

MINUTES
CITY COUNCIL MEETING
March 2, 2026
5:30 PM
Council Chambers

MEMBERS PRESENT: Mayor King, Council Members Michael Postma, Oballa Oballa, Laura Helle, Jason Baskin, Rebecca Waller and Council Member-at-Large Jeff Austin

MEMBERS ABSENT:

STAFF PRESENT: City Administrator Craig Clark, Police Chief David McKichan, Human Resources Director Tricia Wiechmann, Fire Chief Jim McCoy, City Attorney Craig Byram, Public Works Director Steven Lang, Planning and Zoning Director Holly Wallace, Park, Recreation and Forestry Director Jason Sehon, Assistant City Engineer Andrew Sorenson, Finance Director Emily Burns and City Clerk Brianne Wolf

APPEARING IN PERSON: Austin Daily Herald, SMART Transit Representatives Kirk Kuchera and Chris Thompson

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

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

Moved by Council Member Fischer, seconded by Council Member Postma, approving Council minutes from February 17, 2026. Carried.

CONSENT AGENDA

Moved by Council Member Fischer, seconded by Council Member Waller, approving the consent agenda.

Licenses:

Lodging Establishment: Angel Moser, 806 9th Street SW, Austin, MN
Residential & Commercial Hauler: Red Can, Austin, MN
Right of Way: Castrejon Inc., Blaine, MN
Temporary Liquor: VFW Post 1216 on July 3 & 4, 2026
Exempt Gambling: Marcusen Park Baseball Association on September 1, 2026

Claims:

a. Pre-list of Bills

Events:

National Night Out on August 4, 2026

Carried.

SMART Transit representatives Kirk Kuchera and Chris Thompson gave a presentation to Council on SMART Transit. SMART Transit serves the Austin area and surrounding counties, providing transportation for students, workers, seniors, and other community members. During the 2025–2026 school year, SMART served about 250 Pre-K through high school students and 20 adult learners through basic education programs. With support from the CARE Community Investment Program, seniors aged 55 and older receive free rides to medical appointments in Austin and Albert Lea, and SMART has provided over 3,000 free rides to seniors.

They stated the organization also operates a WorkRide program that transports employees to major employers such as Quality Pork Processors, Hormel, and International Paper. They have extended service hours, which helped increase ridership to 11,000 rides. In partnership with United Way and local preschools, SMART provides 33,000 rides for preschool students in Austin.

SMART Transit relies on funding from federal and state transit grants, advertising on buses, grants, United Way partnerships, and local government support. Public transit in Austin is especially important for low-income residents, immigrants, seniors, and people with disabilities, many of whom rely on it to reach work, school, and medical services. Austin is unique among rural Minnesota communities because SMART operates up to 22 hours a day, helping shift workers commute. Recently, the agency has recovered from driver shortages and restored full service in Austin.

BID OPENINGS AND AWARDS

Public Works Director Steven Lang spoke about the bids for bituminous materials and stated Ulland Brothers came in with the lowest bid at \$262,500.

Mr. Lang recommended awarding the bid to Ulland Brothers.

Moved by Council Member Postma, seconded by Council Member Oballa, approving a resolution awarding the bid to Ulland Brothers for bituminous materials for 2026. Carried 7-0.

Public Works Director Steven Lang spoke about the bids for asphalt emulsion oil and stated Henry G. Meigs was the only bidder, and the total bid came in at \$83,678.40.

Mr. Lang recommended awarding the bid to Henry G. Meigs.

Moved by Council Member Oballa, seconded by Council Member Waller, approving a resolution awarding the bid to Henry G. Meigs for asphalt emulsion for 2026. Carried 7-0.

PETITIONS AND REQUESTS

Public Works Director Steven Lang stated this project is part of the five-year Capital Improvement Plan (CIP) for upgrades to the Hope Street Lift Station. The planned improvements include the installation of a bar screen and the application of protective coatings to enhance the longevity of the concrete in the facility. Proposals for engineering design services were requested from Bolton & Menk and WHKS. Bolton & Menk submitted the lowest bid for this project at \$99,564. The funding for this project will come from the industrial budget. Mr. Lang recommended awarding the contract for engineering design services to Bolton & Menk, contingent upon Hormel's final review and approval.

Moved by Council Member Postma, seconded by Council Member Oballa, approving a resolution for design services by Bolten & Menk for the Hope Street Lift station. Carried. 7-0.

