

**MINUTES OF REGULAR SESSION
HIGHLAND CITY COUNCIL
MONDAY, DECEMBER 15, 2025**

Mayor Hemann called the Special Session to order at 6:30pm at Highland City Hall. Council members Klaus, Sloan, Bellm, and Napper were present. Others in attendance were City Manager Conrad, City Attorney Michael McGinley, Directors Cook, Gillespie, Hubbard, Ohren, Wilken, and Widman, Patrol Officers McKinney and Bogard, Deputy Clerk Chris Flake, City Clerk Bellm, and 43 citizens.

MINUTES

Councilwoman Bellm made a motion to approve the minutes of the December 1, 2025 Special Session as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Councilwoman Sloan made a motion to approve the minutes of the December 1, 2025 Regular Session as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

SWEARING IN

Mayor Hemann administered the official oath to probationary Patrol Officer Cole Glowacki and probationary Patrol Officer Amanda Kuhn.

PUBLIC FORUM

Citizens' Requests and Comments:

Highland Masonic Lodge #583 – Street Closure Request for 2026 Sausage Supper – Shawn Foles Representative, thanked city for their support in the past. About 1450 people served with Breakfast with Santa this year. He requested partial street closure for one block of 9th St., from Walnut Street to Pestalozzi Street, on Sunday, February 15, 2026, 10:00am - 3:30pm to assist with traffic flow for their annual sausage supper. Councilwoman Bellm made a motion to approve the Masonic Sausage Supper street closure on Sunday, February 15, 2026 as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Highland Speedway – 2026 Speedway Events – Special Event Application – Erica Lee, Treasurer, stated we have a lot of good shows coming in for this next year. We are asking for approval based upon the application submitted. There is one change I am aware of: The Leaps of Love 24-Hour event has been moved from September 18-19 to September 25-26. Councilman Napper made a motion to approve the request of the Highland Speedway to approve their 2026 Speedway Events special events application as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Requests of Council:

No comments or requests presented.

Staff Reports:

City Manager Conrad gave a follow-up report regarding the request made at the last meeting regarding the intersection of Trestle Road and Veterans' Honor Parkway. We had the engineers review it. They do not recommend making that intersection a four-way stop. We will be adding flashers to the stop signs on Trestle Road per their recommendation.

Scheffel Boyle – Presentation of Combined Annual Financial Report – Mark Korte, Principal of Scheffel Boyle's Highland Office, was present to give the Combined Annual Financial Report and Financial Statements for Fiscal Year Ending April 30, 2025. Mr. Korte thanked the council and city staff for allowing Scheffel Boyle to be the chosen auditing firm. He introduced Taylor Peek, Brianna Mentel and Ian Burnsen, the auditing team, who were present. He thanked Finance Director Reanna Ohren, all the department heads, and city staff for their help in gathering the information needed.

The city's financial report not only includes the required reports, but also a lot of statistical data that is not required but is very helpful. The reports have been prepared in the GASB 34 reporting model. Pension fund liabilities are reported. However, the city has no discretionary control of the funds only acts as a conduit for those funds. Exhibits 3 and 5 are not affected by these actuarial funds. There is the additions of Statements 100 and 101 for recognition of accounting changes and errors, and liabilities for paid time off. Mr. Korte pointed out tabs divide the report into different sections. The first one is Management's Discussion & Analysis, based on the city's financial statement and put together by. It is an excellent big picture overview and synopsis of how the city is doing. On Page 12, you will find our opinion. It is a clean opinion, which is the highest we can give.

The Statement of Activities begins with Statements of Net Positions, Exhibits 1 & 2, which are prepared on accrual basis accounting. It reflects the most accurate picture of the city's finances; presents capital assets with depreciation of those assets; and, reports long-term debt as incurred. Exhibit 1 reports assets and liabilities of all funds except police pension. You can find more detail on that in Exhibits 10 and 11. Exhibit 1, on Page 15, shows governmental funds in one column; business activities in another. Business activities are designed to be self-sufficient. Net Position, as of April 30, 2025, was \$155,417,918 in assets, as compared to \$154,340,153 on April 30, 2024, for an increase of \$1.12M in assets. There was a decrease of \$5.3M in liabilities during the same period. This resulted in a net equity increased by \$6.6M. Exhibit 2 reports expenses in Column 1, revenue in the next column. For the fiscal year, governmental activities increased almost \$4.8M; business-type activities, increased \$1.85M; for a total net position change of an increase \$6.65M. Exhibits 3-6 further details the governmental activities. On Page 28, Exhibit 8, Statement of Enterprise Funds, Light & Power had an increase in net position of \$891,220; Water, \$143,903; Sewer, \$459,652; and, Solid Waste, \$58,480. All Enterprise Funds were profitable. This allows for investment in infrastructure in the future. The Fiber to the Premise Fund, which is included in Light & Power, had an increase in revenue, and a slight decrease in operating expenditures.

Under the Required Supplemental Information tab, you will find the schedule in changes of fund balances budgeted and actual for governmental funds as well as a schedule of employer contribution to pension. There is some very good statistical information in this section, as well. The Statistical Section provides a ten-year view of historical data on revenue, expenses, permits, property tax levy, EAV, etc. Starting on Page 83, Table 1 shows revenues from governmental funds. Table 2, Intergovernmental Tax Revenues, shows every sales tax revenue increased. Table 3, Governmental Expenditures, shows an overall decrease of \$2.3M in expenditures. Table 4 shows property values continue to increase by about 10%, while property tax rates dropped. Based on the assessed valuation of the city and current debt, the city's maximum debt margin limit is now \$14,280,866.

Mayor Hemann thanked Mr. Korte and his staff. I am sure there will be some questions on this later, as we have more time to look at it. It was a very optimistic year; next year, we projecting a deficit. This is our second year of reporting with the new software in place. How did that work out? Mr. Korte responded there are still some growing pains and challenges with moving things over to the new software. City Manager Chris Conrad pointed out we are still operating two systems for some things.

NEW BUSINESS

Approve Schedule of 2026 Meeting Dates for Council, Boards, and Commissions – Councilwoman Bellm made a motion to approve schedule of 2026 meeting dates for council, boards, and commissions as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Approve Notice of Municipal Letting, Bid # PR-08-25, for Water Treatment Plant Filter Repairs and Media Change – Councilwoman Sloan made a motion to approve Notice of Municipal Letting, Bid # PR-08-25, for Water Treatment Plant Filter Repairs and Media Change as attached. Motion seconded by Councilman Klaus. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-133/RESOLUTION Authorizing the Mayor and/or City Manager to Apply for Park Commission Funds from Madison County, Illinois – Councilwoman Bellm made a motion to approve Bill #25-133/RESOLUTION #25-12-3240 authorizing the mayor and/or city manager to apply for Park Commission Funds from Madison County, Illinois as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-134/RESOLUTION Making Separate Statement of Findings of Fact in Connection With Ordinance Granting Special Use Permit for Fifty-Six (56) Luxury Apartment Units Within the Mixed-Use Zoning District at 12328 Sportsman Road, PIN # 02-2-18-31-00-000-043, Highland, Illinois 62249 – Councilwoman Sloan made a motion to approve Bill #25-134/RESOLUTION #25-12-3241 making Separate Statement of Findings of Fact in connection with Ordinance Granting Special Use Permit for fifty-six (56) luxury apartment units within the Mixed-Use Zoning District at 12328 Sportsman Road, PIN # 02-2-18-31-00-000-043, Highland, Illinois 62249 as attached. Motion seconded by Councilman Klaus. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-135/ORDINANCE Granting a Special Use Permit to Austin and Brad Wilken, For Fifty-Six (56) Luxury Apartment Units Within the Mixed-Use Zoning District at 12328 Sportsman Road, PIN # 02-2-18-31-00-000-043, Highland, Illinois 62249 – Councilwoman Bellm made a motion to approve Bill #25-135/ORDINANCE #3417 granting a Special Use Permit to Austin and Brad Wilken, for fifty-six (56) luxury apartment units within the Mixed-Use Zoning District at 12328 Sportsman Road, PIN # 02-2-18-31-00-000-043, Highland, Illinois 62249 as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-136/ORDINANCE Approving and Authorizing Execution of a Development Agreement for a Project in TIF Number Three Project Area, with Wilken Development and Other Actions Related Thereto – Councilwoman Sloan made a motion to approve Bill #25-136/ORDINANCE #3418 approving and authorizing execution of a Development Agreement for a Project in TIF Number Three Project Area, with Wilken Development and other actions related thereto as attached. Motion seconded by Councilman Klaus. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Mayor Hemann stated very exciting project. City Manager Conrad added this will be very similar to what they have behind this area now.

Bill #25-137/ORDINANCE Approving and Authorizing Execution of a Development Agreement for a Project in TIF Number Three Project Area, with Aldi Inc., and Other Actions Related Thereto – Councilman Napper made a motion to approve Bill #25-137/ORDINANCE #3419 approving and authorizing execution of a Development Agreement for a Project in TIF Number Three Project Area, with Aldi Inc., and other actions related thereto as attached. Motion seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried. Mayor Hemann expressed we can officially say, now, that Aldi is coming to town.

Accept Combined Annual Financial Report - Councilwoman Bellm made a motion to accept Combined Annual Financial Report for Fiscal Year Ending April 30, 2025 as attached. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Approve 2025 Treasurer's Report – Councilwoman Sloan made a motion to approve 2025 Treasurer's Report as attached. Motion seconded by Councilman Klaus. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-138/ORDINANCE Amending Ordinance 3388 of the City of Highland, Illinois, Passed on April 21, 2025, Adopting the Financial Budget of the City of Highland, Illinois for the Fiscal Year 2025-2026 – Councilwoman Bellm made a motion to approve Bill #25-138/ORDINANCE #3420 amending Ordinance 3388 of the City of Highland, Illinois, passed on April 21, 2025, adopting the financial budget of the City of Highland, Illinois for the Fiscal Year 2025-2026 as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-139/ORDINANCE Abating Taxes Levied for the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest for the 2025 Taxes Payable in 2026 – Councilwoman Sloan made a motion to approve Bill #25-139/ORDINANCE #3421 abating taxes levied for the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest for the 2025 Taxes payable in 2026 as attached. Motion seconded by Councilman Klaus. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-140/ORDINANCE Abating Taxes Levied for the General Obligation Refunding Bonds (Alternate Revenue Source) Series 2020 Bond and Interest for the 2025 Taxes Payable in 2026 – Councilwoman Bellm made a motion to approve Bill #25-140/ORDINANCE #3422 abating taxes levied for the General Obligation Refunding Bonds (Alternate Revenue Source) Series 2020 Bond and Interest for the 2025 Taxes payable in 2026 as attached. Motion seconded by Councilwoman Sloan. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-141/ORDINANCE Abating Taxes Levied for the 2010 Street Bond Alternate Revenue Bond and Interest for the 2025 Taxes Payable in 2026 – Councilwoman Sloan made a motion to approve Bill #25-141/ORDINANCE #3423 abating taxes levied for the 2010 Street Bond Alternate Revenue Bond and Interest for the 2025 Taxes payable in 2026 as attached. Motion seconded by Councilman Klaus. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Bill #25-142/ORDINANCE for the Levy, Assessment, and Collection of 2025 Taxes to be Payable in 2026 – Councilwoman Bellm made a motion to approve Bill #25-142/ORDINANCE #3424 for the levy, assessment, and collection of 2025 Taxes to be payable in 2026 as attached. Motion seconded by Councilwoman Sloan. Councilman Napper is this the property taxes we just had hearing on? If so, I would like us to consider tabling this until the council has had more time to review the financial report received tonight. City Manager Conrad stated the council has to act on it before the end of the year so that it can be filed before the end of the year with the county for property taxes in 2026. Councilman Napper noted we just voted to continue the grocery sales tax. I do not think we need to gouge taxpayers when we just had a very good financial report. City Manager Conrad cautioned the statements in the report look good from last year; however, this budget year's report is going to show a deficit. Councilman Napper expressed I just do not think now is a good time, before the holidays. Mayor Hemann pointed out that the city's tax rate has gone down the past ten years. The levy is needed to plan for expenditures. City Manager Conrad noted insurance, pension, and a lot of other expenditures that the city has no option on have increased. We are not immune to inflation. We try to base operations off sales tax as much as we can; however, some areas need to be covered by property taxes. Councilman Klaus pointed out if we don't do something now, we will need to do it in 2027. Councilwoman Sloan agreed if we don't do the minimal amount now, it will be higher in 2027. City Manager Conrad pointed out a very large portion of EMS and almost 50% of the police department's budgets come from property tax levy. The costs are not going down. Property taxes are for must haves. Sales tax is used for things we want to do. Mayor Hemann stated if we want to table, we will need a motion and a second to table. Hearing no motion, he proceeded with a vote. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm voted aye, Councilman Napper voted nay. Motion carried.

REPORTS

Accepting Expenditures Report #1304 for November 29, 2025 through December 12, 2025 – Councilwoman Sloan made a motion to accept Expenditures Report #1304 for November 29, 2025 through December 12, 2025 as attached. Seconded by Councilwoman Bellm. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn this regular session to enter into executive session under the Illinois Open Meetings Act under the following exemption: 5 ILCS 120/2(c)(11) to discuss litigation. Motion seconded by Councilman Napper. Roll Call Vote: Councilmembers Klaus, Sloan, Bellm, and Napper voted aye, none nay. Motion carried. Open Meeting temporarily adjourned at 7:21pm.

Mayor Hemann reconvened the Regular Session at 7:45 pm. Council members Klaus, Sloan, Bellm and Napper were present. Others in attendance were City Attorney McGinley, City Manager Conrad, Directors Widman, Deputy City Clerk Flake, and City Clerk Bellm.

Councilwoman Bellm made a motion to adjourn. Motion seconded by Councilman Napper. All aye, none nay. Motion carried. Meeting adjourned at 7:46pm.

Kevin B. Hemann, Mayor

Barbara Bellm, City Clerk