

**MINUTES**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**June7, 2005**  
**City Hall Conference Room**  
**5:30 p.m.**

**PRESENT:** Mayor Rietz, Council Member-at-Large Christopherson, Council Members Dick Pacholl, Scott Pacholl, Jorgenson (left at 7:05 p.m.), Nordin, and McAlister

**ABSENT:** Council Member Hecimovich

**STAFF PRESENT:** Jim Hurm, Jon Erichson, Paul Philipp, Dave Schafer, Kate Lewellen, and Tom Dankert

**ALSO PRESENT:** Roger Everett of Ron's Pawn Shop, Austin Daily Herald and Austin Post Bulletin

The Mayor called the meeting to order at 5:30 pm.

**Item #4 - Report on underground storage tanks at the airport** – Public Works Director Jon Erichson stated that during some work at the airport some underground fuel tanks were hit by the Austin Utilities. We estimate that it may take \$10,000 to clean up and remove the tanks. We won't know exactly how much it will cost until the tanks are removed and we can see if there is any contamination. There is the potential that this would be reimbursable to us from the Petro Fund. Mr. Erichson noted he was requesting \$10,000 from the Contingency line item to fund the removal of the tanks.

Motion by Council Member Nordin, seconded by Council Member-at-large Christopherson to recommend to council the removal of the underground storage tanks, with the \$10,000 of funding to come from the Contingency line item. Carried 6-0. Item will be added to the next council agenda.

**Item #1 – Auto-pawn update** – Police Chief Paul Philipp started off the discussion by noting that if somebody breaks in and steals a valuable ring, this system is one of the best systems out there that would help recover that stolen item. The Auto-pawn system has even proven itself here in Mower County as some stolen rings were located at a Rochester Pawn Shop. Chief Philipp noted it is very hard to manage the paper process we currently use.

Roger Everett of Ron's Pawn Shop noted that he does not have the time to input all of this information into a computer system. If somebody brings in 100 DVD's or CD's, he cannot possibly take the time to enter all of these transactions. Mr. Everett noted he could also not grade diamonds, as he is not a gemologist. Chief Philipp noted he does not have to grade the

diamond, just describe it and take a picture of it. Council Member Nordin questioned if a picture is taken of the item now. Mr. Everett noted it is not.

Detective Dave Schafer noted the paper slips that are being turned in right now do not have enough detail on them. Mr. Everett noted he has been turning in the slips for ten years and has never had a call on a problem with them.

Council Member Jorgenson stated that she can relate to the problems of computers and inputting all of these items; however, after time a person gets used to the computer. We could be putting the owners of the pawn shops' interest over the interests of the general citizenry if we don't look at adopting this ordinance. There has been some compelling evidence shown here that we should move forward with this. Mr. Everett noted he will still just write a hard copy sheet and send it to the Police Department.

Chief Philipp noted Albert Lea recently reviewed this ordinance and turned it down, but he expects it to resurface again shortly. Also, Owatonna, Rochester, Red Wing, and Mankato have similar ordinances. Mayor Rietz noted her support for being part of the Auto-pawn system.

Council Member-at-Large Christopherson questioned what equipment is needed for complying with the newly proposed ordinance. Detective Schafer stated a computer (\$300-\$500), computer software (\$2,000-\$5,000), and a video recording system (\$600) would be needed. Chief Philipp stated the upfront cost could be approximately \$3,000 to \$5,000, and this would include training time.

Mr. Everett questioned if Blockbuster Video also has to comply as they purchase video tapes and DVDs. Chief Philipp stated no, this ordinance is only for pawn shops.

Council Member McAlister questioned if the issue here is cost. Mr. Everett noted the issue is his ability to do it. Chief Philipp noted that if the Police Department has to input the information, then we would recommend a charge of \$3.00 per ticket versus the proposed \$1.50 if they have their own computer system. Chief Philipp noted that Dick Lang of Langski's Pawn Shop is okay with the proposed ordinance change, but would start out by just doing the paper slip route.

Motion by Council Member Nordin, seconded by Council Member Jorgenson to move this proposed ordinance change to the June 20, 2005 council meeting. Carried 6-0. There will be a short work session at 5:00 on June 20, 2005 to discuss the proposed ordinance change one more time.

**Item #2 – Judicial center** - City Administrator Hurm handed out a list of seven options that Mower County is looking at for a proposed judicial center. Mr. Hurm noted he and Mr. McCarthy of the Austin Utilities have been invited to be part of the process. Chief Philipp was also invited to be part of the "team" for the city.

Council Member Dick Pacholl stated that he liked options #1 (Johnson site #1) and Option #6 (Cook Farm). Council Member-at-Large Christopherson stated that the liked options #1 (Johnson site #1) and #2 (Johnson site #2).

This item is for discussion purposes only.

**Item #3 – NIMS resolution** – Chief Philipp discussed the need to pass a resolution similar to what Mower County recently passed in order to access federal funds from FEMA. The goal of the NIMS (National Incident Management System) is to provide a consistent nationwide approach for all government entities to prevent, prepare for, respond to, and recover from domestic incidents. This helps in coordinating staffing and responses to emergencies. The goal is to have the federal government, state government, and local government all on the same page.

Motion by Council Member Nordin, seconded by Council Member Dick Pacholl to recommend passage of the NIMS resolution to council. Carried 6-0. Item will be added to the next council meeting.

**Item #5 – Audit presentation** – Darwin Viker of Larson, Allen, Weishair & Company presented the audit report for the City of Austin for the year ended December 31, 2004. Mr. Viker noted the city has received the Certificate of Achievement Award for Excellence in Financial Reporting for 19 consecutive years, and there is no reason to suspect that this report would also not be awarded the same certificate. Mr. Viker went over the opinion page (pages 1 and 2), noting they do not look at all transactions, only testing of transactions. Mr. Viker noted the city has again received an unqualified or clean opinion. Mr. Viker turned to page 17 noting the city has over \$153,000,000 of net assets. Mr. Viker cautioned the Board however, noting that much of the net assets is invested in streets and other infrastructure where there is no readily available market to sell.

Mr. Viker noted that on page 20 and 21 are the traditional financial statements that you as council, staff, and the state auditor rely on. This indicates approximately \$5.4 million of unreserved fund balance, which based on the current year expenditures would amount to 47% in fund balance. This percentage is right in line with the state auditor and the auditors' recommendations for adequate fund balance levels.

Mr. Viker also discussed other aspects of the city's financial statements, including the Single Audit Report and Required Communications. In summary Mr. Viker noted he did not have any findings in any of our programs, and all of our fund balance levels are adequate.

Mayor Rietz thanked Mr. Dankert for keeping the city in fine financial shape again this year. Mr. Dankert noted Rhonda Kjarland in the finance office also deserves much credit for her work on the annual audit and financial statements.

Motion by Council Member Jorgenson, seconded by Council Member McAlister to recommend to Council the approval of audit report for the year ended December 31, 2004. Carried 6-0. Item will be on the next council agenda.

**Item #6 – Administrative matters (budget preparation)** – Mr. Dankert noted we need to start the preparation of the budget for the 2006 year. Mr. Dankert noted it is difficult as the State of Minnesota still has not finished their business yet, so we still do not know the status or amounts

of LGA for the 2006 year. After further discussion, it was decided to set a meeting for July 11 at 5:30 for discussion on the 2006 budget.

**Item #6 – Administrative matters (downtown revitalization)** – Mr. Hurm introduced Kate Lewellen, an intern helping out over at the Austin HRA. Ms. Lewellen has been working on the downtown revitalization program. Brief discussion ensued regarding the different committees that have been set up:

Finance Committee – Chaired by Jim Hurm and Mark Hanson of Wells Fargo Bank. This committee is responsible for reviewing the financing options available to access grants, etc. for funding of the program.

Design Committee – Chaired by Craig Hoium and Mark Nagel. This committee is responsible for developing design ideas, and may need to use architects to get some good drafts of what it could look like.

Promotions Committee – Chaired by Ron Meyer of Piggy Blues BBQ and Cheryl Corey of the Austin Convention and Visitors Bureau. This group is looking at different ideas for promoting the downtown area, including the possible addition of a miniature golf course and something to replace the flowers on the street lights when winter comes.

Business Development Committee – The chairperson is George Brophy, but we are in process to also find a co-chair from the citizenship of Austin. This group will work on the business projects.

Council Member Dick Pacholl questioned if anything has been done with Bud Higgins and the renters at the facility that was recently purchased by St. Olaf Church for a parking lot. Mayor Rietz noted George Brophy has been in contact with them and is working with them. Council Member-at-Large Christopherson stated the business owners need to help themselves, they cannot expect the city to be the answer to everything.

Mr. Hurm noted he would like to use \$20,000 or so for architects and other start-up costs to get the downtown revitalization committees going. No objections noted.

Council Member McAlister stated that he has a concern for the makeup of the committees. They cannot be self interested people looking out for their own benefit. Business is not done the way it used to be done. The advent of the internet and the malls has changed it so why should we care? Council Member McAlister stated that he is bothered by taxpayer funds going to private companies. Businesses cannot do the volume to exist, and fixing up a building will not add to that volume. Mr. Hurm stated that if the citizens see things happening in the downtown area, it will draw people in. Ms. Lewellen stated that in her history with Story City Iowa, it has worked. There are no empty buildings on Main Street. The Main Street is filled with restaurants, an eye clinic, banks, gift shops, a photography studio, and a newspaper. Mr. Hurm did agree that we cannot have conflicts of interest on this project.

**Item #6 – Administrative matters (tour of public works projects)** – Mr. Hurm noted the tour has been set for June 21 to view the projects that are being done by the Public Works Department.

With no further business, motion by Council Member Nordin, seconded by Council Member Scott Pacholl to adjourn the meeting at 7:30 p.m. Carried 6-0.

Respectfully submitted,

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Tom Dankert  
Director of Administrative Services