

**MINUTES**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**August 15, 2022**  
**City Council Chambers**

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

MEMBER VIA ZOOM: Council Member Jason Baskin

MEMBERS ABSENT: None.

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert and Police Chief David McKichan, Public Works Director Steven Lang, Fire Chief Jim McCoy, Planning and Zoning Administrator Holly Wallace, Park and Rec Director Dave Merrill, Nature Center Director Luke Reese, Human Resources Director Trish Wiechmann and City Clerk Ann Kasel

APPEARING IN PERSON: Austin Daily Herald,

Mayor King opened the meeting at 6:16 p.m.

**Item No. 1 – Discussion regarding meetings conducted via interactive technology pursuant to Minn. Stat. 13D.02**

Mayor King noted Council Member Baskin requested to attend the work session via zoom due to having to be on work business. The meeting was noticed properly noting Council Member Baskin's location.

Moved by Council Member-at-Large Austin, seconded by Council Member Poshusta to allow a meeting conducted via interactive technology. Carried.

Council Member Baskin joined the meeting via zoom.

**Item No. 2 – 2023 Budget Discussion**

Director of Administrative Services Tom Dankert presented the 2023 proposed budget. He stated the Mayor has proposed at 7.05% levy increase. The tax levy would be set at \$8.5 million. The tax levy must be set by September 30<sup>th</sup>. It can decrease after that date but cannot increase.

He reviewed the proposed staffing levels stated the Mayor proposed to add a proactive building inspector that would enforce building ordinances in an effort to keep housing from becoming dilapidated. This would be a 1.0 full time employee.

There were positions that were not included in the 2023 budget including a half-time position in finance to take over payroll and accounts payable for the police department, three firefighters, and 1.75 library staff. He stated the library is down a full-time staff member from prior years budget reductions. He also noted that the Park and Rec department has requested a forester position for 2024.

Mr. Dankert reviewed the capital outlay requests for \$743,000 in 2023. He reviewed the specific department requests from the General Fund, Fire PERA Funds and Capital Improvements Fund. The Capital Improvement Fund goes toward street repairs and hazardous housing abatements. He reviewed other capital requests included in the 2023 budget.

Mr. Dankert stated there were no changes to outside agency funding allocations for 2023. He stated there may be some minor changes to these amounts and it would be brought back for Council approval.

He said that all of the City labor contracts expire at the end of 2022 and will need to be renegotiated. Those amounts are to be determined and would need to come from reserves since the amount is unknown.

Mr. Dankert stated the average home in Austin is \$115,000 and at a 7% increase it would be \$34.00 per year. He stated on the State Auditor's Office it stated the City's tax levy is 217 out of 229.

Mayor King stated there were several staffing requests and he felt that housing is one of the most important items in the City, as stated in the Counselors of Real Estate report. For that reason, he proposed the addition of a housing inspector.

Council Member Baker stated the Council needs to take the sewer user increase into account because even though that is not a tax increase, it is still a cost to the residents. He stated he would like to decrease the proposed levy by \$250,000. He added the proposed housing inspector would be not the most efficient use of funds. He was troubled by the year over year levy increases.

Council Member-at-Large Austin stated he would like to also see the levy at a lower rate. He spoke against the hiring of housing inspector. He stated he would support a library position to get the staffing back up to pre-pandemic levels.

Council Member Fischer stated that 7% is a reasonable increase due to the comparatively low taxes that Austin has.

Council Member Poshusta would like to reduce the levy additionally and spoke in favor of funding a library position.

Council Member Postma appreciated Council Member Baker's suggestions. He noted that he would like to take some action on the CRE housing report. Mr. Postma had concerns about the contingency level for 2023.

Mr. Dankert stated the contingency level is always a concern when trying to balance the budget since it has been slowly reduced over the last few years.

Council Member Waller stated it's not the right time for the building inspector and she would like to reduce the budget additionally.

Council Member Baskin stated he would like to see the levy lower. He would like to understand the revenue sources more and wanted to look at user rates. He would like to trim an additional 2-5% more out the budget.

Mayor King stated the goal is to be a functioning City as a whole and he is open to different options.

Council Member Postma stated he would like to knock the levy down a couple points.

The Council's direction was to cut the levy down to 5-6% and bring it back to the Council for further consideration.

The item will be on future work sessions for additional discussion.

### **Item No. 3 – Edible Cannabinoid Products Ordinance**

Police Chief David McKichan presented a proposed edible cannabinoid products ordinance stating that the items present a potential threat to the public health, safety and welfare of the residents of the City, especially the youth. The ordinance proposes to create a license for the sale of the products and they must be in a locked display case behind a checkout counter. The legal age for the purchase is over 21 years old and the ordinance has hours of sale similar to alcohol sales.

Mayor King stated the City is taking a stance on the items and this may become a model for other cities.

Council Member Postma noted the hours of sale. Chief McKichan stated the prohibitions are similar to the liquor laws.

Council Member Postma would like to have consistent hours every day.

Moved by Council Member Fischer, seconded by Council Member Postma, recommending approval of the proposed edible cannabinoid products ordinance. Carried.

The item will be on the September 6, 2022 Council Agenda.

### **Item No. 4 – Sidewalk Café discussion**

City Clerk Ann Kasel discussed the food requirement for sidewalk cafés. She stated most Minnesota cities require food for alcohol to be served in the public right of way for a sidewalk café. Gravity Storm has requested permission for a sidewalk café even though they do not have food at their establishment and could obtain a food license.

Ms. Kasel stated all sidewalk cafés must keep a minimum of a 4-foot walkway.

Police Chief David McKichan stated the police department would not be supportive of the entire food requirement being dropped but would support the brewery requirement being dropped for on-site production.

After additional discussion, moved by Council Member Postma, seconded by Council Member Poshusta to eliminate the food requirement for sidewalk cafés with a 10 p.m. serving cutoff outdoors. Carried.

#### **Item No. 5 – Request of Park Board for Nature Center Grant Funded Position**

Parks and Recreation Director Dave Merrill and Nature Center Director Luke Reese provided some background to the situation stating the employee had requested paid holidays but it was denied by the Human Resources Department. The employee believed she was treated differently than other city employees. Mr. Reese stated he has been working to grow the Nature Center programming at a zero cost to the City and he would like the person to be treated consistently with the City's handbook.

Mayor King stated there is a clear distinction in the employee handbook that it is a temporary employee and that in the handbook that type of employee doesn't receive full benefits. He noted that the AEA voted 14-3 to not allow this person not in their union and he would like to honor the union's vote. He added that he would like to have this position as part of the next contract negotiations.

Council Member-at-Large Austin asked Mr. Reese if he is going to continue to look for the grants for the position.

Mr. Reese stated he would be doing that.

Council Member-at-Large Austin asked why AEA did not want the position in the union.

Ms. Wiechmann stated there was a letter in the packet and AEA was concerned with the inequity of bringing the position in and they would like to negotiate the position.

Council Member Baskin asked if it was worth creating the battle when they are so close to collective bargaining.

Council Member Baker stated he believes the City owes the employee the pay and he doesn't view it as a seasonal temporary employee. He stated he believes it is shameful as to how the City puts the employee's name and pay in a public setting.

Council Member-at-Large Austin stated the Council shouldn't undermine the Park Board's motion.

Mayor King stated he was concerned about what it will do for employee morale if the Council undermines the union.

Council Member Poshusta stated she has a hard time that a three-year employee is considered temporary.

City Administrator Craig Clark stated the Council needs to look at the long-term ramifications for the City and union contracts.

Council Member-at-Large Austin suggested the position get holiday pay until the union contract gets negotiated.

After additional discussion, moved by Council Member Baker, seconded by Council Member Waller, to honor the Nature Center employee's request for holiday pay only. Carried 4-2 with Council Member Fischer and Postma voting nay.

#### **Item No. 6 - Administrative Report**

City Administrator Craig Clark stated the City-County meeting will take place August 17<sup>th</sup> at 4 p.m. at the HRA.

#### **Item No. 7 – Open Discussion**

None.

Moved by Council Member Fischer, seconded by Council Member Postma, adjourning the meeting at 8:00 p.m.

Respectfully Submitted,

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Ann M. Kasel  
City Clerk

