

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, FEBRUARY 5, 2018**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Schwarz, Bellm and Nicolaides were present. Councilman Frey absent. Others in attendance were City Manager Mark Latham, Asst. City Manager Peck, City Attorney McGinley; Directors Bell, Gillespie, Korte, Rosen, and Schoeck, EMS Chief Wilson, Fire Chief Bloemker, Police Lt. Conrad, Deputy City Clerk Hediger, and City Clerk Bellm, Director of Latzer Library Kim; Howard Held and Nancie Zobrist, with Highland Chamber of Commerce, Webelo Scouts Jackson Irving and Daniel Wick, 5 other citizens and one member of the news media.

MINUTES

Councilman Schwarz made a motion to approve the minutes of the January 16, 2018 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

PROCLAMATION

Mayor Michaelis read a document proclaiming the month of February Heart Health Awareness Month to kick off heart health awareness activities being planned by St. Joseph's Hospital Cardiac Rehab Department.

PUBLIC FORUM

Citizens' Requests and Comments:

2018 Automotive Swap Meet Funding Request – Dick Conner, Misfit Motorsports Productions, Pocahontas, Illinois, stated we bill this event as an economic event for the City of Highland. There are vendors and buyers that come in from the quad-state area – Iowa, Missouri, Indiana, and Kentucky. We are looking for annual request for assistance with advertisement, in the amount of \$500. This will be used for advertisement in the St. Louis market. Advertising is very expensive. This year's date is March 4, at the Madison County Fairgrounds. It will be our 26th year for the event. Highland is well known and highly rated for this event.

In addition to this event, Carl and I also put on a car show annual. We try to have a special event during every month of the recreational season. With our background, we will have 300-400 cars at the Dam West area car show. Gale Wade, with CC Foodmart, always gives me a hard time about my homemade signs. Last year, the City of Beckemeyer, made up these banners for their 100th anniversary of their fire service. They put up 100 banners throughout their community, with light post fixtures. Their

city council purchased 35-40 of the holders for advertising of special events, also. To advertise the car show and other events, these banners went up along Route 127 from the old Super Valu store to the entrance of Dam West. I like to use this as an idea of how to promote the event. This is something that could be done to promote, not only the automotive swap meet, but also other events. You have a business purchase sponsorship of the events throughout that time of the year, to offset the banner costs. We have 7-10 of these holders. If council would approve it, I would work to get sponsors for the banners for this event. I know it is short notice. If we cannot do it this year, I would propose this for next year, to put up when Christmas decorations come down. The City of Carlyle uses their electric department to put them up.

Councilwoman Bellm noted we already have some hangers on the posts already. Around town, there are some with stakes in the ground, which businesses use. They use two stakes in the ground, with zip-ties to fasten the banner to the stakes. Councilwoman Bellm suggested Mr. Conner drive out by Walmart and by the NAPA Store. Mr. Conner reported, the Corp of Engineers, at Carlyle Lake use them for various things. It adds to the festiveness of the event. Mayor Michaelis advised Mr. Conner that the signs must have city approval to put on city right of way, so it would be best to locate on private. Mr. Conner acknowledged I had that issue with putting up my homemade signs. These are used to make events more festive and promote them ahead of time.

Councilman Schwarz asked are you looking for approval to have the electric department put these up. Mr. Connor stated I would provide signs, sponsors and brackets, if it were approved. Mayor Michaelis stated I am not sure if there is enough time, since you would have to let the council know where you want them. Mr. Connor responded I do not care. I just mentioned Broadway, because it is the main line into the event. City Manager Latham recalled we had a problem when we looked at putting up with banners along Broadway, in the past, because of the brackets that are up for the Christmas decorations. Councilman Schwarz expressed we support the sign in general, but question if the city has the manpower to get them put up in time. Councilman Schwarz made a motion to approve the request of Misfits Motorsports Production of \$500 funds for advertising costs, from hotel/motel tax funds, for the March 4, 2018 Swap Meet; seconded by Councilwoman Bellm. Councilwoman Bellm noted the electric department puts up banners for city-sponsored events also. We need to investigate this more. However, please do drive out there and look at getting the signs put out in private property areas. That gets the signs put out there. Mayor Michaelis advised make sure they are not placed between the sidewalk and the street. That is city's right of way. On the inside of the sidewalks is private property. Be sure to get the property owners' permission. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Tucker's Trek 5K Run/Walk for CDH Awareness Request – Rachel VonHatten, Event Organizer, requested approval of the special event permit to host a run/walk at Lindendale Park. She explained that her son, Tucker, was born with CDH – Congenital Diaphragmatic Hernia, which meant that his intestines formed in another area of his body. As a result, he was born with underdeveloped lungs and been struggling with issues since then. We had our first event, last year, in Edwardsville, to raise awareness and funding for this cause. We raised just over \$4,000 for that event. This year, we wanted to move it closer to home. Councilwoman Bellm made a motion to approve the request to hold Tucker's Trek 5K Run/Walk for CDH Awareness on Saturday, May 19, 2018 as attached; seconded by Councilman

Schwarz. Councilwoman Bellm asked has the special event process been done. Chief Bell replied yes. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

2018 Highland News Leader Easter Egg Hunt Request – Megan Braa, Representative for Highland News Leader stated it is her understanding that everything is pretty much the same as in years past. The event will be held on March 24, this year. We are requesting use of the Square, from Noon – 3:00pm. Three hundred people are expected to attend. We are asking for use of the restrooms and sound system. Councilman Schwarz made a motion to approve the Highland News Leader’s Easter Egg Hunt request to use the Square on Saturday, March 24, 2018, from 12:00 – 3:00pm, as in years past; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Highland Chamber of Commerce Funding Request – Nancie Zobrist, Executive Director, stated I am here to make the request of our annual disbursement. I provided a budget. We received \$18,000, last year. As you can see, from the information provided, the Chamber spends well above and beyond that. I know the hotel/motel tax funds have been down. If anyone calls us regarding overnight stays, we refer them and provide them with information for our promotion code. City Manager Latham reported this is for funds out of the budget for next year, which will be discussed at the February 20 budget meeting. We will review that as part of the budget process.

Requests of Council:

No comments or requests were made.

Staff Reports:

City Manager Latham reported we have received confirmation that CSX has agreed with Option 2, to remove the reduction part of the culvert and replace with the same size as the existing under the rail. This should assist with issues related to the proposed new FEMA maps. We will also be meeting with CSX representatives on February 28, while in Washington, D.C., and we will be requesting funding from CSX to assist with this project.

We have been told that it will cost \$120,000 for CSX’s engineers to review our plans for the Route 40 and Hemlock Street intersection signalization. We anticipate the cost of signalization to be \$150,000.

We are awaiting IEPA approval of plans for completion of \$8M improvements and renovations to the plant.

NEW BUSINESS

Bill #18-13/RESOLUTION Authorizing and Directing Application to the Madison County, Illinois Sustainability Grant Program for the Silver Lake Shoreline Stabilization Project – Councilwoman Bellm made a motion to approve Bill #18-13/Resolution #18-02-2503 authorizing and directing application to the Madison County, Illinois Sustainability Grant Program for the Silver Lake Shoreline Stabilization Project as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-14/RESOLUTION Authorizing Application for Park Enhancement Program Funding from Madison County Parks and Recreation Commission – Councilman Schwarz made a motion to approve Bill #18-14/Resolution #18-02-2504 authorizing application for Park Enhancement Program

