

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
August 6, 2018
City Hall Conference Room A

PRESENT: Mayor Thomas Stiehm, Council Members Steve King, Paul Fischer, Jeff Austin, Steve King, Laura Helle, David Hagen and Judy Enright 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, Police Chief Brian Krueger, Parks and Recreation Director Kim Underwood, Fire Chief Jim McCoy, Planning and Zoning Administrator Holly Wallace, Library Director Julie Clinefelter and City Clerk Ann Kasel

ALSO PRESENT: John Mueller, Jerry Risius, Jason Baskin, Sandy Forstner, Austin Daily Herald, Public

Mayor Stiehm opened the meeting at 6:09 p.m.

Item No. 1 – Honorary Council Member Program

Human Rights Commission Chair Jason Baskin stated the original proposal of the honorary council member had to be reworked for legal purposes. He proposed the person would still attend all the meetings and work sessions but wouldn't participate directly in the discussions where decisions are being made. They would also sit with the staff instead of at the Council dais.

Mayor Stiehm stated he wants the program to move forward with the new modifications.

Moved by Council Member Helle, seconded by Council Member-at-Large Anderson, recommending approval of the honorary council member program as revised. Carried.

The item will be placed on the August 20, 2018 Council agenda.

Item No. 2 – Hormel Foundation Grant Rankings

Director of Administrative Services Tom Dankert requested the Council rank the 2019 Hormel Foundation grant requests. Historically, the City has received \$400,000 to \$450,000 of grant requests. He noted the Riverside Arena ice system commissioning request has been removed from the requests and the quality of life request is not ranked.

The Council reviewed the 2019 Hormel Foundation grant applications and ranked them in the following order:

Targeted Area Redevelopment	\$300,000
Pickleball Courts	\$115,000
Jay C. Hormel Nature Center Education Programs	\$40,000
Poured-in-place surface for an existing playground	\$45,000
Jay C. Hormel Nature Center Master Plan for Regional Significance	\$45,000
Delivering the Data: Hotspot Data Plans 2019	\$45,000
Riverside Arena Boiler Replacement	\$50,000
Fire Prevention and Education	\$5,000
Electric Vehicle Promotion and Fleet Addition	\$17,000

Moved by Council Member King, seconded by Council Member-at-Large Anderson, approving the rankings for the 2019 Hormel Foundation grants. Carried.

The item will be placed on the August 20, 2018 Council Agenda.

Item No. 3 – 2019 Budget Discussion

Director of Administrative Services Tom Dankert introduced Mower County Fair Board members John Mueller and Jerry Risius. Mr. Mueller requested \$5,000 from the City to support off-season fair events. He stated there are many events in the off-season including ag shows, concerts, weddings and other community events. These events bring tourism to the City and the City benefits from the LOST tax and lodging tax. They would like financial support to keep these events in town, mainly the National Barrow Show. The Fair Board isn't comfortable moving forward with extending the contract for the Barrow Show without additional community support.

Jerry Risius stated the Chamber and Convention and Visitor's Bureau declined their funding requests. The Mower County Board will review the matter soon.

The Council took the matter under consideration for the 2019 budget.

Director of Administrative Services Tom Dankert presented the proposed 2019 budget and tax levy. City staff prepared the budget based on Council's plan for 2019 after a review with each department head's current budget and new requests earlier in the year. Mr. Dankert stated the budget includes \$350,000 for cost of living increases, \$500,000 for implementation of the comp and class study, \$200,000 as an annual contribution to the Community Recreation Center and \$200,000 to start a housing initiative fund. Mr. Dankert noted that the capital requests went down so the \$200,000 for housing was added to the budget.

Mr. Dankert stated health insurance costs from 2019 are unknown but it is likely that the City will need to make another cash transfer to cover additional costs that the premiums aren't covering.

The certified local government aid for 2019 is \$8,162,215 which is an increase of about \$11,000 over 2018. To accommodate the current budget the tax levy would need to be increased 17.49% or \$1,000,000. The total tax levy would be \$6,980,000. The City has until September 30th to certify the levy by resolution. The City won't capture as much new growth this year due to the housing abatement program.

Mr. Dankert stated the outside agency allocations are the same for 2019 as they were for 2018. He noted the fair board's request of \$5,000.

Mr. Dankert stated no additional full-time employees were included for 2019. Additional part-time help for Park and Rec was included.

Mr. Dankert stated contingency for 2019 is proposed at \$150,000. There are also additional contingencies set aside in the budget for the Governor's Pheasant opener of \$5,000, State Fire Aid of \$70,000 and the Comp and Class Study of \$500,000.

Mr. Dankert reviewed modifications from the departments' original funding requests. He compared the City's tax with other comparable cities stating Austin ranked 4th place out of 5 cities with the lowest taxes.

He noted the comp and class implemented by the Council will result in additional costs for dispatchers for the City.

Mr. Dankert stated a 17.5% increase would result in an additional \$66 on a \$101,000 home; an additional \$89 on a \$187,000 home; and \$151 on a \$187,000 home. On a \$323,000 commercial building the additional tax would be \$516 per year.

Sandy Forstner stated the Chamber is opposed to a \$1 million-dollar tax levy. He stated that taxes have been rising exponentially in the last few years; they are 60% higher than four years ago. He asked the Council to look closely at the budget for cost savings.

Mr. Dankert requested the Council e-mail him on any specific items they may have questions on.

The item will be placed on the August 20, 2018 Work Session Agenda for additional discussion.

Item No. 4 – Administrative Report

City Administrator Craig Clark stated he recently attending the Coalition of Greater Minnesota Cities Conference.

Item No. 5 - Open Discussion

None.

Moved by Council Member King, seconded by Council Member Hagen, adjourning the meeting at 7:30 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk