

**MINUTES**  
**COUNCIL WORK SESSION**  
**July 8, 2003**  
**7:00 PM**

**PRESENT:** Mayor Rietz (departed at 6:50 p.m.), Council Member-at-Large Goodnature, Council Members Nordin, Jorgenson, Pacholl, Christopherson, and Koch

**ABSENT:** Council Member Chamberlain

**STAFF PRESENT:** Jim Hurm, Jon Erichson, Paul Philipp, David Hoversten, and Tom Dankert

**ALSO PRESENT:** Public, KAAL TV-6, Austin Daily Herald, and Austin Post Bulletin

Mayor Rietz called the meeting to order at 5:00 p.m. Added to the agenda was a review of the capitalization policy in regards to GASB 34 implementation.

Item #1 – City Attorney David Hoversten discussed the proposed amendments to the liquor ordinance as was directed by Council. This amended ordinance is in response to the perceived problems with liquor sales to minors as a result of the most recent compliance checks. Our existing ordinance does not have consistency in the application of penalty provisions and may prejudice the court towards different establishment owners. Under the proposed ordinance, the number of violations would constitute grounds for penalties. A penalty grid has been established to determine the penalties. Mr. Hoversten stated this is not a unique ordinance as it is consistent with other municipalities' liquor ordinance. Everyone would be treated fairly and in the same manner.

Dave Olson, owner of Apollo Liquor questioned what the compliance check percentages were. Police Chief Paul Philipp noted he did not have the exact numbers with him, but that a significant number of establishments had failed the last compliance check. Council Member Jorgenson stated she believed that 43% of establishments checked failed on alcohol sales, and over 50% failed on tobacco sales.

Marv Peters, owner of the Brown Derby questioned many aspects of the proposed liquor ordinance. Mr. Hoversten answered all questions, focusing on the fact that the grid system was now in place, and some "word-smithing" had to occur to blend in with the remaining part of the ordinance. Many of the items Mr. Peters questioned are in the current liquor ordinance. Other questions from the public were asked and answered by Mr. Hoversten and Chief Philipp.

Chief Philipp noted the Police Department changed the staff hours a month or so ago which will allow for more beat time for his police officers to walk through the bar areas. Chief Philipp also noted that the city now does their own prosecution work, and will instruct the prosecuting attorneys to prosecute the minors that are trying to purchase liquor.

Council Member Koch asked if there had been inconsistencies in enforcement with our existing ordinance. Chief Philipp noted yes, and that direction from the council was a grid system to clearly state the penalties. Council Member-at-Large Goodnature noted he wanted to focus on enforcement.

Mayor Rietz polled the council members in attendance as to the next step. A majority of the council wanted the item placed on the council agenda for August 4, 2003. Additionally, a majority of the council wanted to add the word “reoccurring” in Section 5.02 Subdivision 4 (4) to read “Creation of a reoccurring nuisance on the premises or in the surrounding area.” Item will be added to the August 4, 2003 council agenda.

Item #3 - City Engineer Jon Erichson discussed the proposal from Alliant Energy to perform a feasibility study at the Wastewater Treatment Plant to use the methane gas that the facility produces. The cost of the study is \$24,535 with Hormel agreeing to pay for one half of the cost as the Industrial component of the facility is 50% of the entire plant. Mr. Erichson noted a feasibility study was performed ten years ago or so and the cost of converting the methane gas for co-generation was too high as the capital investment cost was significant. Times have now changed where it may be feasible to now use the methane gas. Additionally, there is a \$10 million annual grant for energy efficiency funded from Excel Energy through the legislature. If the feasibility study indicates the conversion would work, we may be able to get the feasibility study paid for also through the grant process.

Motion by Council Member Nordin, seconded by Council Member Jorgenson to recommend Mr. Erichson move forward with this proposal. Carried 6-0. Item will be added to a future council agenda for approval of the contract between the City of Austin and Alliant Energy.

Item # 4 - Mr. Erichson discussed the status of the 10<sup>th</sup> Drive SE project the county is in the midst of. The City is extending the sewer to Bellmen Addition in order to meet the needs of this area. The County is paying 100% of the cost and assessing the property owners. Some business owners on 10<sup>th</sup> Drive SE would like to hook up to the system and have water extended also. If the city were to do this (annex these people into Austin) the costs would be paid for by the adjacent property owners. One problem is that approximately 25% of the adjacent land owners do not want to come into the city and have said we would be in court over this if we forced their property into the city. This could cost the city significantly if the courts found the benefit was not there.

Merits of the pros and cons were debated for a few minutes. Discussion of doing nothing to doing everything was discussed by the council. Mr. Erichson recommended sending out waivers to not object to the proposed assessment to all of the property owners. The council could then determine, based on the number of waivers received, if it would be too much of a risk or not.

Motion by Council Member Nordin, seconded by Council Member Pacholl to authorize Mr. Erichson to send out the waivers to the adjacent property owners. Mr. Erichson will bring back something to a future worksession as to the outcome of the waiver mailing.

Item #2 - City Administrator Hurm discussed the status of the compensatory time issue that is still outstanding. Mr. Hurm noted the impression may have been given that the city was doing something illegal with the tracking of compensatory time. We are technically not doing anything illegal with our tracking of these hours for management personnel, but we are doing something very unusual. Mr. Hurm noted that he would have some options in the future for the council to discuss, say within the next month.

Council Member Koch noted he was not in favor of this compensatory time for the management personnel. This does not happen in the private sector and should not happen here. Mr. Hurm also noted that this system does not happen in any municipalities either. Council Member Christopherson agreed with Council Member Koch.

Item # 4b - Mr. Dankert discussed a proposed capitalization policy to capitalize assets with a value of greater than or equal to \$5,000. Our current policy is \$500 and under GASB 34 the cost/benefit ratio does not justify the time spent. This allows us to delete items that have a cost of below \$5,000 and concentrate on the real fixed assets that can have the cost spread out over their useful lives.

Motion by Council Member Nordin, seconded by Council Member Jorgenson to recommend to council the approval of the capitalization policy as proposed. Carried 6-0. Item will be added to the next council agenda.

Item #5 – Mr. Hurm handed out three documents. The document titled Organizational Values was the final product based on meetings the Mayor and Council had over the last two months. Council briefly discussed the document and agreed it was ready for the council to approve at a future council meeting.

The second document, the Vision Statement, is the end product of the Mayor and Council meeting over the last few months. Council also agreed that this document was ready for the council to approve at a future council meeting.

The third document is the City of Austin Goals, July, 2003. This document came from the Mayor and Council meetings that have been held over the last few months. The goal of Economic Development listed five subcategories, in no particular order, to help with the accomplishment of the goal. The second goal, Take Diversity to the Next Step, will probably be taken to APEX Austin and others to help us define what needs to be done to help accomplish this goal. The final goal listed was “When accepting the challenge of reducing government (as thrust upon us by the State of Minnesota) in a coordinated, planned manner, our goals are:

1. Prioritize services and determine which can be reduced, eliminated or provided in a different way.
2. Study each department and the services it provides to find ways to reduce expenditures, yet maintain the high quality of the services provided...
3. Pursue outside revenues to replace some of the lost State Local Government Aid.

Council members discussed listing specific departments separately under point number two above. Council Member Goodnature stated he would like to debate these points with everybody

around the table, as somebody may be able to talk him into something by seeing the different views.

After some discussion, it was decided to leave this item on the table for future goal discussion.

Motion by Council Member Jorgenson, seconded by Council Member Pacholl to bring the Organizational Values document and the Planning for and Investing in our Future document to council for approval. Carried 6-0. Items will be added to a future council agenda.

The council adjourned the work session at 7:35 p.m.