

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, MARCH 6, 2023**

Mayor Hemann called the Regular Session to order at 6:30pm at the Highland Area Senior Center. Council members Sloan, Frey, Bellm were present. Councilman Hipskind was absent. Others in attendance were City Manager Conrad, City Attorney Christine Swift, Directors Cook, Gillespie, Heimburger, Imming, Ohren, Presson, and Vazquez, EMS Chief Wilson, Fire Chief Straub, Coordinator Hubbard, Managers Hummert, Koehnemann, Pinsker, and Wilken, Treasurer Nicholaides, Deputy City Clerks Hediger and VonHatten, City Clerk Bellm, 14 citizens, and 1 member of the news media.

**MINUTES**

Councilman Frey made a motion to approve the minutes of the March 6, 2023 Regular Session as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*Make – A – Wish Illinois –2023 Hot Chocolate Walk for Wishes– Special Event Application* No one was present to speak on this request. Councilwoman Bellm made a motion to approve the Make-A-Wish Illinois' request to hold the 2023 Hot Chocolate Walk for Wishes, to be held December 2, 2023, 10:00am – 1:00pm, on the Square, per the event application. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried.

*Building Permit Fee Waiver Request – St. Paul Catholic Church* – Councilwoman Bellm made a motion to table this item until after Item D under New Business. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried.

Requests of Council:

Councilwoman Bellm stated for the record that in the past she has abstained on votes for items that she may or may not be involved. However, with no conflict of interest, she is no long going to abstain on these votes.

Staff Report:

City Manager Chris Conrad reported the 138kV line-clearing project has been completed. All the work was completed and they were able to accomplish everything within the \$100,000 budgeted amount.

**NEW BUSINESS**

Discussion – Hotel/Motel Tax Funding Allotment – Mayor Hemann stated we had a lot of discussion about this at the last meeting. Staff were tasked with gathering ideas of how other communities handles this. City Manager Conrad reported per statue the only stipulations are that no more than 5% can be used for administering the program and we cannot use the funds to lure in a new hotel.

Otherwise, if an event brings people to town, you can spend funds on that. We had a suggestion to manage it like a grant program, with an open period that would coincide with our budget process in January-February. We would use the previous year to awards funds. Currently, we base the allotment on the funds we estimate we will receive. This new process would have us budgeting for what was taken in during the prior budget year. City Manager Conrad suggested we could business as normal, this year, since we have a little over \$30,000 in reserves. Money collected next year would use to start the new process. Mayor Hemann asked would we notify any past recipients, so they are aware of the change. City Manager Conrad replied yes, in addition to posting it for notification. If more requests for funds are received than funds available, then it can be divided by percentage. If we have enough to cover all requests, then we grant all requests at the amount requested. Councilman Frey, Councilwoman Sloan and Councilwoman Bellm all agreed that this sounded like a good method. City Manager Conrad will work to put together a written policy for how we would administer.

Discussion – Event Staffing Charges – Mayor Hemann reported we had information in the packet on how other communities are handle staffing of community events. Public Safety Director/Police Chief Carole Presson reported, this year, over 25% of our overtime budget is covering special events. This does not include hours worked by the Chief or the Lieutenant, as they are paid a salary that is not subject to overtime pay. I started the conversation with City Manager Conrad on an agreement or ordinance for some funding assistance for event organizers that wanting police, fire, and/or EMS assistance.

Numerous police agencies were contacted to find out how they handle this. Virtually, across the board, all charge for the officers' time. St. Jacob is the only one that does not; as they are a part-time agency and they can flex their staff's schedule. As for the others, it ranges from 1.5 hourly rate to \$250 per hour per officer. One event alone, last year, costs us of over \$7,000 in overtime. We have to figure out a way to put together something formal, so that we can cover these costs, but also provide options for event organizers. We understand we cannot go from zero to \$100 per officer. We suggested \$50 per officer to work a 5K. We reworked some of the routes to limit the number of officers. For the county fair, Schweizerfest, Kirchenfest, and other full-day or multi-day events, we talked about \$100 per day. Chief Presson expressed we want to meet in the middle, to allow for community events, but cover some of the costs. There could be option for small events that do not make a lot of money. Mayor Hemann noted I think we discussed your department is going to work with organizations as to how many officers, time of the day works best, and options to limit overtime hours, yet provide the services. Chief Presson responded, yes, there are some times of the day when we can provide better coverage for the event, but not get into as much overtime. Councilwoman Bellm noted this will require organizations to cover these intersections with volunteers rather than utilizing police officers in those places. Chief Presson replied, yes; however, there will always be those intersections that will need to be covered by police officers, such as Broadway and Frank Watson. Those are roadways we do not want volunteer staffing. Mayor Hemann inquired this would be put into place with an ordinance. Chief Presson reported some communities and the county have it as an ordinance, so that it is documented. Councilwoman Bellm recommended we include something in the special events application. Chief Conrad stated we are going to be tweaking the special events application anyways, so it would be an opportune time to include in that planning process. Chief Presson agreed it is important that event organizers know these things up front. Councilwoman Sloan inquired this would go into effect for next year. Chief Conrad replied, yes, we need to get something worded and reviewed by legal staff.

Discussion – City Expenses Relating to Special Event – City Manager Conrad reported in review the budget, this discussion also came up, and it deals with other event staffing beyond that of public safety. There are other hard costs for these events, which I call in-kind services. These are setting up the electric, handling water connections; and, Parks & Rec duties for setup and/or tear down of events. Parks & Rec staffing is part-time, for the most part, so hours can be adjusted. Public Works Director Joe Gillespie stated, for Street & Alley, the primary events are Kirchenfest, Schweizerfest, and the Madison

County Fair, and include street sweeping before and after, posting parking signs, barricades, and the number of hours we spend with the coordinators of these events in the planning process. We average roughly \$7,300 to support these events in our efforts. They are in-kind services. The Madison County Fair can be easy or hard depending on the weather. We do have some overtime hours associated, but not a lot. City Manager Conrad pointed out streets, water, electric, and HCS activities are done during the middle of the day; however, occasionally, some emergency issues. Councilwoman Bellm asked is there a suggestion on how to handle this. City Manager Conrad stated I am not sure that we need to address; however, we want the council to be aware of the staff hours. These activities take away from normal activities; but there is not overtime, typically. Mayor Hemann expressed it is important to recognize that the city supports these organizations. A lot of the funds go back to the community, they bring people into town, and those people spend money within the community, while here for those events. Councilwoman Bellm noted, hopefully, it makes people aware that they need to have all of their planning and requests together.

Electric Department Director Dan Cook added the electric department handles locates for events such as Schweizerfest. At those events, the electric is not metered. To Director Gillespie's point, the overtime is not a lot; however, there are occasions when a circuit trips or something like that. We are happy to support the community. Councilwoman Bellm summarized clear planning by the event organizers helps the departments. What about dumpsters? Councilwoman Sloan reported the organizations pay for those.

Discussion – Waiving Building, Zoning and Tap Fees – City Manager Chris Conrad reported we get requests from time to time for waiving building or tap fees. Not any one by itself is that impactful; however, several does create a hit on the budget. Public Works Director Joe Gillespie reported we are very similar to other communities included in our review, yet on the low side of what we are charging for tap fees. If you have a water main on the same side of the street, it is much easier. If you are on the opposite side of street from the water main, you have to do a directional bore for the connection. In labor and material figures, it is \$2,000 more if we have to do a directional bore. Potentially we are losing quite a few dollars on water taps. Included in our survey is Columbia, O'Fallon, Maryville, Glen Carbon, Collinsville, Troy, Edwardsville, and Wood River. We are second lowest. Director Gillespie expressed we need to address the water tap fees, so we are not losing on them. For sewer tap fees, we seem to be in line, with exception of Edwardsville, which is charging over two-times what we charge. A lot of the costs have gone up due to the cost of material and supply chain issues.

Community Development Director Breann Vazquez stated we also want to address zoning and building fee waivers. Since 2019, five permit fee waivers have been requested and granted, for a total amount of \$25,140.03. In Fiscal Year, 2020-2021, that made up 18.2% of Building & Zoning's budget for permit fees and plan reviews. In gathering information from surrounding communities, we found that they do not waive permit fees regardless of non-profit status, with the exception of government entities and select ADA improvements. Director Vazquez pointed out we do have St Paul's School here tonight requesting a waiver, which is on the agenda. I sent this out to Metro East Planners Group. I got six responses back. All do not grant waivers to non-for-profit groups. Councilwoman Bellm stated I would like to get to a clear across the board policy, so it is not done on a case by case. Mayor Hemann stated I like doing it case by case, because some of these projects impact the communities and some do not. With St. Paul's Church, they spent \$7.5M to improve their campus. This year, they are planning \$750,000 in improvements for bathroom facilities in the school, and hope to replace the HVAC system the next year. Director Vazquez pointed out we want to separate this from development agreements, so we could create a development agreement, as this a series of extensive improvements. If allow for waiving of fees, I would ask that we not waive any third-party contractor fees, which are hard costs. Councilman Frey expressed if spending that kind of money, I think that is the best way to handle it. Director Vazquez inquired would you see a development agreement for businesses within TIF district. City Manager

Conrad pointed out some non-profits do not pay sales tax or property tax; therefore, it would be pure economic development funds. Director Vazquez agreed non-profits are already not paying into it; therefore, not they should not receive it. Mayor Hemann asked how much is the fees for St. Paul's School for this project. Director Vazquez reported \$1500, which the vast majority would be to plumbing inspectors, which is a third-party costs for us. Councilwoman Bellm inquired that \$1500 is fees for a \$7.5M project. Mayor Hemann explained no this is for school renovations, which is a separate additional project. After the plumbing is completed, they are going to be working on replacement of the HVAC system. Director Vazquez reported of the \$25,140 waived in 2019-2021, \$23,000 was St. Paul's Church. City Manager Conrad pointed out plumbing and electrical are third-party inspections. Councilwoman Bellm agreed they have to cover third-party fees. Director Vazquez reported on the church's larger project, they had to pay all third-party fees. We are waiving the fees for our staff when granting these waiver requests. Mayor Hemann expressed I have no issue in waiving for non-for-profit on a case-by-case basis. City Manager Conrad sought the council's direction on tap fees. Mayor Hemann stated we need to get to where other communities are. Councilwoman Bellm agreed, stating I do not think that is going to have a significant impact on whether someone develops here or not. City Manager Conrad summarized staff will come back with recommendations.

*Building Permit Fee Waiver Request – St. Paul Catholic Church* – Councilman Frey made a motion to approve waiver request for St. Paul's Catholic Church as attached. Motion seconded by Councilwoman Bellm. Councilman Frey made a motion amend approval the fee waiver request except for any third-party fees. Motion seconded by Councilwoman Bellm. Roll Call Vote on amendment: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried. Motion amended. Roll Call Vote to approve the motion as amended: Councilmembers Sloan, Frey and Bellm voted aye, none nay. Motion carried.

## **UNFINISHED BUSINESS**

Bill #23-17/RESOLUTION Authorizing Allocation of Hotel/Motel Tax Funding for Art in the Park– Highland Arts Council – Councilwoman Bellm made a motion to approve Bill #23-17/ Resolution #23-03-3018 authorizing allocation of hotel/motel tax funding for Art in the Park– Highland Arts Council as attached. Motion seconded by Councilman Frey. Councilman Frey we are working on the budget from last year. City Manager Conrad replied yes. Councilwoman Sloan noted this request is for \$8,000. Mayor Hemann pointed out we are working with \$35,000 budget and doing it on a first-come, first-serve basis. When there is no money there, Reanna will let us know. City Manager Conrad noted that should be an incentive to get requests in early. Mayor Hemann stated this is the same amount as the past couple of years. Councilwoman Sloan expressed I think it is a large amount. Councilman Frey stated I hate to turn people away that we don't have enough. I think we should trim everyone back. Councilwoman Sloan made a motion to amend the amount to \$6,000. Motion seconded by Councilman Frey. Councilwoman Bellm stated I understand what you are saying; however, Art in The Park had a rough year last year, and in order to get it back to where it was, they need to spend more money. We should be able to accommodate everyone with the amount they received last year. Councilwoman Sloan responded but we would not be able to accommodate anyone new. Councilwoman Bellm stated Art in The Park is a large draw, and currently almost every weekend there is something going on in Highland, so I do not know how another event could be fit in. Next year, everyone can put their amount in. If it exceeds the budget, and it exceeds by 25%, then everyone's request gets cut 25%. Roll Call Vote on the amendment: Councilwoman Sloan and Councilman Frey voted aye, Councilwoman Bellm voted nay. Mayor Hemann voted nay. Motion to amend fails. Councilwoman Bellm suggested a compromise. Councilwoman Bellm made a motion to amend the amount to \$7,000. Motion failed due to a lack of a second. Roll Call Vote on original motion: Councilwoman Bellm voted aye, Councilwoman Sloan and Councilman Frey voted nay. Mayor Hemann voted aye. Motion Failed due to lack of majority.

## **NEW BUSINESS (Continued)**

Bill #23-24/ORDINANCE Amending the City's Official Zoning Map – Councilwoman Bellm made a motion to approve Bill #23-24/Ordinance #3260 amending the city's official zoning map as attached. Motion seconded by Councilman Frey. Councilwoman Bellm asked what is being changed. Director Vazquez explained this is the annual refresh of the official zoning map with all of the amendments and rezoning. It includes all items have been passed though out the year. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried.

Award Bid #PR-01-23, For Replacement Electric Panel at Glik Park – Councilman Frey made a motion to award Bid #PR-01-23 to Barton Electric, in the amount of \$42,400.00, for replacement of the electric panel at Glik Park as attached. Motion seconded by Councilwoman Sloan. Councilman Frey asked are we taking the option. Director Cook replied we are not. Mayor Hemann inquired was there a third bid on this. Director Cook replied, yes, we received a third bid that was misplaced and we chose not to open it. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried.

## **REPORT**

Accepting Expenditures Report #1238 for March 4, 2023 through March 17, 2023 – Councilwoman Bellm made a motion to accept Expenditures Report #1238 for March 4, 2023 through March 17, 2023 as attached. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, Bellm voted aye, none nay. Motion carried.

Councilwoman Bellm motion for a seven-minute recess. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried. 7:35pm

## **NEW BUSINESS (Continued)**

### **Budget Discussion - FY 2023-2024 Annual Budget**

City Manager Conrad stated we submit for your review the Fiscal Year 2023-2024 Budget that shows a \$1.073 million dollar surplus. The surplus is indicative of staff's efforts to transition from new infrastructure construction to existing infrastructure maintenance; set aside funds for anticipated future projects; and to hedge against continued inflation pressures and anticipated broader economic struggles.

The FY 2023-2024 budget has been prepared using both the historic metrics of 85% for O&M, 10% for capital, and 5% for replacement/reserves while also taking into account the impact of the pandemic and recent inflation increases on revenues and expenses. As we moved on from the issues related to the pandemic, this past year, we managed through a period of historic inflation that impacted all facets of our operating expenses. Our diverse sources of revenue and conservative approach to budgeting have continued to protect us from making impactful decisions mid-year, but the impact of inflation has exacerbated the issue of the rate of revenue growth to expense growth. We continue manage around this issue through delayed hires, attrition and delayed purchases and capital projects. This conservative management approach has served the City well in the past and has us in a very solid financial position to weather broader economic fluctuations.

With this budget, we have funded our operations through the full fiscal year and are addressing several maintenance and infrastructure needs. We have started implementing new citywide software that should impact city services significantly. In light of these coming changes and continuing the

conservative and responsible stewardship of the taxpayer's dollar, we will evaluate our operations for successive years to keep the City on a sustainable path regarding revenue versus expenses. This means there may be changes in how we deliver services to both the citizens and our employees. Because of the conservative management, in the past, and our solid financial position, we have the resources to make cautious, informed and responsible decisions about our operations and what those changes will look like. Staff will focus on finding solutions that realize efficiencies in operations while minimizing the impact on the citizens or the services we provide. Highlights included:

**Public Safety:** With the construction of the PSB and the remodel of Station 1 behind us, we have renewed our focus on training and equipment for our Public Safety departments. Departments continue to implement technology to help mitigate ever-growing training and certification requirements. EMS revenues continue to be a problem area as Medicare/Medicaid reimbursements remain flat (or even decline) while operating costs continue to climb.

**Public Works:** Trunk main rehabilitation for sewer collection is complete and we have completed several CIPP projects this year as well. We intend to take a break this year to set aside funds and pick back up with the CIPP projects in 2025.

**Street and Alley** will continue to repair to pavements, curbs and sidewalks throughout the city. The Matter Dr. reconstruction should be completed during this budget year making a much-needed improvement to a roadway that serves multiple businesses. We are waiting on potential grant funds for the second half of the Broadway Streetscape project.

**Electric** will continue in their efforts to migrate the entire system to smart meters making the maintenance, billing and troubleshooting of our system more efficient.

**HCS/Fiber** continues to grow subscriber counts and is nearing completion of construction to the final two remaining subdivisions. Video service continues to be a budget stressor, and Victory TV is helping alleviate some of that stress, as it is a cheaper delivery method for that content.

**Park and Recreation** is looking to maintain its facilities and monitor personnel costs as we see significant increases in minimum wage increases, while continuing to research options and solutions for the outdoor swimming pool. The inclusion of Glik Park and the KRC in the business district opens up a revenue stream for much needed deferred maintenance projects at both facilities.

**In Community Development**, will continue to evaluate structures that require demolition and mitigate derelict properties. In terms of economic development, plans include deploying resources through incentive agreements to encourage development and the implementation of a Façade Improvement Reimbursement Program in the Business District. We are exploring the potential for a residential rehabilitation program for the older section of town to protect our core. We will also start the process of extending our TIF districts and will also examine expansion of those TIF districts as necessary.

For your consideration, we submit to you the proposed operating and capital budget for the City of Highland's fiscal year of 2023/2024. Items to note: 0% increase in Operating and Maintenance (O&M) expenditures, coupled with an estimated 1% increase in operating revenues; transfers to reserves equal \$1,545,750.00 in an effort to rebuild reserves for future needs/deferred projects and mitigate further

inflation issues; and, total expenses decrease is 4% from the previous year's budget mainly due to reductions in capital spending and employee attrition.

### General Administration

Director Reanna Ohren reported, this year, we are going to focus on implementing the new software purchase. We are in the implementation phase of the finance portion of the software. We want that in place for next year's budget process. With the damages to City Hall, we are going to utilize the opportunity to address issues to meet our current needs. Councilwoman Bellm asked does Springbook software continue. Director Ohren responded yes, we are looking at keeping it for about another three years. City Manager Conrad explained that allows us to bring data and historical information over.

### Public Safety Department

#### *Police Department*

Police Chief Carole Presson provided a brief overview of the department's budget. She stated, fortunately, this last year we sold our old building and some vehicles. This year it is about maintenance and seeing the impact of these programs to see how they affect our budget and operations. We only want to add a few small projects. With this budget, we have worked to put into place a technology replacement program. (\$15,400) We already got approval for replacement of two vehicles. (\$82,000) The budget includes \$10,000 for installing some cameras around town. Currently, we are awaiting funds from the state for our body cameras. We are hoping to get grant funding for the storage costs. I hope to get staff trained to be trainers, with an initial focus on ground fighting/ground force and vehicles stops training. Mayor Hemann stated, it seems from sitting through meetings, it is just a matter of when we get funds with the state for the body cameras. Chief Presson stated we should qualify for grant funding for both the cameras themselves and for storage. Mayor Hemann inquired any staffing changes. Chief Presson replied we may have one staffing change, but that would be later in the year. As of right now, there is no one planning to leave at this time, that I am aware.

#### *EMS*

EMS Chief Brian Wilson stated we are going to hold the line on expenditures and hope to restore our reserves with this budget. We recently got the new truck and were able to take our two older units out of service. So, hopefully, repair costs in the budget should reflect that. We will research grant opportunities for equipment replacement, and train using the Lexipol software. Mayor Hemann inquired we are paying on this new ambulance for next five years. Chief Wilson replied, yes. Mayor Hemann inquired we will need to replace out another unit at that time. Chief Wilson replied yes. Mayor Hemann pointed out, so, we are pretty much always paying on a unit. City Manager Conrad reported the total payment right now (\$42,178 each year) is for the two cardiac monitors that needed to be replaced, as well as the new ambulance, which we financed. Mayor Hemann stated the hardest part of this budget is that the revenue source is so unpredictable. It is nothing that is going to be solved in the budget process. City Manager expressed it is more of guess than a science. We are seeing a larger percentage of Medicare and Medicaid calls, which pays less and means less return, as reimbursement is \$.40 on the \$1.00. Mayor Hemann expressed the budget gives you an anticipated amount. When you get to the end of budget year, March and April, it is difficult to look at \$100,000 - \$120,000 deficit. City Manager Conrad pointed out we share this issue with every other EMS service. Mayor Hemann asked are you okay with staff. Chief Wilson stated we have to make some hard decisions with the budget, but we are okay.

#### *Fire Department*

Fire Chief Chris Straub reported we have scheduled no capital projects in this budget. We have seen increased O&M costs this past year. For example, firefighter turnout gear has increased from \$1800 each to \$2800. Payroll increased 53%. Without any capital projects, we are putting money into reserves for a new unit in a future year. Mayor Hemann stated I heard in the meetings that you have gotten several

new volunteers. Chief Straub reported had several older members that were not that active and decided to move on. We are fortunate to get several very young volunteers; however, they will need a lot of training.

## Community Development

### *Building & Zoning*

Community Development Director Breann Vazquez reported our department will be borrowing \$107,000 from reserves. We cut down our portion of sales tax to spend down reserves. Capital expenditures include a 50% split of cost (\$25,000) with the electric department to redo the parking lot, and \$35,766 for Tyler Software conversion. We do anticipate a slowdown in construction permits. We are not in position to raise fees, as we are in line with other communities at this time. While a demolition project could present at any time, we do not anticipate any at this time. We are ready for a low revenue and low spending year for year for our department.

### *Economic Development*

Economic Development Coordinator Mallord Hubbard reported beyond salary and benefits, the budget focuses on different programs to incentivize development. We had the homebuilding program for subdivisions prior to 2018 and those after 2018. We are currently deliberating on whether to continue that program or move the focus to residential renovations, particularly in the downtown area.

### *TIF 1 / TIF 2*

Coordinator Hubbard reported the expenses are mostly payments. There is \$15,000 for LPR cameras at Hemlock and Highway 40. Staff has begun planning for future of these TIF districts, which expire in 2031 and 2032. We could look at extending their life or expanding them.

### *Business Districts*

Coordinator Hubbard reported the Business Districts have spurred a lot of development. This will continue to allow for future capital and attract new development. As you know, Business Districts B & C were absorbed into Business District A. He recognized the Highland Chamber of Commerce for all their work in promoting Highland businesses, with this such as the passport. The also thanked the council, businesses, and citizens that support these businesses. This year expenditures will include \$300,000 for city hall renovations, \$75,000 for Weinheimer Community Center roof replacement, and \$50,000 towards engineering for US Route 40 & Sycamore Intersection Construction. City Manager Conrad pointed out we doing engineering right now to get the approval and seek funding.

Mayor Hemann expressed I am very interested to see what you put together for home improvement program for the downtown area. Councilwoman Bellm inquired do we still have the first-time homebuyer funds. Coordinator Hubbard reported, no. We had approval for the thirty that we gave out. With all the development downtown and the success of the business façade program, we are now looking at transiting to residential façade improvement program. Councilman Frey asked is there a deadline for those businesses that do the façade improvement program to start and finish those projects. Coordinator Hubbard replied they have 180 days under the program, so that we know what the allocated amount is.

Mayor Hemann inquired if the proposed new legislation may affect our TIF districts. City Manager Conrad replied we do not believe so. To extend the TIF districts does require approval by state legislator, which takes a while, so that is why we want to start that process now.

## Public Works Department

Public Works Director Joe Gillespie noted we don't usually get into the details on line items; however, our fuel lines in the budget were hit pretty hard. So you will see close to a 75% increase in our



fuel lines, from budgeted last year. Less than six months into this current year, we had expended it. We have a fueling system, which is utilized by all the departments, which is 15-20 year old and is having some issues. I feel it is time for us to look at replacing that system. All the departments that participate in using that system have included costs in their budget to contribute to that replacement.

### *Streets and Alleys*

Capital expenditures include replacement of mini excavator (\$170,000) which has become unreliable. There is \$145,000 in carryover funds for replacement of two dump trucks, which were budgeted for 2022, but we not ordered until 2023. We will take possession of the trucks; however, we will not get the dump bodies until in the next year, because of the wait list. I really like the salt spreaders stands project. The Street & Alley personnel want to do this project themselves. They have the knowledge, experience and enthusiasm to get it done. We have a seven-person crew that is very knowledgeable and experience in concrete work. They are patching and constructing curbs as well as any contractor I have ever seen. We are going to try to do as many areas as possible, with in-house staff. We are trying to get into everyone's neighborhood. Director Gillespie stated because we only do a small replacement in your neighborhood, we will be back later or in the next year. Mayor Hemann asked do you have a priority list. Director Gillespie replied yes, we do the same with streets as we do with sidewalks.

### *Motor Fuel Tax (MFT) / Non-Home Rule (NHR) Sales Tax*

We are budgeting \$96,000 for engineering and \$350,000 for construction of a multipurpose surface from VFW Road to 30<sup>th</sup> Street, for the new primary school. We will continue with (\$573,000) purchase agreement payments for the southern peripheral route right of way within the budget also. The Matter Drive Reconstruction project will be completed in the next budget year. (\$1,035,000 budgeted out of Motor Fuel Tax funds.)

There is the restoration of Veteran Honor Parkway, from Broadway to Michael Road, budgeted at \$385,000, included in the proposed budget. Director Gillespie noted we do have a contractor, Keeley & Sons, awarded for the project. We anticipate another four weeks before they start. This will shut down this roadway to local traffic only, for those needing access to Marker Drive during the 4-6 week construction process. With \$246,000 in the proposed budget for engineering, under Non-Home Rule (NHR) sales tax funds, Director Gillespie stated we hope to start construction next year, about this time, on 6<sup>th</sup> Street reconstruction. \$266,000 included in proposed budget for this fiscal year. Also included in the budget is the four-year rotation of maintenance seal coating of alley and streets.

### *Water*

The proposed budget includes \$80,000 for Plant PLC Replacement, which is the programmable logic controller, or basically, the brains of the center. The present unit is 15-20 years old, and very important we get it replaced. The Water Treatment Plant was updated in 1993. We are starting to see deterioration on exterior of building and the parking lot. Recently, Foresight Consulting came in and did a review. They suggested replacing the roof on the chemical feed building (\$75,000) and main building (\$54,000). Also, we will be replacing three of our water meters (\$100,000), which tracks water in from the lake and water out to our customers. Having meters that operate accurately, helps to calculate any water lost and figure out any problems we may have. \$68,000 budgeted for filter and finished turbidimeters, as well. \$122,000 for routine tank maintenance. In-house we will replace the water main on Sunrise Court; however, we will utilize a third-party contractor to do the main connect at Broadway.

### *Sewer*

Director Gillespie reported we are short on funds to do another CIP project this year. We were fortunate to do 90,000-feet of line this past year. We just finished the trunk main projects, which makes me feel confident that the chances of roots from creek areas making it into the system and to the plant is

highly unlikely. The proposed budget includes \$30,000 for the purchase of roadway from easement to property from the current property owners. Additionally, the owners are willing to sell us additional property for future expansion. This summer, I plan to approach the council for sewer and water rate increases. We have been doing small increases each year. I suspect we will need to do more smaller increases to make sure we do not get behind in future years.

Mayor Hemann inquired have we started negotiating the purchase of the property. City Manager Conrad reported we have; however, we will not make any purchase until this next budget year, and we will most like stretch the payments over several years. Director Gillespie pointed out the roadway purchase will be in this next year; right-of-way purchases for roadway out to Bellm Road we will stretch over several years.

### Fiber to the Premises

Director of Technology & Innovation Angela Imming pointed out that last year was a big year with a conversion to V-TV. Our current video customer count is 972. The peak was 1175, before V-TV. While lost about 180 customers, that is a savings of about \$185 saving per month per customer. We are looking to continue to de-incentivize the video services. We have 704 voice service customers, with an average cost of about \$22 per month. Our data is our big news. We had an increase of 19 customers since dropping our rates. The most popular speed is 60MB. We have 15 customers at 500MB. Our average customer for data is a profit of \$32 per month per customer. Director Imming stated I am forecasting 5% increase in data customers, and revenue and expenses to decrease with this proposed budget. I anticipate dropping more video customers, but remember video customers are a loss. We finished Lakeview Estates, we are now working to complete Evergreen, and Prestige Estates build out for services.

### Electric Department

Director of Electric Dan Cook projected our kilowatt sales to be flat with all the energy efficient thing coming forward. Personnel and benefits costs have increased. We do have a power plant employee that will be retiring. Our plan is to have someone job shadow and move up from within, as it is difficult to find that skill set. In this budget, we will be setting up a city mechanic department, which we have been working on for a few months. We are still going to transfer \$3.3M to reserves. Major initiatives: Improve looks of facility at the electric department and the lot. Paint peripheral route poles. Since we are getting rid of two generators, we are going to modify that building to the mechanic shop to do repairs and maintenance on vehicles and equipment for all departments. (\$120,000 budgeted for building modifications and equipment.) There is \$80,000 in budget to replace a skidder trencher, which will allow us to get rid of one that is a maintenance issue. We are hoping to get a new chipper for our trimming truck. (\$43,000) We are working to get a grant for meter pullers. There was money in the budget, for this year, for SCADA upgrade, which did not occur this year. We will put that into the budget reserves and get an amendment for that later.

### Parks & Recreation Department

#### *Korte Recreation Center*

City Manager Chris Conrad reported the proposed budget for the Korte Rec Center includes addressing a lot of deferred maintenance items, such as replacing exterior doors and stair treads, tuck-pointing, and façade painting. Aquatics & Facility Manager Laura Wilken reported we exceed our attendance number of 143,000 a week ago. We brought in another 10,000 this past year. The facility is booming. A lot of visitors from out of town. We have parties booked through May and some booking into September. Mayor Hemann stated he had two grandsons at the pool there, this past weekend. I had

no idea! Supervisor Wilken acknowledged it was crazy. City Manager Conrad pointed out with more use we need to do more upkeep.

#### *Cemetery*

Parks & Recreation Manager Brad Kohnemann reported by borrowing two employees from Street & Alley, this past year, at various times, we were able to save \$110,000 in reconstruction of roads. Cemetery Board did budget funds for the materials of 238 yards of concrete that were installed. We will continue with \$31,000 budgeted to continue installing concrete roads. We have gotten nothing but compliments from the funeral homes. This past year, we had 59 funerals; of those, 27 were cremations. We average between 59-65 funerals per year. We will look to purchase a new dump truck, as the unit we have will not pass any inspections, so we borrow the water department's when needed.

#### *Swimming Pool*

Aquatics & Facility Manager Laura Wilken acknowledged every year it is a task to get the pool going and keep it going. She proposed not opening the pool at all during the week of the Madison County Fair, this year. She explained the parking was terrible, there was broken glass around the facility, vomit around the pool, and attendance was very low, this last year. We are going to allow season pass holders to use their pass at the KRC pool during that week.

#### *Parks and Programs*

Natural Resource Manager Ryan Hummert reported the proposed budget for Silver Lake is to try to keep up with what is old. We are looking to add a feature. (\$15,000) It will be more of a rock-climbing type feature, to go with what we have out there already. There is also the solar-powered kayak kiosk that we rent for five years and they service it. After five years, we will own it. This is going to enhance what we offer out there. The Silver Lake Commission proposed a \$15-\$20 fee. \$38,000 is budgeted for a comfort station back by the trailhead. These are also certified to serve as a storm shelter, if needed.

#### *Weinheimer Community Center*

We are building funds to replace the roof on the Weinheimer. Sports, Leisure, and Facility Manager Lukas Pinsker reported the building is busy with pickle ball, church services, and youth programs. The Young At Heart (YAH) Van calls are routed through the Weinheimer, as well. City Manager Conrad reported we just got a \$10,000 grant for the YAH van. Manager Pinsker added we get \$5,000 annually for gas from Madison County Transit as well.

City Manager Conrad reported we are looking at a lot of software upgrades for this department. Manager Ryan Hummert pointed out the new software will allow for online pavilion rentals and boat licensing. Director Angela Imming added, for the Korte Rec Center, people will be able to book party rentals and register for classes. City Manager Conrad stated we included all of Glik Park in the business district, so it will open up a revenue stream. Councilwoman Bellm expressed we need to take care of those facilities, as they are valuable revenue streams.

#### Miscellaneous / Library

Finance Director Reanna Ohren reported under Miscellaneous you will see the transfer to different departments, transfers to reserves, IMRF and social security. The Solid Waste Fund includes the recent rate increase. This will also be a topic for discussion coming up soon. WE did add Foreign Fire Insurance as a separate fund. City Manager Conrad explained this is a state tax on insurance companies and under state statute it must be tracked separately, as it is a pass through of those dollars to go to the fire department.

#### *Library*

Director Ohren reported there are not too many big projects planned for the library. Primarily everything is maintenance items.

Mayor Hemann stated the council and I need to review before we vote on this proposed budget at the next council meeting. I thank staff for allowing me to sit in on the meetings. Councilwoman Bellm expressed I like to see the cooperation between departments. I am not sure you see that in a lot of communities. It feels really good,

Councilwoman Bellm made a motion to adjourn. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, and Bellm voted aye, none nay. Motion carried. Meeting adjourned at 9:14pm.

Kevin B. Hemann, Mayor

Barbara Bellm, City Clerk