Public Works Director Steven Lang stated WHKS proposed providing construction administration services for the 2026 Oakland Avenue project, including shop drawing review, site visits, quantity and payment review, change order preparation, progress meeting oversight, and weekly reporting and documentation. The estimated cost for these services is \$95,000. City staff will also conduct on-site inspections and participate in meetings and decision-making, while WHKS supports day-to-day project management. The construction work will run from 1st St. NW to 12th St., starting in phases, with construction expected to begin in early April. City staff recommends awarding the administrative services contract to WHKS.

Moved by Council Member Fischer, seconded by Council Member Waller, approving a resolution for design services from WHKS for the Oakland Avenue & 1st Avenue SW Project. Carried. 7-0.

City Clerk Brianne Wolf stated the Clerk's office received an application for a brewer tap room on-sale license from Pundit Beer Co. LLC, 500 23rd Ave. NW. This is a license transfer request. This license was previously held by K and J Holdings LLC dba Angry Hog Brewery and Taproom. They also received license applications for Sunday brewer tap room on-sale, small brewer off-sale with 128 ounces per day malt liquor, and Sunday small brewer off-sale with 128 ounces per day malt liquor. These are new license requests. The Clerk's office has received the certification documents that are required for this license and recommends approval.

Moved by Council Member Baskin, seconded by Council Member-at-Large Austin, approving a resolution for the brewer tap room on-sale liquor license transfer request. Carried. 7-0.

Moved by Council Member Fischer, seconded by Council Member Postma, approving a resolution for a new liquor license request for Sunday brewer tap room on-sale, small brewer off-sale with 128 ounces per day malt liquor, and Sunday small brewer off-sale with 128 ounces per day malt liquor. Carried. 7-0.

Moved by Council Member Oballa, seconded by Council Member Helle, adopting a resolution approving the AEA – Austin Employee Association 2026-2028 labor agreement. Carried 7-0.

Library Director Julie Clinefelter stated the library's technology closet has not been updated in over 20 years and has several deficiencies that were identified during the recent installation of a

new telephone system. This closet is crucial for internet access, network connectivity, and other essential systems in the building. To address these issues, the recommended corrections include electrical work, adding ports at workstations, and reorganization of wiring, some of which can be completed at no cost by SELCO. These upgrades are necessary to comply with current E-rate rules, ensuring continued eligibility for federal funding for public internet access. The estimated cost for the electrical work is approximately \$10,520. The Library Board approved the request for funding from the City's contingency funds, they are now seeking City Council's approval for this expenditure.

Moved by Council Member Baskin, seconded by Council Member-at-Large Austin, approving a resolution for a contingency request for the Library technology closet in the amount of \$10,520. Carried. 7-0.

Nature Center Director Luke Reese presented to Council a request for support for a Legislative-Citizen Commission on Minnesota Resources (LCCMR) grant, which helps to fund an intern over a three-year period at the Nature Center. Mr. Reese stated for this third LCCMR grant application, the total project cost will be \$495,525. Mower County Board of Commissioners has agreed to partner with the Nature Center and provide a 20% match (\$99,105) of the total cost of \$495,525. The new grant, if approved, would begin July 1, 2027 and would fund 2 FTE, one intern per year for 3 years and one naturalist, until June 30, 2030.

Mr. Reese presented a resolution that would authorize the request for \$396,419 of funding, confirming the City will accept the funding if awarded, explaining the funds are paid on a reimbursement basis and the City has the capacity to pay for services before being reimbursed. It also states the Parks & Recreation Board is authorized to execute agreements and workplans for the project, and Mr. Reese is authorized to implement it. This resolution is nearly identical to the one Council passed in 2023.

Mr. Reese stated the Parks, Recreation and Forestry Board unanimously approved a motion requesting Council support of the grant application and approval of this resolution.

Moved by Council Member Helle, seconded by Council Member Baskin, approving a resolution in support of the Legislative-Citizen Commission on Minnesota Resources (LCCMR) grant for the Nature Center. Carried. 7-0.

Fire Chief McCoy stated the Part-Time Firefighters Relief Association bylaws were updated on February 17th, 2026 and were approved in the Allocation Agreement to change the amount given to each part-time firefighter based on their years of service. Furthermore, the Office of the State Auditor required some updates to the association bylaws which are included in this revision. He is requesting Council approval of the Austin Part-Time Firefighters Relief Association bylaws.

Moved by Council Member Baskin, seconded by Council Member-at-Large Austin, approving a motion for the Austin Part-Time Firefighters Relief Association bylaws. Carried.

City Administrator Craig Clark stated based on market analysis and contract negotiations, they are bringing forward a revised vacation policy. This would be effective as of January 1, 2026, and applies retroactively. The policy focuses on having time available at the start of an employee's hire. Maximum accrual hours will be capped at 200 hours. There will be the addition of being able to carry over 40 hours and provide a partial cash out for vacation hours for exempt or salaried employees.

Council Member Helle asked how this policy will affect or not affect the labor negotiations that are still open with some of the bargaining units.

Mr. Clark stated this would align future negotiations and makes clearer Council's position for negotiations.

Moved by Council Member Fischer, seconded by Council Member Postma, approving a motion for a revised vacation policy. Carried.

City Administrator Craig Clark stated that after the City Council approved the compensation plan in 2019, which included several recommendations, they conducted additional market surveys. This survey aimed to determine the appropriate market pay rates for various positions, ensure internal pay equity, and make necessary adjustments to base pay or the structure of the pay plan.

Mr. Clark stated the 2025 budget included work with Flaherty and Hood to conduct a compensation update and internal review for the City, and to review and analyze the Base Pay Structure (BPS) plan. The recommendations are consistent with their previous goals. The results were presented to Council in the summer, late fall, and into the winter. This is relevant to 4 of the 8 agreements thus far, and has been the practice to bring forward non-union bargaining employees. The BPS plan would be effective for 2026-2028. The City will continue negotiations with the remaining bargaining units, and they will use the approved 2026-2028 BPS as a continued foundation for the ongoing negotiations.

Mr. Clark stated they are requesting approval of the attached resolution approving the 2026, 2027, and 2028 Base Pay Structure. The BPS maintains the 36 pay grades and the 7 steps per grade. It updates the starting step for BPS from 70% to 75% and follows the outlined step differentials listed in the Council packet. It will adjust the BPS in 2026 by 3.75%, in 2027 3.75%, and in 2028 3%. This would also apply to non-union and other bargaining groups as they come forward in relation to the BPS.

Mr. Clark stated this follows the analysis by Flaherty and Hood and increases the pay grades by one for the following positions, which were 7% below market and were re-evaluated with increased job points: City administrator, City Clerk, Human Resources Director, and Information Services Manager. The proposed wage increases were included in the 2026 budget.

Council Member Helle asked if the positions listed are getting an increase in pay grades because of the additional duties due to the restructuring when the Director of Administrative Services left?

Mr. Clark stated no, this is based on the market analysis of comparable cities. It didn't include any change in job descriptions.

Council Member Helle stated she would like to understand that, to make their budget, they were cutting a position through a retirement incentive. At the same time, they had already built in pay increases for these four positions in the 2026 budget?

Mr. Clark stated yes, as a guiding principle to ensure their staff are adequately compensated the market analysis was of significant importance to employee engagement efforts to make sure they were treating people fairly, so doing this analysis was something they wanted to be able to do both for internal equity and contract negotiations that were coming forward. They stated from 2019 they were no longer going to put their head in the sand and now acknowledge the inflationary and market place changes for various positions. He stated previously they spoke about "eating the expired yogurt" it's not necessarily fun, but they want to remain competitive in their positions and this was a broad scales assessment of all of their positions and this was the findings that Flaherty and Hood came back with.

Mayor King stated the timing may be an issue, but they first spoke about this in June with Mr. Simmons. Mr. Simmons came and presented a chart to the Council on where employees were at, and the Council met several times after that, and there was a glaring difference (in wages).

Human Resources Director Trish Wiechmann stated that they conducted a study of 13 cities, including Austin.

Mayor King stated that of those 13 cities, the City Administrator position was the lowest, and with this bump, it would move to the ninth lowest. He stated it was similar for the other positions. This is something they have discussed and approved in time for the 2026 budget.

Council Member Helle stated she remembers the June discussion about the City Administrator and the Human Resources Director. Were there always four positions?

Mayor King stated, yes, there were always four positions. He stated 39 positions were reviewed and this move would keep them competitive.

Council Member Baskin stated he remembers the June conversation and the information presented, but would like to know when the Council discussed this again.

Mr. Clark stated there were five closed sessions in which they discussed contract negotiations, relative wage increases, and overall BPS discussions.

Council Member Oballa stated he does not recall these sessions. He remembers talking about overall labor negotiations, but does not recall specifically about this.

Council Member Baskin stated in the June conversations that they had positions that were below market rate. Still, they always had positions that were higher than market rate. As they

think about judicially using tax dollars, why are they only taking positions that are lower and increasing them, rather than looking at positions above market rate? Why are they only looking at one side?

Mr. Clark stated they did talk about this, and Flaherty and Hood stated the difficulty in addressing this, and essentially, they recommended against this.

Council Member-at-Large Austin stated there is a lot lumped together in this request. He would like this to be tabled so they can discuss this further. He stated the previous discussions are lost on most Council members. If someone wants to move the vote forward, he will ask that they pull out some of the items and vote on them separately.

Council Member Postma stated he is open to tabling this so the Council can discuss these items further.

Council Member Helle stated she would not be able to vote for this as it stands; she would agree with tabling it and having a discussion.

Mayor King stated they did have five closed sessions on this topic but they can certainly have another one and go over this topic again.

Moved by Council Member-at-Large Austin, seconded by Council Member Helle, to table this item for further discussion. Carried. 6-1. (Council Member Fischer Nay)

Moved by Council Member Baskin, seconded by Council Member Fischer, approving a resolution accepting donations to the City of Austin. Carried. 7-0.

Moved by Council Member Fischer, 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 1208 5th Street NW, Clayton Property. Carried.

Moved by Council Member Fischer, seconded by Council Member Postma, to grant the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 600 1st Avenue NW, Iverson Property. Carried.

CITIZENS ADDRESSING THE COUNCIL

DJ Ryther, US HWY 218, Austin MN, stated her appreciation for SMART Transit and the transportation services available in Austin. She also praised the Hormel Institute expansion. Ms. Ryther raised several concerns, including damaged stop signs, local graffiti, and public protests near traffic areas. She described a recent protest where she felt threatened and requested that law enforcement be present at future demonstrations to ensure safety.

Ms. Ryther spoke about a petition in Minnesota to restore the original state flag and suggested the City consider discussing the issue. Additionally, she encouraged stronger community collaboration among churches, schools, and local organizations to support youth, promote

respect for law enforcement and community institutions, and reduce negative influences such as social media.

A representative from L.L. Parks Trailer Wash, explained their operation washing hog trailers that deliver to Hormel. They currently use three outdoor storage items at their facility in the industrial park: a storage container for bedding, a temporary tent structure covering a skid loader, and a semi trailer used for bedding storage. The bedding is necessary to keep animals comfortable during transport, and they keep extra supplies due to weather and delivery delays. He received a violation notice for a temporary tent structure they had placed up and a shipping container on their property and would like to know what they can do to rectify the situation.

Planning and Zoning Administrator Holly Wallace stated the storage container violates the city ordinance, which does not allow storage containers within the city except for temporary use. The tent structure is also considered temporary and not intended for year-round use in Minnesota's climate. However, the semi trailer used for storage has not been cited as a violation.

The representative questioned why the rules apply given that many trailers and equipment exist in the surrounding industrial area. Ms. Wallace explained that ordinances regulate certain types of structures for aesthetic, safety, and zoning reasons, and changing the rule would require City Council action. Ms. Wallace indicated they are willing to work with the business and potentially extend the timeline (up to a year) to allow the owner to find a long-term storage solution. The issue may be brought back to the council if further discussion or ordinance changes are needed.

Scott Soderberg, 2408 16th Avenue SW, Austin, MN questioned the city's salary structure and compensation analysis, noting that four positions, City Administrator, City Clerk, IT Director, and HR Director, were reported as being more than 7% below market averages, while some other positions were reportedly up to 35% above market rates.

Mr. Soderberg expressed concern about the City Administrator's salary (about \$171,900) and the request for a raise, arguing that it is already high compared to salary data they found for similar city administrator positions. He also raised broader concerns about rising city spending, increasing taxes, and the financial impact on residents, especially those on fixed incomes. Additionally, he questioned the City's approach to affordable housing subsidies, suggesting that if housing is labeled affordable, it should not require additional subsidies. Overall, Mr. Soderberg urged the Council to carefully review salary increases and city spending to avoid further financial strain on taxpayers.

REPORTS AND RECOMMENDATIONS

Council Member Helle thanked the YMCA for investing in the Fire and Police Department and offering to cover the fee for the 24/7 gym membership for their members. It is great to see a collaboration between a local non profit willing to support the City. She also wants to have the dialog that the City of Austin is no longer an aging community. 30% of the population is 0-19 years old, 30 % is 20-39 and the population that is 60 plus is 24%. This doesn't mean that we do not have seniors, we do want to keep them in our community, and we want to keep things

