

**MINUTES**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**August 16, 2005**  
**City Hall Conference Room**  
**6:05 p.m.**

**PRESENT:** Mayor Rietz, Council Member-at-Large Christopherson, Council Members Hecimovich, Jorgenson, Nordin, Dick Pacholl, Scott Pacholl, and McAlister

**ABSENT:** None

**STAFF PRESENT:** Jon Erichson, Jim Hurm, and Tom Dankert

**ALSO PRESENT:** George Brophy, Craig Johnson, and Greg Meyer of the Development Corporation of Austin DCA, and Austin Daily Herald

**Item #1 – Senior Center tour** – The Mayor and City Council took a tour of the Mower County Senior Citizens Center from 5:30 to 6:00.

**Item #2 – Flood Update** – Public Works Director Jon Erichson gave council an update on the status of the flood grant applications to date. Mr. Erichson stated a grant for the Wildwood Park area has been tentatively approved by FEMA. The \$1.65 million grant will cover 75% of the estimated costs to remove the homes (17 total), and should also eliminate sewer backup in other homes in the area. This grant would allow for the removal of contiguous homes also, so that an entire street could be removed. The other 25% of this cost is being proposed to be split 50/50 with a DNR grant plus local dollars (including credit for staff time). Mr. Erichson noted he has received word from the DNR that our chances of getting funding for this grant are high. Our local cost is proposed to come from the Fund 24 \$1 million deposit the city made a few years ago. Mr. Erichson stated we should be able to start making offers in late 2005.

Mr. Erichson also discussed the Railroad Yard grant application for the removal of some commercial properties (Jim's Supervalu, B & J Bar, Eagles, etc.) noting the city received a \$465,000 Community Development Block Grant. The City also completed a DNR Block Grant that is looking pretty favorable for funding. The affected properties have been appraised, along with the required review appraisals. Letters may be going out soon to the affected property owners regarding the appraised values of their property.

In regards to the grant for infrastructure replacement, it appears the lift station repairs will not be funded by a grant. We will bid out the removal of the Driesner Lift station and pay for it with Wastewater Treatment Plant funds.

Scattered site acquisition is still in process as we have not heard if the federal government will fund a portion of the cost. The state government has asked us to rework the grant as originally we applied for more funds than can be granted. The estimated grant application will be for approximately \$500,000 to \$600,000.

Mayor Rietz questioned how many properties are we looking at. Mr. Erichson noted it would be eight to ten properties.

Turtle Creek improvements may need to be pursued in 2006 with state bonding money.

Mayor Rietz questioned the status of the North Main Street study. Mr. Erichson stated the consultant has 120 days to complete, but we need to first do some modeling through FEMA.

**Item #2 – DCA Relationship with City –** Craig Johnson, President of the Development Corporation of Austin (DCA) presented council with a background of the DCA's dealings. Mr. Johnson noted the DCA is the economic development arm of the City of Austin. Mr. Johnson noted the DCA mainly deals with industrial clients, and mainly those clients that import dollars into the community. Mr. Johnson noted the DCA does not do grants to retail businesses. The Board of the DCA is made up of 9 elected board members, and two at-large members (City Council and Mower County Commissioner representatives).

Mr. Johnson noted that by statute the city can provide up to \$50,000 to the DCA, but additional funds can go forward for other economic activities. Mr. Johnson noted the city has given as much as \$85,000 per year, all of which is needed for operational purposes. Mr. Johnson noted the DCA, however, has been using investment earnings to help offset the rising costs of operations. The investment earnings were meant to help grow the corpus (currently still at \$1.25 million). Mr. Johnson noted the request of the DCA is for the city to increase the allocation from the current amount of \$75,000 to \$85,000, or the old amount. Mr. Johnson also noted the goal is to get somebody operating at the Cook Farm site.

DCA Executive Director George Brophy stated that private companies have put in funds for the corpus. This is the loan fund. On an annual basis the DCA spends \$185,000 for operational costs. Other cities in the area spend 150% to 200% of that amount on operations. The DCA would like to grow the corpus by not spending investment earnings on operations.

Greg Meyer, one of the Board of Directors, noted that the DCA has been a conduit for putting business deals together. Mayor Rietz added that the DCA also provides expertise to other local businesses. Mr. Brophy reiterated that the DCA is the industrial arm of the city. Council Member Jorgenson stated that the DCA has been a great experience for her, noting her approval of additional funding for the DCA.

**Other Items –** Mayor Rietz noted that the next city council meeting will be on Tuesday September 6 (as Monday is Labor Day). A council work session will follow immediately after the meeting.

Council Member Scott Pacholl is also not able to attend the Austin Convention and Visitors Bureau duties as a liaison to council due to his work schedule. In his place, Council Member Hecimovich has agreed to the appointment.

Mayor Rietz also stated the Coalition of Greater Minnesota Cities is looking for people that would like to become more involved. Mayor Rietz noted the Coalition's efforts are the reason Austin received more LGA in 2006.

On Monday August 22, 2005 at 5:30 the city council will hold a work session on the 2006 proposed budget and tax levy.

July 3 will also be a council meeting night, even though the next day is the 4<sup>th</sup> of July.

Council Member Dick Pacholl questioned why the police have to deliver two packets. Could one be delivered on Friday? Mayor Rietz noted one packet is delivered on Thursday (for the Council meeting) so that council may call staff on Friday if they have questions, however Mayor Rietz noted she could work with having just one day of packets delivered. No objections noted.

Moved by Council Member Nordin, seconded by Council Member Dick Pacholl to close the meeting at 7:00 p.m. under Minnesota Statutes 13D.03 for labor negotiations. Carried 7-0. Council Member-at-Large Christopherson abstained.

See tape recording of closed meeting.

Moved by Council Member Hecimovich, seconded by Council Member Jorgenson to open the closed meeting at 7:42 p.m. Carried 7-0.

With no further business, motion by Council Member Nordin, seconded by Council Member Scott Pacholl, to adjourn the meeting at 7:43 p.m. Carried 7-0.

Respectfully submitted,

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Tom Dankert  
Director of Administrative Services