

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
January 3, 2022
City Council Chambers

MEMBERS PRESENT: Mayor King. Council Members Paul Fischer, Rebecca Waller, Michael Postma, Oballa Oballa, Joyce Poshusta and Council Member-at-Large Jeff Austin

MEMBERS ABSENT: Council Member Jason Baskin

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert and Police Chief David McKichan

STAFF APPEARING ELECTRONICALLY: Public Works Director Steven Lang, Assistant City Engineer Mitch Wenum, Fire Chief Jim McCoy, Planning and Zoning Administrator Holly Wallace, Park and Rec Director Kevin Nelson, Human Resources Director Trish Wiechmann, Assistant City Engineer Mitch Wenum and City Clerk Ann Kasel

APPEARING IN PERSON: Austin Daily Herald, Austin Utilities General Manager Mark Nibaur

Mayor King opened the meeting at 6:03 p.m.

Item No. 1 – Amending Minnesota Municipal Gas Agreement

Austin Utilities Director Mark Nibaur requested the Council approve an amendment to Austin Utilities' agreement with Minnesota Municipal Gas. The amendment would allow the agency to expand the participants allowed to join in a natural gas prepay contract to purchase gas at a discount. The Council needs to approve the contract for Austin Utilities.

The Council expressed interest in approving the contract.

The item will be on the January 18, 2022 Council Agenda.

Item No. 4 – Asphalt Paving on 40th St NW and 5th Avenue NW

Assistant City Engineer Mitch Wenum stated the City annexed properties on 40th Street NW and 5th Avenue NW in 2016. Those streets were gravel and the City has received requested to pave the roads. If the road were paved the residents would be assessed for the work. The City sent a survey out to the property owners and 43% said they would like it paved and 57% said they are against the paving.

Mr. Wenum looked for Council direction as to how to proceed with the project.

Mayor King noted that the residents asked to be annexed into the City and was not required by the City. He stated the road is gravel and that is not allowed in City limits.

Council Member-at-Large Austin stated the road paving is very soon after the sewer assessment and the majority of the property owners are not in favor of the project. He expressed interest in waiting a few years for the project.

Council Member Fischer stated once residents are annexed into the City, there is an expectation to not live on a gravel road. He would like to move forward with the project.

Council Member Postma stated he is in favor of the project and paving the road. He would like to keep the project for 2022.

Council Member Oballa would like to complete the project in 2022.

Council Member Waller stated she would like to complete the project in 2022.

Moved by Council Member Fischer, seconded by Council Member Oballa, to move the project forward in 2022.

The item will be on a future Council Meeting.

Item No. 2 – Airport T-Hangar

Public Works Director Steven Lang stated the City has been looking into developing a T-Hangar project at the airport for private plane owners to rent. The project would be approximately \$1.5 million. The project would likely be funded 90% FAA, 5% State and 5% local. He noted that the FAA will require the taxi-way joints to be repaired before the project. Mr. Lang asked if the Council was interested in moving forward with a 10-unit T-hangar project at this time.

Council Member Postma asked what the federal funds would be used for if we did not build the t-hangar.

Mr. Lang stated there is a taxiway project in 2026.

The Council expressed interest in moving forward with the T-hangar project.

Council Member Fischer stated he would like to move forward with the project.

Moved by Council Member-at-Large Austin, seconded by Council Member Waller, to move forward with the construction of an airport t-hangar. Carried.

The item will be on a future Council Meeting.

Item No. 3 - 2022 Assessment Rates

Assistant City Engineer Mitch Wenum presented the 2022 assessment rates stating it is the City's goal to assess adjacent property owners 50% of the costs of street projects and in 2021 the City assessed 33.1% of the project costs. He proposed increasing the assessment rates for urban and commercial streets 5%. Therefore, the rate for 2022 will increase from \$52.51 per lineal foot to \$55.14 per lineal foot for residential street reconstruction and \$74.97 per lineal foot to \$78.72 per lineal foot for commercial properties. Other rates would also be increased slightly. He noted that construction rates are increasing at a greater rate than the City has increased the assessment rates. He stated that the City guarantees that the road will last 35 years and the City has policies in place for different types of properties.

Council Member Postma stated he would like to increase to 7%. Council Member Fischer spoke in support of the increase.

Moved by Council Member Postma, seconded by Council Member Fischer, recommending increasing 7% for 2022 assessment rates. Carried 4-2 with Council Member-at-Large Austin and Poshusta voting nay.

The item will be on the January 18, 2022 Council agenda.

Item No. 5 - Administrative Report

None

Item No. 6 – Open Discussion

None.

Moved by Council Member Fischer, seconded by Council Member Waller, adjourning the meeting at 6:47 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk