

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
November 2, 2020
City Council Chambers

MEMBERS PRESENT: Mayor Stiehm. Council Member-at-Large Jeff Austin.

MEMBERS APPEARING ELECTRONICALLY: Council Members Steve King, Jason Baskin, Paul Fischer, Rebecca Waller, Laura Helle, Joyce Poshusta

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Police Chief David McKichan, Park and Rec Director Kevin Nelson, City Attorney Craig Byram, and Fire Chief Jim McCoy

STAFF APPEARING ELECTRONICALLY: Public Works Director Steven Lang

OTHERS APPEARING ELECTRONICALLY: Austin Daily Herald, Mike Postma, Mark Nibaur (General Manager of Austin Utilities), Alex Bumgardner (Austin Utilities)

Mayor Stiehm opened the meeting at 6:28 p.m.

Item No. 1 – Fire Hydrant Maintenance Ordinance

Fire Chief Jim McCoy outlined a proposed ordinance to start charging the citizens/businesses for costs related to maintain the fire hydrants, much like other city's do. Chief McCoy noted the ordinance as drafted would include a fee that would be set annually by the Council, and is currently proposed at a flat \$1 per month per sewer connection. Some city's that have this charge a higher rate to commercial properties and a lower rate to residential, which would be open for Council discussion. This is part of the 2021 proposed budget and is estimated to raise \$108,000 annually.

City Administrator Craig Clark noted the proposed ordinance needs to have a few changes to it, as follows:

- Subdivision 1 and 7 should have the reference to the public works director removed and have Fire Chief replaced in those areas.
- Subdivision 2 we would not create a separate fund, and would be better placed in the General Fund since it is such a small dollar amount.

Mr. Clark noted we need to have this established by January 1, 2021 to get the budgeted revenue.

Craig Clark confirmed for Council Member Helle that the fee would go to all parcels and not just those that are next to a fire hydrant. Council Member Helle noted this was different than most communities that the City of Austin has to pay the Austin Utilities for this.

Council Member King noted he is agreeable to the flat \$1 fee since commercial properties pay a higher rate in taxes already.

Council Member Baskin noted he was not supportive of this as this fee is the same as a tax increase. No other objections from Council.

Austin Utilities General Manager Mark Nibaur noted this will have a cost to the Austin Utilities as well, for which Mr. Dankert and Chief McCoy noted would be paid for by the City.

Moved by Council Member King, seconded by Council Member Helle to move the amended ordinance to Council. Carried 6-1 (Baskin – Nay).

Item No. 2 – Right of Way Ordinance

Public Works Director Steven Lang provided backup related to a proposed Right of Way ordinance that included notes from a working group that included Steven Lang, Craig Clark, Council Members Poshusta and Fischer, and Assistant City Engineer Mitch Wenum. Additionally, this group has met with Mark Nibaur, Tom Tylutki, Alex Bumgardner and Tyler Hulsebus from Austin Utilities.

We have met with the Austin Utilities and their concerns, but we still have three key items that we have no agreement on with the Austin Utilities. One area is removal of abandoned infrastructure (greater than 1 inch) for which we believe that is still needed in an ordinance for a long-term approach. This would generally affect abandoned gas and water mains, and sanitary and storm sewer lines on a regular basis.

The next item of disagreement is to require the undergrounding of lines. There are costs associated with undergrounding, but we believe the cost is worth the benefit. The Utilities does have a plan to bury residential lines, which would then cover 2/3 of the system being undergrounded. The ordinance also discusses all lines being underground, including feeder lines. These lines are on the major roadways, every four blocks. Austin Utilities has requested that we not require the undergrounding of these 3-phase lines, but we still believe the looks and the resiliency of the system would have these undergrounded as well. The final set of lines is to exempt the main transmission lines from this ordinance as the cost would just be too prohibitive.

Verifying locations of underground utilities and supporting underground facilities when the City is working in the right-of-way because they benefit the City will also be required. The City believes it is important to have whatever utility company put the infrastructure in should pay to support the underground utility as opposed to the City just paying for it.

Mark Nibaur noted the cost for the removal of underground infrastructure to be \$3-5 per customer per month, depending on the year and the number of projects. We don't see that as a

wise use of tax payer dollars to remove infrastructure that could remain there for 60 years before it would need to be removed. Mr. Nibaur noted we are just adding costs onto the ratepayers, which are citizens of Austin. Mr. Nibaur requested more time for his staff and board to review.

Mr. Lang reiterated that this is a standard League of Minnesota Cities ordinance that other cities have adopted. Additionally, we checked with our contractors and noted that we believe that the Austin Utilities' estimates are double what our contractors say the cost would actually be.

Council Member Fischer noted he was part of the subcommittee, and the \$3-5 per month per sewer hook-up would be to do all of the improvements at once, which won't happen. It really could be a dollar a year depending on what projects they can fit in. Council Member Fischer noted from sidewalk to sidewalk this is City property and there is no reason to leave all of this abandoned junk in the right-of-way, and we should not be kicking the can down the road. The guys are already there for the Austin Utilities, so take out the junk while you are there. This is an ordinance that should happen stated Council Member Fischer.

Council Member Poshusta noted we had several long meetings full of information on both sides. We are looking into the future for this and we also need to look for Steven for guidance on this, as well as the League of Minnesota Cities. Having power lines buried underground protects the power supply better than above ground, plus we have had sinkholes where abandoned infrastructure has been left. Council Member Poshusta noted her approval of the ordinance as written.

Council Member Baskin noted he is in favor of 98% of the ordinance as we should be able to know who has been in the right-of-way, and that entity should repair any problems that arise. Council Member Baskin stated he would like to allow the Austin Utilities to determine what power lines should be put underground as they have the expertise here. The removal of abandoned infrastructure is a cost versus benefit issue here. Council Member Baskin noted if the abandoned infrastructure is not in the way, then maybe we should not require its removal, as this cost may not be beneficial. Council Member Fischer noted that we did have the discussion with the Austin Utilities to allow the Utilities to make the decision, we all know they won't spend the money to remove the abandoned infrastructure. Council Member Baskin clarified that when it comes to burying power lines we should rely on the Austin Utilities as they are spending money now to bury the lines.

Council Member Waller noted she would support what Mr. Lang is proposing.

Council Member Helle noted this is difficult because both Mr. Lang and Mr. Nibaur are well respected here. However, Council Member Helle noted she would support the ordinance as written as we need to look out for the City of Austin. There is a cost to this, and in the end, somebody will end up paying for this. Ordinances work best when they are clear and there is not a lot of room for interpretation stated Council Member Helle. Council Member Helle noted our ordinance is clear and she would support it as written.

Council Member King noted he wants to do a project the right way, and yes could save some money by allowing the abandoned infrastructure, but I want to do it right and we should require the removal of the abandoned lines.

Council Member-at-Large Austin noted a lot of this is long-term results that we are looking for. Allowing Mr. Nibaur some additional time to take this to his Board would allow more input. Council Member-at-Large Austin questioned what the savings would be for the city tax levy that would then be pushed off onto the Utilities. Mr. Lang noted there is a benefit in time and money to the City of Austin, as the sanitary sewer is the deepest infrastructure so we are continually paying extra to dig around the Utilities infrastructure. Mr. Lang also noted there are occasions when we are re-filling potholes continually. If we have to refill the same pothole a few times then we need to spend time to investigate why the sinkhole is happening. Council Member-at-Large Austin noted he agrees with the Austin Utilities that we should let them determine what overhead power lines to bury, but agree with Mr. Lang that abandoned utilities need to be removed.

Council Member Fischer noted we are the property owners and need to do what is best for us and we need to make that decision.

Mr. Nibaur noted we have a great Austin Utility Board and workers that know this system very well. We are definitely at a crossroads on a few subjects. We believe it should be up to us to determine the best for the utility. There will be additional cost to the rate payer will see if this ordinance goes through as is, and there will be some shifting of costs as well from the city to the Austin Utilities.

Motion by Council Member Baskin, seconded by Council Member-at-Large Austin to table the discussion to the November 16 work session to allow for the Austin Utilities Board a chance to review in a special meeting with their board. Carried 7-0.

Item No. 3 – Tree Trimming Bid Outline

Parks, Recreation, and Forestry Director Kevin Nelson discussed the proposed bid outline for contractors to use to bids on tree trimming for 2021. This document was also reviewed by the League of Minnesota Cities, plus some additional staff. The times and material mobilization would be based on being in Austin, so if we have an out-of-town bidder, they cannot use drive time to Austin as part of the billing to us.

Mr. Clark noted going to a time and materials budget was suggested and will allow us to analyze what type of end result we would get. We are trying to position ourselves to get the best bids as possible, but we do have a safety valve in the contract that allows us to terminate the bid if there is unsatisfactory performance. Ultimately bids will come back to Council for approval. If we need emergency tree trimming, our crew still will be able to clear trees if needed.

No objections noted from Council.

Item No. 4 – This portion of the meeting will be closed pursuant to Minn. Stat. 13D.05, subd. 3(c)3 to consider an offer for the sale of real property

Motion by Council Member-at-Large Austin, seconded by Council Member King to close the meeting. Carried 7-0.

See DVD of closed meeting.

Motion by Council Member-at-Large Austin, seconded by Council Member Poshusta to reopen the meeting. Carried 7-0.

Item No. 5 - Administrative Report

None.

Item No. 6 – Open Discussion

None.

Moved by Council Member-at-Large Austin, seconded by Council Member Fischer, adjourning the meeting at 7:44 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk