

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, JANUARY 4, 2010**

Mayor Michaelis called the Regular Session to order at 7:00pm. Councilmembers present were Rickher, Bardill, Bellm and Zobrist. Others in attendance: City Manager Mark Latham, City Attorney Harold Belsheim, Directors Cook, Gillespie, Rosen, Rusteberg and Schoeck, Police Chief Bell, Sergeant Schlarmann, Supervisors Limestall and Stram, EMS Captain Crosby, Treasurer Foehner, Deputy City Clerk Hediger, City Clerk Bellm; Scott Bowles, of Spectrum Consulting; 21 citizens and 1 member of the news media.

**MINUTES**

Councilman Bardill made a motion to approve the minutes of the December 21, 2009 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Rickher, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

**PUBLIC FORUM**

Citizens' Requests and Comments:

Jeff Gulliot, 810 Perch Drive, Highland, spoke to the council about the items on the agenda with regards to the Fiber to the Premise (FTTP) project. He stated: I stand before as a father, business owner, friend, and a technology consultant for many of the businesses and citizens within the city. As a father, I understand the needs for our children with regards to their education. Communication in today's world gives children access to what was once unreachable information. Online learning and immediate access to reports and teachers are allowing parents to ensure that children are getting the best education available to prepare them for the future. As a business owner, I see every day that communication is the key to being competitive with markets around the world. To be able to get online payments, just-in-time deliveries of products, and work with other businesses around the country to solve problems keeps our costs down and allows us to pass those savings on to our customers. I am often asked how we can better monitor our homes, businesses and personal lives. The answers may have different results, but they all stem from the same source – communication. This may be through access to cameras protecting our homes or businesses, “smart home” technology that helps us save money on utility bills, and online media and entertainment that allow residents to stay at home and/or in Highland for their personal and daily businesses needs. As a technology consultant, I have to be globally competitive in a local market. This means I have to be able to provide the same services in Highland that my customers can get in surrounding communities and through online resources.

Four years ago, I and many others in the community embarked on an endeavor to see if it was possible to bring fiber optic communication to the City of Highland as a service, while looking at if it was feasible without having to tax the people who did not want the service. After countless meetings with committee members, community members and potential vendors, we found that Highland has the perfect mix of industry, education, city-owned utilities and medical facilities for this project to not only

work, but also be a revenue driving resource and an attractive feature for new business. Current businesses in Highland would benefit from advanced communications at a comparable price. We approached this endeavor with a cautious eye. Our lofty dreams of true “high speed” internet were contained and we focused on what is best for everyone. The answer was simple: Better service at the same or a better price. This is what bought us to the vote on April 7, 2009.

Some ask why fiber optic over other technologies like wireless or copper. The difference is simple: There isn't a piece of communication equipment in existence that has reached the limitations of fiber optic cable. This gives us the opportunity to grow as technology grows without having to replace the physical infrastructure. The European Organization for Nuclear Research (CERN) is currently working on a fiber optic network that is set to run at 10,000 times the speed of the existing internet. This is called grid technology. It is only available through a true fiber-optic network like the one presented to you today for approval. This is not comparable technology at the same price; this is better technology at a better price. This is investing in the future of Highland. There are currently other companies providing like services in Highland. This project will not end their relationships with the City. It will, however, give consumers a choice and force the competitors to provide a better product or service in order to remain competitive. This will also keep more revenue in Highland.

I stand before you not only as one person. I bring with me over 100 signatures and emails from businesses in Highland who say “yes” to continuing this project. I will read some of the responses. I note that many of the responses are in capital letters and include many exclamation points behind the “yeses”. Emails: ‘Put National Bank down for a resounding yes. This will put businesses on the cutting edge.’ Other emails read were from Wayne Steiner, VP President, FCB Bank; Gaye Bentlage, Highland News Leader; Bradford National Bank; Terry Lammers, Tri-County Petroleum; Rob Bowman, Terra Properties, wrote ‘Most progressive thing Highland has done in decades.’; and, Jay Boulanger, Spengel-Boulanger Funeral Homes wrote ‘Yes, I support the fiber project. Everyone needs more fiber in their diets.’ Mr. Gulliot stated the responses include manufacturing plants, medical facilities, realtors, every bank in Highland, jewelry stores, financial institutes, municipal offices, education facilities, hotels, school board members, and restaurants. These responses also include some of the largest employers in the City of Highland.

On April 7<sup>th</sup>, the polling places were opened to vote on your council positions as well as the questions regarding the Fiber to the Premises (FTTP) ordinances. The voting public approved this measure three to one. This project as it stands only needs 1 in 4 businesses to use the service to make it pay for itself and allow for upgrades without increasing costs or taxing citizens at all. I challenge you to show me another project that has been approved that requires no tax investment with such a great return to the people and businesses of Highland.

Data, in this aspect, is the core of what you are approving today. But data is such a vague definition of what you are approving. It is data that drives our communication with Voice IP and data enabled cell phones. It is data that we use to communicate to security and surveillance systems that protect us when our police patrol our streets. It is data that informs us what is going on outside our community through global and national news organizations. It is the backbone for the services the community is asking for: voice, video and data. I ask you today, to vote “yes” to continuing the FTTP project. Allow the city to continue to be a great community and take your place in history as the great leaders of this community who had the foresight to encourage growth and security through communication.

Councilman Rickher stated I would assume that you have a large financial incentive for the City of Highland to go forward with this. Mr. Gulliot responded I was not raised in Highland. I have only lived here for seven years. This is about my children. My business will exist just fine without this. Highland is unique in its mix of business, industry and city-owned services. We have the ability to change Highland with this for the future. All I ask is that you give this a chance. Even if this does not fly for the City of Highland, there are other companies that will purchase the infrastructure. I have

volunteered over 300 hours to this project. Councilman Rickher stated raising the rates for electric users if this fails will be involuntary for many families on fixed income. Mr. Gulliot pointed out what makes Highland unique is that we own the poles that the fiber will be set on.

Councilman Rickher stated the construction of the lake was a no brainer. We had the land and the need by Highland and Grantfork residents. We dig a hole and put a small pipe in. With the railroad, the City of Highland invested no money in building that. It was built by private investment. My question is why the city should invest in this. Mr. Gulliot asked for a raise of hands for those in attendance who have internet service. Councilman Rickher stated if this fails, the electric rates will go up for those on fixed incomes. Mr. Gulliot stated I was not aware this is going to raise electric rates. Councilman Rickher asked if electric profits are cut in half, how the city is going to absorb those costs. Mr. Gulliot responded I don't know that answer. However, this will drive new business development. What else are we doing to drive the development of new business? Councilman Rickher noted the Standard & Poors report to guarantee the bonds says that it believes that management will be vigilant in developing an exit strategy. Where is the exit strategy? Director of Finance Sharon Rusteberg came forward and stated Jeff is not here for financial questions. He has not even seen the financials. I would recommend Scott Bowles, of Spectrum Engineering, who developed the business plan and offering of the bonds address those. Mr. Bowles stated I am not a financial analyst. If the question is, as far as electric rates going up, I don't recall this being directly tied to electric rates. This is to be developed in phases to allowing for financial assessment and to build off of revenue generated from users. I am not sure what you are looking for in an exit strategy. If you end up selling this at a discount, there is the right of ways, switches, fiber line and other equipment, which should cover most, if not all, of the capital put into the project.

Director of Light & Power Dan Cook stated I would like to express some things on this. First, we own the poles. So, it would cost an outside company much more to build this. If you look at the added staff costs, the electric dept pays for \$50,000 in the first year and \$150,000 in the second year. After that, the electric department is free and clear. Councilman Rickher inquired does the current internet service runs on our poles. Director Cook replied yes it does; however, we get little revenue from it. Most people have had negative experiences with Charter. He added, in one way, this would be better for me if this did not go through, because I would have far less work to do in my first year here at the same rate. However, I believe this will be a benefit to the community. Councilman Rickher disagreed, stating I believe the optimism is too high. Director Cook stated Standard & Poors is highly regarded; they have given it a highly recommended rating.

Dave Kunkel, on behalf of Highland Development Group, which is the group building Legacy Place. He stated the development is 10% pre-leased to date. When we started breaking ground we began discussing the ability to hook into Highland's fiber for all three services. We are strong supporters of this project. Today, Charter Communications announced another rate increase. You want to provide choices to the citizens. Who uses these services? My 93-year old grandmother sends me emails daily. This past weekend, my family took a trip. My son asked me a question. When he did not like my answer, he went on his iPhone and Googled to make sure I had given him the correct answer. This is technology all ages are using. We have heard from Councilman Rickher. I would like to hear from the rest of the council.

Brad Korte, Parkview Drive, stated I grew up in Highland but spent nine years living in another community. This project parallels' paving the streets in the 1920's and building of the electric, water, and sewer systems that we have today. Look at the service we have from the water, electric and sewer departments. The services will be provided by those living in the community with us, possibly sitting next to us at church. If you have a gas leak with AmerenIP, you call someone and maybe within an hour someone arrives and confirms if you have a leak or not. With city services, you call the department or police station and within a half hour someone is there. The three feet from the top of the pole is golden and we own that. Just a side note: Trouw's servers are all in the Netherlands. At work, we want to sell more to customers on the internet and exchange information with them. When we have an issue, we get on the internet to get further explanation. Look at the many businesses that started

here over the years. We are the entrepreneurs. I believe most people are willing to pay as much, if not more, given the fact that the service is coming from the city and the revenue stays within the city. Councilman Rickher recalled a while back when you and I were filling up our cars at the gas station, you mentioned someone in your family lives in Colorado. Mr. Korte acknowledged, yes, my brother. He lives in a community where the hospital has been featured on the national news for being one of the leaders in digitizing medical records. Mr. Rickher reported I heard a radio program shortly after that was discussing data records. In the program they stated research showed 95% of hospitals that have digitized their records have not seen any savings, because of the additional overhead. You said you would pay more for the same services. What about electric services? Nine hundred total votes does not represent the consensus of the community that opens their checkbooks and pays their bills each month. I don't feel the referendum gathered enough votes. Mr. Korte asked who is against this. Where are they at? Where are the people against this? I have four kids; one is thirty and the youngest is eighteen. They live and die by this technology. He asked Councilman Rickher, when was the last time you sent a text message. Councilman Rickher replied this afternoon. Everything is going wireless. Mr. Korte asked Jeff Guillot how long it takes to download a movie. Mr. Guillot replied about fifteen minutes on Charter cable. With fiber optics it will take about fifteen to twenty seconds. He added when you sent that message today, it was wireless to the tower. Fiber is the backbone of the wireless towers. Whether fiber goes in or not, my business will do fine. Highland and its citizens will benefit more if it does go in.

Tom Hill, 1733 Broadway, stated there is not a "for" or "against" issue here. It is about being wise about a very expensive business venture. Fiber provides the most bandwidth of any system. It is not a question of whether or not this technology is a good idea. The question is: Can the citizens of Highland afford it? That is the decision the council needs to make. We need to know what it is going to cost to provide that service to the citizens of Highland. Everyone agrees Charter's service is abominable. That is emotion. We need to look at the facts, not emotion. The choice is going to be made by the citizens of Highland, at some point, for what services they want. We have to know if we can be cost competitive. If we are not cost competitive, that is when we will see the cost of our electric go up. We don't build a \$10,000,000 system before figuring out if we can sell the services off of that system. I would love to have fiber optic service in my home. It would give us a leg up on other communities. However, we have to know what the cost of the content is going to be. Take one step back; go out and find out what the service providers are going to charge for the next year, two years, or even three years before moving forward. Without that piece of the puzzle, we do not know what it is going to cost. My hope is that the provider will provide at a great rate that we will have a lot of subscribers, and the future for Highland includes fiber to the homes.

Scott Bowles stated the business plan was put together to a 95% confidence interval. The cost for services, with regards to content, was based upon similar communities of similar size. The pricing was then adjusted to present values based upon existing contracts. On the video-side, I used National Cable Television Cooperative costs. The same thing was done using an internet provider. You will end up taking content from a Tier-I provider based out of St. Louis. The numbers have been adjusted to current market price. Given the numbers, which are very conservative, we will know all those costs within the next four weeks, if the council moves forward. The business model was based upon the City of Highland providing all the services, with the exception of the phone switches. This requires more capital costs, incurring a higher level of debt and thus increasing the risk. I typically run the business model through a litness test three ways. I do an expected, minimum, and a stretch based upon how you capitalize the model, running against costs, market rate, and take interval and then generate operational expenses and capital expenses. Capital expenses include industry quotes and every nut and bolt to build the system and provide the service. It is a pro forma perspective, which has taken a more conservative approach. Some funding must be available in order to go out for quotes. Mr. Bowles reported we have three interested parties in providing services. From preliminary discussion with those parties I know the numbers are well within the business plan. In summary, I am comfortable with the plan.

### Requests of Council:

Councilwoman Bellm noted, tonight is Justin Gibbons last night here as a reporter for the Highland News Leader, as he is going on to a new opportunity. Justin stated he will be going to Arches, in St. Louis. Councilwoman Bellm thanked him for the job he has done, adding that we wish him all the best.

### Staff Reports:

*Police Sergeant Carl Schlarmann Achievement Recognition* – Chief Bell reported Sergeant Schlarmann graduated from the FBI National Academy last December. Sergeant Schlarmann also took multiple university courses will doing this and achieved a straight A status. In addition to recognizing Sergeant Schlarmann, we should also acknowledge the sacrifices his family has made during this time.

City Manager Latham stated, with regards to the FTTP project: As far as economic development we would like to retain the businesses and industries we have. Additionally, we would like to attract high tech jobs. Our school system has expressed a great desire for fiber communication. A couple years ago, a Verizon fiber line was cut, which shut off communication for businesses and residences. Aside from the emergency communication gap that it created it cost businesses profits. It became apparent after talking to different organizations that we have to take our future into our own hands. If the industries could actually monitor demand usage of electric they could adjust their schedule accordingly to cut cost significantly. FTTP will allow residences to monitor their own usage of water and electric. The project really took form when we hired Spectrum Consulting to develop the business plan. There was a referendum. While it did not garner a large turnout, people were given the opportunity to vote on the issue. From a conservative approach, we are asking to build out just the first phase. The first phase will connect business, industries, schools, healthcare, and municipal buildings. We are happy to hear that we got an A- rating with Standard & Poors on the bonding. We are asking that it be insured, so that it achieves an AAA rating. From an economic standpoint, material estimates are 6% under engineering estimates and construction bids came in at 20% under estimated.

## **NEW BUSINESS**

### Bill #10-01/ORDINANCE Authorizing Offering at Negotiated Sale Electric System Revenue Bonds in Not-to-Exceed Amount of \$9,500,000 for the City's Fiber-to-the-Premises Project –

Councilwoman Bellm made a motion to approve Bill #10-01/Ordinance #2398 authorizing offering at a negotiated sale Electric System Revenue Bonds in a not-to-exceed amount of \$9,500,000 for the City of Highland's Fiber-to-the-Premises project as attached; seconded by Councilman Bardill. Councilman Rickher stated I thought we were supposed to have a final report from the Fiber Committee. George Marron, 3425 Fairway Drive, Chairman of the Telecommunications Advisory Committee, stated I read the ordinance with regards to the roll of the advisory board. We really are not required by the ordinance to provide a written final report. We asked the same questions that a lot of people are asking. We were to take a vote and make a recommendation to the council, which is what we did. Councilman Rickher stated there were trips taken to other communities. I was hoping the report would communicate what the members heard and saw with regards to whether those in other places felt about it and if they would do it again. Mr. Marron reported all said they would build the fiber systems again. Some suggestions we heard from them was to get key personnel in place as soon as possible. He added Consumer Reports reported in their latest edition that fiber is superior. Other things the board looked at, in making their recommendation was the fact that we can build at a lower rate right now, by taking advantage of the recent economy. The board recommends to moving forward. Councilman Rickher asked if the City of Highland wants to sell more bonds for drainage or roadway, is this going to hamper our ability to bond for those types of projects. City Manager Latham replied no. Director Rusteberg explained those would be General Obligation Bonds. If it is a bond for the wastewater treatment plant, it would be based upon wastewater treatment plant. If for the water system, it would be based upon the water system. Councilwoman Zobrist suggested a correction to the dates in the proposed ordinance. Those shown as

January 27, 2010 and should be April 7, 2009. Mayor Michaelis asked Deputy City Clerk Hediger to make those changes.

Councilwoman Zobrist stated I take everything very seriously. I have given a lot of consideration to this project and listened to all sides. Phase I will pass 600 potential customers (400 commercial, 200 residential). 23% (138 users) are needed for breakeven. Business professionals believe the take rate will be close to 40-60%. When I met with City Manager Latham on December 29<sup>th</sup> and questioned if this was support or actual commitment by business, he said the information would be in the printed materials presented to me; however it was not in there. So I have no idea whether this is support or actual commitment from businesses. I wanted to know, so as I went around paying my bills and making purchases I asked. The response – or question – I typically received was, ‘How much is this going to cost?’

On December 23, 2009 the revenue bond amount listed was \$8,910,000. On December 29, the bond amount listed was \$9,010,000. Per the preliminary financing plan, that we received on December 23, 2009, the cost was \$8,910,000 with a cash contribution of \$187,549 from the electric department. The electric department had cash reserves of \$15,308,734. Under the business plan, the FTTP estimates operating losses of ~\$51,300 for 2010 and ~\$172,100 for 2011. Based on the business plan, the electric department will cover the losses for the first two years, which is estimated at \$233,400. This is in addition to the \$187,549 cash contribution from the electric department reserves, for a total of ~\$420,949. This is being done after the electric department’s income and revenues were cut in half last year. On July 6, 2009, City Manager Latham presented information and concerns regarding proposed federal regulations for existing power generating engines at the power plant. The basis of the discussion was a copy of a letter (dated June 3, 2009) from the IMEA (Illinois Municipal Energy Association) to the U.S. Environmental Protection Agency, which stated within it, ‘The cost of compliance with the proposed rule will have a significant impact on IMEA and its members should the rule be adopted as proposed.’ It went on to state, ‘Facilities impacted by the proposed rule will discover these cost difficulties as they evaluate the cost to comply with the proposed rule, and begin to plan budgets for upcoming years.’ The letter provided projected costs of \$330,012 in capital expenses and \$48,133 in annual emissions costs should the EPA impose the rule. On December 29, 2009, City Manager Latham advised that the IMEA has sought a waiver. However, we cannot take the risk that the waiver will be granted. I have seen too many things have been promised in the past, but not received. Examples: Phase I of the Roundabout project was to be funded under Illinois First; IDOT’s promise of a traffic signal at Highway 40 and Frank Watson Parkway. If the regulations proposed by the EPA take place, we will need to take more from the electric reserves, which is what the electric reserves are intended for instead of FTTP. Additionally, as many as nine employees may be required to operate the FTTP system. As many business people are aware of, in addition to wages there is the cost of insurance, vacation and sick time and workers’ compensation costs.

The April 2009 referendum information advised that all phases would be completed in 12-18 months. Per a memo we received on FTTP dated December 29, 2009, the city was currently waiting to hear about a federal broadband grant submitted for \$6,563,214. It stated if the city is awarded the grant, the city will be able to complete Phase II within the next 2-3 years. If the city is not awarded the broadband grant, the city will complete the expansion of the broadband network to city residents as money is available. This could take 5-8 years. After the voter’s referendum was passed there was a referendum to move “swiftly”. I wanted the wording changed to “carefully” with regards to our proceedings with the FTTP plan. City Manager Latham advised that an advisory commission was required as part of the process for seeking two grants that could pay for most of the costs of this project. I had no objection. I periodically asked the city manager about the grants. At one point, he advised that Highland’s requests had made it past the first rounds and we were guaranteed funding once we made it into the second round. He said that we would be notified in Fall 2009. I never heard any more until Mr. Bowles and the advisory committee came before the council in November 2009. I was surprised to learn, at that time, that another city received the SmartGrid Grant and that it could be 2010 until we learn if we will receive the second grant. I also found out, at that meeting, that Frontier is in the process of acquiring

Verizon. Until that time, I was unaware of the Frontier acquisition for Verizon. Councilwoman Zobrist referenced sections of the preliminary official statement for the revenue bonds. With regards to other providers, it notes that ‘in May 2009, Frontier Communications announced that it would be acquiring all of Verizon’s local wire-line territories in fourteen states, including Illinois, with the objective of creating the nations largest rural communications services provider of voice, broadband and video services in the United States.’ It stated the completion of the sale is subject to stockholder and regulatory approvals which are expected to require twelve months to complete (May 2010). Also in the statement it states Charter Communications could elect to upgrade its operating systems in the city to provide services comparable to those expected to be provided throughout the city’s FTTP system. This was confirmed by Neil Gill at Charter Communications, today, when I talked to him. Mr. Gill stated they will come in and compete to the fullest extent if the city enters into this field.

Addressing technological changes, the statement reads, ‘Technical obsolescence remains a concern in the broadband telecommunications industry. The equipment and architecture of the FTTP system recommended in the business plan includes advanced broadband telecommunications technology with a life span of thirty years. However, it is possible that technological advances, such as wireless service, could render all or a portion of the FTTP system obsolete. As new FTTP system enhancements are developed, the FTTP system will likely require upgrading to keep pace with changes in technology and to take advantage of new business opportunities.’ Regarding regulatory approvals: ‘Operations of voice communication systems requires a license from the Illinois Commerce Commission (ICC). A license could require up to two years and there is no assurance that any license would be granted. As an alternative, the city could enter into an existing telephone company. The city has not entered into an agreement at this time.’ Councilwoman Zobrist pointed out the business plan states the city is planning to enter into an agreement with an existing telephone company. As far as the economy, it states: ‘The success of this could be can be impacted by general business conditions, economic uncertainty or downturn, including the recent volatility and disruption in the capital and credit markets, and the significant downturn in the housing sector and overall economy.’

Councilwoman Zobrist stated it was a non-binding referendum in April 2009. The voters – citizens of Highland – entrusted the city council to go further with this project unless it was not in the best interest of the citizens. For the past few years, I have listened to the information and I have read information concerning FTTP. I had concerns about proceeding “swiftly”, but not “carefully” after the referendum and I have even more concerns now as we do not have any prices to give to those customers. City Manager Latham advises that the FTTP will provide better customer service than any other providers. While I do like the idea of better customer service, it comes at a cost of \$18,000,000. I am not a risk taker. I will not risk the electric department reserves for this project and place the city in debt if this project cannot operate on its own. I respect the wishes of the businesses, but I have to do what is in the best interest of the citizens of Highland.

Roll Call Vote: Bardill and Bellm voted aye, Zobrist and Rickher voted nay. Mayor Michaelis voted aye. Motion carried.

Bill #10-02/RESOLUTION Declaring Official Intent to Reimburse Certain Project Costs Associated with the City’s Fiber-to-the-Premises System with Proceeds of Bonds Reasonably Expected to be \$9,500,000 Plus Costs – Councilman Bardill made a motion to approve Bill #10-02/Resolution #10-01-1854 declaring official intent to reimburse certain project costs associated with the City of Highland’s Fiber-to-the-Premises System with proceeds of bonds reasonably expected to be \$9,500,000 plus costs as attached; seconded Councilwoman Bellm. Roll Call Vote: Bardill and Bellm voted aye. Zobrist and Rickher voted nay. Mayor Michaelis voted aye. Motion carried.

Bill #10-03/RESOLUTION Awarding Proposal to Supply Materials for the Fiber-to-the-Premises Project to Graybar Electric – Councilwoman Bellm made a motion to approve Bill #10-03/Resolution #10-01-1855 awarding proposal to supply materials for the Fiber-to-the-Premises project to Graybar Electric in the amount of \$476,283.90 with a not-to-exceed total of \$525,000 as attached;

seconded. Roll Call Vote: Bardill and Bellm voted aye, Zobrist and Rickher voted nay. Mayor Michaelis voted aye. Motion carried.

Bill #10-04/RESOLUTION Awarding Proposal to Supply Materials for the Fiber-to-the-Premises Project to KGP Logistics – Councilman Bardill made a motion to approve Bill #10-04/Resolution #10-01-1856 awarding proposal to supply materials for the Fiber-to-the-Premises project to KGP Logistics in the amount of \$156,823.29 with a not-to-exceed total of \$175,000 as attached; seconded Councilwoman Bellm. Roll Call Vote: Bardill and Bellm voted aye, Rickher and Zobrist voted nay. Mayor Michaelis voted aye. Motion carried.

Bill #10-05/RESOLUTION Awarding Fiber-to-the-Premises Construction Services to Jansen Cable Construction, Inc. – Councilwoman Bellm made a motion to approve Bill #10-05/Resolution #10-01-1857 awarding construction of Phase I of the Fiber-to-the-Premises to Jansen Cable Construction, Inc. in the amount of \$512,981.28 as attached; seconded Councilman Bardill. Roll Call Vote: Bardill and Bellm voted aye, Zobrist and Rickher voted nay. Mayor Michaelis voted aye. Motion carried.

Approve Request for Statements of Qualifications for FTTP Manufacturer – Councilman Bardill made a motion to approve Request for Statement of Qualifications for Fiber-to-the-Premises Manufacturer as attached; seconded Councilwoman Bellm. Roll Call Vote: Bardill and Bellm voted aye, Zobrist and Rickher voted nay. Mayor Michaelis voted aye. Motion carried.

Approve Request for Statements of Qualifications for Wholesale Services Information and Telecom – Councilwoman Bellm made a motion to approve Request for Statement of Qualifications for Wholesale Services Information and Telecom as attached; seconded Councilman Bardill. Roll Call Vote: Bardill and Bellm voted aye, Zobrist and Rickher voted nay. Mayor Michaelis voted aye. Motion carried.

Approve NOML #E-05-09 for Purchase of One New Bucket Truck for Electric Department – Councilman Bardill made a motion to approve NOML #E-05-09 for the purchase of one new 55-foot bucket truck for the electric department as attached; seconded by Councilwoman Bellm. Councilman Rickher asked, base on everything happening, and I assume this is a trade-out purchase, are you still of the same mind to trade this off. Director Cook reported we will go out to for quotes only at this point. If we approve purchase of the bucket truck, we would have to declare this unit as surplus property to dispose of it. It is not cost effective to keep it. We have had people in twice in the last two weeks to do maintenance on this unit. Roll Call Vote: Rickher, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Bill #10-06/RESOLUTION Authorizing Execution of Revised Agreement with Jason Wuebbles Concerning Dedication of Streets in Prestige Estates Subdivision and Alleged Claims Against the City – Councilwoman Bellm made a motion to approve Bill #10-06/Resolution #10-01-1858 authorizing execution of a revised agreement with Jason Wuebbles concerning dedication of streets in the Prestige Estates Subdivision and alleged claims against the City of Highland as attached; seconded by Councilman Bardill. Roll Call Vote: Rickher, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

## **REPORTS**

Approve Warrants #792 & #793 – Councilman Bardill made a motion to approve Warrants #792 & #793 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Rickher, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn the Regular Session to enter into Executive Session under the Illinois Open Meetings Act, Section 2(c)(21) for discussion of executive session minutes, 2(c)(2) to discuss collective negotiating matters, and 2(c)(1) to discuss personnel

matters; seconded by Councilman Bardill. Roll Call Vote: Rickher, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried. 8:38pm.

Mayor Michaelis reconvened the Regular Session at 9:38pm. Council members Bardill, Rickher, Bellm and Zobrist were present. Others in attendance were City Manager Latham, City Attorney Belsheim, Chief Bell, Director Schoeck, Deputy City Clerk Hediger and City Clerk Bellm.

Bill #10-07/RESOLUTION Approving Collective Bargaining Agreement with the Fraternal Order of Police Labor Council – Telecommunicators – Councilman Bardill made a motion to approve Bill #10-07/Resolution #10-01-1859 approving the collective bargaining agreement with the Fraternal Order of Police Labor Council – Telecommunicators as attached; seconded Councilwoman Bellm. Roll Call Vote: Rickher, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Councilman Bardill made a motioned to adjourn; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried. Meeting adjourned at 9:40pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk