culvert pipe underlying the CSXT Railroad Tracks as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

## **REPORTS**

Approve Warrant #1088 – Councilman Schwarz made a motion to approve Warrant #1088 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn this regular session to enter into executive session under the Illinois Open Meetings Act under 5 ILCS 120/2(c)(1) to discuss the performance and compensation of a specific employee; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried. Meeting adjourned at 8:40pm.

Mayor Michaelis reconvened the Regular Session at 9:54 pm. Roll Call Vote: Councilmembers Nicolaides, Bellm, Frey and Schwarz were present. Others in attendance were City Manager Latham, City Attorney McGinley and City Clerk Bellm.

Councilman Schwarz made a motion to adjourn; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried and meeting adjourned at 9:54pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk