

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
TUESDAY, FEBRUARY 20, 2024**

Mayor Hemann called the Regular Session to order at 6:30pm at the Highland Area Senior Center. Council members Sloan, Frey, Bellm, and Napper were present. Others in attendance were City Manager Conrad, City Attorney Mike McGinley, Directors Cook, Gillespie, Heimbürger, Hubbard, Ohren, and Presson, Deputy City Clerk Hediger, City Clerk Bellm, 2 representatives with Scheffel Boyle, and 5 citizens.

Mayor Hemann noted that we had planned to recognize the Highland Middle School 7<sup>th</sup> Grade Boys' Basketball Team for a great season. However, in light of recent things and a member of the team, that has been postponed. Our thoughts and prayers are with Brayden.

**MINUTES**

Councilman Frey made a motion to approve the minutes of the February 5, 2024 Regular Session as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*Rusty Rodz Car Club – Rusty Rodz Car Cruise* – Russell Huelsmann, Representative requested permission to use the streets around the downtown square for their car cruises the last Saturday of each month, May through October, from 5pm-8pm. Councilwoman Bellm made a motion to approve the request of Rusty Rodz Car Club to hold their 2024 cruise-in on the downtown square, the last Saturday of each month, for the months of May through October 2024, from 5:00pm – 8:00pm each night, as requested. Motion seconded by Councilman Frey. Councilman Frey stated it was mentioned to him that a few cars came in to reserve their spots early in the afternoons, which disrupted parking for some store customers whom had to walk a distance. The stores ask that they park on the inside of the Square, so shoppers can park. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

*Easter Egg Hunt – Lisa Sauer State Farm– Special Event Application* – Councilwoman Bellm made a motion to approve the request of Lisa Sauer's State Farm for use of the downtown square, from 12:00pm – 3:30pm, on Saturday, March 23, 2023, for Easter Egg Hunt as attached. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

*Highland Fire Department – Highland Firefighter Picnic, Plaza Park Request* – The fire department requested permission to use the Square to hold their annual picnic, in conjunction with Rusty Rodz Car Cruise, again this year, on September 28, 2024. Councilman Frey made a motion to approve the Highland Fire Department's request to hold the Highland Firefighters' Picnic on Saturday, September

28, 2024 on Plaza Park and the Square as attached Councilwoman Sloan. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

*Make – A – Wish Illinois –2024 Hot Chocolate Walk for Wishes– Special Event Application – Sue Messerli* requested permission to hold the Make-A-Wish Hot Chocolate Walk for Wishes on the first Saturday in December. We have changed the time, this year, from 10am – 3pm so people can come out and eat at the local restaurants. We have a wish child whose wish is to have the Scooby Doo Van - The Mystery Machine. Digital Artz and some area people are putting this together. Councilwoman Bellm made a motion to approve the Make-A-Wish Illinois’ request to hold the 2024 Hot Chocolate Walk for Wishes, to be held December 7, 2024, 10:00am – 3:00pm, on the Square, per the event application. Motion seconded by Councilman Frey. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Requests of Council:

No comments or requests presented.

Staff Reports:

*Scheffel Boyle – Presentation of Combined Annual Financial Report –Mark Korte*, Principal of Scheffel Boyle’s Highland Office, was present to present the Combined Annual Financial Report and Financial Statements for Fiscal Year Ending April 30, 2023. He thanked the council and city staff for allowing Scheffel Boyle to be the chosen auditing firm. He introduced Taylor Jarvis, the charge auditor. He thanked Reanna and the city staff for their help in gathering the information needed. Mr. Korte provided an overview of the information found within the financial report provided. Page 20, is the Statements of Net Position, followed by Statements of Activities and Balance Sheets for Governmental Funds and Business Activities/Enterprise Funds. These are shown with comparative data, which helps to develop ideas on trends, along with the statistical section in the back. The city is required to record actuarial for pension and other benefits, which increases expenses and the city’s equity. These are included in Exhibits 3 & 5 (Pages 23 and 26). The city is only an agent and cannot make any decisions on those funds. New this year, is the implementation of GASBY Statement 87, which you will see on Page 20, ‘Right of Use Assets’ and corresponding under Liabilities is ‘Lease Liability’ for the city’s leasing transactions. It gives new details about leases. Next year, subscription based technology will be reported separately. Therefore, there is always something new.

The first tab, Management Discussion & Analysis, provides summary financial data by city staff. It is designed to give a big picture overview of projects and the finances for the city. Following that is the Basic Financial Statements, which starts with our letter, in which we give a plain opinion. Under the Basic Financial Statements, Exhibits 1 & 2 covers everything but fiduciary funds. Exhibit 2, Statement of Activities is very similar to an income statement, in the private sector. It is done on an accrual basis of accounting, which reports assets and depreciation of those assets. On Page 20, Exhibit 1 shows governmental funds in one column and business activities in another. Business activities are designed to be self-sufficient and get revenues from user fees to cover expenses versus using tax funds. Exhibit 1 shows the city’s Net Position increased from \$81,908,366 at FYE 2022 to \$86,656,042 for a total net position increase of \$4.7M. Exhibits 7 & 8 reports on the Enterprise Fund – Water, Sewer, Light & Power, and Solid Waste. As you can see on Page 31 (Exhibit 8), third line from the bottom, all showed a profit, before operating transfers: Light & Power, \$124,588; Water, \$40,939; Sewer \$803,002; and, Solid Waste, \$223,942. Mr. Korte pointed out that included in Light & Power is Fiber to The Premise (FTP). As a big picture, revenues for FTP decreased, but expenses decreased as well, resulting in a positive.

Behind the tab “Required Supplementary Information” (page 74), you will find Schedules of Revenues, Expenditures, and Changes in Fund Balances, which compares budgeted revenue and expenses to actual for governmental funds. There is also schedules showing the pension plan information and gets

into actuarial information for those funds as well. New this year, is Other Supplementary Information. This begins on Page 88, which is Schedule of Expenditures of Federal Awards. The city received grants through EPA COVID and other federal grants, so the city is required to report those this year. The last tab is the Statistical Section. This provides ten years of data for comparison on the city's finances. It is a good place to see trends. On Table 1 (Pg. 92), General Property Tax Revenues increased 2% last year. Tax revenues by source all increased. Non-Home Rule, 4.2%; Business District Tax, 2.7%; and, Sales Tax, 4%. Table 3 shows a decrease in expenditures on streets this past year. Table 4 shows property tax rates. We have the lowest rate we have had in ten years. The tax rates going down and assessed valuations going up is a good combination. Table 6 shows the computation of the city's legal debt margin. The city has about \$11.2M left in legal debt margin.

Councilman Napper inquired what 'Unavailable Tax Revenue' is. Mr. Korte explained that amount shows, because it is the assessed property taxes that are due, but not paid yet; so those funds are not spendable at this time, but will be realized later. Councilwoman Bellm expressed she likes the statistical trends section. It is very helpful. City Manager Conrad advised everyone to remember all the positive numbers from this past year, and how it feels right now. We set money aside some years to spend in other years on projects needed. Staff is going through the budgets, right now, and will be bringing those to council in the next few weeks.

*Moran Economic Development - Presentation of TIF #3 Feasibility/Plan Study* – Jared Kanallakan, of Moran Economic Development, explained city staff has been planning this for some time. Now would be the official start of this process. The ordinances and resolutions on the agenda for tonight are to provide to taxing districts to let them know you exploring TIF districts. Anyone interested in finding information about it may do so with the information provided in those documents. Councilwoman Bellm asked if the registry new. Mr. Kanallakan replied no. Each time there is exploration of establishing a new TIF district, we refresh that information. The information is placed in newspaper publications and those property owners within those areas, as well as the nearby area are sent notifications. You cannot just make a TIF district in any area of municipality.

There is also a feasibility study of properties within the proposed TIF area. While not all properties in the area necessarily meet the criteria, but most must. Older infrastructure was found in the area and there is a lack of infrastructure in the area if those properties are going to developed to their highest use. We also found a lack of planning; being it was last developed in the 1960s, current needs were not address to keep it up with development. There are also standalone criteria in the TIF; one is 'chronic flooding'. The FEMA updated mapping and inadequate storm drainage in the area come into play here.

We have everything scheduled out as to the process for this TIF. If everything stays on schedule, June 3 the council would vote to establish the TIF District. We provided a draft of the adoption of TIF district for council review. Mayor Hemann asked are we still looking for support letters. City Manager Conrad explained that is for the extension, not this new district. We are awaiting SWIC's letter, yet. Director Mallord Hubbard pointed out you do not have the TIF plan in front of council, yet to night. We will provide that later.

## **NEW BUSINESS**

Accept Combined Annual Financial Report – Councilwoman Bellm made a motion to approve the Combined Annual Financial Report as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Approve 2023 Treasurer's Report – Councilwoman Sloan made a motion to approve the 2023 Treasurer's Report as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-25/ORDINANCE Abating Taxes Levied for the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest for the 2023 Taxes Payable in 2024 – Councilwoman Bellm made a motion to approve Bill #24-25/Ordinance #3320 abating taxes levied for the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest for the 2023 Taxes payable in 2024 as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-26/ORDINANCE Abating Taxes Levied for the General Obligation Refunding Bonds (Alternate Revenue Source) Series 2020 Bond and Interest for the 2023 Taxes Payable in 2024 - made a Councilwoman Sloan motion to approve Bill #24-26/Ordinance #3321 abating taxes levied for the General Obligation Refunding Bonds (Alternate Revenue Source) Series 2020 Bond and Interest for the 2023 Taxes payable in 2024 as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-27/ORDINANCE Abating Taxes Levied for the 2010 General Obligation Street Bond Alternate Revenue Bond and Interest for the 2023 Taxes Payable in 2024 – Councilwoman Bellm made a motion to approve Bill #24-27/Ordinance #3322 abating taxes levied for the 2010 General Obligation Street Bond Alternate Revenue Bond and Interest for the 2023 Taxes payable in 2024 as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-28/ORDINANCE Authorizing the Establishment of Tax Increment Financing “Interested Parties” Registries and Adopting Registration Rules for These Registries – Councilwoman Sloan made a motion to approve Bill #24-28/Ordinance #3323 authorizing the establishment of Tax Increment Financing “Interested Parties” Registries and adopting registration rules for these registries as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-29/RESOLUTION Providing for a Feasibility Study on the Designation of Areas as Redevelopment Project Areas – Councilwoman Bellm made a motion to approve Bill #24-29/Resolution #24-02-3091 providing for a feasibility study on the designation of areas as redevelopment project areas as attached. Motion seconded by Councilwoman Sloan. Councilwoman Bellm asked what this is exactly. City Manager Conrad explained this is what Jared just spoke on regarding the study they do to make sure we meet the minimum requirements for the criteria for the TIF area. Councilwoman Bellm responded I thought it was something else. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Approve Mayor's Reappointment of Ben Eberwein to the Cemetery Board of Managers - Councilwoman Sloan made a motion to approve the mayor's reappointment of Ben Eberwein to the Cemetery Board of Managers, for an additional two-year term, to expire March 1, 2026 as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Approve Mayor's Reappointments of William Blechenger and Craig Korte and the Appointment of Russ Perfetti to the Silver Lake Commission – Councilwoman Bellm made a motion to approve the mayor's reappointments of William Blechenger and Craig Korte and the appointment of Russ Perfetti to

the Silver Lake Commission, to three-year terms, to expire March 2027 as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-30/RESOLUTION Approving Change Orders for the City Hall Renovation and Construction Project – Councilwoman Sloan made a motion to approve Bill #24-30/Resolution #24-02-3092 approving change orders for the City Hall Renovation and Construction Project as attached. Motion seconded by Councilwoman Bellm. City Manager Conrad explained these are minor changes as we looked at how we are going to use the facility. We are expecting furniture the third week of March. We believe we will be able to move in for business operations before having council meetings there. We are shooting for July to have the first council meeting there. David Todd asked if that was July of this year. City Manager Conrad replied yes. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-31/RESOLUTION Waiving Competitive Bidding Requirement and Authorizing Purchase of Meter Communication Modules with Associated Licenses from Tantalus Systems, Inc. – Councilwoman Sloan made a motion to approve Bill #24-31/Resolution #24-02-3093 waiving competitive bidding requirement and authorizing purchase of meter communication modules with associated licenses from Tantalus Systems, Inc. as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-32/RESOLUTION Waiving Competitive Bidding Requirement and Authorizing Purchase of Itron Electric Meters from Anixter Power Solutions, LLC – Councilwoman Bellm made a motion to approve Bill #24-32/Resolution #24-02-3094 waiving competitive bidding requirement and authorizing purchase of Itron Electric Meters from Anixter Power Solutions, LLC, in the amount of \$32,257.50 as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

## **REPORTS**

Accepting Expenditures Report #1260 for February 3, 2024 through February 16, 2024 – Councilwoman Bellm made a motion to accepting Expenditures Report #1260 for February 3, 2024 through February 16, 2024 as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper 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 the following exemption: 5 ILCS 120/2(c)(1) to discuss the performance and compensation of a specific employee. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried. Open Meeting temporarily adjourned at 7:22pm.

Mayor Hemann reconvened the Regular Session at 8:14pm. Council members Sloan, Frey, Bellm and Napper were present. Others in attendance were City Manager Conrad and City Clerk Bellm.

Councilwoman Bellm made a motion to adjourn. Motion seconded by Councilwoman Sloan. All aye, none nay. Motion carried. Meeting adjourned at 8:15pm.

Kevin B. Hemann, Mayor

Barbara Bellm, City Clerk