Funding from Madison County Parks and Recreation Commission as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-15/RESOLUTION Approving and Authorizing the Execution of an Agreement for Professional Economic Development Consulting Services with Development Strategies, Inc. – Councilwoman Bellm made a motion to approve Bill #18-15/Resolution #18-02-2505 approving and authorizing the execution of an agreement for professional economic development consulting services with Development Strategies, Inc., in the amount of \$12,000 as attached; seconded by Councilman Schwarz. Councilwoman Bellm asked this was recommended by the IDC. Assistant City Manager Lisa Peck replied yes. Councilwoman Bellm asked what is this firm going to do for us. Asst. City Manager Peck reported they are going to compile a list of healthcare related companies to tour the city, to show we are ready to further expand. Councilman Schwarz asked are they are going to do something we cannot do. Asst. Manager Peck stated they have contacts with people within these fields. Councilman Schwarz asked are these doctors and dentists, etc. Asst. Manager Peck reported they are practices, primarily, but others companies that are complementary to the healthcare sector. Councilman Schwarz asked how many do we estimate. Asst. Manager Peck replied that is to be worked out yet. It is not about the amount, it is the quality and interest level of those. Councilman Schwarz expressed it is \$12,000 on a may or may not be interested in coming. I think the city is the best to advocate for themselves. If we are trying to sell the land out by the hospital, would not a good commercial real estate agent be the best? Councilwoman Bellm stated the IDC met with the group and unanimously recommend this. Councilman Schwarz expressed a lot of this is nebulous. How do we know what we are getting? Asst. Manager Peck stated this firm as a very good reputation. Councilman Schwarz contended that if they are truly interested in looking to expand, I am not sure why it takes an event such as this. Asst. City Manager Peck reported we looked at this several years ago, but it did not come to fruition. Councilman Schwarz asked why not. City Manager Latham explained the group I was looking at, I did not feel was the right firm. Councilman Nicolaides pointed out there are no guarantees. Councilwoman Bellm expressed that is marketing. You never know what you are going to get. Asst. Manager Peck added Economic Development is planning for the long-term. City Manager Latham reported we brought someone in from Development Strategies in and drove them around. They were impressed at the infrastructure, real estate that was available and existing medical sector that could be built upon. The hospital group is supporting this. Will it work? Maybe. No guarantee. Councilwoman Bellm noted the IDC does believe in it. City Manager Latham reported the IDC met with them twice. Councilman Schwarz summarized they will reach out to their contacts, bring them into the city for a tour, and then see if this is something they feel these clients would be interested in. Asst. City Manager Peck replied yes. Councilwoman Bellm pointed out the IDC recommended this. I strongly support IDC. I feel it has been well vetted. I do not feel \$12,000 is a lot of money for this type of service. If it turns into one business, then it is worth it, whether that business locates here in one year or five years from now. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-16/RESOLUTION Approving and Authorizing Execution of a Preliminary Engineering Services Agreement with Curry & Associates Engineers, Inc. for Relocation of Illinois Route 143 and Koepfli Lane Transmission Water Main Extension – Councilman Schwarz made a motion to approve Bill #18-16/Resolution #18-02-2506 approving and authorizing execution of a Preliminary Engineering Services Agreement with Curry & Associates Engineers, Inc. for relocation of Illinois Route 143 and Koepfli Lane Transmission Water Main Extension as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #18-17/ORDINANCE Amending Section 42-160, of the Code of Ordinances, Possession of Tobacco Products By a Minor, To Include and Prohibit Possession of Alternative Tobacco and/or Nicotine Products and Devices as Defined in 720 ILCS 675/1.5 – Councilwoman Bellm made a motion to

approve Bill #18-17/Ordinance #2829 amending Section 42-160, of the Code of Ordinances, Possession of Tobacco Products By a Minor, to include and prohibit possession of alternative tobacco and/or nicotine products and devices as defined in 720 ILCS 675/1.5 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Approve Purchase of Used Vehicle for Use by City Manager – Councilman Schwarz made a motion to approve the purchase of a 2016 Ford Edge, from TriFord, Inc., in the amount of \$24,968 as attached; seconded by Councilwoman Bellm. Councilman Schwarz asked your car would go to Lisa, because Lisa’s car is getting old and unreliable. City Manager Latham reported it is going to need some major repairs to it. The question is do we want to spend the money for the repairs and not get the money out of it. My car was purchased three years ago, as a leased vehicle. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried.

Discussion – Queen of Hearts Raffles – City Manager Latham reported in December, Kent Weise, with Madison County Liquor Association, came with the proposal for a Queen of Hearts raffle and asked for the city to establish an ordinance providing for such a raffle to be held in Highland. Staff has worked on developing an ordinance, primarily based off state statute. Six things we feel we have control of: cost of the permit; length of the game; the number of pins to be issued; winning cap amount; location of sale tickets; and, requirement of a performance bond. We feel if the tickets are sold at a different location or various locations, then there is some loss of control. We also talked about a performance bond. We came up with conservative numbers. We did this based upon what is in the best interest of the community. Not only for public safety, but also for what happens when something goes wrong and the organization is unable to payout. Pins capped at 5,000, winning amount cap is \$1M, and pins and tickets sold only at location of event. We are throwing these items out for discussion. We want to get to some consensus tonight, so that can put this into an ordinance.

Councilman Schwarz asked the performance bond to protect the city’s liability. City Manager Latham deferred to City Attorney Michael McGinley who explained that the majority of this is governed as to how it is setup under state Statute 230 ILCS 20. That state statute requires a fidelity bond. It insures that the raffle manager and organization are responsible. The performance and fidelity bond would cover the amount of the raffle. It protects anyone participating in the event. Councilman Schwarz explained the performance bond is to insure they are not going to cheat, but you are going to get paid. Attorney McGinley responded the fidelity bond is only to protect against those running the game and that they are not going to cheat. Councilman Schwarz asked what does such a bond cost. City Manager Latham responded we are not really sure; however, the council can adjust the bond amount, if we find out that the cost is too much. Councilman Schwarz suggested we need to partner. We should have a fee for those running the game, with five percent of profits to be given to the City. City Attorney McGinley advised we issue the license, and our liability ends with issuing that license. If there is a cost to that, then we charge according to that. Councilman Schwarz contended if the raffle grows, then the fee grows. Attorney McGinley stated we cannot do that. It has to be a defined line, otherwise we are collaborating and that opens us up to liability, even if allowed somehow.

Councilwoman Bellm stated she feels \$500 per license is too high, considering the organizations that may want to do this. Is the amount annual? City Manager Latham reported that is based with each event. City Attorney McGinley explained one permit would be issued for each raffle. City Manager Latham explained the license fee is meant to limit the amount of raffles being held and to cover the public safety issues that may arise from people parking on private property, etc. Councilwoman Bellm stated if they have any serious issues arise, we could address those when they come for the permit each year. She expressed confusion with Item B(3)m ‘No licensee has any property right to license issued by the City and all Class C Fifty-Two (52) Week Licenses expire at the end of the raffle event or week fifty-two (52)

of the license, whichever occurs first.’ Say, if in Week 3, all money is given out, does that end the event? Attorney McGinley explained Class C Licenses would be in effect for up to fifty-two weeks of raffle. If in Week 3, someone wins, then they need to do another application and fee to start over. Councilwoman Bellm stated I have a problem with that. If goes out in Week 3, Week 5, and then Week 7, they are not going to make any money. I can see where they would not want to do this. City Manager Latham questioned how many organizations have enough people to be there every week for fifty-two weeks. Councilwoman Bellm stated if going to do this class of license, they are going to have to commit. Councilman Schwarz stated I think \$500 could be a lot, initially. Councilwoman Bellm stated the whole point is to get the contributions to give to organizations in Highland. They are not going to be able to do that if anything goes out the first week. I was under the impression that this was a fifty-two week license regardless of how many times these went out.

Mayor Michaelis pointed out our legal counsel revised the liquor license, last year. The council made changes to certain items within that ordinance. We are looking for that same feedback with the proposed ordinance now. City Manager Latham added legal counsel and staff has spent considerable time on this. It was a starting point for the council to weigh in on. Attorney McGinley advised a raffle license is a license to do a raffle. When the license is issued for that raffle and the raffle is over, then the license ends. Councilwoman Bellm responded if that is how it needs to be structured, then I understand that. However, I feel the fee is too much. Councilman Schwarz pointed out it is a game of chance. I think \$500 is appropriate for the time and potential liability that the city incurs. Councilwoman Bellm stated I do not think we will see a Queen of Hearts Raffle in Highland if they have the chance of having to pay \$500 fifty-two weeks of the year.

Councilwoman Bellm expressed concern about some of the questions on the application process for a raffle event. If a raffle event ends at Week 3, how can I tell you how those funds are going to be used? I cannot give specifics, because I do not know how much there is going to be to give out. City Attorney McGinley stated they do not need to be very specific on the amounts. If there is a cause that you plan to give to with the proceeds, that is what needs to be stated. Councilwoman Bellm noted it also asks how net proceeds were going to be allocated. Attorney McGinley responded ‘to be determined’ can be written. It is more about being transparent where the funds are going. If we need to “dial back” some of that language we can. Councilwoman Bellm pointed out that B(3)f states ‘No raffle tickets shall be sold in a location other than the location where the drawing(s) for the raffle event(s) or conclusion of the raffle event(s) will take place.’ There are non-for-profits in this town have a home, but some do not. Some are open every day, and some are not. The likelihood of selling would only be one day for most. I am concerned about 10,000 people showing up for 5,000 pins between 8am-2pm. I am thinking they should not be limited to only the location where drawing is to be held. In order to do it and keep track of this, the organizers would have to be at that location for set hours several days a week. Attorney McGinley responded if raffle administrator feels that it cannot be done safely or that it will tax public safety services, then the license would be denied. Councilwoman Bellm asked why limit to location of drawing only. City Attorney McGinley explained we need to make sure that the place where the tickets are sold is just as adequate as the place holding the event, for public safety concerns. There is an incredible amount of regulations associated with this. If you are planning to take this on, you better be well organized and with a tremendous amount of commitment. Gambling is legal in the State of Illinois, but it is regulated and very controlled. Councilwoman Bellm suggested looking at changing the \$500 fee, which could be paid more than one time per year. The other thing is the location of the sales. A lot of non-for-profits hold raffles, but they do not really have a home. They are going to hold the raffle at a large event location.

Mayor Michaelis invited members of the Highland Knights of Columbus, in attendance to come forward for input. Denis Thole, member of Knights of Columbus, stated he has been to some Queen of Hearts raffles. There has been a lot of horror stories out there. Aviston was one of those. You can

control it with pin numbers; however, controlling it with money cap also helps. \$250,000 would be our amount. Aviston and Morris, IL really got big. Tribouts Distributors has about forty of these drawings that they cover. Breese KC had one board go out on its first night. The next one just went out on the thirteenth week. Breese Legion has been doing this for just over a year. They recently had \$25,000 go out. Some people start doing is after it gets to a certain amount, so groups will start put money towards the next board, to keep the crowds coming in. It is good for the community, if it does not get too large. Mayor Michaelis asked as representing the KCs, what you would like to see with respect to the ordinance. Mr. Thole replied the fee is high. Mayor Michaelis responded \$500 was a number we threw out. Mr. Thole added that we have not gotten any final numbers on the cost of the fidelity bond. Our insurance carrier did not even see where we could get a fidelity bond for over \$100,000. We just spoke with them today, though. Councilwoman Bellm questioned is that not state requirement. Attorney McGinley explained the fidelity bond is required, but the amount is up to us as to what we want to set it at. Violation of the state statutes on this is a Class C misdemeanor. The performance bond is not state statute; it was something we put in there to protect for payout. Mr. Thole acknowledged the Knights of Columbus are looking to do this. We are not a one-night circus passing through town. Councilwoman Bellm questioned paying that license fee each time would be prohibitive. Mr. Thole concurred. Councilwoman Bellm pointed out you have a facility and staffing there to handle the sales. Even though the hall is open, the administrator or official of the raffle would need to be there. Attorney McGinley clarified if the KCs are putting the raffle on, then any KC at the hall could sell the tickets. Mr. Thole stated even with the proposal being to not sell off premise, we would only have specified people selling the tickets at the hall. We would not be opening it to custodial or other staffing at the hall to handle the sales. We want a crowd, but we want something to control it. If we get to the point, that if you cannot hold the crowd, you can set up to draw until the money goes out. Breese Legion holds two draws on particular nights, to bring the crowd size back down. You can start the next jackpot with the next card, to keep the crowd coming back. Most places do not sell pin numbers. You are given a number and you keep that number for the complete board, regardless of how many weeks. Attorney McGinley acknowledged you do not sell pins, you just sell chances to the pin. It is simply a matter of terminology. Councilwoman Bellm recapped the permit fee is too high. The performance bond could be prohibitive. I think Item F, only allowing sales at the location of drawing could be a problem for some organizations.

Mayor Michaelis asked could we come to agreement on an amount. Councilwoman Bellm suggested \$5. Councilman Nicolaidis stated I do not feel \$500 it is too much. Mayor Michaelis proposed \$100. Mr. Thole agreed \$100 could be doable. If it goes out the first week, it is questionable if \$500 would make it break even. Researching it, a little, a fidelity bond cost is 0.5%-1% of the amount of the bond. We could pay \$1,000 for a bond. Attorney McGinley clarified this is not about the KCs. This has to read for any organization that may want to come in and try this. Councilwoman Bellm acknowledged it is gambling. Hopefully, the city and businesses are going to benefit, in addition to the organizations. The way this is written, it is not going to happen in Highland, because they are not going to make money. City Manager Latham stated we can do away with the performance bond. We can also limit the amount of fidelity bond. With regards to the fee amount, staff is going to have to process the application and permits. Who should cover those costs?

Councilman Nicolaidis suggested a \$100 fee. Councilwoman Bellm stated if they have to pay each time, then that is too costly. She proposed length of permit is twelve months. Attorney McGinley stated it must end with each raffle. Councilman Schwarz stated I would like to see higher than \$100, but I can be agreeable with \$100. I advocated for \$500. Mayor Michaelis asked if council would be agreeable with \$100 permit. It seems to be the consensus of the council. Mayor Michaelis inquired about pin sales capped at 5,000. Councilwoman Bellm agreed with pins should be administered at cap of 5,000. Winning amount is capped at \$1M. Mayor Michaelis asked Mr. Thole what he thought of an amount of \$1M. Mr. Thole stated that is high. It is something the KCs would likely not do, because of being able to handle the crown. Attorney McGinley expressed, perfect example, these organizations can chose to work

under those limits. They can chose \$10,000 as their maximum. Mr. Thole asked, if we have another board to begin, before ending one, to continue to hold a crowd, then how that is done when applying for another board. If at the end of 52-week period, we would need to know that city is going to allow it to continue to hold the crowd and not break the momentum. There are a lot of these going on out there. You just do not hear about them, because they go out on fourth or tenth, or twentieth week. City Manager Latham acknowledged those could be handled.

Councilwoman Bellm expressed I have a problem with the tickets having to be sold at a location of the drawing. Mayor Michaelis responded not every organization is going to be able to do these raffles because of this. That is reality. Maybe this is not meant for every organization. Attorney McGinley contended if lose control of where they are sold then we lose control of the public safety issues associated with such an event. If you have an organization that does not have a home, you can partner with a location. Both would have to be on the license. Otherwise, you cannot control where tickets are sold. Councilwoman Bellm expressed I do not agree with that, but that is me. Councilman Schwarz stated I agree with City Attorney McGinley that we need to maintain control. Mr. Thole pointed out, if tickets are taken, but not turned in and returned to the hall, then you do not know what is the amount of the aggregate drawing for that night. Councilwoman Bellm clarified I am not promoting tickets to be sold on the street. Councilman Nicolaides agreed they should be sold at the location of the drawing. Mr. Thole thanked the council for ability to provide input.

Discussion – Single-Family Home Development Incentives – City Manager Latham stated I know the council was given an overview of single-family home constructions these past few month. There are a lot of things that this lack of construction effects. Stats show that overall EAV has not grown since 2007. We had great growth between 2005-2007. There is a decline in school enrollment census. There has not been any new subdivision development in ten years. The balance of plats that were to be Prestige Estates, Mr. Plummer has sold it to farming. Prairie Trails Subdivision is taking 660 acres of platted land back into farming. In talking to bankers, people are not going to come in and buy spec homes. Homebuilders are only building custom homes. Revenues on utilities have not grown. A major concern of mine is that, if you look around Highland, the property is owned by one or two people, and having to pay \$75,000 per acre. Where growth is happening is in Breese, Trenton and Mascoutah. In talking to realtors and bankers, there is no inventory of spec homes out there. I would like to look at incentives for development. We need a growth of 3-3.5% annually, which equates to 28 homes. That would result in about \$90,000 in utility revenue increases. There are some people looking at reasonably priced farmland, but are looking at the city to assist with that. People do want to live in Highland, but cannot afford the custom homes. If the council wants to look at it, I will put something together. Councilwoman Bellm – ironically had someone mention that to me this weekend. We do need to get some homes going. The problem is what do you do and how far back do you go. It will drive down the price you have in some of these subdivisions. City Manager Latham stated the prices are too high for the lots, because there is no competition. Councilman Nicolaides questioned who are we to make someone purchase a \$70,000 lot. City Manager Latham pointed out the most successful developments, in the past few years, are the ones where the developer and builder did it all, for most of them. Councilman Nicolaides expressed concern that two people have almost all the property around Highland. How are you going to get them to sell or develop that? City Manager Latham stated we just have to find someone willing to sell at a reasonable cost, possibly find some on the west side of Highland.

REPORTS

Approve Warrant #1083 – Councilwoman Bellm made a motion to approve Warrant #1083 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, and Bellm voted aye, none nay. Councilman Nicolaides abstained. Mayor Michaelis voted aye. Motion carried.

Councilman Schwarz made a motion to temporarily adjourn this regular session to enter into executive session under the Illinois Open Meetings Act under 5 ILCS 120/2(c)(21) to discuss approval of executive session minutes and 2(c)(1) to discuss the performance and compensation of a specific employee; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Bellm and Nicolaides voted aye, none nay. Motion carried. Meeting adjourned at 9:15pm.

Mayor Michaelis reconvened the Regular Session at 9:31pm. Roll Call Vote: Councilmembers Nicolaides, Bellm and Schwarz were present. Councilman Frey was absent. Director Schoeck and City Clerk Bellm were also present.

Mayor Michaelis stated nothing discussed in Executive Session this evening would be acted upon in this session.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Schwarz. All council members voted aye, none nay. Motion carried and meeting adjourned at 9:31pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk