

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, APRIL 1, 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, and Presson, Chris Flake, Deputy City Clerk Hediger, City Clerk Bellm, and 15 citizens.

**MINUTES**

Councilwoman Sloan made a motion to approve the minutes of the March 18, 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:

*2024 National Day of Prayer – Special Event Application – Highland Area Ministerial Alliance -* Pastor Bill Dempsey, Family Bible Church and HAMA Representative, requested use of the City Square to gather for prayer, on Thursday, May 2, in observance of National Day of Prayer. HAMA works together for the good of the gospel and the community. This event has been going on for several years. This year, we want to have seven stations of prayer. One each: Government, Military, Media, Businesses, Education, Churches, and Families of the Community. Councilwoman Bellm made a motion to approve the request for use of the City Square on Thursday, May 2, 2024, at 6:30pm, in observance of National Day of Prayer. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Dave Daniel, 1216 12<sup>th</sup> Street, stated front yard trash pickup is an issue. In the older area of Highland, it does not work for us. Historically, I have had garbage cans in our garage. We step out and move them three feet. You now want me to walk 53 yards upward on a hill. I am eighty years old; how are we going to do that? What if the grass is wet? These are 95-gallon containers. Again, you have created a problem for us and similar situated owners. I got two things in the mail after you made the decision. Big corporations contact customers before they make the decision. You never contacted me. If you have a medical condition, we were told to call customer service. Her response was nonresponsive. If trashcans are visible from the street, they will move them. Ours our not, because they are kept back in the garage. From 12<sup>th</sup> Street to here, tonight, we saw three containers along the street. There will be many in the street after a storm tonight. The infirmed and aging are the concern. I am asking each one of you to authorize us to have trash in the alley. We can do it with our cans or theirs.

Kay Ahaus, 200 Rinderer Road, electric customer, noted we have our regular visits. We invited each of you to come to a concerned citizens meeting. At that meeting, we asked Director Cook whom he represented. Director Cook stated, as a member of the IMEA Executive Board, he represented IMEA. Where does the city's fiduciary responsibility lie? You are being asked to sign a new agreement six years

before it is needed. No one knows what future holds. Do not limit our alternatives. A contract should show alternatives. If the coal plant shuts down who will have to pay the cost? The members will. You can sign in one year or six years. What is the rush? If coal goes away, what will be the cost? I will give you an article from Naperville paper. For years, we have insisted the IMEA show a plan to transition to renewable energy. In this, there is no transition way from coal. Will we be left with a white elephant? City Manager Conrad has compared IMEA rates to Ameren. IMEA does not pay into renewal credits. Ameren does.

Larry Brammer stated I have concerns with the IMEA. We have all heard the story of people wanting to go swimming and dive in without checking the depth. IMEA wants a contract to raise the price of their stock and get a bonus. IMEA does not care about our schools and hospital or dirty fuel generation. Last year, windmill and solar exceeded generation expectations. Coal is less than 20% of generation. Let's not be stuck supporting a coal plant that is costing us.

Jonell Safford, 1004 Lindenthal Ave, stated we saw Mr. Conrad's email regarding the public meetings. I am very concern about the abrupt meeting on April 4 and that it is during business hours. That will limit participation. I would hope that all members of council attend meetings. I would want you to hear my concerns rather than having them summarized and interpreted to you. Naperville is much larger and considered a lead dog. We should let Naperville make a decision first. If we sign and Naperville does not, we will have to pay for it.

Bill Ahaus, 200 Rinderer Road, stated, as an electric customer, I simply want to say there is no logical rational for signing with IMEA at this time. We have no idea what the picture will be in six years, as far as energy.

Cathy Boulanger, 3414 Fairway Drive, stated my sister has asthma and my children have asthma. The particulates are very bad in this area. I did not have this problem with allergies when living in Chicago. It seems like it is much worst down here than it was when living up in Chicago. I think we need to think about these things down here.

Deputy City Clerk Lana Hediger read an email submitted by Jean Mary Korte, for comment to the council: 'I ask you to postpone public forums, and the vote, on early extension of the IMEA Power Sales contract. IMEA Management has asked for a decision by April 30, 2025, and that date is not a legal obligation. What is the reason to rush the decision process? IMEA member cities, Naperville, at 34%, and St. Charles, at 13%, total 47% of IMEA energy usage. Highland is only 3%. Paying attention to how larger IMEA cities negotiate and vote is in Highland's best interest. Why wouldn't Highland wait to see if better terms are negotiated?'

'One example is "Peak Shaving". The proposed contract extension prohibits "Peak Shaving". Advocates in Naperville are working to change this. "Peak Shaving" with batteries saves money and improves power reliability. City properties, businesses, or citizens fill the batteries during non-peak electricity rates then discharge the batteries during peak usage hours to reduce higher demand costs. Aside from general savings on electricity bills, batteries paired with solar would reduce purchases from the IMEA. "Peak Demand" is part of the transmission calculation, so if Highland reduces overall Peak Demand we lower transmission costs. "Peak Shaving" is a win-win for our community.'

'The IMEA may argue that "Peak Shaving" could increase costs for other members. For example, if one community successfully implements "Peak Shaving" with batteries, reducing their demand for electricity from the coal plant during peak periods; this could lead to a situation where remaining communities shoulder a higher proportion of the fixed costs associated with operating the coal plant. This leads to a question Highland needs to grapple with: How do we best serve the next generation

of Highland citizens in 2035? Do we commit them to be subservient to the financial statements of a coal plant with increasing costs, as the costs of other types of energy and storage decline? Highland must strategically look at this question. Yes, the IMEA business model works today, but the energy mix will be different ten years from now. Highland should wait for more clarity on emerging technology. This means not rushing a bad decision when no decision is legally required.'

'Moving on, one reason given for early contract extension was a utility scale. 100 Megawatt solar project contract that would extend beyond 2035. At the February 15, 2024 board meeting, the IMEA acknowledged they are struggling to come up with a firm proposal for this project. Among the terms IMEA is requiring, is that the vendor own the project. Highland should require a comparative analysis demonstrating that the vendor-owned arrangement is financially superior to other options. The IMEA has a goal of presenting a contract for 100 Megawatts of solar by the April 2025 Board Meeting. Why would Highland renew before know the terms of this project? Many other topics are being debated by Naperville and St. Charles. Highland should sit back and observe. Don't Highland citizens deserve negotiated changes too? Please, I ask City Leadership to officially postpone the vote on early extension of the IMEA Power Sales contract until after Naperville has voted. Highland deserves the same benefits as larger IMEA Members. As always, thank you for your service to our city.'

#### Requests of Council:

No comments or requests presented.

#### Staff Reports:

City Manager Conrad noted the discussion regarding power is later in the agenda.

As far as trash service, City Manager Conrad provided a review of the bidding process. We were with Robert Sanders Sanitation. In 2022, Bob Sanders came to us and said he was looking to retire. We did an early renewal, in the event that he might be selling the business. That made the business more profitable for him to sell and locked us in to the same service we had. Several months later, Sanders sold to Republic Services. There is only about four providers in the area. In 2023, we did a request for proposals. It was posted publically in newspapers and the IML website. Knowing there was a limited number of vendors, we actually sent proposal requests to those in the area. On the day of bid opening, one vendor called to say they were not bidding because they could not adequately staff for us. The other two did not respond at all. Republic Services was the only proposal. Going in, we did know that it was very possible that we would be going to containerized service, regardless whom we went with. When only one offer on the table, there was not much decision.

City Manager Conrad acknowledged the size of the containers is a concern. While we do not have them in yet, we should be taking delivery of 65-gal containers that are compatible with their trucks. Once they arrive, we will be working to get those out to people that have requested them. As far as alley services. The trash industry is seeing issues with staffing. They look to efficiencies and safety. Right now, you are seeing two in truck. With time, there will only be one person in the truck, in most cases. The trucks are taller, but lighter than the other trucks. I understand it is a culture change from alley service to street service. In talking to other communities that have done this, the issues work themselves out. Some areas chose to put containers on the non-parking side of the street or put them in between cars. The mayor and I actually followed some of the route today.

The issue with the alleyways: The trucks are taller. Other services line – phone and data lines – tend to hang lower than our electric lines. Republic does not normally use alleys unless it is a last resort, because they tend to incur more property damage issues in alleys. There are a few small areas in Highland where they will provide alley service. As for storms, it does not matter what size container,

they will blow around. It will take time to work out the issues and make the changes. Other communities have done it; we are just about the last to have to make the changes.

I want everyone to understand how the bidding process went and how we go to where we are today. We were expecting to lose recycling, but ironically, Republic has a very robust recycling program. We were able to negotiate from five bags of yard waste to eight bags per week. As far as those with issues due to age or infirmity, reach out to our staff, we will work with our account rep to see what can be done. At City Hall, as for Kelsey, Megan, or Lisa at 618-654-9891.

Mr. Daniel state if the city owns the poles and you receive revenue from the other lines on them, then the simple answer is to raise the wires up higher. Director Dan Cook explained that national electric safety code that dictates the height of the wires and the required distance between the different types of lines. We have to have the other companies raise their own wires. We can ask, but they would not want to incur that cost; otherwise, we would have to pay them to make that change. City Manager Conrad explained it is not a one-size fits all. Some allies have more utilities, are narrower, or more garages or other structures. It is much cheaper and safer for them to not be in the alleys. They control the services. It is not solely the utilities. They see more property damage when operating in alleys than pick up on the street.

Mayor Hemann stated we need to move along. If further questions, please feel free to contact City Hall or City Manager Conrad to discuss. A few weeks ago, City Manager Conrad and I were in Washington, DC, on a Sunday. While we were there, a semi decided to go down an alley, near Walnut Street; in doing so, it took out ten poles with electric, telecommunications and phone lines on them. It took our crews several hours to restore power. That was a semi just riving the alley.

## **NEW BUSINESS**

Making Tentative Budget for FY 2024-2025 Available for Public Review at the Public Safety Building and Setting the Public Hearing Date for 6:30 PM on Monday, April 15, 2024 at the Highland Area Seniors Center, 187 Woodcrest Drive – Councilwoman Sloan made a motion to approve making Tentative Budget for FY 2024-2025 Available for Public Review at the Public Safety Building and setting the Public Hearing date for 6:30 PM on Monday, April 15, 2024 at the Highland Area Seniors Center, 187 Woodcrest Drive as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Award Proposal for Banking Depository Services Through December 31, 2027 – Councilwoman Bellm made a motion to proposal for banking depository services through December 31, 2027 to FCB Highland Bank as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting, Bid #PR-01-24, for the Weinheimer Community Center Roof Replacement Project – Councilwoman Sloan made a motion to approve Notice of Municipal Letting, Bid #PR-01-24, for the Weinheimer Community Center Roof Replacement Project as attached. Motion seconded by Councilwoman Bellm. City Manager Conrad reported this is step one of what needs to happen at the Weinheimer Community Center. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Bill #24-50/RESOLUTION Approving Change Orders 11 through 14 for the City Hall Renovation and Construction Project – Councilwoman Bellm made a motion to approve Bill #24-50/Resolution #24-04-3103 approving Change Orders 11 through 14 for the City Hall Renovation and

Construction Project as attached. Motion seconded by Councilwoman Sloan. Mayor Hemann reported Chris and I went through the council chamber, today. We are hoping to have city staff in there in 2-3 weeks. Councilwoman Bellm asked are we still within budget. City Manager Conrad replied yes, we are still in line with the contract price. These were age issues due to termites and an aged breaker. Roll Call Vote: Councilmembers Sloan, Frey, Bellm and Napper voted aye, none nay. Motion carried.

