

MINUTES
COUNCIL WORK SESSION
April 8, 2003
5:30 P.M.

PRESENT: **Mayor and Full Council**

STAFF PRESENT: **Jon Erichson, Tom Dankert, David Hoversten,
Craig Hoium, Pat McGarvey**

ALSO PRESENT: **Austin Daily Herald.**

Item 1. Todd Penske and Brad Fjelsta of the CRC, Inc. presented a request from the CRC to extend the agreement deadline for the CRC to create 25 full-time jobs from 12/31/03 to 12/31/04 due to adverse economic circumstances. This matter involves a \$225,000 city loan tied to job creation goals and a \$150,000 MnDTED loan/grants. MnDTED is favorable to this extension request.

Council indicated their willingness to take action at the April 21 council meeting to extend the 25 job creation deadline to 12/31/04.

The Mayor asked Council to approve a \$360 ad in the Austin Daily Herald Spruce Up Austin section congratulating Spruce Up for their contributions toward the betterment of Austin. Vote was 5-1-1.

Motion by Council Member Nordin, seconded by Council Member Jorgenson, to recommend to Council to appoint Tracey Chamberlain to the Blazing Star Joint Powers Board in the vacant position of Dick Chaffee. 7-0.

Item 3. The Council reviewed a Powerpoint presentation by Mr. Dankert on recommended changes to the 2003 city budget and steps to be taken in 2003 for balancing the 2004 city budget assuming that the \$933,000 2003 LGA cut becomes final and the proposed \$1.8M 2004 LGA cut becomes final in this session of the state legislature.

Corrections were made for presentation at three upcoming meetings soliciting citizen input, one in each ward.

Item 4. Jon Erichson gave an update on the preparation for a stormwater utility fee in each month's utility bills. This plan would raise approximately \$225,000 for the final six months of 2003 if adopted in May or June by ordinance and resolution, plus \$450,000 in 2004.

City Attorney is preparing the ordinance and resolution setting rates for a public hearing in May, 2003.

Item 7. Craig Hoium presented a report on the need to adopt the 2000 versions of the International Building Code and Fire Code and related fee schedule increases.

Motion by Council Member Nordin, seconded by Council Member Pacholl, to place on the April 21 council agenda for the two codes to be adopted. 7-0.

Item 8. Craig Hoium presented the analysis of why Austin should increase its valuation calculation method for new construction plus increase the fee schedule for various type building permits.

Motion by Council Member Jorgenson, seconded by Council Member Chamberlain, to use the 50% increase of 1994 schedule as the proposed new fee schedule to be acted on at a future council meeting. 7-0.

Mr. Hoium also presented an analysis of rates vs. costs to process various type planning applications such as platting, variances, conditional use permits, and recommended rate increases.

Motion by Council Member Chamberlain, seconded by Council Member Nordin, to adopt the proposed fee schedule at a future council meeting. 7-0.

Item 5. The City Attorney gave an update on the need to adopt the model Minnesota Liquor and tobacco code as recommended by American Legal Publishing and League of Minnesota Cities council as part of recodification of city code. Tobacco will require a 30-day written notice before adoption.

Item 6. The City Administrator presented information on the Minnesota State Retirement System's Healthcare Savings Plan that can under state law be made available through the MSRS to all state and local public employees. The benefit is that the employee can put their money in tax free and then spend it from their individual account tax free for certain healthcare costs they incur after they have terminated employment with the City of Austin.

An amendment to the Employee Handbook would be necessary by Council, as well as addendum to a labor agreement, plus resolution of approval by Council for employees to become eligible for this plan.

Council indicated their okay to place the matters on the April 21 agenda for approval and future council agendas when various labor unions are ready to present their terms for members to be covered.

Item 9. There is a need to update the city's Business Subsidy Criteria policy to meet state minimums such as job wage rate. This will require a hearing on a council agenda in May.

Item 10. The City Attorney presented the legal justification to go into a closed meeting to discuss the pending arbitration issues with Austin Associates Organization for a 2002 – '03 or '04 labor agreement.

Motion by Council Member Nordin, seconded by Council Member Jorgenson, to close the meeting as per the City Attorney's advice and recommendation. 7-0.

The closed meeting was opened at 8:10 pm. Work session adjourned at 8:11 pm.

Patrick McGarvey