

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
July 5, 2022
City Council Chambers

MEMBERS PRESENT: Mayor King. Council Members Paul Fischer, Rebecca Waller, Michael Postma, 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, Public Works Director Steven Lang, Assistant City Engineer Mitch Wenum, Park and Rec Director Dave Merrill, Waste Water Treatment Plant Director Chad Heard and City Clerk Ann Kasel

APPEARING IN PERSON: Austin Daily Herald

Mayor King opened the meeting at 6:08 p.m.

Item No. 1 – Waste Water Treatment Plant Update

Public Works Director Steven Lang provided an updated on the waste water treatment plant project. He stated the project is going to bid on July 12th at 2:00 p.m. and there are currently 55 plan holders for the project. He stated he is hoping for 3 or 4 bidders on the project.

Mr. Lang reviewed the project timeline and how the project will progress with the goal to award the project at the first meeting in August. He stated that the project costs will be shared between the domestic and industrial plant with Hormel Foods paying the industrial portion.

He stated the engineering consulting fees will be approximately \$5 million.

Mr. Lang detailed how the project will be funded including proposed grants from the state and a \$31 million PFA loan. The industrial costs of approximately \$45 million will be paid by Hormel Foods.

He noted that the City will need to increase rates to pay off the \$31 million dollar loan. The current sewer rates include the operation of the WWTP, operation of the sewer collection system and improvements to the sewer collection system. He stated the City has been raising sewer rates since 2018 but those rates will not be enough to cover the additional costs. He recommended the continuation of a 7% yearly increase for an additional 3-4 years.

Mr. Lang noted that if the City would have received the 15 million in bonding funding, then the required loan would have been cut in half.

Mayor King asked about other cities of similar size.

Mr. Lang stated the City of Austin was in the middle of the pack for sewer rates but with the proposed increases the City would be closer to the top.

For Council information only, no Council action needed at this time.

Item No. 2 – Closed Session

Moved by Council Member-at-Large Austin, seconded by Council Member Postma, to close the meeting at 6:44 p.m. to determine the asking price for real property to be sold by the City pursuant to Minn. Stat. 13D.05 Subd 3(c)(1) for property identified as 34.001.0870.

See DVD of closed meeting.

Moved by Council Member-at-Large, seconded by Council Member Postma, to reopen the meeting at 6:48 p.m.

Item No. 3 - Administrative Report

City Administrator Craig Clark shared the results of the performance measurements community survey.

He noted on July 7th will be the review of the candidates for the potential council members.

Item No. 4 – Open Discussion

Mayor King noted the speed trailer may be beneficial in certain areas.

Moved by Council Member Fischer, seconded by Council Member Postma, adjourning the meeting at 6:53 p.m.

Respectfully Submitted,

Ann M. Kasel
City Clerk