Discussion – Potential of Entering Into Power Sales Contract and Capacity Purchase Agreement with the Illinois Municipal Electric Agency (IMEA), and Announcing Dates and Times for Open Houses for the Purpose of Allowing the Public to Ask Questions – Mayor Hemann stated I think City Manager Conrad laid out to us what they are wanting to accomplish, in the memo in the council packet for the meeting, tonight. City Manager Conrad summarized we are proposing two open house meetings to allow the public to ask questions. Those would be April 4, 2024, 10am – Noon; and, April 16, 2024, 7pm-9pm. Both meetings will be here at the Senior Center. Unfortunately, on April 4, I have to be in Springfield. Dan Cook will cover that meeting on April 4 for question and answers by the public. The different days and different times of the day is to allow people to attend at times that would work with schedules.

City Manager Conrad noted there has been a lot of talk about Naperville, and having them make a decision first. There are dates that have been set by the State; those dates IMEA must meet. As far as the intention of the request for early contract extensions, I have had family that has been involved in electric coops for years. There is not stock increases, with these extensions or early renewals. They act on behalf of numerous government agencies. IMEA's primary job is to lobby on our behalf and procure power for the member communities. We have had long term and short-term power agreements. In 2003, we had agreement that was amended in 2006 for the Prairie State Project. The 2006 amendment extended purchasing authority to satisfy the bondholders of the debt for Prairie State. Extending contracts allows them to go out and purchase long-term power contracts as well. Is it currently coal heavy? Yes, but the market is still coal heavy. Coal plants is what was built until the late 1970s, until it started moving to construction of nuclear plants. Then that stopped and a production capacity gap occurred. That spurred the Prairie State project and other similar projects. The Utah equivalent of IMEA was in process of developing nuclear project. They ended up getting out of it. IMEA in is not unique to Illinois. IMEA is concerned about negotiating overlapping contracts after 2035. They want to have contracts beyond 2035. There is a benefit to knowing what your needs will be at that time, because they do not want to under purchase or over buy. If a project does go into effect before we sign an agreement with IMEA, we would assume the cost of that project, should we not be in IMEA in 2035. The reason for the meetings is to explain why these agreements exist. Power purchase agreements are credit ratings, in a sense, for IMEA.

Director Dan Cook added there will not be any one-off contracts. If Naperville actually leaves IMEA, that leaves more power for IMEA and we can sell off that surplus. City Manager Conrad stated the business model, with IMEA, is diversity. It continues to provide rates that are 20-25% less than Ameren's, which makes us feel we have done a good thing for our consumers. Rates continue to go up and they are significant. We feel we are offering a good value. Just to outline the process: We will hold two public meetings to take questions and answer questions regarding the contract. At first meeting in May, IMEA will be doing a Staff Report presentation. At the subsequent meeting in May, the council will be ask to vote on the matter.

Mayor Hemann stated while we do not respond to all the emails received, we go to regional meetings to try to educate ourselves on these matters and we listen to what is said by all. The goal is to have affordable and reliable power for our citizens. Our options are: We can get out of the power business and get service from Ameren. The other is to try to do it on our own, which I do not feel is feasible. Otherwise, the alternative is to stay with IMEA. I encourage everyone to come to the meetings. I encourage council members to attend as observers, but not as participants. Councilman Napper asked

that we do everything we can to publish these meetings and let everyone know what is going on. He expressed I hope the city finds a way to make sure we have maximum awareness of those meetings.

City Attorney Michael McGinley introduced Katie Warren, formerly of the Illinois States Attorney's Office. She has joined our firm, of Lewis Brisbois, and will be handling municipal law with us.

Councilwoman Bellm expressed, with regards to the IMEA proposed extension, we are looking at this seriously. We are not taking this decision lightly.

## **REPORTS**

Accepting Expenditures Report #1263 for March 16, 2024 through March 29, 2024 – Councilwoman Bellm made a motion to accepting Expenditures Report #1263 for March 16, 2024 through March 29, 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 adjourn. Motion seconded by Councilwoman Sloan. All aye, none nay. Motion carried. Meeting adjourned at 7:40pm.

Kevin B. Hemann, Mayor

Barbara Bellm, City Clerk