

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
March 1, 2010
City Hall Conference Room
5:00 pm and
6:00 pm (Immediately following council meeting)

PRESENT: Mayor Stiehm, Council Member-at-Large Anderson, Council Members Austin, McAlister, Martin, King, Clennon, and Pacholl.

ABSENT: None.

STAFF PRESENT: Assistant City Engineer Steven Lang, Parks and Recreation Director Kim Underwood, Interim Co-Police Chief John Mueller, Human Resources Director Trish Wiechmann, Administrative Services Director Tom Dankert and City Administrator Jim Hurm.

ALSO PRESENT: Public, John Garry of the DCA, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 6:00 pm.

Item #1. – Request from Farmers Market to relocate – Steve Otto: Steve Otto, President of the Austin Farmers Market, requested that council allow the Farmers Market to move for the upcoming season. Mr. Otto noted their 19 members would like to stay downtown, but would need a portion of 1st Avenue NW (west of Main Street) to be closed down from 3:30 to 6:30 on Thursdays from May through October. Parking would also be restricted after 2:00 during these dates in order to ensure vehicles get moved where the street will be closed off for this event.

Mr. Hurm noted he checked with department heads and other downtown business owners (Flaherty Paints, Hastings Shoes, Knauer's Market, Howe's Advertising, and US Bank) and the only request is that the proposed site be moved slightly as to not block the alleyway (move the site a little to the east).

Police Officer John Mueller questioned what would happen to the parked cars that would remain. Mr. Hurm stated the system worked well last year in that one of the downtown businesses would put out the signage restricting parking at noon. They did not have any issues with remaining parked cars, so we envision that would happen again this year. However, they Farmers Market will be responsible for putting out the signage and cones and removing them each time as had been done in the past.

Motion by Council Member Austin, seconded by Council Member-at-Large Anderson to recommend to council the change as discussed for the Farmers Market. Carried 7-0. Item will be added to the next council agenda.

Item #2. – DCA Update: John Garry discussed the activities that the DCA has been up to lately, including a proposed Pleasant Valley Wind farm. Mr. Garry noted the proposed wind farm would be closer to Austin than any of the other wind farms, and several steps still need to happen before this becomes a reality. Approximately 70,000 acres and 130 to 200 wind turbines could be involved to produce upwards of 300 megawatts of energy. For comparison purposes,

the most recent wind farm near Dexter creates about 100 megawatts. One megawatt of wind generates enough electricity for 225 to 300 households, but since the wind does not blow all of the time, it cannot be the only power source for that many households without some form of storage. Mr. Garry noted the company has secured leases for 56,000 of the 70,000 acres needed, but there are some setback issues that have created potential issues for some of the other acreage needed.

Mayor Stiehm questioned when the start date would be. Mr. Garry noted the approval for the project is expected in September or October of 2010. However, they need a contract from somebody to actually purchase this power before it could happen. The lack of transmission lines in this area has created some problems also.

Council Member-at-Large Anderson questioned who actually receives this energy once it is created. Mr. Garry stated electricity cannot be stored, so it goes into the grid and is sold to everybody, potentially including SMMPA.

Mr. Garry stated this could be the largest wind operation in Minnesota and would create additional revenue for Mower County as it increases the tax base. Additionally, more jobs would be created and the rental revenue received by the land owners that have windmills located on them can range from \$5,000 to \$15,000 annually per turbine.

Additionally, Mr. Garry stated he is working with the Hormel Institute on projects and some other smaller loans to small businesses.

Council Member King questioned what one turbine would cost as he had heard it could be \$1 million per turbine. Mr. Garry stated he has heard ranges upwards of \$2.5 million per turbine for larger ones.

Mayor Stiehm questioned what the biggest complaints have been against the project. Mr. Garry stated that the noise, blockage of the horizon, and the blinking lights have been the biggest complaints against such operations. Additionally, current state law has a 500 foot minimum for setbacks, while Mower County also has some setback ordinance.

Mr. Garry noted all of this was for informational purposes only.

Item #3. – Emerald ash borer discussion with Kim Underwood as requested in Open

Discussion: Ms. Underwood noted they are trying to get the public educated about the emerald ash borer. Ms. Underwood noted they will review our Shade Tree Disease Control and Prevention ordinance as it needs to include issues related to the emerald ash borer.

Ms. Underwood also stated that research shows that insecticides should not be used until the borer is within ten miles of your location. So far it has only been found in St. Paul, so they still have a ways to go. All state parks do not allow you to bring in your own firewood anymore as it may be contaminated. Ms. Underwood also noted we have received funding from the Hormel Foundation to start replacing trees lost in the 2009 tornado, but we will not be replacing trees with ash trees. Ms. Underwood stated an estimated number of ash trees in our city are 16-17%.

This is for informational purposes only.

Item #4. – Request to advance funds to complete splash project in 2010: Ms. Underwood gave council some background on the pool project that was approved by the Hormel Foundation in the past. The project gave us funding for \$150,000 of improvements over a four year period of time, but the project cannot be parceled out to match the funding timelines. We have received the 2009 \$40,000 of funding and the 2010 funding of \$40,000 will be received shortly. In discussion with Foundation Board members John O'Rourke and Jerry Anfinson they believe they could get the 2011 funding of \$40,000 advanced in December of 2010. This would leave only the \$30,000 of 2012 funding left to be received.

Ms. Underwood requested council authorize us to do the project in 2010 and advance the \$30,000 ourselves, with it to be repaid in 2012 from the Hormel Foundation grant approval.

Council Member McAlister stated the pool actually costs us \$70,000 annually as we do not make money on this. Council Member King stated he sees Council Member McAlister's point, but at the same time this is grant dollars that could actually bring more people to the pool and increase our revenue. Council Member Clennon noted her agreement with Council Member McAlister, stating we may get cut \$970,000 in LGA funding.

After further discussion, motion by Council Member King, seconded by Council Member Austin to bring issue to the next council meeting for review and voting. Carried 6-1 (Council Member Clennon – Nay).

Other Item: Mr. Hurm handed out a memo discussing per capita costs comparing Austin to Albert Lea, Faribault, and Owatonna noting our cost per capita and taxes are the lowest amongst our neighboring communities. Mr. Hurm noted this came from a state report issued out of the State Auditor's office. Additionally, Mr. Hurm noted Austin is the only community with a fund balance level between the 35% and 50% of expenditure level as recommended by Rebecca Otto, the State Auditor.

Council Member King stated this paints a great picture of how Austin does in comparison to our neighbors.

This is for informational purposes only.

Item #5. – Closed session to consider issues involving personnel and discipline data as well as attorney-client privileged advice, pursuant to M.S. 13D.05, Subd. 2-3: Motion by Council Member Austin, seconded by Council Member-at-Large Anderson to close the meeting pursuant to M.S. 13D.05, Subd. 2-3 to consider issues involving personnel and discipline data as well as attorney-client privileged advice. Carried 7-0.

See DVD of closed meeting.

Motion by Council Member Pacholl, seconded by Council Member Austin to re-open the closed meeting at 6:54 p.m. Carried 7-0.

Item #6. - Open Discussion: Council Member Clennon stated we need to discuss the LGA reductions that will be coming our way soon. Council Member King stated we had this discussion at the last work session and the consensus was to wait until we actually get a number that we need to look at.

Mayor Stiehm questioned what would be saved by getting 0% raises from everybody. Mr. Dankert noted a 3% increase on our current gross wage base would equate to approximately \$250,000. Council Member-at-Large Anderson stated it is the consensus of all council to get a 0% increase for all employees. Mr. Hurm stated it is important for council to be strong on this. Council Member Clennon noted Mr. Dankert was correct last meeting stating we need to fundamentally change the way we do business as a government.

Council Member Austin stated maybe we should approach all of the department heads as the CEO of their department/company and make recommendations as to what they would do differently if the city were their company.

Council Member Clennon stated we need to look at legal fees. Council Member King noted Lee Bjorndal does everything for Albert Lea as the City Attorney that Hoversten's office does for us.

Mayor Stiehm noted we need to break down the big ticket items, like the Nature Center for example. Mr. Dankert noted the Nature Center got an approximate \$30,000 grant from the Hormel Foundation for operations/programming, but the entity still has costs of nearly \$300,000 (after further review of the budget for 2010 the net revenues versus expenses is actually closer to \$225,000 of cost).

Council Member Clennon stated we could have significant savings if we eliminate the Opt Out program. Mr. Dankert responded by noting that if we have to insure somebody, it has an employer cost of \$400 per month for single coverage and \$1,000 per month for family coverage. If the employee were to not get paid out the opt out there is a high potential that they would come back onto our program as the monthly employee cost is still pretty minimal. If this were to happen it would actually cost us more per month. Council Member Austin agreed noting we are saving dollars here instead of insuring people.

Council Member Austin also stated he hates to see k-12 education funding cut, but under the Governor's proposal education is being held harmless for un-allotment, which means we are taking the brunt of the hit.

Mr. Dankert agreed that we need a long-range comprehensive plan and that nickel and dime cuts do help in the long run but they are not going to solve \$970,000 of LGA reductions. Mr. Dankert also noted that even with zero percent increases for 2011 you will have employees calling your houses. Reductions in the Nature Center, Streets, Fire, Police, and almost any program will result in employees and citizens calling you to express their disagreement. Mr. Hurm agreed, noting we should set up some ground rules, hopefully at the next work session to discuss with department heads.

Adjournment: Motion by Council Member Austin, seconded by Council Member Pacholl, to adjourn the meeting. Motion passed unanimously. Meeting was adjourned at 7:57 pm.

Respectfully submitted,

Tom Dankert