

MINUTES
COUNCIL WORK SESSION
June 3, 2003
5:00 PM

PRESENT: Mayor Rietz, Council Member-at-Large Goodnature, Council Members Nordin, Jorgenson, Pacholl, Christopherson, and Chamberlain

ABSENT: Council Member Koch

STAFF PRESENT: Jim Hurm, Jeanne Howatt (6:30 p.m.), Jon Erichson, and Tom Dankert

ALSO PRESENT: Darwin Viker, Austin Daily Herald, and Austin Post Bulletin

Mayor Rietz opened the meeting at 5:00 p.m. Item # 4 request to sell city property located within Crestwood Hills 2nd Addition was removed from the agenda.

City Engineer Jon Erichson clarified the comments that were made at the City Council meeting on June 2, 2003 from Larry Gerlach. Mr. Erichson stated the city needs approximately 3.5 acres from Mr. Gerlach for the road relocation. We have had ongoing discussions throughout the process with Mr. Gerlach that culminated in an offer being made on his property. Mr. Erichson noted he has a file memo from late last year indicating he would wait to hear from Mr. Gerlach on the offer. To date we have heard nothing from Mr. Gerlach, no counter offer or anything, until the council meeting last night. Mr. Erichson noted we will continue to negotiate with Mr. Gerlach while we go through the condemnation process.

Auditor Darwin Viker from LarsonAllen presented the December 31, 2002 audit report for the City of Austin. Mr. Viker went through the Independent Auditor's Report stating the city received a clean or unqualified opinion, meaning that the financial statements are fairly presented in accordance with governmental accounting standards. Mr. Viker went over the balance sheet briefly, stating the city had a decent year in light of the economy. Mr. Viker did note that the city has adequate reserves and has positioned themselves well to help offset the state's cutback on our Local Government Aid, but the reserves should only be used as a short-term fix, not a long-term solution. Mr. Viker discussed the need for reserves to help cash flow the city until the major revenue sources (Local Government Aid and property taxes) are received midway through the year. Mr. Viker also went through the required communications (SAS 61 letter) and Single Audit Report, noting one immaterial finding of noncompliance on collateral levels. Mr. Viker pointed out that for the 2003 year significant time will be spent converting our financial statements to conform with GASB 34. This will add literally hundreds of hours onto the current staff's workloads.

Motion by Council Member Nordin, seconded by Council Member Jorgenson to recommend to council the approval of the audit report as presented. Carried 6-0. Item will be added to the June 16, 2003 city council agenda.

Item #2 - Mr. Erichson discussed the proposal for Phase II of the infrastructure installment at the Austin Business Park (Cook Farm site). Mr. Erichson stated the \$1 million needed for Phase II will help develop 22 acres. The cost per acre will be approximately \$45,500 once the infrastructure is installed. This project does not include gas, water, and electric as the Austin Utilities will not install this until a tenant has purchased the land. Mr. Erichson did note that Austin Utilities staff has indicated that they could get these services to the site before any building would be constructed.

Mr. Dankert noted the \$1 million would be advanced from Fund 49 Capital improvement Revolving Loan Fund and be repaid back with a five-year allocation out of the Building Fund at \$200,000 per year. Council Member Jorgenson noted the city needed this property to be competitive. Council Member Christopherson questioned if Mr. Dankert believed the money would be in the Building Fund to repay this. Mr. Dankert noted he was confident it would be there, but if not we would eliminate, or put on hold for an interim period, some of the park projects that would be part of the five-year capital improvement plan. Council Member-at-Large Goodnature noted he liked the project, but we need more coordinated efforts on how we deal with economic development in Austin.

Motion by Council Member Nordin, seconded by Council Member-at-Large Goodnature to authorize the use of \$1,000,000 out of Fund 49 Capital Improvement Revolving Loan Fund for the Phase II of the Austin Business Park. Funds to be repaid back through allocations out of the Building Fund over the next five years. Carried 6-0. Item will be added to the next agenda.

Mr. Erichson gave the council an update on the new Central Garage facility. Mr. Erichson stated Option B is being recommended, however we still are about \$800,000 over budget as we only have \$3 million to spend at this point in time. The Austin Public Schools are still somewhat interested; the Utilities is definitely out as is the County. Mr. Erichson anticipated a fall bid on the project as we need to move the old Central Garage in order to make room for the Wastewater Treatment Plant required expansion.

Item #3 – Mr. Dankert gave a brief overview of the ward meetings that were held in April to discuss the city's proposed resolution to the state budget cuts to our Local Government Aid. Council Member Pacholl noted in Ward 2 the only real discussion was for keeping some of the outdoor rinks open, but not have lights or so many warming houses open. Additionally, the Soil and Water Conservation District would like to help monitor, for a fee, the requirements of the Storm Water Utility District that has been created. Council Member Jorgenson noted Ward 1 had some controversy as some citizens were upset with the city building a library and Packer Arena. One individual was upset that the city did not buy the Ramsey Golf course. Mr. Dankert did note a few citizens at the meeting supporting the city's moves as investments into the future of our community. Council Member-at-Large Goodnature noted only three citizens attended in the Third Ward, with one wanting to hear about the arena time. Former Council Member Tom Purcell also

suggested the city council give back their raises that were approved a few years ago, along with cutting the DCA, and the Welcome Center (eventually).

Council Member-at-Large Goodnature did note that he has heard from many citizens that are on fixed incomes and cannot afford any large tax increases.

Mr. Dankert noted that at the June 16, 2003 council meeting, a resolution would be brought forward amending the budget to account for the \$933,396 of lost local government aid. There will be additional reductions in other funds as we are lowering some insurance rates that will affect non-LGA dependent funds.

The Council Worksession to discuss goals started at 6:30 p.m. in the council chambers. Council went through an exercise to outline what they thought were some of the weaknesses in Austin. Three groups were formed to brainstorm. Four lists were created outlining all of the weaknesses council felt Austin had. Next, council went through the same exercise outlining the strengths of Austin. A similar list of four sheet or so was created listing the strengths.

Council then chose their top five strengths and top five weaknesses of Austin by placing stickers next to each. Two additional exercises were done on worksheets that Mr. Hurm had created from the prior work session on the most important things for Austin's future.

After the exercises were done, the council adjourned the meeting at 7:30 p.m.

Respectfully submitted,

City Recorder