

MINUTES
COMMITTEE-OF-THE-WHOLE COUNCIL RETREAT
February 27, 2017
Austin Utilities Conference Room

PRESENT: Mayor Stiehm, Council Member-at-Large Janet Anderson, Council Members Judy Enright, Steve King, Jeff Austin, David Hagen, Laura Helle and Paul Fischer

ABSENT:

STAFF PRESENT: City Administrator Craig Clark, City Clerk Ann Kasel, Park and Rec Director Kim Underwood, Police Chief Brian Krueger, Interim Library Director Sara Steinhoff, Planning and Zoning Administrator Holly Wallace

ALSO PRESENT: John Garry (6:00 p.m.), Austin Daily Herald

Review Vision Statement, Organizational Values and Code of Conduct Documents

Craig Clark reviewed the vision statement and organizational values. The consensus of the Council was the documents looked acceptable with no changes. Mr. Clark also reviewed the code of conduct documents asking for any comments or questions from Council.

Austin Utilities

Austin Utilities General Manager Mark Nibaur thanked the Council for their support in financing and building their new facility which cost approximately \$17.2 million. He reviewed their company objectives by developing an ethic of continuous improvement, to be recognized as one of the best places to work in Minnesota and to earn the reputation of trust and community partnership. In 2017, they plan on implementing customer surveys in hopes to receive feedback from the community. They also plan on having a community solar project where citizens can purchase solar credits to have a reduction on their bill.

Mr. Nibaur stated the downtown power plant site will be demolished in 2017 for the Community Recreation Center. Austin Utilities will demolish the plant and relocate the utilities. They also rolled out a new online payment tool called SmartHub.

Finance and Clerk

Director of Administrative Services Tom Dankert presented a review of the year 2016 for the Administration and Finance department. The Department had a very successful year by receiving the certificate of achievement for financial reporting for the 31st straight year, completing the 2017 budget and completing the CIP for the next 5 year period.

Mr. Dankert identified his 2017 goals as to increase the investment rate of return as much as possible, work with the auditors for another successful audit, complete the remodeling and transition to the new City offices, and close out the Hy-Vee project including state reporting and construction draws.

City Clerk Ann Kasel reported on the 2016 Council goals of connecting with the citizenry through social media and the website and completing a successful election. She stated the website was upgraded and received 58,152 hits over 2016. Facebook “likes” increased by nearly 1000 over the year. City staff continued their video blogs and created over 250 facebook posts. City staff implemented a weekly video blog and completed 227 posts. For 2017, the goal is to keep website content and Facebook posts fresh and relevant. She stated she will also work to outreach with lenders and realtors about the AMCHF homeownership fund availability for downpayment assistance.

Police Department

Police Chief Brian Krueger stated that 2016 was a busy year for the police department with six new officers coming on board and three officers leaving the department. The department answered 22,711 calls for service and 1,700 emergency medical calls. National Night Out is a growing successful program which provides community outreach into the community.

The department has created a Facebook page and also a Facebook page for the K9 unit. Chief Krueger noted the officers are very active in the community and many give back in various ways.

His goals for 2017 included offering the Citizens Police Academy, working with staff to train and create a bond with community members, work on combatting illegal drug activity and continuing to provide excellent police services.

Parks and Recreation Department

Director of Parks and Recreation Kim Underwood presented a 2016 year in review which included completing various park upgrades around town, maintaining a “Tree City USA” designation, planting trees, purchasing new equipment, having year-round ice in Riverside arena and hosting a swim meet at the Austin Municipal Pool.

Kim’s goal for the Parks and Recreation Department is to have an all-inclusive park system with fitness items along trail systems and pathways to all play equipment, to continue to offer quality affordable recreation and work with the Engineering Department to purchase a mower for the flood plain areas.

Ms. Underwood added that the new interpretive center at the Nature Center is scheduled for a grand opening on April 22, 2017 with Luke Reese as the new director. There are a lot of things happening in March for final progress on the project. Park and Rec office will move to City hall on March 17th.

She stated that she is working to replace the slides at the Austin Municipal pool in the fall of 2017. She also would like to implement online registration for recreation programming.

Planning and Zoning

Planning and Zoning Administrator Holly Wallace stated 2016 was a busy year for the building department. She reviewed the major building projects that were added to the tax base in 2016. She also reviewed the hazardous buildings in the City of Austin and provided an update on those properties.

She stated her goals for 2017 include exploring the feasibility of a rental licensing and inspection program, continue supporting hazardous building abatement, updating the City rental housing map and updating zoning and subdivision ordinances.

Library

Interim Library Director Sara Steinhoff stated she is serving as an interim director and is focusing on working with the library staff on a daily basis to prepare for the next library director. She stated her goal is to protect the integrity and efficiency of the library and things have been going well. Another goal is to clear away clutter and increase organizational efficiencies within the Library. She stated she prides herself on the Library being a welcoming place for the entire community. She added that the library hot spot program that the library administers has been very successful.

Economic Development

City Administrator Craig Clark reported on economic development in 2016. The City partners with the DCA for this area. He stated the City and DCA are working to update their marketing and development components for future development. The City implemented a tax abatement program for new housing and had 6 new homes built under the program. Mr. Clark stated the City has 9,058 housing units and would need to add 90 units a year to keep pace with housing demands. There were only 11 new units built in 2016.

He stated he would like the City to devote \$25,000 a year for the planning and development of a multiple unit housing complex. He felt it would be proactive to create a package for developers with specifics to keep advancing a project along so the details are ready when someone is willing to build.

Mr. Clark reviewed a spreadsheet of housing rents in Austin and the profitability of potential housing complexes.

DCA Director John Garry reported that the DCA is working on projects that come through the State that have interest in Austin. He stated the DCA will continue to focus on food, agriculture and bioscience businesses existing in Austin or interesting in coming to Austin.

Open Discussion

Council Member Austin stated that due to a work conflict he will be late to the March 1st retreat session. He added that he was disappointed at the lack of time the Council devoted to open discussion at the end of the last work session. He added that the Council has the ability to adjust wages for non-union employees.

Mayor Stiehm stated he would like to discuss the non-union positions.

Council Member Austin stated it seems lately that the Council has been in a rush to get done with meetings and would like to have additional discussion.

Council Member Helle stated that she would like work sessions to be more of a question and answer session instead of the presenter reading information that Council should have already read in the packet.

The Council discussed completing a comparable worth study. City Administrator Clark noted that sister cities have done studies in recent years.

Chief Krueger noted he would like to be considered for a pay raise as his pay is lower than any other Police Chief from sister cities. He noted he would like to be able to speak at the March 1st retreat session.

After additional discussion, moved by Council Member Austin, seconded by Council Member Hagen, adjourning the meeting at 7:46 p.m.

The retreat will be continued on March 1, 2017.

MINUTES
COMMITTEE-OF-THE-WHOLE COUNCIL RETREAT
March 1, 2017
Austin Utilities
5:00 p.m.

PRESENT: Mayor Stiehm, Council Member-at-Large Janet Anderson, Council Members Judy Enright, Steve King, Jeff Austin (7:10 p.m.), David Hagen, Paul Fischer and Laura Helle

ABSENT:

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert, City Clerk Ann Kasel, Fire Chief Jim McCoy, Human Resources Director Trish Wiechmann, Police Chief Brian Krueger, Assistant City Engineer Mitch Wenum, Planning and Zoning Administrator Holly Wallace

ALSO PRESENT: Austin Daily Herald

Fire Department

Fire Chief Jim McCoy provided a Fire Department update for the Council. The Fire Department responded to 954 emergency calls in 2016 of which were 12 structure fires. There were no fire deaths in the City. He stated the Department will install smoke detectors in any residential structure if citizens call and request it.

The Department is also focusing on cancer prevention which is common in firefighters. They have implemented new measures to limit exposures by showering immediately after fire calls and wearing gloves when cleaning up turn out gear.

The Department's goal for 2017 is to recruit quality part time help as this has been an issue recently.

Public Works Department

Director of Public Works Steven Lang reviewed the department's 2016 goals. The operating permit at the Waste Water Treatment Plant (WWTP) expired on June 30, 2016 and many of the projects are on hold until the Minnesota Pollution Control Agency issues a new permit. He stated that flood mitigation progress is ongoing and the City is developing a pavement resurfacing plan for stripping pavements.

Mr. Lang provided an update on the sanitary sewer and WWTP. He stated that 75% of the City's 120 miles of sanitary sewer are over 40 years old and in need of lining or replacement. He would like to be more aggressive with this so less ground water gets in the system and unnecessarily treated.

Mr. Lang provided a history and status of the WWTP stating it is the most valuable asset of the City with a replacement cost of over \$100 million. He has \$35 million of projects scheduled in the CIP and said sewer rates will have to be increased in order to fund the projects. Austin has very low sewer rates and Mr. Lang felt an increase was necessary.

Human Resources

Human Resources Director Trish Wiechmann provided a 2016 year in review stating the City hired 16 fulltime employees and processed 2 retirements. She stated she also worked on labor negotiations, responded to grievances and assisted in negotiating union contracts. There was some supervisory training offered for department heads and other supervisory positions. For 2017, her goals are to settle the three open UAW contracts, work with a consultant for the completion of a compensation study, complete ACA reporting and possibly organize additional leadership training.

Housing Discussion

HRA Director Jon Erichson presented on the housing issues that Austin are facing. He stated the HRA owns and manages 525 units of housing in the community which was 98% occupied in 2016. This high occupancy rate shows there is a high demand for housing.

There was a housing study completed in 2013 showing that from 2013-2020 there is demand for 157 new homes in the community. Austin is falling well below that number. The largest thing the community has done to help with that program is the tax abatement program. There were 5 houses built under this program in 2016. However, he stated some people building new homes are not applying for the project.

The study also identified 285 multi-family units needed in that same time period. Mr. Erichson proposed the Fox Point project which would be an additional 38 units in the multi-family project. In 2016 the HRA was successful in receiving tax credits for the project. He stated the recent election has complicated those tax credits which makes the project harder to market. However, Hormel has expressed a letter of intent to purchase the tax credits. He also stated there are environmental concerns with the project with buried material in the site. The North 7 acres appear will work but not the entire project can be completed as originally planned. The HRA is working on getting the modified project completed.

He also stated the HRA started a loan program for high risk people to make improvements on homes. They have made 47 loans under the program. They also started a loan program for exterior improvements on rental properties up to \$10,000. The properties must be owned less than 12 months to qualify for the program.

The HRA also partnered with City for targeted area redevelopment with each entity pledging \$150,000 and a request to the Hormel Foundation for \$300,000. The Foundation request was not granted but it will be applied for again. The program would target homes on the north side of 8th

Avenue NE and in the post office area and would be on a voluntary buyout basis. The HRA is working on going forward with the program.

He also would like to update the housing study.

Council Member Enright stated she felt the immediate need is the work force housing not market rate housing.

Flood Mitigation and Local Option Sales Tax Discussion

Public Works Director Steven Lang stated the Local Option Sales Tax was implemented in 2007 and will continue a maximum of 20 years or until all the projects are funded. The tax generates an average of \$1.375 million per year. He stated local flood projects have been around \$24 million and \$10.7 million of that has come from local option sales tax. Mr. Lang reviewed the completed projects and funding. He stated the year-end balance was a little over \$3 million with another \$21 million worth of project identified. The original plan was to end after the 2017 projects but there have been additional projects identified that the Council may feel the need to complete including berms at the Waste Water Treatment Plant and other various resident protection programs through 2023. The cutoff date for the tax is 2027. The Council needs to make a plan for the projects in order to plan for the expiration of the Local Option Sales Tax.

Compensation Study Discussion

Human Resources Director Trish Wiechmann discussed the proposed compensation study. The study was last updated in 1993 and sets wage levels for positions. Through the years as positions have been added or changed, staff has had to make the best guess as to where the positions should be placed on the scale. The study would cost \$20,000 to \$25,000 and will take six to eight months to complete. Once implemented, any positions that were below their pay level would receive additional compensation. However, it is unlikely that a position that is above their pay level would receive a decrease in compensation. The comparable cities that the City's uses have done studies since the 1993 Austin study. Also, Mower County has also completed the study. The study has been in the budget for four years. There are pros and cons to the study including its expensive and time consuming and employees may be sensitive about talking about wages.

Council Member Enright asked how often job descriptions are reviewed.

Ms. Wiechmann stated the description is reviewed when there is a vacancy or a change in the job duties.

Council Member Austin stated the study will cost a lot of money and its implementation will also be very expensive. He stated he would like to address individual pay situations.

Mr. Clark stated the City is challenged across the board with wages. The Council can do the study and then decide if it would like to increase wages.

Mayor Stiehm stated the City needs to stay competitive to retain employees.

Council Member King stated there are some employees that are underpaid and that should be remedied.

Police Chief Krueger handed out paperwork with figures on Austin's sister cities for the Police Chief position. He stated he did go to Administrator Clark and HR Director Wiechmann with the increase request last fall. He noted his pay is much less than other cities.

Council Member King stated it would be irresponsible to not do a pay study.

Mayor Stiehm stated the Council has made pay adjustments in the past.

Mr. Clark stated there are gaps for different positions in the City and the study may have an impact on bargaining group negotiations.

Council Member King stated it appears that the union members get to negotiate their contracts and the non-union employees have to take whatever they are given.

Council Member Enright stated she would like to develop a merit pay system for non-union employees.

Administrative Services Director Tom Dankert stated when City Administrator's pay was raised increased the scale for wages to be set. When the pay study is completed then wages will be higher based on the Administrator's salary. He stated it could cost between \$225,000 and \$300,000 to implement.

Council Member King stated the City has taken pride in reducing the number of employees but it's not good to be in a race to the bottom for pay. He noted the City has outstanding employees.

Council Member Helle noted the study has a hefty price tag but the City needs to invest in people and pay them what they are worth or the employees will go elsewhere.

Mr. Dankert stated that Chief Krueger is in a unique situation because his compensation immediately prior to his retirement will make an impact on this pension for the rest of his life. The Council has the authority to make that change in compensation for the Chief now and they can decide if they want to do anything for the non-union employees at a later date. He stated he can attest that Ann Kasel and Don Tomlinson got above and beyond the call of duty in their positions.

Human Resources Director Trish Wiechmann stated she has always prided herself on internal consistency with pay increases.

Council Member Austin stated the non-union people get the same general wage increase but there are additional benefits given to the unions in their contracts that are not offered to the non-union employees.

Council Member Fischer stated he felt the Police Chief needs an increase and a study needs to be done on the other employees.

Motion by Council Member Enright, seconded by Council Member King, to move forward with a City employee wide compensation study. Carried 7-0.

Motion by Council Member King, seconded by Council Member Enright, for a 4% pay raise for the Chief of Police and the Police Captain. Carried 7-0.

The item will be placed on the March 6, 2017 Council agenda.

Motion by Council Member Helle, seconded by Council Member Austin, to direct Human Resources to prepare a report of comparable salaries for the non-union employees. Carried 7-0.

Moved by Council Member Enright, seconded by Council Member King, adjourning the meeting at 8:07 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk