

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, AUGUST 16, 2010**

Mayor Michaelis called the Regular Session to order at 7:00pm. Councilmembers present were Schwarz, Bardill, Bellm and Zobrist. Others in attendance: City Manager Mark Latham, City Attorney Doug Gruenke, Directors Cook, Gillespie, Kim, Rosen, Rusteberg and Schoeck, Police Chief Bell, EMS Captain Crosby, Supervisor Limestall, Treasurer Foehner, Deputy City Clerk Hediger, City Clerk Bellm, 10 citizens and 1 member of the news media.

**PUBLIC HEARING**

Mayor Michaelis opened the public hearing to receive public comments on the proposal to sell bonds in the amount of up to \$3,200,000 for the purpose of financing the acquisition of land for street construction, and initial costs of street construction, and related facilities, improvements and costs. Hearing no comments, Mayor Michaelis closed the hearing.

**MINUTES**

Councilman Bardill made a motion to approve the minutes of the August 2, 2010 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill and Bellm voted aye, none nay. Councilwoman Zobrist abstained. Motion carried.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*St. Jude Wheels for Life* – Councilwoman Bellm made a motion to approve the request for use of streets for the Knights of Columbus annual St. Jude's Wheels for Life Bike Ride to be held on Sunday, October 10, 2010, starting at the VFW Grounds, as requested; seconded by Councilman Bardill. Mayor Michaelis asked who on the city staff handled this request. Deputy City Clerk Lana Hediger reported she spoke with the person making this request this morning. This person had a procedure performed this morning and would not be able to attend this evening. If the council feels uncomfortable approving this without them making a request in person, then it can be tabled for another meeting. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Vicky Durham, 55 Sundew, stated I am an 18-year resident of Highland and proud to say that. I have been fortunate enough to keep my friends from other towns that I have lived in. I often hear from them how high the cost of living is here. I always tell them, 'my town has its priorities right – kids, fire department, police department.' But, for the first time, I am feeling a little bit let down. I was somewhat shocked when I opened the paper to see about the closing of the Highland Animal Shelter or lack of funding for it. As a citizen, I have some questions. Was this something that was not brought to public attention? I will be the first to admit that I don't always read the paper, when I

should. Has it been in the papers? Mayor Michaelis pointed out the animal shelter is not closing. He explained, the city offered the shelter a two percent increase over last year. The shelter rejected the offer. Ms. Durham asked was it a rejection of the contract or was it voted on. Mayor Michaelis stated it was the overall consensus of the council to reject what the shelter was proposing. We also offered \$100 per animal that was taken in; however, the shelter turned that down. Ms. Durham stated as a concerned citizen, I am disappointed. I feel the city is letting the citizens down. I know that times are tough, but times are tough for the citizens that live here too. I cannot image losing my house and then losing my pet, because there is nowhere for them to go and be in safekeeping for a few weeks until I am able to “get back on my feet”. It sounds like, from reading the paper, there is not going to be a lot of choice. The animals will go to Madison County; if they are not reclaimed in seven days, their pet is gone. God forbid someone goes on vacation for several days to find that their pet got out and is now gone. Councilwoman Zobrist stated she was absent from that meeting. Personally, if you are asking, I would like to open up talks with the shelter again. Mayor Michaelis stated the door is never closed, they can always come back to discuss. Councilwoman Zobrist pointed out there was money budgeted for that.

#### Requests of Council:

Mayor Michaelis reported Sharon Young, Activities Coordinator for Highland Healthcare, contacted him. They will be celebrating National Necktie Month, during the month of September, by doing different activities with the neckties. Mayor Michaelis asked that anyone who has neckties to donate to please drop them off at City Hall. He will take them to Highland Healthcare at the end of the month.

#### Staff Reports:

City Manager Latham stated the Highland Fire Department’s 150<sup>th</sup> Anniversary Celebration Open House will be held on Saturday, September 18, 2010, 9am – 3pm. Everyone is invited to attend the celebration, which will be held at Fire House #1, located on Broadway.

## **NEW BUSINESS**

Approve Mayor’s Appointment to the Library Board of Trustees – Councilman Bardill made a motion to approve the appointment of Mr. Jeff Wavrunek to the Library Board of Trustees for the remainder of a term that will expire June 30, 2012 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Approve Mayor’s Re-Appointment to the Combined Planning and Zoning Board – Councilwoman Bellm made a motion to approve the re-appointment of Mr. Leo Painter to the Combined Planning and Zoning Board for an additional five-year term, to expire August 31, 2015 as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Bill #10-94/ORDINANCE Vacating a Portion of Center Street but Reserving Therein a Water Easement – Councilman Bardill made a motion to approve Bill #10-94/Ordinance #2431 vacating a portion of Center Street but reserving therein a water easement as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Bill #10-95/RESOLUTION Authorizing Funding Assistance Offer to The Corner Keg in the Form of a Business District Development Agreement – Councilwoman Bellm made a motion to approve Bill #10-95/Resolution #10-08-1911 authorizing funding assistance offer to The Corner Keg in the form of a Business District Development Agreement as attached; seconded by Councilman Bardill. Councilman Schwarz commented I think businesses need incentives to come to town. When I see the funding assistance for ten years, I think the city would be just as well served by cutting that to five years. I think those businesses should be up and viable to support themselves within that time. Councilwoman

Zobrist inquired the maximum is \$26,525. City Manager Latham confirmed. Director Rusteberg explained we have done several of these in the past. This is reimbursement of 100% of the city's 1% sales tax. We waive permit fees, which are \$600. There is reimbursement of 100% of the incremental equalized assessed valuation of the city's property taxes for up to ten years. All reimbursement is done up to ten years or the \$26,525 maximum total assistance is reached. This amount is based upon a calculation of only 25% of the city's eligible businesses expenses. It takes us, as a city, about ten years to provide that assistance to them. Councilman Schwarz pointed out a lot of things happen in ten years. After five years, a business knows if they are going to make it or not. Director Rusteberg explained the goal is not to assistance them so that they make a profit and stay open. It is to show of our support for improvements made to properties and development of business in these areas. Councilman Schwarz stated we need to be careful that the city is not giving away its tax base. Mayor Michaelis pointed out if the business closes in three years then they receive no more money. Councilman Schwarz made a motion to amend Bill #10-95/Resolution from a five-year to a ten-year term; seconded by Councilman Bardill. Roll Call Vote: Schwarz and Bardill voted aye; Zobrist, Bellm, and Mayor Michaelis voted nay. Motion failed. Roll Call Vote on original motion: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Approve Waiver of Demand Charges and Electric Usage Billed to HCUSD #5 for Relay for Life Event – Councilman Bardill made a motion to approve waiver of demand charges and electric usage billed to HCUSD #5 for Relay for Life Event as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Approve Engineering Services Agreement with Oates Associates, Inc. for the Sharpshooter's Bike Trail Project Approve – Councilwoman Bellm made a motion to approve engineering services agreement with Oates Associates, Inc., for an estimated amount of \$26,255, for the Sharpshooter's Bike Trail Project as attached; seconded by Councilman Bardill. Councilwoman Zobrist inquired was this budgeted for this year. City Manager Latham stated it was not; however, we need to do this to make the grant application requirements deadline, which is the end of this month. Councilwoman Zobrist asked where are we coming up with the money for this. City Manager Latham replied from within the Parks & Recreation's budget. Roll Call Vote: Schwarz, Bardill, and Bellm voted aye, Councilwoman Zobrist voted nay. Motion carried.

Approve Preliminary Engineering Services Agreement with Oates Associates, Inc. for the US Hwy 40/Hemlock St. Intersection Improvements - Councilman Bardill made a motion to approve preliminary engineering services agreement with Oates Associates, Inc. for the US Hwy 40/Hemlock St. Intersection Improvements in the amount of \$66,200 as attached; seconded by Councilwoman Bellm. Councilwoman Zobrist stated I know we need to do this, because we need to have the engineering for IDOT improvements. City Manager Latham explained the state has budgeted \$400,000 for this project. We need to pay for this portion of the project. Councilwoman Zobrist expressed concern about the state's budget and ability to come through on their end of this project. Director Gillespie acknowledged there is always that possibility; however, on projects of intersection improvements, there has not been any history of IDOT backing out of those commitments. Councilwoman Zobrist inquired about the variance request. Director Gillespie explained we are asking for a variance on the length of the turn lane from Highway 40 due to the existing width of the roadway from the railroad tracks to the lane division at the intersection. We would prefer not to do any widening of the roadway at the tracks, because dealing with the railroad is always very lengthy and time consuming. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Waive Normal and Customary Bidding Procedures and Approve Purchase of One Mid-Sized Hydraulic Excavator – Councilwoman Bellm made a motion to waive normal and customary bidding procedures and approve purchase of one 2008 Komatsu mid-sized hydraulic excavator from Roland Machinery, Inc., for the amount of \$70,000 as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting Bid #PR-13-10 for the Bargetzi Dam Renovation Project – Councilman Bardill made a motion to approve Notice of Municipal Letting Bid #PR-13-10 for the Bargetzi Dam Renovation Project as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Award Bid #G-10-10 for Library Roof Replacement Project - Councilwoman Bellm made a motion to award Bid #G-10-10 for Library Roof Replacement Project to Joiner Sheet Metal & Roofing, Inc., in the amount of \$109,500 as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Award Bid #G-11-10 for Library Building Rehabilitation Project – Councilman Bardill made a motion to award Bid #G-11-10 for Library Building Rehabilitation Project to Mason’s Masonry Rehabilitation Inc., in the amount of \$85,587 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Reject All Bids Received in Response to Bid Letting for #RE-06-10 Modification of Fiber Headend Facility [Rebid] – Councilwoman Bellm made a motion to reject all bids received in response to the bid letting for #RE-06-10 Modification of Fiber Headend Facility as attached; seconded by Councilman Bardill. City Manager Latham asked Dan Cook, Director of Electric and Fiber, and Scott Boles, of Spectrum Engineering, to explain what the next step would be should the council reject the bids. Director Cook reported the lowest bid is 25% higher than the engineer’s estimate. In speaking with other companies that work in the industry, they have suggested a prefabricated building that we can put onsite, which would be cheaper than rehabilitation of the existing facility, allowing us to meet our timeline and stay within budget. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Award Bid #E-12-10 for Removal and Replacement of Diesel Contaminated Soil for Power Plant – Councilman Bardill made a motion to award Bid #E-12-10 for Removal and Replacement of Diesel Contaminated Soil for Power Plant to Stiles, Inc., in Rockford, IL, in the amount of \$85,797.00 as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Discussion - Electric Meter Reconnection Service – Director Cook explained we presently have a policy that allows a person, whose utilities have been disconnect, to come to the police department, after business hours, to pay a reconnection fee of \$75. The city must then call out three staff members, at a cost of ~\$400 to reconnect the utilities. There are municipalities that have modified their policy to not allow payment outside of normal business hours. Current code allows us to charge them whatever the cost incurred by the city is. He proposed changing the policy to charge a person the full cost incurred if the person is a repeat offender. Councilman Schwarz asked could we provide them the option of choosing to wait for reconnection, with different fees, if they wait for reconnection during business hours versus after hours. If they are repeat offenders, we could scale those two charges. Director Cook reported, presently, if the fee is paid during business hours, the charge is \$25. City Manager Latham and I talked about escalating the fee based upon occurrences. Director Rusteberg reported we used to put out about 350 door hangers per year. We save about \$9,000 by not sending those out. The orange cards are still sent out prior to disconnection of utilities. There are 15-20 after-hour reconnects per year. Director Cook explained there are many more reconnects done during the normal workday. He suggested a charge of \$50 for reconnects done during the day. If they are repeat offenders and request this during the evening hours, I would charge them the full cost incurred. Councilwoman Bellm agreed with increasing penalties for repeat offenders. I see that people do make a mistake or may be out of town for a period of time. City Manager Latham reported we are spending about \$100,000 per year on reconnects. We are collecting, maybe ~\$20,000 of that amount. That \$80,000 expense is spread across all users of the system. Councilman Schwarz stated he does not have an issue \$75 and then to the full cost for repeated connections for after-hour calls. For business hours reconnects, he proposed increasing it to \$50 for first reconnects and an escalating scale after that. Director Rusteberg stated her concern with tracking how

many times a repeat offender has been reconnected within a period of a year is difficult. She recommended a \$75 charge for the first time and then the full amount for after-hours reconnects, and a straight \$50 per reconnection done during the day. City Manager Latham stated he would have staff draft a formal policy for review by the council.

## **REPORTS**

Approve Warrant #815 – Councilwoman Bellm made a motion to approve Warrant #815 as attached; seconded by Councilman Bardill. Councilwoman Zobrist stated she did not agree with one thing in the warrant, which was a credit card charge for airfare and lodging for a trip to Las Vegas. Roll Call Vote: Schwarz, Bardill, Bellm and Zobrist voted aye, none nay. Motion carried.

Councilwoman Bellm motioned to adjourn; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried. Meeting adjourned at 8:30pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk