

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
June 5, 2017
City Council Chambers

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

ABSENT:

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Public Works Director Steven Lang, Parks and Recreation Director Kim Underwood, Library Director Julie Clinefelter, Planning and Zoning Administrator Holly Wallace, Fire Chief Jim McCoy and Police Chief Brian Krueger.

ALSO PRESENT: Austin Daily Herald, KAUS Radio, Sandy Forstner (Chamber of Commerce).

Mayor Stiehm opened the meeting at 6:10 p.m.

Item No. 1 Audit Report:

Kim Hillberg from our auditors, CliftonLarsonAllen, LLP presented the 12/31/16 audit report noting our Comprehensive Annual Financial Report (CAFR) has been given an award for the last 31 consecutive years, and there is no reason it should not qualify again this year. Ms. Hillberg reviewed the Executive Audit Summary (EAS) and the compliance report noting everything is in order and no findings occurred during the audit. Ms. Hillberg noted there were no deficit fund balances, and that we have adequate fund balance based on state guidelines and best practices. Ms. Hillberg also noted in the General Fund the City was within 0.5% of hitting the revenue budget, and within 1% of hitting the expenditure budget. This is almost unheard of when you are working with \$15+ million dollars but shows that Austin's budgeting practices and policies work well.

Ms. Hillberg further noted that 85-90% of their clients do not draft the CAFR, and that by staff doing this we save \$10,000-\$13,000 annually.

After further discussion, motion by Council Member Austin, seconded by Council Member Enright to recommend approval of the audit report. Carried 7-0. Item will be added to the June 19 Council agenda.

Item No. 2 – Feeding animals in the City:

Police Chief Brian Krueger discussed a proposed ordinance amendment that would ban the feeding of deer and geese within the city limits. We are starting to get complaints from citizens, and the more you feed the wildlife the more that will show up. Goose droppings are starting to

be an issue also. Chief Krueger stated he would work with the Prosecuting Attorney's office to determine a fine for this petty misdemeanor.

Motion by Council Member Austin, seconded by Council Member Enright to recommend the new ordinance to Council. Carried 7-0. Item will be added to the June 19 Council agenda.

Item No. 3 – 2018 Budget and Tax Levy Discussion:

Mr. Dankert discussed some of the general parameters for the 2018 budget noting Council will need to give staff some direction as to what path they want us to take forward for the 2018 budget. Mr. Dankert noted we shall be getting more LGA in the 2018 year, plus we won't have to pay Mower County for assessing services. However, the negotiated wage and benefit increases will cost an estimated \$500,000 in 2018, and will be even higher if a pay plan is implemented.

Council Member Helle noted she is disinclined to add new programming for 2018 seeing that we may need to implement a pay equity study in 2019, noting we have committed to this.

Mr. Dankert questioned Council on the following items, noting their responses:

- Budget Review Process – Discussion ensued regarding a process used many years ago whereby a line-by-line budget review occurred. Mr. Dankert also noted Mower County has a Finance Committee that meets with all of the department heads. Mr. Dankert noted in the past Mr. Dankert and Mr. Clark would meet with department heads to evaluate requests and to bring a balanced budget back to Council. After further discussion, it was unanimous that nobody wanted to review line items, but to stick with the past practice of having staff meet to bring a balanced budget forward.
- Capital Requests – The Building Fund has some freed-up funding in the next few years, but this might be needed for street improvements around the Rec Center. Mr. Dankert noted we need to keep our assets in good condition and that capital funding needs to be maintained.
- Other Agencies – Mr. Dankert questioned if Council would like to invite outside agencies in, or just request a letter again as to justification for their funding request. After discussion, it was noted that we should just request letters again, and that the Historical Society missed the 2017 budget year as they thought it was automatic once they were in for 2016. Council Member-at-Large Anderson voiced her support for hearing the Welcome Center needs since they have a new Director.
- Staffing Issues – Mr. Dankert noted we have just one outstanding staffing request from the last few years, and that is an overall building maintenance person. Mr. Dankert noted he would like somebody to be able to do minor repairs and change filters, etc. while the Sustainability Task Force wants a person to also deal with finding energy savings. Council Member Enright voiced her support for this position. After further discussion, it was noted that Council will be willing to hear staffing requests, but it will be a tight year for adding staff.
- Tax Levy – Mr. Dankert noted there were no levy limits put in place for 2018, and with all of the activities going on we may be back with a tax levy in the range of 10%, but our goal is to keep it in the single digits. Having some savings from not paying the assessor anymore will help, as will the additional LGA, but increased Firefighter Relief

Association costs plus covering the costs associated with the bargaining unit contracts will add up quickly. After further discussion Council decided to not set a limit, but the goal was to bring back a balanced budget to Council with a single digit tax increase.

Item No. 4 – 2017 Council Goals:

Mr. Clark noted the following as part of the goals update:

- City hall construction project is almost complete.
- The audit report was presented tonight.
- Park and Recreation online services is expected to go live in October.
- Council has been updated on the Turtle Creek project.
- We are close to an agreement with Mower County on joining our business incentive program.

Item No. 5 - Administrative Report

None.

Item No. 6 - Open Discussion

Council Member-at-Large Anderson questioned who was going to the League of Minnesota Cities summer conference besides her. Council Member Enright, Mayor Stiehm, and City Administrator Clark noted they were all going to the June 14-16 conference.

Council Member Austin noted the agenda for tonight's meeting was amended from the original one that was sent out, noting the review of the MIS Administrator and the City Clerk had been removed even though Council gave direction to have these on this agenda. Council Member Austin stated he was told the issue of employee morale and the impending comp study was the reasoning behind pulling these items with no intent on bringing them back, plus three UAW contracts are still outstanding. Council Member Austin noted this was sending a bad message to those exempt employees we told would be reviewed.

Mayor Stiehm noted this has been a nightmare, and could undermine the internal patterns. Council Member Austin stated we implemented for two exempt employees already, but now we take a knee-jerk reaction based on a comment about employee morale to shut the rest of the reviews down? We committed to doing these reviews and should stick to it.

Council Member Enright stated the employee morale issue stems from the 3 unsettled UAW contracts. Mayor Stiehm noted the archaic language in their contracts mandated these being redone.

Council Member King requested we wait to do any more salary adjustments until after the pay study is completed.

Mr. Dankert noted that he needs to support his two employees in this discussion and that Council Member Helle pointed out that these two (plus one additional employee) were clearly under the market average based on the info handed out at the last meeting. Mr. Dankert requested that

Council complete the study for those two exempt positions, as it will be 2019 or later before any pay study would be implemented.

Council Member Hagen noted we need to do the right thing here. Council Member Fisher noted he agreed with Council Member King in that we should wait on the study.

After further discussion, motion by Council Member King, seconded by Council Member Fischer to wait until the implementation of the comp study before any further adjustments are made to employee salaries. Carried 4-3 (Council Members Hagen, Austin, Helle – Nay). Item will be added to the June 19 Council agenda.

Council Member-at-Large Anderson questioned when the dangerous dog owner was sent the 14-day compliance letter? Chief Krueger noted he did not have the exact date on him, but it has already gone out.

Moved by Council Member Austin, seconded by Council Member King, to adjourn the work session at 7:21 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk