

MINUTES
CITY COUNCIL ADJOURNED MEETING
MONDAY, MARCH 15, 2004
5:30 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Rietz, Council Members Jorgenson, Koch, Pacholl, Christopherson, Chamberlain and Nordin.

MEMBERS ABSENT: Council Member-at-Large Wayne Goodnature

OTHERS PRESENT: Austin Daily Herald. Austin Post Bulletin. Jerry Adwell. Dorothy Schultz. Bob Dahlback.

Added to the consent agenda:

Taxicab driver: Clint Billings, 103 4th Avenue NE, Austin

Mayor Rietz noted that KSMQ is seeking approval for waiving the 30-day waiting period for their exempt gambling/raffle permit, which is already on the agenda.

Moved by Council Member Nordin, seconded by Council Member Jorgenson, approving the agenda. Carried.

Council Member Christopherson requested one change to the minutes of February 17, 2004: page 5 – “county” to “privately”. Change was noted.

Moved by Council Member Christopherson, seconded by Council Member Nordin, approving the council minutes of February 17, February 24, and March 1, 2004. Carried.

Jerry Adwell gave a report on Spruce Up Austin. This is Spruce Up’s 15th year. In the 14-year history, the group planted 2,043 trees with a value of approximately \$313,000. Spruce Up will hold its sixth annual educational seminar on April 22 at 7:00 at the Nature Center. Mike Ruzek from Spruce Up will be promoting a program to plant spruce trees for Austin’s 150th anniversary.

Bob Dahlback, representing the Fraternal Order of the Eagles, told Council that the Eagles are celebrating their centennial this year. The Eagles have donated to the Police Department, Fire Department, Nature Center, and Park and Rec Department, as well as the Austin Packer Dance Team, Salvation Army and the two ice arenas. The Eagles will be selling a centennial booklet and they are requesting that the city buy a full-page ad (at \$100) or a half-page ad (for \$60). Mr. Dahlback also invited council members to their banquet on Saturday, April 4 at 6:00 pm.

Dorothy Schultz said she had heard that Council might allow messages against smoking on the basketball courts. She asked that this would not be allowed and referred to it as

“vision pollution.” Council Member Chamberlain said this matter was brought before the Park and Rec Board by a group called WORD from Ellis. WORD has some funds available and is looking for a place to display messages on the non-use of tobacco. They requested the possibility this type of public service announcement on the backboards of the basketball hoops. Discussion took place on the matter, but no decision. Mr. Chamberlain invited Ms. Schultz to further discussion at any upcoming Park and Rec Board meetings, which meet the first Wednesday of each month at 5:15.

Moved by Council Member Jorgenson, seconded by Council Member Nordin, approving the consent agenda as follows:

Licenses:

Sign Installer: Innovative Sign & Graphics, 801 19th Street SW, Austin
Tri-State Outdoor Media, PO Box 1247, Tifton, Georgia
Concrete: Race Construction, 715 12th Avenue SE, Austin
Exempt Gambling (raffle): KSMQ Foundation, 2000 8th Avenue NW, Austin
Habitat for Humanity, 301 4th Avenue NE, Austin
Excavation: Ken Schimek Construction, Inc., 3229 110th Avenue SW, Byron, MN
Master Plumber: K&S Heating & Plumbing, 4205 Hwy 14 West, Rochester, MN
Taxicab driver: Clint Billings, 103 4th Avenue NE, Austin

Claims:

- a. Financial and Investment Reports.
- b. Pre-list of Bills.

Carried.

A public hearing was held on the modification to the Business Subsidy Criteria. City Administrator Jim Hurm presented the criteria, plus statistical language as noted in Appendix A. This was discussed at the work session. Council needs to decide on section A, Job Creation and Wage Requirements. Council needs to fill in the following:

* “Where the public purpose of a project is the creation of additional jobs in the city, such jobs shall pay a wage of at least the rate of _____% of the current poverty level for a family of four. A minimum of one fulltime equivalent or two part-time jobs shall be created.” City Administrator Jim Hurm noted that typical retail wages in Austin are \$6.00 to \$8.00 and do not address benefits. Council may decide to set this minimum wages at 110% of the poverty rate, which is currently \$9.95 for a family of four. Council also discussed wages at 115% of the poverty level for a family of four. Council Member Koch said he would like to see the lower wage to encourage people to use the program, and not *discourage* them. Mr. Hurm said he gathered the \$6 to \$8 figure from the Chamber of Commerce, Manpower and private offices on Main Street. Council Member Koch said growing businesses could start out with the lower wage and pay higher as the business grows. He stressed that this program is/should be an incentive for business growth. Council Member Chamberlain questioned the purpose of the criteria. If the purpose is to create additional jobs, than 100% of the poverty level should at least be the minimum. Council Member Christopherson agreed with Council Member Chamberlain, and said “if the City of Austin is the bank, I want the highest return.” He would like to see the minimum wage at the same

level as the JOBZ criteria will be: 115% or \$10.52 (effective July 2004). Council Member Koch said he was not advocating paying below the poverty wage, but he noted that these jobs that will be created will not necessarily be held by the main breadwinner of a household. Some of these created jobs will be part-time or low-time, and those created jobs will be a benefit to those type of people. This criteria is for economic development, and we shouldn't be determining what those wages should be. The wages should be set at a competitive level for business owners to use it. Council Member Pacholl commented on average wages in Austin from such companies as Hormel, Austin Packaging and QPP; wages are down quite a bit from some years ago. Some jobs are just over the poverty level. Council Member Pacholl said if our goal is to attract people to Austin to work, we need to have the incentive for them to do so.

Moved by Council Member Jorgenson, seconded by Council Member Nordin, to set the minimum wage rate for the business subsidy criteria at 100% of the poverty level for a family of four. 3-3. Motion failed. Council Members Christopherson, Pacholl and Koch voted nay.

Moved by Council Member Pacholl, seconded by Council Member Christopherson, to set the minimum wage rate for the business subsidy criteria at 115% or \$10.52 (beginning July 2004) of the poverty level for a family of four. 4-2. Carried. Council Members Jorgenson and Koch voted nay.

Moved by Council Member Christopherson, seconded by Council Member Nordin, adopting a resolution approving the modification to the Business Subsidy Criteria, with the set minimum wage rate at 115% of the poverty level for a family of four. 4-2. Carried. Council Members Jorgenson and Koch voted nay.

A public hearing was held on the establishment of business subsidy criteria for JOBZ development sites. These criteria were also discussed at the work session. City Administrator Jim Hurm noted the highlighted changes. Council will vote to establish these criteria and will then authorize the Port Authority to administer the program and hold required public hearings. The wage rate has been set at 115% of the poverty level or \$10.52 (as of July 2004) for a family of four. Council Member Koch stated we are in competition with other communities and asked George Brophy and Jim Hurm how crucial the set wage rate is. City Administrator Jim Hurm said DEED has recommended 110% of the poverty level for a family of four, or \$10.07, or whatever the city so chooses. DCA President George Brophy said a 50-cent difference in wages works out to roughly \$1000 per year, and this could be significant for a company paying wages to many people. He said there is no question that a business with several employees would move to a community in which the base is lower. A lower rate has the tendency to look more appealing than the higher rate.

Moved by Council Member Christopherson, seconded by Council Member Chamberlain, adopting a resolution approving business subsidy criteria for JOBZ development site, with the set minimum wage rate of 115% of the poverty level for a family of four. 4-2. Council Members Koch and Jorgenson voted nay.

Moved by Council Member Nordin, seconded by Pacholl, setting a public hearing for April 5, 2004 to amend the use of the merged police and fire departments PERA funds. Carried.

The 2003 budget shows the city revenues were budgeted at \$11,473,316. Actual revenues were at \$11,463,908. This means the city came within .1%, or approximately \$9400, of the \$11.5M revenue budget. On the expenditure side, the \$11,522,295 budget came in with actual expenditures of \$11,330,896, or 98.34% of the budgeted was expended. City Finance Director Tom Dankert says this shows that department heads and council did an excellent job not spending on items not within their budgets. Annually, the balance cash flow is reviewed and adjusted. Mr. Dankert is requested the transfer of \$300,000 from the General Fund to the building fund, of which \$260,000 was estimated in the 5-Year Capital Improvement Plan.

Moved by Council Member Christopherson seconded by Council Member Nordin, adopting a resolution authorizing the transfer of funds. 6-0. Carried.

At the last council meeting, Council passed an ordinance allowing more liquor licenses and adding a classification for the licenses. An application from El Mariachi has been received and approved by the Police Department and City Clerk's office.

Moved by Council Member Christopherson, seconded by Council Member Nordin, adopting a resolution approving hard liquor on-sale, Class 1A, and Sunday hard liquor for El Mariachi Mexican Restaurant. 6-0. Carried.

Moved by Council Member Christopherson, seconded by Council Member Nordin, adopting a resolution to accept the feasibility report and setting a public hearing for April 5 for the 2004 Sidewalk Replacement Program – miscellaneous areas. 6-0. Carried.

Mower County and the City of Austin have appointed two people from their jurisdictions to serve on the transit board. The fifth member is to be a lay person who will serve as chair. The chosen person is Viril Layton. A joint city-county resolution needs to be passed to approve of his appointment.

Moved by Council Member Nordin, seconded by Council Member Jorgenson, adopting a resolution approving the appointment of Viril Layton as transit board chair. 6-0. Carried.

City Administrator Jim Hurm and Park and Rec Director Denny Maschka have met with Hoisington Koegler Group Inc. representatives to view the Central Park area and discuss parking planning. The Park and Rec Board has since recommended that we contract with their business for park planning. The Hoisington Koegler Group proposal has since been reviewed by staff, and it was decided that the city could do much of the work, but would request \$5000 to pay Hoisington Koegler Group to review and critique our work. Council Member Chamberlain Jim Hurm questioned where this money would come from; he does not want to “draw down” on the money for actual work to be done on the Central Park this year. Council Member Koch questioned what we would be getting for \$5000 that we couldn't do ourselves. City Administrator noted we could do all the work. In April we will receive public input at informational meetings, but it is still good idea to have professional park planners critique the work. Council Member Nordin noted that it was a good idea to have someone critique this, especially since we are using our staff to do much of the work. It would be money well spent. Council Member Pacholl said he has seen maps of the proposed

park, and those maps have “told me everything they wanted to do.” He questioned spending \$5000 “to tell us the same thing.” Council Member Nordin noted that there have been changes made to that original plan. Council Member Chamberlain noted that private dollars and a piece of property have been donated to this park. This is the second largest park next to Todd Park with some 60+ acres. We could do all the park planning, but in three to four years wish we had placed things differently. There are a number of issues – even the siting of trails and the street crossings are important. Professional expertise is an investment, and it is the best idea to have it done at the earliest time. Council Member Jorgenson said this is such a big project; it is a park in the heart of our city. It is best to spend a small amount now for what will be lots of dollars spent in the upcoming years.

Moved by Council Member Chamberlain, seconded by Council Member Nordin, authorizing the Letter of Understanding with Hoisington Koegler Group Inc for park-planning services and using an amount not to exceed \$5000 which will not come from the Capital Improvement Plan. 3-3. Resolution failed. Council Members Koch, Pacholl, and Christopherson voted nay.

The Joint Powers Agreement for the Blazing Star Trail states that an audit needs to be done annually on expenses. Since there was one expenditure of \$250 in 2003, the treasurer for the board, Tom Dankert, is requesting a waiver for this year. A waiver was also requested for 2002. Paul Sparks, current city administrator in Albert Lea has again agreed to waive the audit requirement for 2003.

Moved by Council Member Nordin, seconded by Council Member Christopherson, waiving Section 8.8 of the Blazing Star Joint Powers Agreement for the 2003 fiscal year. Carried.

Moved by Council Member Christopherson, seconded by Council Member Jorgenson, granting the Planning and Zoning Department the power to contract for the removal of junk at the following properties: 1801 4th Avenue NW, Schied property, 800 8th Street SW, Fairclough property, 605 11th Street NW, Leighton property. Carried.

Moved by Council Member Jorgenson, seconded by Council Member Christopherson, adopting a resolution naming the Port Authority as administration agent for the JOBZ program. 5-1. Council Member Pacholl voted nay.

REPORTS:

Moved by Council Member Jorgenson, seconded by Council Member Koch, setting a special council meeting for Wednesday, March 24 at 5:30 to approve bonding for The Cedars of Austin. Carried.

Chief Paul Philipp handed out the Police Department’s annual report.

City Recorder Tom Dankert noted parts have been received which will enable us go live and to replay meetings on Channel 16 for all council meetings, Planning Commission meeting and School Board meetings. April 1st is the target date for the taped broadcasts to be played on Channel 16.

Council Member Nordin said the Floral Club has donated 44 audiotapes and CDs of the classics to the library.

Moved by Council Member Christopherson, seconded by Council Member Nordin, adjourning the meeting to March 24, 2004.

Adjourned: 6:40 pm

Approved: March 24, 2004

Mayor: _____

City Recorder: _____