

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, OCTOBER 15, 2018**

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, City Attorney Michael McGinley, Directors Cook, Imming, Korte, Rosen and Slover; Police Chief Remelius, EMS Chief Wilson, Fire Chief Bloemker, City Clerk Bellm, 2 Representatives of Gilmore & Bell, P.C., 5 Representatives of Scheffel Boyle, Nancie Zobrist of Highland Chamber of Commerce, and 8 citizens.

MINUTES

Councilman Schwarz made a motion to approve the minutes of the October 1, 2018 Regular Session as attached; seconded by Councilman Nicolaides. Roll Call Vote: Schwarz, Frey, and Nicolaides voted aye, none nay. Councilwoman Bellm abstained. Motion carried.

PUBLIC FORUM

Citizens' Requests and Comments:

2018 Chamber of Commerce Lighted Christmas Parade Request – Nancie Zobrist, Chamber of Commerce Executive Director, requested use of the parade route and downtown Square to host the Lighted Christmas Parade and the downtown lighting ceremony on Friday, November 23, 2018. The parade will begin at 6:30pm, with the same parade route as past years. The Munny Band will play, along with Madrigal Singers performing, and we will hold a lighting ceremony after the parade on the Square. We are requesting use of the Square facilities, from 5:00pm through 10:30pm, assistance with traffic control from the police department for the event, and electrical staff available for any lighting issues that may arise. Again, this year, we are requesting exclusive control of sale vendors around the Square and along the parade route within a two-block area. Councilwoman Bellm made a motion to approve the street closures, facilities, and assistance for the Lighted Christmas Parade and Lighting Ceremony on Friday, November 23, 2018 as attached; seconded by Councilman Schwarz. Mayor Michaelis asked if they will have young adults handing out candy, and restrict throwing candy from vehicles and floats. Mrs. Zobrist stated we always request that parade participants walk along. If you need someone, I will work to get volunteers for you. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

2018 EvUCC Box Village Exercise Square Use Request – Terrisa Gehrig, EvUCC Homeless Simulation Coordinator (Youth Director) requested permission for the EvUCC youth group to have a box village home simulation on the Square on Friday night of November 2, 2018, until 7:00am. We anticipate 10-20 kids staying overnight, along with some adults for supervision. We would arrive around 3:00pm. We will tear down and clean up early on Saturday, November 3, and should be out of there by about 7am. We will need access to the public restrooms, also. Councilwoman Bellm made a motion to allow the EvUCC Box Village to be held on the Square on Saturday night of November 2-3, 2018 as requested;

seconded by Councilman Schwarz. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Councilman Schwarz abstained. Motion carried.

2018 Highland News Leader Trick-or-Treat Trail Request – Brenda Fedak, Highland News Leader Representative, requested approval for the Highland News Leader to host the Trick-or-Treat Trail per the written request submitted and as it was in years past. We are requesting use of the gazebo on the downtown square, police presence and use of the restrooms for the event, on Friday, October 26, 2018 for the event, which will be 2pm – 6pm, with setup beginning at 1pm. Councilman Frey made a motion to approve the request of the Highland News Leader to hold the Trick-or-Treat Trail on Friday, October 26, 2018, 2:00–6:00pm, as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Lynette Schuepbach, Highland Arts Council President, thanked the council for their continued support of Art In the Park. This year’s event was still a success, despite the weather. We did a unity project while everyone was out there. It is made of PVC pipe and is eight feet tall and 8x8’ structure. People would wrap cords around the poles representing the things important to them. I am asking to place it, temporarily, by the little park, which is in the lot where the former Koch Cleaners was. Councilman Schwarz made a motion to approve the location for temporary art to the former Koch Cleaner site; seconded by Councilman Frey. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Requests of Council:

No comments or requests presented.

Staff Reports:

2018 Snowplow Rodeo Winners – City Manager Latham reported the annual Illinois Snowplow Rodeo was held at SIUE on September 14, 2018. All four sent did well, resulting in the team of Jim Bugger and Kevin Buchmiller taking first place overall winners, and Lonnie Poettker and Bill Argerter placing third overall. Councilwoman Bellm asked where the trophy, which is present here tonight, will be kept. City Manager Latham reported it will be at the Public Works facility for one year. Councilwoman Bellm expressed congratulations to those men.

Scheffel Boyle – Presentation of Combined Annual Financial Report – Mark Korte, Principle of Highland Office, along with Heather Clugston, Amber Mettler, Taylor Jarvis, and Howard Held were present for the presentation of the Combined Annual Financial Report for the fiscal year ending April 30, 2018. The report only includes comparative reporting for pension liability on the Statements of Net Position for Fiduciary Fund and reported in the Statement of Balance Activities. By recording actuarial valuation of the pension liability has an impact on balance statement and net position on the Statement of Activities. Changes in assumptions could significantly impact reports in future years. Exhibits 3-5 do not include pension.

The report presented starts off with Management’s Discussion And Analysis, which is a summary of financial data by financial department. Finance Director Kelly Korte prepared this. She did an excellent job at giving an overview of the city’s finances and key projects that are in the works. The audit opinion is an unmodified, clean opinion, which is the highest opinion that an auditing firm can provide. We have had that finding for many years and we are able to give that again this year. Once again, this was done under the GASB Statement 34 model, which presents information of the public sector similar to the private sector financial statements.

Mr. Korte pointed out that Statement of Activities, found on Page 14, is similar to a private sector income statement. It does include figures based upon projected pension and reports on an accrual basis. Capital Assets depreciated out; long-term debt reported as incurred. Exhibit 1 shows the assets of all city funds except the Police Pension Fund. Statement of Police Pension Fund is in Exhibits 10 & 11. On Page 14, you can see the total assets of the city reduced from \$116,030,530 to \$113,536,037, for a reduction of about \$2.5 million. Liabilities were also down, about \$3.1 million, from \$40,698,789 to \$34,461,540. This resulted in a total net equity increase of approximately \$601,000 for the year. On Page 15, Exhibit 2, you can see the revenues from taxes and interest income remain fairly consistent with the prior year, as shown on the bottom of Page 16. Governmental Activities increase by just over \$47,000, while Business-Type Activities recognized growth of \$569,696 from the previous year. Details of these can be found in Exhibits 7, 8 and 9. Following Exhibits 3-6, are reconciliations of the activities summarized on Exhibits 1 and 2. On Exhibit 8, you can see while the water department recognized significant income due to rate increases to pay for improvements, electric and sewer operated closer to breakeven. The electric department recognized net income of \$68,798; Water, \$454,876; Sewer, \$55,263; and, Solid Waste, \$99,224. Revenue for Fiber to The Premise Fund increased, as did expenses, as the build out of the fiber project continues. The required supplementary information is given in the tabs that follow with comparison of actual amounts to the budgeted amounts, along with a schedule of funding for retirement funds, pension and health benefits. In the Statistical Section, there is a ten-year history comparative of the various revenues from taxes, charges for services, license and permits, among other things. Table 2 is a history of the sales tax, NHR sales tax, and miscellaneous revenue. As you can see, sales tax revenue remained relatively the same in comparison to prior years. Table 4 provides a history of the city's assessed valuation and estimated actual value of taxable property. Total property tax assessed valuation increased by two percent over the prior year; total property tax increased .96%. On Page 83, you will see the city's legal debt margin is \$15.87 million.

Mr. Korte thanked staff for their cooperation with preparing this report. We are available to answer any questions you may have at any time.

NEW BUSINESS

Approve Mayor's Appointment of Anthony Walker to the Combined Planning & Zoning Board – Councilman Schwarz made a motion to approve the mayor's appointment of Anthony J. Walker to the Combined Planning & Zoning Board, for a term to expire August 31, 2020 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Accept Combined Annual Financial Report – Councilwoman Bellm made a motion to accept the Combined Annual Financial Report, for fiscal year ending April 31, 2018 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Approve 2018 Treasurer's Report – Councilman Schwarz made a motion to approve the 2018 Treasurer's Report as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-129/ORDINANCE Abating Taxes Levied for 2013 General Obligation Sewerage System Bonds – Councilwoman Bellm made a motion to approve Bill #18-129/Ordinance #2881 abating taxes

levied for 2013 General Obligation Sewerage System Bonds as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-130/ORDINANCE Abating Taxes Levied for 2012 General Obligation TIF Bond – Councilman Schwarz made a motion to approve Bill #18-130/Ordinance #2882 abating taxes levied for 2012 General Obligation TIF Bond as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-131/ORDINANCE Abating Taxes Levied for 2014A Korte Recreation Center Bonds – Councilwoman Bellm made a motion to approve Bill #18-131/Ordinance #2883 abating taxes levied for 2014A Korte Recreation Center Bonds as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-132/ORDINANCE Designating Depositories for the City's Funds and Money – Councilman Schwarz made a motion to approve Bill #18-132/Ordinance #2884 designating depositories for the city's funds and money as attached; seconded by Councilwoman Bellm. Councilman Schwarz asked if you want to open a loan, we have to open a bank account. Finance Director Kelly Korte explained this is with regards to the two new accounts, for the financing of the water improvements on the agenda tonight. It is a recommendation by Gilmore & Bell to keep the money separate. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-133/ORDINANCE Authorizing the Issuance of a Promissory Note and Certain Other Actions in Connection Therewith to Acquire, Construct, Extend, and Improve the City's Water System – Councilwoman Bellm made a motion to approve Bill #18-133/Ordinance #2885 authorizing the issuance of a promissory note and certain other actions in connection therewith to acquire, construct, extend, and improve the city's water system as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-134/ORDINANCE Repealing and Replacing That Section of the Highland Municipal Code Entitled "Chapter 18 – Buildings and Building Regulations" with "Chapter 18 – Buildings, Building Regulations, and Municipal Codes" – Councilman Schwarz made a motion to approve Bill #18-134/Ordinance #2886 repealing and replacing that section of the Highland Municipal Code entitled "Chapter 18 – Buildings and Building Regulations" with "Chapter 18 – Buildings, Building Regulations, and Municipal Codes" as attached; seconded by Councilwoman Bellm. Councilman Schwarz asked if this is making any substantive changes. City Attorney Mike McGinley stated this is just simply updating to current Code Books. It takes out some of the sections of codes so they are concurrent with those standards up to the 2012 Code. 2012 Standards seem to work the best and are most comprehensive for the city's needs. This works best for what we want to do now. Councilman Schwarz asked why we would not want the most current. Attorney McGinley stated the current is more beyond what we want to enforce at this time. A lot of time was spent in researching this. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-135/ORDINANCE Amending Article 2, Excavations, of Chapter 62, of the Code of Ordinances, Entitled Streets, Sidewalks and other Public Places – Councilwoman Bellm made a motion to approve Bill #18-135/Ordinance #2887 amending Article 2, Excavations, of Chapter 62, of the Code of Ordinances, entitled Streets, Sidewalks and other Public Places as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-136/ORDINANCE Amending Article 3, Administration, Section 66-3-6. – Fee Schedule, of Chapter 66, of the Code of Ordinances, Entitled Land Development Code – Councilman Schwarz made a motion to approve Bill #18-136/Ordinance #2888 amending Article 3, Administration,

Section 66-3-6. – Fee Schedule, of Chapter 66, of the Code of Ordinances, entitled Land Development Code as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-137/ORDINANCE Authorizing Purchase of Real Estate and Temporary Construction Easement from Tut Properties, Inc. for Roundabout – Councilwoman Bellm made a motion to approve Bill #18-137/Ordinance #2889 authorizing purchase of real estate and temporary construction easement from Tut Properties, Inc. for roundabout as attached; seconded by Councilman Schwarz. Councilman Frey asked, with regards to the purchase of this property and the next item, is the cost based upon appraisal. City Manager Latham reported it is based on appraisal and square footage, in accordance with IDOT standard practice. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-138/ORDINANCE Authorizing Purchase of Real Estate and Temporary Construction Easement from Jeffrey Becker for Roundabout – Councilman Schwarz made a motion to approve Bill #18-138/Ordinance #2890 authorizing purchase of real estate and temporary construction easement from Jeffrey Becker for roundabout as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-139/ORDINANCE Rezoning Property Located at 38 Lincoln Lane from “R-1-C” Single-Family Residential to “C-3” Highway Business District – Councilwoman Bellm made a motion to approve Bill #18-139/Ordinance #2891 rezoning property located at 38 Lincoln Lane from “R-1-C” Single-Family Residential to “C-3” Highway Business District as attached; seconded by Councilman Schwarz. Councilwoman Bellm pointed out that the Combined Planning & Zoning Board did not recommend this rezoning. Attorney McGinley advised that it would require four “yes” votes by the council to approve and override their recommendation. He explained, in paraphrase, the Planning & Zoning Board’s chairperson made it clear that because there is no stated purpose for this property, they were not going recommend rezoning. Once there is a stated purpose, they would give more consideration. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted nay, none aye. Motion fails.

Bill #18-140/RESOLUTION Making Separate Statement of Findings of Fact in Connection with Ordinance Granting Special Use Permit to Summit Ridge Energy and Grandview Farm, LP to Operate a Solar Farm at Railroad Road – Councilman Schwarz made a motion to approve Bill #18-140/Resolution #18-10-2565 making Separate Statement of Findings of Fact in connection with ordinance granting Special Use Permit to Summit Ridge Energy and Grandview Farm, LP to operate a solar farm at Railroad Road as attached; seconded by Councilwoman Bellm. Councilwoman Bellm pointed out that the Planning & Zoning Board recommended approval, but specified conditions in their report and a staff report recommendation be included. I did not see that in the item here. City Attorney McGinley explained there is the staff report, in its entirety and the seven things and seven things specified by Planning Zoning included as attachments and noted within the Special Use Permit that is tied to this development. Those items will go with that. Councilwoman Bellm inquired all of those go as attachments. City Attorney McGinley affirmed. Councilman Nicolaides stated I know where this is going, but asked where Railroad Road is. I had not heard of that until this. City Attorney McGinley concurred. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-141/ORDINANCE Granting Special Use Permit to Summit Ridge Energy and Grandview Farm, LP to Operate a Solar Farm at Railroad Road – Councilwoman Bellm made a motion to approve Bill #18-141/Ordinance #2891 granting Special Use Permit to Summit Ridge Energy and Grandview Farm, LP to operate a solar farm at Railroad Road as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-142/RESOLUTION Approving Contract for Ambulance Service with Marine Community Fire Protection District and Authorizing Its Execution – Councilman Schwarz made a motion to approve Bill #18-142/Resolution #18-10-2566 approving contract for ambulance service with Marine Community Fire Protection District and authorizing its execution as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #18-143/RESOLUTION Approving Contract for Ambulance Service with St. Jacob Fire Protection District and Authorizing Its Execution – Councilwoman Bellm made a motion to approve Bill #18-143/Resolution #18-10-2567 approving contract for ambulance service with St. Jacob Fire Protection District and authorizing its execution as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Award Bid #PW-02-18 for the Water Main Improvements 2018 project – Councilman Schwarz made a motion to award Bid #PW-02-18 for the Water Main Improvements 2018 project to Haier Heating and Plumbing, of Okawville, IL, in the amount of \$1,482,551.00 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Approve Purchase of Water Meters from Midwest Meter, Inc. – Councilwoman Bellm made a motion to approve purchase of water meters from Midwest Meter, Inc. in the amount of \$35,584.00 as attached; seconded by Councilman Schwarz. City Manager Latham reported there was some confusion on this. It is on the warrants to pay, whether we take action on this or not. The confusion came in that the purchase amount was over \$25,000.00; however, these are water meters purchased in bulk, all the time. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting for Bid #PW-06-17 for the Water Reclamation Facility Improvements – Councilman Schwarz made a motion to approve Notice of Municipal Letting for Bid #PW-06-17 for the Water Reclamation Facility Improvements as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

REPORTS

Approve Warrants #1108 & #1109 – Councilwoman Bellm made a motion to approve Warrants #1108 & #1109 as attached; seconded 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 7:50pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk