

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, JULY 1, 2013**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Frey, Bellm and Nicolaides were present. Councilman Schwarz was absent. Others in attendance were City Manager Mark Latham, City Attorney John Long; Directors Cook, Gillespie, Korte, Rosen and Schoeck; Police Chief Bell, Supervisor Limestall, Fire Chief Bloemker, EMS Captain Crosby, EMT Onfrey, Library Director Kim, Deputy City Clerk Hediger, City Clerk Bellm, six citizens, and one member of the news media.

MINUTES

Councilwoman Bellm made a motion to approve the minutes of the June 17, 2013 Regular Session as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

PRESENTATION

Storm Water Master Plan Funding & Implementation – City Manager Mark Latham reported that in 2006, the council took a proactive stance on addressing the aging sewer system with a decision to increase rates for three years and put the \$250,000 generated by that increase towards improvements of lines and the purchase of a JetVac truck and sewer camera. In February 2007, the council approved a contract with Walden Associates for replacement of sewer lines to priority areas. In July 2007, another contract with Walden Associates was approved for sewer cleaning and televising. In August 2008, the purchase of the JetVac truck was approved to continue annual maintenance of all sewer lines. One month later, the council approved another contract with Walden Associates for replacement of sewer manholes and lining in priority areas. In March 2010, the council approved purchase of a sewer camera. In May 2011, Public Works Director Joe Gillespie presented a plan that included lining of all clay lines and replacement of brick manholes. This presentation resulted in the city’s hiring of Crawford Murphy & Tilley (CMT) Engineering to develop an overall improvement plan.

We are here tonight to discuss what our steps are going to be to implement this master plan. On April 18, we received over 80 calls of storm water and sewer backups in basements. Claims were filed with our carrier. Staff has reviewed all the affected properties and identified four priority locations within our system – 17th Street, 8th Street, Lemon Street and Lindenthal collector mains. We also identified several manholes that need to be elevated to the 100-year flood level. We looked at the amount of waterways and other drainage areas or lack thereof within these areas. There is a bottleneck at the old Wastewater Treatment Facility that should be eliminated to improve the system, which involves excavating and laying 1200 linear feet of pipe at an estimated cost of \$325,000. Under the master plan, cure in place pipe (CIPP) for existing sanitary sewers at “poor” rated priority consists of 4,250 linear feet of line and 13 manholes with an estimated cost of \$300,000. “Fair” rated priority

within the system is 18,500 linear feet of line and 60 manholes with an estimated cost of \$1.2 million. About 15 year ago, the city engineered a three-phase plan to assist with drainage issues on the northwest side of the railroad tracks, creating a drainage way that went behind Red-E-Mix's property, along the old Jakel property and by the old brewery structure. It appears the third phase was never completed. We need to go over those plans with the engineers to figure out what was proposed and why it was not completed.

What we are proposing is to do smoke testing, engineering, eliminating the bottleneck and rehab the fair and poor lines with completion in the 2014 budget year, with an estimated cost of \$2 million. We have some wastewater facility improvements and trunk rehabilitation to do beyond that bringing the estimated cost to \$13.5 million at completion in 2025. Based upon cash flow projections, if we continue to increase rates, we should be okay without having to bond out additional funds, with completion in 2029. Sewer rates for the average user (4,000 gallons/month) would be about \$33.83. If we fund capital improvements with bonds, we would have to do increases to ~\$37.00 per month. One option is to use a SRF (state revolving fund) loan. The good thing about SRF is the interest rates are about one point less than market rates. The downside is that it takes some time to get approval for the loan. City Manager Latham estimated, if we start the process today, we would start awarding bids by the first of next year, with application funds available in March 2014. They would also set the rates. If we went on our own, the bonding source indicated rates are going up. While they could not provide a solid rate, they estimated a rate of 3.7%.

Councilwoman Bellm summarized one option is to do it over an extended period using user rates without a significant increase. Option 2 is the SRF loan, which takes quite a while to get the funding in place. City Manager Latham acknowledged it could be at least a year. Councilwoman Bellm noted she saw a report estimating 12-18 months. The third option is to float a loan ourselves. City Manager Latham responded yes. We would pay about one point more. Councilwoman Bellm asked what is the time projection to do the work, if we floated the loan ourselves. Scott Knight, of Crawford Murphy & Tilley, reported we worked with the city to put together the master plan. He pointed out there is concern about the time in getting the loan and even if you get the loan. However, the loan application can be done while you are doing the engineering and permitting process, simultaneously. If you do everything at the same time, you could get the loan by the end of the year and let for bids at the start of the year, with work to begin in Spring 2014. Councilwoman Bellm asked what the start time is if we bond ourselves. City Manager Latham reported we could bond the \$2.7M within three months to get to the start process. Mr. Knight stated you could start lining during the winter months and complete during the summer. He explained what happens with the EPA loan (SRF fund) is that they take in a lot of project applications and prioritize. The good thing is that you do not have to pay any coverage requirements. With independent bonding, you typically have to put up a security deposit. In addition, you don't start paying debt service until after the construction is completed, which can buy you 1-1.5 years. Additionally, you do not have to put it out on a ballot for public vote. There is a little bit of paperwork - about six resolutions and an ordinance that have to be passed - in addition to demonstration of ability to repay the debt service. Mayor Michaelis asked what is the downside. Mr. Knight responded it is a longer process and there is no guarantee that you receive the funds. Councilwoman Bellm pointed out if we do not get it, then we are essentially a year behind. Annual difference is \$15,000 per year more to bond ourselves, which comes to \$300,000 over a twenty-year loan life, but we could do something right away.

PUBLIC FORUM

Citizens' Requests and Comments:

No requests or comments made.

Requests of Council:

No requests or comments made by council.

Staff Reports:

City Manager Latham reminded everyone the fireworks display will be held at Glik Park on July 4. Mayor Michaelis commended Nancy Gramlich, Director Rosen and all the Parks & Recreation Staff for all the work they do to prepare for this.

OLD BUSINESS

Approve Mayor's Appointments to the Library Board of Trustees – Councilwoman Bellm made a motion to approve the mayor's re-appointments of Mr. Arnold Bodinet and Dr. Robert Hellige and the appointment of Mr. Bill Wagner to the Library Board of Trustees for three-year terms, to expire June 2016 as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #13-46/ORDINANCE Approving Pool Rental Agreement with St. Joseph's Hospital – Councilwoman Bellm made a motion to approve Bill #13-46/Ordinance #2573 approving pool rental agreement with St. Joseph's Hospital as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Mayor Michaelis voted aye. Motion carried.

NEW BUSINESS

Approve Mayor's Appointments to the Tree Commission – Councilwoman Bellm made a motion to approve the mayor's re-appointments to the Tree Commission of Kathryn Comish and Darrell Newman for three-year terms, to expire July 2016, and the appointment of Sheila Gruender, for a two-year term to expire July 2015 as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Discussion – Funding and Implementation of Storm Sewer Master Plan – City Manager Latham requested direction from the council for staff on how to proceed. One option is to use user rates to make the necessary improvements; another option is the state revolving fund loan; and, another option is to bond ourselves. Mayor Michaelis asked City Manager Latham for his recommendation. City Manager Latham expressed concern over not moving on this quickly and having more heavy rains and more issues. We have aging lines within our deteriorating system. Councilwoman Bellm expressed "Option 1," to do it using user rates, is not an option, as far as I am concerned. The difference between the state loan (SRF) and doing it ourselves is about time. We are not going to know for about one year if we have the state loan or not, which puts us a year behind, if we do not get it. An extra \$15,000 per year to get started now and getting it done soon, is a relatively small price to pay, considering the costs to go in and do an emergency fix. Of the three (options), my vote would be to do it ourselves and get started as soon as we can. Councilman Frey agreed, adding that continually patching problems is like throwing money away. I want to see problems taken care of immediately. Councilman Nicolaides agreed.

Bill #13-50/RESOLUTION Approving First Amendment to Amended AIA Document B101 – 2007 Standard Form of Agreement Between Owner and Architect Between the City of Highland and Williams Associates Architects, Ltd. – Councilwoman Bellm made a motion to approve Bill #13-50/Resolution #13-07-2134 approving First Amendment to amended AIA Document B101 – 2007 Standard Form of Agreement Between Owner and Architect between the City of Highland and Williams Associates Architects, Ltd. as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #13-51/ORDINANCE Declaring a Parcel of Real Estate Located on Cedar Street north of Madison Street to be Surplus Property – Councilwoman Bellm made a motion to approve Bill #13-51/Ordinance #2574 declaring a parcel of real estate located on Cedar Street north of Madison Street to be surplus property as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Mayor Michaelis voted aye. Motion carried.

Bill #13-52/ORDINANCE Declaring a Parcel of Real Estate Located at 1316 Broadway to be Surplus Property – Councilwoman Bellm made a motion to approve Bill #13-52/Ordinance #2575 declaring a parcel of real estate located at 1316 Broadway to be surplus property as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Mayor Michaelis voted aye. Motion carried.

Bill #13-53/ORDINANCE Amending the HMC to Allow Keeping Chickens – Councilwoman Bellm made a motion to approve Bill #13-53 proposed zoning ordinance “text amendments” be referred to the Combined Planning and Zoning Board for its holding a properly noticed hearing for the purpose of determining whether to recommend the making of the amendments; seconded by Councilman Frey. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

REPORTS

Approve Warrant #918 – Councilman Nicolaides made a motion to approve Warrant #918 as attached; seconded by Councilman Frey. Roll Call Vote: Frey and Nicolaides voted aye, none nay. Councilwoman Bellm abstained. Mayor Michaelis voted aye. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn, to conduct an Executive Session pursuant to the Illinois Open Meetings Act under Section 2(c)(21) for discussion of executive session minutes, and 2(c)(8) to discuss specifications of equipment and structures used for public safety communications, the disclosure of which specifications would create a reasonably potential danger to the security of the equipment, structures, and public safety communications; seconded Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried. Meeting temporarily adjourned at 7:41pm.

Mayor Michaelis reconvened the Regular Session at 8:16pm. Council members Frey, Bellm and Nicolaides were present. Also present were City Manager Latham, City Attorney Long, Police Chief Bell, Fire Chief Bloemker, EMS Captain Crosby, EMT Onfrey, Deputy City Clerk Hediger and City Clerk Bellm.

Approve NOML for Construction and Erection of a Public Safety Communications Tower - Councilwoman Bellm made a motion to approve NOML for construction and erection of a Public Safety Communications Tower as attached; seconded by Councilman Nicolaides. Roll Call Vote: Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Frey. All council members voted aye, none nay. Motion carried and meeting adjourned at 8:18pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk