

**MINUTES**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**March 18, 2019**  
**City Hall Council Chambers**

**PRESENT:** Mayor Stiehm. Council Members Steve King, Paul Fischer, Rebecca Waller, Jason Baskin, Joyce Poshusta Council Member-at-Large Jeff Austin

**ABSENT:** Council Member Laura Helle.

**STAFF PRESENT:** City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Public Works Director Steven Lang, Planning Director Holly Wallace, Fire Chief Jim McCoy, Police Chief David McKichan, and Library Director Julie Clinefelter.

**ALSO PRESENT:** Honorary Council Member Rain Suereh, Justin Hanson of the Cedar River Watershed District, Austin Daily Herald, Public

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

**Item No. 1 – One Watershed Update:**

Justin Hanson from the Cedar River Watershed District (CRWD) made a presentation about what they are about. Created in 2007, the CRWD started to help reduce water flow into the city during high rain events, but to also work on improving the water quality of our waterways. A few years of studying occurred to see where the CRWD could be most effective, and were able to secure state and federal grants, along with matches from The Hormel Foundation.

Mr. Hanson discussed the capital improvement plan, an annual plan, and some summer programs they are offering. The capital plan works on storage and flood mitigation north of the City of Austin to prevent flooding. Unfortunately, our topography doesn't lend itself well to water storage, as we are all flat land, so we are undertaking a lot of small projects. Ag folks are part of the CRWD Board, and they are very sensitive on using a tax levy authority. The capital plan got jump started via a \$3+ million Hormel Foundation grant, to match whatever other grants they could get. The benefits of the capital projects equate to about a 7% reduction in water flowing into the City under phase 1. In the future we will go back to the legislature for additional funding such that the local tax payers are not paying for all of these improvements.

Mr. Hanson thanked the support and working relationship with City staff and The Hormel Foundation.

For informational purposes only.

**Item No. 2 – Pickleball Update**

Parks and Recreation Director Kim Underwood discussed an opportunity for a state grant to assist in the construction of the proposed pickleball courts. The Hormel Foundation has approved \$38,500 towards the pickleball courts, with the remaining funds to be raised by the participants and the City of Austin. The total estimated budget for the project is \$124,000, and we would like to apply for a \$62,000 state grant, however in discussion with the state on this

grant, they want to ensure that if the pickleball participants are not able to reach a certain fund-raising goal, that the City of Austin would fund any shortfall. The City can use \$9,000 of in-kind costs towards the match, and with the \$38,500 approved by The Hormel Foundation, this leaves only \$14,500 remaining to be raised by the pickleball participants. Ms. Underwood noted she has checked with The Hormel Foundation and they are comfortable with the grant application and their \$38,500 commitment.

Ms. Underwood noted that the grant submission deadline is the end of March, so if Council approves, she will send in the application even though Council wouldn't officially approve until the April 1 council meeting.

Motion by Council Member Austin, seconded by Council Member Poshusta to approve of the Parks and Recreation grant application, and to serve as a backstop for funding in the event the pickleball participants are not able to raise the full \$14,500 (out of Contingency). Carried 6-0.

Item will be added to the April 1 council agenda.

### **Item No. 3 – 2020 Budget – Library/Administration and Public Safety**

Mr. Dankert discussed the process for which we plan on using for the creation of the 2020 budget. Mr. Dankert noted that with three new elected officials, that he has decided to give a brief overview of the tax supported funds such that when we get to some preliminary decision time in June Council will already have a background to work from.

Mr. Dankert went on to discuss the Library and Administration budget. Mr. Dankert briefly went through the line items that were highlighted in different colors, noting most of these Council has very little control over. Mr. Dankert noted that yes Council has control over the bargaining unit contract that creates the wages (which makes up 60% of the General Fund budget), but once those contracts are set, the wages and associated benefits become locked in for a fixed cost for the next year.

When it comes to the library, the following occurs:

- \$968,139 of tax levy supports the \$1,205,809 total expenditure budget.
- Another \$182,620 of Mower County tax levy supports the same expenditure budget.
- These two revenue sources cover 95% of the revenues coming into the library.
- On the expense side, between wages and associated benefits, 67% of the expenditure budget is eaten up here.
- Utilities, repairs, and other necessary costs eat up another 11% of the expenditure budget.
- The only other main item that is in the library budget is the \$159,500 set aside in 2019 for materials (books, subscriptions, etc.). This is certainly an amount that Council could reduce if they were looking for budget savings, but the library would actually like to see this number increase to be in line with other peer libraries.

When it comes to the Administration part of the General Fund budget, we have the following:

- \$1,352,139 of wages/benefit costs for these departments we consider administration (including Mayor, Council, City Administration, City Clerk, Finance Senior Center, City Attorney's, Human Resources, Planning/Zoning, City Hall, Public Relations, Economic Development, and Capital Outlay/Contingency).
- Another \$195,642 is set aside for private contracts that we have entered into.
- \$390,337 is budgeted for utilities, repairs, insurance, etc.

- Overall, the above numbers represent over 50% of the budgets in the above funds.

Mr. Dankert noted the Public Safety side of the budget shows an even more glaring propensity towards costs associated with wages/benefits. Directly related revenues in public safety are limited to state fire and police aid, a contract with the school district for liaison officers, and a contract with the townships to provide fire protection. In total, these revenues equate to \$905,394.

Expenditure wise, the following exists:

- \$5,082,332 of the expenditure budget is set aside for wages/benefits.
- Another \$2,367,287 is budgeted for utilities, contracts, insurance, and repairs.
- Included in the above contracts, is a budgeted \$825,000 for the City share of joint LEC costs with Mower County. Mr. Dankert noted with the County's recent implementation of the Comp and Class study, we believe that even the \$825,000 may not be enough to cover our half of the costs related to the dispatchers and the joint LEC budget.
- Overall, 97% of the budgeted expenditures for public safety are almost out of Council "control", using the term control, loosely.

Council Member Poshusta noted the Senior Center spoke with her today about the 2018 janitor bills that they are having some financial issues with paying. Mr. Dankert noted the City is not required to pay any janitor bills under our agreement, but have in the past in order to alleviate some financial issues at the Senior Center. Mr. Dankert noted the 2018 invoices were dropped off on my desk in March after the year was closed out despite multiple notes to all departments about getting things in to close out the year. Mr. Dankert noted the Senior Center had not sent us any janitor bills since the second quarter of 2017, so we assumed they were once again covering those costs themselves. Ms. Poshusta and Council noted their support for the Senior Center operations.

#### **Item No. 4 - Honorary Council Member Comments**

Mayor Stiehm noted that Rain moved to the United States in 2009, but lived in a refugee camp before he moved here.

#### **Item No. 5 – Administrative Report**

Council Member Austin asked about the Comp and Class study thinking we would get an update tonight. City Administrator Clark noted he doesn't think there is anything Council can do to help speed things along. We are currently reviewing the job analysis questionnaires with job descriptions to ensure they are accurate. We had the health care change, including negotiations with the UAW and other bargaining units that delayed our ability to work on the Comp and Class study.

Mayor Stiehm requested regular updates at the work session. City Administrator noted we might want to have a closed session to bring the attorney's down to discuss where we are at and what decisions they need to make. Mr. Clark noted we have to ensure internal equity and not necessarily to compete with other municipalities. Mayor Stiehm noted we may need to have Council decisions on where we want to be (top, middle, bottom) of comparable municipalities.

#### **Item No. 6 - Open Discussion**

Council Member Baskin noted he would like to have some options for snow removal in neighborhoods. Council Member Austin noted he had some of the same questions, and has asked Steven Lang to present at a future work session to discuss how we plow snow and what alternatives do we have to make it easier to remove snow during every snow event.

Mayor Stiehm also noted the changing weather patterns could be more consistent, and just looking at some water issues at the Nature Center recently could cause us to have to relook at snow removal and storage.

Moved by Council Member King, seconded by Council Member Austin, adjourning the meeting at 6:55 p.m.

Respectfully Submitted,

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Ann M. Kasel  
City Clerk