

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, August 7, 2024
12:00 PM**

Call to Order:

The August 7, 2024, meeting of the Industrial Development Commission was called to order at 12:02 PM by Chairman Jim Meridith. The Pledge of Allegiance to the Flag was recited.

Roll Call:

Members present: Chairman Jim Meridith, Vice-Chairman Diane Korte-Lindsey, Marshall Rinderer, and Kurt Vonder Haar

Members absent: Josh Kloss

Also present: Hillary Holzinger, Taylor Sheeley, City Manager Chris Conrad, Director of Economic Development Mallord Hubbard; Lana Hediger; University of Illinois Intern Easton Rosen; Recording Secretary Chris Flake.

Approval of Minutes:

Diane Korte-Lindsey made a motion to approve the minutes of the July 3, 2024, Regular Session meeting of the Industrial Development Commission; seconded by Kurt Vonder Haar. All members present voted aye; none voted no; the motion carried.

Reports:

Treasurer's Report – Prepared by Director of Finance Reanna Ohren – Mallord Hubbard

Mallord Hubbard introduced Taylor Sheeley to the board. Sheeley is a new employee for the Chamber of Commerce. The balance in the IDC checking account was \$27,020.11. The CD investment with First Mid Bank is \$25,000.00. Total IDC assets at the end of July was \$52,020.11. Jim Meridith stated that the interest earned is not showing up on the balance. Mallord stated that he would like to write a check to the CEO Program. He will get with Ben Eberwein to make that happen.

Updates on Developments and other City Projects – Mallord Hubbard

Chris Conrad stated that the city hall project is moving forward again. We were able to get approval from two structural engineers on the repair to the beam. The council chamber is on track to open up in early October.

Mallord stated that the city had an initial meeting with the Aldi Corporation and the heads of our utility departments. This is not a done deal, however we are happy that we started conversations. Mallord stated that Aldi would be looking at breaking ground next year, on a grocery store next to Scott Credit Union. The city is working through a lot with the utility departments and IDOT.

Mallord advised that he had a follow up meeting with the owner of the Japanese restaurant. The owner has met with Building and Zoning. They are looking at having it open this fall. The location of the Japanese restaurant is at the Peter Kim building on Poplar Street.

Mallord stated at this week's city council meeting, we entered into a façade improvement program agreement with Lee's Loans. Lee plans on painting his building and replacing the front door. We are continuing to see a lot of interest with the façade program, especially businesses on the square. This is a great program because it provides a little bit of assistance for businesses to spruce up their buildings.

Mallord stated that he had an initial meeting with 5 Star Daycare. They are in talks of purchasing 206 Walnut Street, the former chiropractic building. They are speaking with contractors to see what they need.

Mallord stated that the Combined Planning and Zoning Board will have a few items coming up. Tut Properties will be requesting approval of a preliminary plat. The owner of 608 Pine Street is requesting a special use permit for a short-term rental. Jim Meridith asked where the location of the Tut project will be. Mallord advised that it is on the east side of town.

Lastly, Mallord stated that the city is working with two different solar projects. One of the solar projects is with Dr. Drake. The solar projects will be located on the west side of town.

Update on Highland Communication Services – Chris Conrad

Conrad advised that H.C.S. is at an all-time high and has approximately 2,800 customers. Conrad stated that he is very pleased with where H.C.S. is at.

Update on Workforce Development Initiatives – Mallord Hubbard

Mallord stated that there is no workforce development updates. When the school opens up, the CEO program will be up and going as well.

New Business:

Report On Monthly Tax Revenues – Chris Conrad

Conrad advised that he had the interns go through some numbers over the past four years. He spent some time going over information and data that he has put together, along with items that he had the interns put together on our operations and trends. The data was pulled from our audits and final budgets from FY 19-20 and FY 22-23.

Between FY 19-20 and FY 22-23, we saw a total payroll increase of \$1.53 million across the city. This is a 16% increase over those 4 years. Our total increase in the government funds in total payroll was \$331,493.00. This is a 5% growth in payroll for the government funds over this 4 year span. This is where we have made the most cuts because these are the funds that are struggling with revenue. By department, the largest dollar amount increases were at the Pool, Police, Building and Zoning, Fire and Parks. The

largest percentage increases came from Parks and Fire. These are the departments with the lowest paid city employees, and were impacted the most by the minimum wage law that went into effect in 2020. The only exception being the Police Department, which is the most personnel heavy department we have.

Conrad stated that during this same time frame, we decreased our headcount from 130 full time employees (in FY 19-20) to 113 (in FY 22-23). We have 17 fewer full time employees. FY 19-20 appears to have been an all-time high for full time employee headcount. The increases in payroll come out to an average increase over those 4 years of \$13,500 per employee based on the 113 employees in 2023; or about \$3400 per employee/per year over those 4 years. This was a 16% increase in total payroll across the city during a span of 4 years when inflation was cumulatively about 19.5%. Our employees probably lost a little ground over these 4 years, but with inflation easing, it all should even out.

During this same time frame our total health insurance costs increased \$800K/year from about \$1.2 million to \$2 million in 2023. This is a 66% increase over 4 years, and this is with having 17 fewer full-time employees we cover. So it could have been worse had we not made some of the decisions we have made.

Conrad stated that from FY 19-20 to FY 22-23 our unrestricted revenues (Gen property tax, Excise (telecom) tax, Income tax, Use tax and Sales tax) increased about \$1.46 million. During that time frame our total property taxes increased \$534K. This is \$53 for every man, woman and child in town over 4 years. We are maxed out on many of our levy amounts, so our increases are basically limited to our EAV growth. Our largest increases were:

- General \$183K
- Ambulance: \$122K (This will likely surpass police pension as our second largest levy item behind the general levy)
- Library: \$73K
- Social Security Tax: \$72K
- Parks and Rec: \$44K

Restricted revenues of Non Home rule sales tax increased \$554K; Business district increased \$652K. People are still spending money, which is allowing us to still do projects.

Conrad stated that at the next council meeting there will be a discussion item on the grocery tax. He stated that the Governor signed the grocery tax elimination law, which goes into effect January 2026. It will impact approximately 10% of sales tax. He stated that the departments that it will affect will be Parks and Rec, Street Department and Police Department. The grocery tax is not hitting every community the same. Conrad stated that the State of Illinois will give the communities the option of imposing the 1% tax themselves. Diane Korte-Lindsey asked if we could impose a portion of the 1% tax.

Conrad stated that it is all or nothing. Jim Meridith pointed out that if Aldi comes to town, that it will be an additional grocery store in town and that the \$350,000 that we get from the grocery tax could grow.

Vonder Haar asked Conrad if there is a concern with it impacting Parks and Rec, Street Department and Police Department. Conrad stated that it is a bit of a concern. We are not gaining ground and we are not losing ground. We have been conservative with our budget and our credit rating is in good shape.

Economic Development Intern Easton Rosen Presentation on Youth Business Education and Internship Review

Rosen advised the board of the different projects that he has worked on during his internship. He thanked the city employees for accepting and trusting him. Rosen also thanked Mallord for being a great leader and also his father, Mark Rosen, for his commitment to making our community a better place.

Rosen advised the board that he will be giving a presentation to 3rd through 5th graders later this month. He is focusing his presentation on the great places to go and spend money in Highland. He highlighted the Weinheimer Community Center, the Parks and Rec pools and Louis Latzer Library. He also highlighted where kids can have birthday parties, such as the Lory Theatre, Bailout Escape Rooms and the bowling alleys. Rosen will be handing out coupons from the Lory Theatre and Max's, along with the Cookie Doode. Rosen highlighted annual events such as, Schweizerfest, Madison County Fair and Kirchenfest.

Next Meeting:

The next meeting of the Industrial Development Commission is scheduled for Wednesday, September 4, 2024.

Adjournment

Jim Meridith made a motion to adjourn. Seconded by Marshall Rinderer. All members present voted aye; none voted no; the motion carried.