

M I N U T E S
CITY COUNCIL MEETING
July 7, 2025
5:30 PM
Council Chambers

MEMBERS PRESENT: Mayor King. Council Members Paul Fischer, Rebecca Waller, Laura Helle, Michael Postma, Oballa Oballa 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, Police Chief David McKichan, Fire Chief Jim McCoy, Public Works Director Steven Lang, Park and Rec Director Jason Schon, Library Director Julie Clinefelter, City Attorney Craig Byram and City Clerk Brianne Wolf

APPEARING IN PERSON: Austin Daily Herald, KAAL News 6 and Community Members

Mayor King called the meeting to order at 5:30 p.m.

Moved by Council Member Fischer, seconded by Council Member Waller, approving the agenda as amended. Carried.

Moved by Council Member Fischer, seconded by Council Member Helle, approving Council minutes from June 16, 2025. Carried.

Mayor King read a proclamation recognizing and celebrating the Austin Utilities for 125 years of service to the community of Austin.

Mayor King read a proclamation recognizing July as Parks and Recreation Month in the City of Austin.

CONSENT AGENDA

Moved by Council Member Fischer, seconded by Council Member Oballa, approving the consent agenda as follows:

Licenses:

- Lodging Establishment (transfer): Days Inn Austin, Austin, MN
- Massage Therapist: Minnie Wilkemeyer, Austin, MN
- Mobile: Marty Party BBQ, Austin, MN
- Mobile: Maui Wowi, Fairbault, MN
- Exempt Gambling (bingo): United Way of Mower County on August 15, 2025
- Exempt Gambling (raffle): Austin Morning Lions on October 24, 2025

Claims:

- a. Pre-list of Bills
- b. Financial Report

Events:

Good Trouble Lives On – 5th Anniversary of the death of Congressman John Lewis on July 16, 2025
Family Funfair on September 6, 2025

Carried.

BID AND AWARDS

Public Works Director Steven Lang stated they received bids for the Oakland Avenue/1st Avenue SW project. Mr. Lang stated this will be a three-year project and will include complete removal and replacement of all concrete pavement, sidewalks, driveways, and underground utilities. Ulland Brothers, Inc. came in with the lowest bid and met the federal funding requirements for this project. Mr. Lang would recommend awarding the bid to Ulland Brothers, Inc. in the total amount of \$15,083,845.68.

Council Member Postma asked about the alternate bid for this project and what the reason was that they would not be moving forward with it.

Mr. Lang stated Austin Utilities would be performing the work themselves instead of bidding out this project.

Moved by Council Member Postma, seconded by Council Member Helle, awarding the bid to Ulland Brothers, Inc. Carried. 6-0.

PETITIONS AND REQUESTS

Mayor King addressed the Council and Community Members and stated they would be discussing the topic of the new point of sale ordinance. He is in favor of the ordinance but believes the roll out of the ordinance was not executed properly. He requested Public Works Director Steven Lang start the conversation.

Public Work Director Steven Lang stated approximately two weeks ago they met with community members and presented information on the point of sale ordinance. Mr. Lang stated they invited approximately 100 people to that meeting and 35 were present. It lasted about 90 minutes. They presented information about the point of sale ordinance and discussed the sump pump inspection program and the need to maintain this program and the reasons why they were implementing this program.

Mr. Lang relayed concerns were brought to his attention from the group about the implementation and he is looking to gain feedback from the Council of how to proceed. He stated he has a few different options the City would be able to proceed with depending on which Council sees fit.

Option one would be to proceed with implementation and compliance with the ordinance as it was adopted on April 19th.

Option two would be to amend the ordinance to include a future effective date that was not included originally. This would allow staff to develop a frequently asked questions flow chart and allow realtors and closing agents time to develop policies and procedures on their end.

Option three would be to modify the ordinance in some manner based on feedback Council hears tonight or other feedback they have received throughout the last couple weeks.

Council Member-at-Large Austin stated he was present at the meeting and had listened to the comments, and he believes the ordinance should be rescinded and the matter revisited. He thinks they need to create a committee and discuss this further. He stated based on the feedback, they need to obtain more input.

Council Member Helle would like to know where the ordinance language came from.

Mr. Lang stated the consultant they work with created it. The consultants have worked with other communities and the City of Golden Valley has a similar ordinance.

Council Member Helle stated they need to take action to protect the City's investment in all the previous work they have done with the sewer systems. She stated if they are trying something new, the effective date should be in the future.

Council Member Oballa stated this is a learning opportunity for him as well. He has been talking with constituents and realtors. He understands that spreading the word on this was brief, and he would like to extend this process so that realtors can communicate it to buyers and sellers. He thinks there is no urgency to implement this as it will be around for a long time.

Council Member Fischer stated he is hearing the Council say they are in favor of option number 2, but would like to hear from community members in attendance as to why they think this is not a favorable option.

Council Member Waller stated she would like to push forward with the ordinance but would be in favor of moving the start date of the ordinance back. They need to work as a community and collaborate to develop this ordinance in a way that is favorable to both the City and its citizens.

Council Member Postma stated he understands the frustrations. He was at the meeting as well. He is in favor of a delay so they can get something more specific in place. He stated, at a minimum, they need to delay this so they have a process people can follow when selling a home.

Mayor King stated they have a consensus, and Council is saying they are in favor of a delay. He then took comments from the members of the community in attendance.

Kris Heichel, representative from Fairway Independent Mortgage, stated she would like to have a mandate for when the roads are torn up that the resident has to have the sewer inspected at that time. She would also like to see a fee or a tax on the utility billing to assist with the cost of inspections. She understands we have an aging sewer system in Austin but stated the City needs to do more to help homeowners and assist them financially.

Mayor King stated his property was part of a street project last year, and he was able to pay extra to have his sewer fixed while the road was torn up. He also stated he has never been offered a sewer inspection when purchasing a home, nor has it ever been discussed with him despite having purchased four houses, and two of them had sewer issues. He believes the City needs to protect the investment it is making in the new Wastewater Treatment Plant. He believes homeowners need to be protected in their investments, and he thinks realtors would also be in favor of that. He does agree that the idea of having the systems inspected while the roads are being reconstructed is beneficial.

Paul Ullwelling, a constituent, stated he spent over \$2000 trying to find the sewer on his property. He stated the sewer goes over to the neighbors property and then out to the street and there are no records of where his sewer is located. When the neighbor plugs up the drain it backs up into his house.

Mayor King asked Mr. Lang if there are some homes where the sewer system is tied together.

Mr. Lang stated yes, there are.

Matt Barthlomew, realtor from Nord/Haus Real Estate Group, from stated this ordinance will affect the lowest income demographic in Austin. He also believes when the streets are torn up, they should be inspecting the sewer lines and there should be some type of funding or pool of money to help these homeowners. He would like the ordinance to be pushed out as far as possible.

Wayne Bonnes, a constituent, asked what constitutes repairs to a sewer system to make it compliant.

Mr. Lang stated full replacement, spot repair, or a liner inside of it. It depends on the severity of the condition.

Jasmine Schmacher, paralegal from Adams Rizzi and Sween Law Office, stated they need more clarification; they need to know more about deed transfers. They would like to see this ordinance delayed and would like to have more criteria.

John Bramwell, a constituent, stated we are putting burdens on the citizens of Austin. He believes we will inflate the cost of housing.

Eric Brownlow, Southeast Minnesota Realtors Representative, stated he is opposed to this ordinance.

Council Member Oballa asked Mr. Lang if prior to creating this ordinance did the City apply for public funding to help support this ordinance.

Mr. Lang stated they would not be able to use public funding for private use.

Council Member Oballa asked if they have checked with other cities and what they have done.

Mr. Lang stated not specifically but they acknowledge there are many different options for funding. They can create utility fees or do an assessment against the property. In the community the policy position has been the service lines from the home to the connection at the main line have been the responsibility of the homeowner.

Council Member Oballa asked if a person were a selling home during the winter and they were to find an issue that was not able to be repaired until a later date, what would they do.

Mr. Lang stated they would place money into escrow.

Council Member Postma stated he only wants to push this back once if they are going to delay this.

Council Member Helle stated she would like to push this until July of 2026. She stated she would like to have January 1st, 2026 as a deadline to clarify and edit the ordinance and then have six months of education.

Council Member Helle asked Mr. Lang if January 1st, 2026 would work as a clarification date and July 1st, 2026 as an implementation date.

Mr. Lang stated he would be able to work with any dates Council designate.

Council Member-at-Large Austin recommended doing the inspections when the street projects are done instead of implementing this ordinance.

Council Member Helle stated street reconstruction projects are done every 50 years in a neighborhood and on average homes get sold every 10-14 years.

Council Member Postma understands the cost concerns. He stated a street project is done and assessed to a homeowner and then they are also being assessed for a sewer project that is another cost being tacked onto them.

Council Member-at-Large Austin stated it's a burden to homeowners when they sell their home as they don't have the money when they are selling it.

Council Member Postma stated they must have some equity in their home when they sell it.

Council Member Helle stated everyone paying a utility bill is paying for the infiltration that is happening. This isn't a zero-sum game where the City is solving a problem by taking from low-income households. Everyone is paying for the extra capacity, which is how this got started here.

Mayor King is in favor of this ordinance. This is great protection for homeowners and for the Wastewater Treatment Plant.

City Administrator Craig Clark stated this also brings awareness and education to people who are purchasing homes. People usually look at the roof and other items, but people don't look at the other items underground that are unseen.

Kris Heichel, representative from Fairway Independent Mortgage, stated this is going to affect Altair Global, a relocation service Hormel Foods uses for its employees. This company will not purchase homes that need repairs. She would like a pause on this.

Mayor King stated he does not know if they would like to create a carve out for a particular company or business.

Council Member Postma stated he has used Altair and although a sewer inspection is required at point of sale, it does not mean you need to get to the point of sale to complete the inspection. You could proactively scope the sewer system and be certified for ten years.

Matt Laack, Pro Plumbing and Heating representative, stated a scope of a sewer system can cost approximately \$85 to \$250 depending on the property.

Moved by Council Member Postma, Seconded by Council Member Helle, to delay the implementation of the Point of Sale ordinance to March 1, 2026. Carried. 5-1. (Nay Council Member-at-Large Austin) An amended ordinance will be placed on the July 21, 2025 Council agenda.

Public Works Director Steven Lang stated the City will be working with WHKS for the engineering, planning, and design related to the Oakland Avenue and 1st Avenue SW project. They have a proposal from WHKS for construction administration for an hourly rate with a total estimated fee of \$70,000. In addition to the work WHKS would be performing, City staff will also be involved. Mr. Lang would recommend approval of the agreement with WHKS for construction administration related to the 2025 phase of the Oakland Avenue/1st Avenue SW project.

Council Member Postma asked if this agreement was only good for one year.

Mr. Lang stated this was correct.

Council Member Postma stated this is half of an FTE of an employee and we are using it on an outside contractor.

Moved by Council Member Fischer, seconded by Council Member Helle, approving an agreement with WHKS for construction administration for the 2025 Oakland Avenue Project. Carried. 6-0.

Public Works Director Steven Lang stated Hormel Foods Corporation discharges sanitary sewer from their Austin plant to the Wastewater Treatment Plant. The discharge is regulated by an

Individual Control Mechanism (ICM). They work closely with Hormel to monitor the flow and strength daily.

Mr. Lang stated over the past year the flow and strength have required the City to revise the previous ICM agreement. They have worked with Hormel to come to a consensus on new limit numbers that will be in place for the next 18 months until they have the new plant complete and then there will be a new ICM agreement at that time. He recommends approval of the new ICM agreement.

Moved by Council Member Fischer, seconded by Council Member Austin, approving an ICM agreement with Hormel Foods Corporation. Carried. 5-0. (Council Member Oballa Abstaining)

Austin Utilities is requesting the release of a electric utility easement on a property located at 2516 16th Avenue SE. After review, they do not feel there would be a need for the easement in the future. The Austin Utilities Board of Commissioners approved the easement release at their June 17, 2025 Board meeting. City Charter requires that all release of property rights must be approved by both AU Commission and the City Council. The AU Commission and staff recommend the City Council approve the release of easement.

Moved by Council Member Fischer, seconded by Council Member Oballa, approving an easement release with Austin Utilities. Carried. 6-0.

Public Works Director Steven Lang stated he is requesting Council approval to sell a 2007 International plow truck at auction.

Moved by Council Member-at-Large Austin, seconded by Council Member Oballa, approving a request for the sale of equipment. Carried.

Moved by Council Member Fischer, seconded by Council Member Helle, approving an off-site gambling application for the Fraternal Order of the Eagles. Carried. 6-0.

Moved by Council Member-at-Large Austin, seconded by Council Member Oballa, accepting donations to the City of Austin. Carried 6-0.

Moved by Council Member Fischer, seconded by Council Member Helle, declaring the structure at 703 5th Street NW as hazardous. Carried 6-0.

Moved by Council Member Postma, seconded by Council Member Waller, to grant the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 1110 2nd Avenue SW, Bennett Property. Carried.

Moved by Council Member Fischer, seconded by Council Member Oballa, to grant the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 605 5th Street NW, Brooks-Greenback Property. Carried.

Moved by Council Member Fischer, seconded by Council Member Oballa, to grant the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 1005 8th Street NW, Fink Property. Carried.

CITIZENS ADDRESSING THE COUNCIL

Brad Johnson, representative of the Austin Enhancement Group, thanked the City for their assistance at the Fourth of July event.

REPORTS AND RECOMMENDATIONS

Craig Clark stated Council got notification of budget meetings, City staff is working on the Hormel Foundation requests. SKB got a six-month notice of leachate removal. He thanked all that assisted with the July 4th celebrations. He sends his thoughts to those in Texas as they work through the flooding in the area.

Mr. Lang stated they sprayed for mosquitoes on July 1st and it was a success. They would spray again closer to the fair if warranted.

Council Member Postma thanked all involved in the Fourth of July celebration. He stated Discover Austin is working with the City on becoming a Film Friendly City.

Council Member-at-Large Austin thanked all the organizations for their work putting on the Fourth of July celebration. He stated he did not anticipate the new building inspector the City hired, spending a majority of his time inspecting sewer line videos. He would like Council to think about that as we move this ordinance forward.

Council Member Helle would like to get a performance review scheduled for Mr. Clark. She stated as budget time approaches, the City needs to pay it's people what they are worth and provide them with insurance. She would like to hear ideas on where the City is are over serving the community an where they can find savings on labor. She stated the Parks, Recreation, and Forestry Department has a program where you can adopt a boulevard tree. The homeowner would be responsible for watering the tree. She stated there will be new playground equipment installed at Todd Park and Decker Park. They had some savings on those projects and they will also be adding to the playground at Rotary Centennial Park. She also thanked all the groups that put on the events for the Fourth of July.

Council Member Oballa stated the Fourth of July was great. He thanked all the community members involved. He thanked Mayor King for attending the Anuak cultural event in Cottage Grove with him.

Council Member Fischer thanked all involved in the Fourth of July events. He also thanked the Fire Department for their work putting out a house fire in 90 degree weather. They did an amazing job coming together and he appreciates all their hard work.

Mayor King thanked all for their work on the Fourth of July event. There was a lot to be proud of in Austin that weekend. He was honored to be invited to the Anuak Celebration in Cottage Grove. He read the July employee anniversaries.

