

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, OCTOBER 17, 2011**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Schwarz, Bardill, Bellm and Nicolaides were present. Others in attendance were City Manager Mark Latham, City Attorney Harold Belsheim, Directors Cook, Gillespie, Korte, Rosen and Schoeck, Chief Bell, Supervisor Limestall; City Staff: Steve Ferguson and Tracey Robinson; Latzer Library Director Kim, Deputy City Clerk Hediger, City Clerk Bellm; 5 Representatives of Scheffel & Co.; Peggy Sebastian, Director of St. Joseph's Hospital; 7 citizens and 1 member of the news media.

**MINUTES**

Councilman Bardill made a motion to approve the minutes of the October 3, 2011 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

**PUBLIC HEARINGS**

Mayor Michaelis opened the public hearing to receive public comments on the proposed annexation agreement with St. Joseph's Hospital, of the Hospital Sisters of the Third Order of St. Francis, an Illinois not-for-profit corporation. Hearing no comments, Mayor Michaelis closed the public hearing.

Mayor Michaelis opened the public hearing to receive public comments on the proposal to sell bonds in the principal amount of not to exceed \$3,750,000 for the purpose of providing funds to acquire, construct, renovate and improve various site and infrastructure related to the new St. Joseph's Hospital, including street and utility extensions. With no comments brought forward, Mayor Michaelis closed the public hearing.

**PROCLAMATION**

Members of Highland's Illinois Federation of Business Women Paula Redman and Margaret Bennett, and Jennifer Libbra, Chapter President were present as Mayor Michaelis read a document proclaiming the third week of October as Women in Business Week.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*Chamber of Commerce Lighted Christmas Parade Request* – Jamie Jansen, Executive Director of the Highland Chamber of Commerce, requested formal permission for the annual Lighted Christmas Parade and Downtown Square Lighting Ceremony, to be held on Friday, November 25, 2011. Councilwoman Bellm made a motion to approve the request of the Highland Chamber of Commerce to hold the Lighted Christmas Parade and Downtown Lighting Ceremony on Friday, November 25, 2011

at 6:30pm as requested; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried.

Requests of Council:

None presented.

Staff Reports:

City Manager Latham stated he had nothing additional to report at this time.

*Scheffel & Co. - Combined Annual Financial Report* – Mark Korte, principle with Scheffel & Company’s Highland office, introduced the audit team in attendance: Andy Abendroth, Sr. CPA and head auditor for the city’s audit, Howard Held, Heather Weisemeyer, and Joe Bradley. Mr. Korte explained a letter that will be sent to the City of Highland stating that we had no disagreement with staff, the records or other findings when preparing the financial statements in accordance with GASBY 34 standards. Once again, we are able to give an unqualified opinion, which is the highest opinion we can give. There was two changes in accounting procedures made this year: (1) adjustments to prior financial statements were made with regards to intergovernmental funds; (2) government-wide financial statements have been restates so that property tax revenue is not recognized until received. The Management Discussion & Analysis section, put together by Director of Finance Kelly Korte gives a lot of information on the city’s financial status. In the Basic Financial Statements, Exhibit 1 is a Statement of Net Assets, which shows over \$3M increase of net assets over liabilities from the prior year. Exhibit 2 is a Statement of Activities, detailing revenues used to pay for governmental activities. In summary, it shows \$1.2M increase in total net assets of governmental activities. While business-type activities (water, sewer, electric, and solid waste) increased by \$24,000 in comparison to the prior year. Overall, the city experienced positive growth.

Mr. Korte pointed out that it is important to look at the Statement of Activities (Exhibit 2) as they help to designate appropriate charges for continuing operations. Sewer had a loss of \$156,284, primarily due to loss of operating revenue sources. Solid Waste ended at a loss of \$225,773 due to something unusual, which was the decision to purchase \$294,000 for dumpsters. Electric and Water funds had growth of \$234,279 and \$12,455, respectively. Next year, we will have our first look at the financial operations of the Fiber to the Premises in these statements.

The Statistical Section provides ten years of comparative data and other statistical data. Table 1 demonstrates the growth of property revenues with an increase of \$88,000 for the year ending April 30, 2011 over 2010. Table 2 reflects that the State of Illinois has begun to catch up with payments to the city. Table 4 shows the assessment of property has decreased for the first time in eight years. However, compared to other communities, Highland has been able to stabilize property assessments, by the services it provides as a community, well-maintained infrastructure, good healthcare and school systems. Despite an increase in the property tax rate, we are at a lower rate than we were ten years ago (as shown in Table 5). The City’s General Obligation Bond (GOB) debt margin is \$15,992,981 at this time. Overall, the city’s financial health is in pretty good shape.

Councilman Bardill made a motion to table Item I, Bill #11-05/Ordinance Adopting an Identity Protection Policy; seconded by Councilwoman Bellm. All council members voted aye, none nay. Motion carried. Item tabled.

## **NEW BUSINESS**

Approve Combined Annual Financial Report – Councilwoman Bellm made a motion to approve the Combined Annual Financial Report for Fiscal Year Ending April 30, 2011 as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Approve 2011 Treasurer's Report – Councilman Bardill made a motion to approve the 2011 Treasurer's Report as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Set Date and Time for a Special City Council Meeting – Councilwoman Bellm made a motion to set Monday, October 24, 2011 at 7:00pm as a Special City Council Meeting for the purpose of the Northside Conservation TIF and issuance of general obligation bonds related thereto as attached; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried.

Approve Mayor's Appointment to the Silver Lake Advisory Commission – Councilman Bardill made a motion to approve the mayor's appointment of David Frey to fill the remainder of Kent Korte's term, which will expire March 2013 as attached; seconded Councilwoman Bellm. All council members voted aye, none nay. Motion carried.

Bill #11-101/RESOLUTION Requesting Road Closure for Lighted Christmas Parade – Councilwoman Bellm made a motion to approve Bill #11-101/Resolution #11-10-2001 requesting road closure from IDOT for IL Route 160/Broadway for the Lighted Christmas Parade to be held on Friday, November 25, 2011 from 6:30pm – 7:30pm as attached; seconded by Councilman Bardill. All council members voted aye, none nay. Motion carried.

Bill #11-102/ORDINANCE Abating Taxes Levied for 2006 Electric Bonds – Councilman Bardill made a motion to approve Bill #11-02/Ordinance #2491 abating taxes levied for 2006 electric system alternate revenue bonds and interest for the 2011 taxes, payable in 2012, as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #11-103/ORDINANCE Abating Taxes Levied for 2003 Korte Recreation Center Bonds – Councilwoman Bellm made a motion to approve Bill #11-103/Ordinance #2492 abating taxes levied for 2003 Korte Recreation Center Alternate Revenue Bond and interest for the 2011 taxes, payable in 2012, as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #11-104/ORDINANCE Abating Taxes Levied for 2007 Series Street Bonds – Councilman Bardill made a motion to approve Bill #11-104/Ordinance #2493 abating taxes levied for 2007 Street Alternate Revenue Bonds and interest for the 2011 taxes, payable in 2012, as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #11-106/ORDINANCE Approving Master Customer Agreement with Fidelity Solutions, Inc. – Councilwoman Bellm made a motion to approve Bill #11-106/Ordinance #2494 approving master customer agreement with Fidelity Solutions, Inc. as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #11-107/RESOLUTION Approving Spectrum Engineering Amendment to Task Order #2470015 Relating to the Fiber to the Premises Project – Councilman Bardill made a motion to approve Bill #11-107/Resolution #11-10-2002 approving Spectrum Engineering Amendment to Task Order #2470015 relating to the Fiber to the Premises Project as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried. .

## **REPORTS**

Approve Warrants #856 & #857 – Councilwoman Bellm made a motion to approve Warrants #856 and #857 as attached; seconded by Councilman Bardill. Roll Call Vote: Schwarz, Bardill, Bellm and Nicolaides voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Schwarz. All council members voted aye, none nay. Motion carried and meeting adjourned at 7:30pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk