

MINUTES
CITY COUNCIL ADJOURNED MEETING
TUESDAY, FEBRUARY 21, 2006
5:30 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Rietz, Council Members McAlister, Baker, Dick Pacholl, Scott Pacholl, Hecimovich and Nordin. Council Member-at-Large Christopherson.

MEMBERS ABSENT: None.

OTHERS PRESENT: Austin Daily Herald. Austin Post Bulletin. KAUS. Sarah Schaffer, director of the Mower County Senior Center. Tom Sherman. Kermit Thomas.

Removed from the agenda: A public hearing regarding authorization of a revolving loan for the B&J Bar for relocation in the Railroad Revitalization Project Area.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, approving the agenda as amended. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, approving the council minutes of February 6, 2006 and public hearing minutes of January 23, 2006. Carried.

Sarah Schaffer, director of the Mower County Senior Center, spoke to Council and updated them on the center. Ms. Schaffer has been director for six months. They have done a thorough cleaning of the center and subsequently had a rummage sale and auction. With a grant received from the Hormel Foundation last November, they have updated there computers and bought a new printer.

Council Member McAlister noted the center has some good people on the board that have taken a personal interest. The center is now financially better according to their audit.

Kermit Thomas spoke to Council regarding a Rochester group on immigration who are planning to come to Austin for a peaceful demonstration on Saturday. Mayor Rietz said there is another side to his objection.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Nordin, approving the consent agenda as follows:

Master Plumber: Superior Plumbing & Heating, 1244 60th Avenue NW, Rochester, MN

K&S Heating & Plumbing, 4205 Hwy 14 West, Rochester, MN
Plumber Services, 5012 Viola Rd NE, Rochester, MN
Patterson Plumbing & Heating, 119 5th Place SE
Geno's Plumbing & Heating, 220 Elizabeth, Albert Lea, MN
Concrete: Northern States Masonry Co., RR #2 Box 18, Glenville, MN

Claims:

- (a) Financial and Investment Reports.
- (b) Pre-list of Bills.

Carried.

A public hearing was held on sidewalk improvement on Project 2-C-06, 2006 Sidewalk Replacement Program.

Public Works Director Jon Erichson said public informational meetings have been held on all of the city street and sidewalk projects, and these were well attended. The presentations tonight will be on the overhead projector.

The Sidewalk Replacement Program for 2006 will be in the Northeast Quadrant, within the boundaries of Oakland Avenue, Highway 218, and I-90. The goal is to reduce the number of trip-and-fall claims against the City of Austin. The sidewalks have been surveyed and quantities have been put together. The City will bid the project and work will occur during the summer of 2006. Residents will be assessed in the fall.

The city will repair deficient sidewalk that has heaved, deteriorated, has been hand-patched or has cracked and become separated.

Jon Erichson reviewed the four options for paying the assessment. The assessments are estimated as follows: \$85 to \$95 per panel for 4" sidewalk, \$105 to \$115 per panel for 6" sidewalk, and \$50 per panel for sidewalk grinding.

Council Member Baker questioned what the estimated total cost would be. Mr. Erichson said every year the project is approximately \$100,000. It is a larger project this year; it is estimated to cost \$115,000 to \$120,000. The City assesses 100% of the cost, however, regardless of the budget. The one exception is for corner lots. The city is responsible for the corners.

Council Member Baker questioned if there have been claims on this project. Mr. Erichson did not know for sure, but the Street Department also replaces other sidewalk in the city which have been attributed to trip-and-fall claims.

Rob Kvam questioned what sidewalk would be fixed. Mr. Erichson said the city would not replace all sidewalk, only deficient sidewalk which has been cracked or heaved. Mr. Kvam questioned if the city knew how many panels would be replaced. Mr. Erichson said they did.

No other comments were made.

Moved by Council Member Nordin, seconded by Council Member-at-Large Christopherson, adopting a resolution ordering improvement, approving plans and specifications, and ordering advertisement for bids for 2-C-06. 7-0. Carried.

A public hearing was held on street and sidewalk improvement on Project 1-A-06, Burr Oak Area. Pictures were shown of deteriorating pavement on 3rd Street NW. The narrow width of this street was also noted. Pictures of 10th Avenue was shown, which has deteriorated pavement and poor drainage. Stairs in the public sidewalk on 10th Avenue and 12th Place NW will be eliminated, as will the bollards on 12th Place. Curb and gutter will be installed on 10th Avenue also. The small, circular south island will be eliminated and one, long island will be created. Nine pine trees on the island will be removed in order to widen the streets from 18 feet to 22 feet. Decorative street lighting will be installed. New landscaping will be part of the plan.

Council Member Nordin questioned whether the north end of the island would be reconfigured. Assistant City Engineer Steven Lang said it would not. Mr. Lang added that this project would be done in three phases to accommodate residences north of this area. 12th Place NW could be made into a two-way street temporarily. Mr. Lang reviewed the project benefits and the four assessment options.

Assessments for the project are estimated at \$31.50 per linear foot for residential; \$46.50 per linear foot for commercial; \$95 to \$100 for 4" sidewalk panels; and \$110 to \$115 for 6" sidewalk panels.

Council Member Nordin questioned the time length of this project. Mr. Lang said the Street Department would work with the residents and work around any major events. The project is expected to last three months.

Council Member Dick Pacholl questioned the width of the island. Mr. Lang said the island is currently 30 feet wide. Mr. Erichson said residents were "pleasantly surprised" that the island would remain.

Mayor Rietz questioned if any trees would remain on the island. Mr. Lang said quite a few smaller pine trees would stay.

Council Member Baker questioned if the powerline would stay. Mr. Erichson said the above-ground electrical would remain as-is. Council Member Baker then questioned if the project is still at \$350,000. Mr. Erichson said he believes that the project is still in that area; the project would be bid soon which will give final quantities.

No other comments were made.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adopting a resolution ordering improvement, approving plans and specifications, and ordering advertisement for bids. 7-0. Carried.

A public hearing was held on street and sidewalk improvement on Project 2-A-06, 2nd Street NE (1st Avenue to 4th Avenue). Projects 7-A-05 and 12-A-05 were presented at the same time as they will occur simultaneously. Steven Lang showed pictures of deteriorated and cracked panels on 2nd

Street NE, as well as some settling of curb and gutter. Pictures of 2nd Street NE were shown of cracked panels and deteriorated joints. Extensive patching has occurred on these streets.

Project scope: Concrete pavement curb and gutter will be removed and replaced with 8" thick concrete pavement, curb and gutter. The bump from the old railroad crossing on 1st Avenue and 3rd Avenue will be eliminated. On 3rd Avenue, the brick pavers will be replaced with exposed aggregate concrete sidewalk. For the storm sewer, catch basins, laterals and mains will be upgraded, and drainage tile will be installed the length of the project. Spot repairs will be made to the sanitary sewer main as needed. Decorative lighting will be installed on 3rd Avenue and 2nd Street. Austin Utilities will replace water main, make gas repairs and electric duct repairs on 2nd Street NE. On 3rd Avenue NE, they will replace the water main and make gas repairs. No work by Austin Utilities is planned for 1st Avenue SE. Telephone and cable upgrades will be made as needed. Mr. Lang reviewed the project benefits and four assessment payment options. The estimated assessments will be the same as the previous project.

Council Member Dick Pacholl questioned having decorative street lighting off of Main Street. City Engineer Jon Erichson said this is consistent with other areas – such as First Drive NW, South Main and 4th Avenue NE – which are not directly on Main Street. This also ties in with our efforts for downtown revitalization. In addition, the lighting needs to be replaced. We have 75 to 90 lights on Main Street, and about 125 to 150 lights off of Main Street; however, the density decreases off Main Street. Mr. Lang said two less lights would be installed for this project.

Council Member Dick Pacholl still noted that they are “not cheap.”

Council Member Baker noted these are three projects together, and are they still targeted in the \$900,000 range? Mr. Erichson said the only thing that could vary would be the sanitary sewer or storm sewer cost, and this cost could be covered through the stormwater management fund.

Council Member Baker questioned that this is a Minnesota State Aid street; yet we are still assessing. Mr. Erichson said though the City receives \$900,000 from the State from gas taxes, it is our policy to assess residents equally. The amount we receive each year pays for all the projects.

Tom Sherman, property owner on 2nd Street, questioned any enhancement value to the property. Mr. Sherman also questioned the assessment difference on commercial versus residential property.

Mr. Erichson said typically roads where residential properties are located are 36 feet wide and roads adjacent to commercial properties are 40 to 45 feet wide.

Kermit Thomas noted that some trucks are using certain roads in town. Mr. Erichson said that the roads coming off all three I-90 exits are 10-T routes; they are designed to accommodate the semis.

No other comments were made.

Moved by Council Member Nordin, seconded by Council Member Hecimovich, adopting a resolution ordering improvement, approving plans and specifications, and ordering advertisement for bids for 2-A-06. 5-2. Council Member Dick Pacholl and Baker voted nay.

A public hearing was held for street and sidewalk improvement on Project 7-A-05, 3rd Avenue NE (1st Street to 4th Street NE).

No other comments were made.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Nordin, adopting a resolution ordering improvement, approving plans and specifications and ordering advertisement for bids. 5-2. Council Member Dick Pacholl and Baker voted nay.

A public hearing was held on street and sidewalk improvement on Project 12-A-05, 1st Avenue SE (2nd Street to 4th Street).

No other comments were made.

Moved by Council Member Nordin, seconded by Council Member-at-Large Christopherson, adopting a resolution ordering improvement, approving plans and specifications, and ordering advertisement for bids. 6-1. Council Member Baker voted nay.

A public hearing was held on street and sidewalk improvement on Project 3-A-06, East Side Lake Area (11th Street NE to 15th Street. Steven Lang showed pictures of deteriorating pavement, extensive patching and areas with no curb and gutter. Some curb and gutter is on 13th Street, but it is cracking and improvement should be made for drainage. The project will include removal of asphalt pavement, curb and gutter and replacement with asphalt pavement, and curb and gutter at a width of 30 feet curb to curb. Deficient sidewalk will be replaced. Storm sewer laterals, mains and catch basins will be upgraded. Drainage tile will be installed the entire length of the project to improve subsurface drainage. Sanitary sewer mains will be televised to determine if spot repairs are needed. Austin Utilities will replace the water main in the entire area. Park roads will be removed and the material will be used to create a berm for flood protection. Telephone and cable utilities will be upgraded as needed. The four assessment payment options were explained, as were the estimated assessments which would be the same for all 2006 projects.

City Engineer Jon Erichson further explained the flood berm which is planned. This would cost approximately \$150,000 to do so this plan would be a potential cost savings. Mr. Erichson said a conditional use permit would be required before this is done.

Mayor Rietz questioned what would happen if this project were not done. Mr. Erichson said he didn't think the project would be done if it were found to be not feasible. This could be bid as an option. We would determine funding options and then see how we would want to proceed.

A citizen questioned Mr. Lang regarding 15th Street and its current elevation and the need for curb and gutter. Mr. Lang said the current drainage is not good; curb and gutter would be put in place and the road leveled so it "won't be humped up quite so much." Curb and gutter would help extend the street's life by creating better drainage. Also, curb and gutter gives people a better idea where to park.

Council Member Baker questioned if this would be two separate projects. Mr. Erichson said there would be a thorough study of the flood berm prior to any bidding on the streets, but this would be put on as a component so there would actually be two bids.

Mayor Rietz questioned the timeframe on this project. The project will get underway as soon as possible – hopefully by the end of May.

No other comments were made.

Moved by Council Member Dick Pacholl, seconded by Council Member-at-Large Christopherson, adopting a resolution ordering improvement, approving plans and specifications and ordering advertisement for bids, including the flood berm option. 7-0. Carried.

A public hearing was held regarding authorization of a revolving loan for Lakeside Properties LLC (Super Valu) for relocation in the Railroad Revitalization Project Area. The City has a revolving loan fund – fund 63, the balance of which is over \$200,000. A request has been received from Jim Baldus, owner of Jim's Super Value for a \$175,000 loan over a 10-year period at 1% interest to help him move to the Railroad Revitalization area. This was reviewed and recommended by the city council in work session. City Administrator Jim Hurm noted that the loan complies with Criteria C and D of the city's Business Subsidy Criteria:

Criteria C: Retaining Jobs Where Loss is Imminent and Demonstrable.

The current commercial development is a repetitive loss structure, which is subject to the flood damage limitations of the city code and FEMA regulations,
and

Criteria D: Stabilizing the Community.

There is a sense of urgency in creating commercial stability in the east side by relocating it to this redevelopment area. The project encourages redevelopment in a redevelopment district (blighted area).

Finance Director Tom Dankert requested that the motion be contingent upon receiving the business plan application and the credit report. City Administrator Jim Hurm said another contingency is for receiving details of the personal guarantee.

No other comments were made.

Moved by Council Member Nordin, seconded by Council Member Dick Pacholl, adopting a resolution authorizing the loan to Lakeside Properties LLC with the three aforementioned contingencies. 7-0. Carried.

A public hearing was held regarding authorization of a revolving loan for the Eagles Aerie No. 703 for relocation in the Railroad Revitalization Project Area.

The Eagles are requesting a \$60,000 loan at 1% interest for 10 years. They Club has submitted an application. This is similar to the Lakeside Properties LLC loan; the difference is that there is no personal guarantee.

City Attorney David Hoversten said because there is 50 to 60% in equity, the City could consider waiving the personal guarantee. The City could take the second mortgage if the Eagles defaulted, and the City would then redeem more money than it would have loaned.

City Finance Director Tom Dankert said the City has not yet received a prospective financial statement of how they would make payments on the loan. Community Development Director Craig Hoium recommended that the City enter into the redevelopment agreement.

Council Member McAlister requested to wait until all the materials are in before approving the loan. City Attorney David Hoversten advised Council that if they were to continue the hearing, they should continue it to a specific date.

County Commissioner Dick Lang thanked the Council and said he was very pleased to see this progress. This is a project that was begun 15 years ago.

No other comments were made.

Moved by Council Member Hecimovich, seconded by Council Member McAlister, continuing the hearing to March 6. Carried.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Nordin, setting a public hearing for March 20, 2006 on proposed assessments for Project 1-A-06, 2-A-06, 3-A-06, 7-A-05, and 12-A-05. 7-0. Carried.

At a recent work session, the City Council has reviewed and discussed a ½-cent sales tax for flood mitigation activities. The City Council is requested to now approve a resolution which will be taken to the Minnesota Legislature for their approval to be put before the voters in a referendum vote next fall. The tax would be set at a 0.5% rate, utilized for capital flood mitigation projects only, be set to expire twenty years after its inception, and is estimated to produce \$14,000,000 in total revenues over said period.

Council Member Dick Pacholl noted that this should be considered a temporary tax. If the City Council should want to extend this, it would need to go back to the Legislature. This action is “not favoring certain people or persons.” We are trying to protect the City of Austin from further flooding from the north, east and west of us. We need to look at the number one thing on the list. Council Member Dick Pacholl added that he is “100% in favor” of this action.

Kermit Thomas said the Cedar River should be cleaned out down below. City Engineer Jon Erichson said all the options that Mr. Thomas has suggested have been looked at. We need to have improvement in land practices north of the city. He said he can review with Mr. Thomas the comprehensive plan for flood mitigation.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, adopting a resolution regarding a ½-cent sales tax for flood mitigation purposes. 7-0. Carried.

The State has changed its rules regarding the sale of 3.2% malt liquor on Sundays. The City Code should now be updated as well to allow for 3.2% malt liquor sales at 10:00 am on Sunday.

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, for the city attorney to prepare the ordinance. Carried.

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, for adoption and publication of the ordinance. 7-0. Carried.

The City has received a request to review our Snow Emergency Parking Ordinance, specifically addressing parking lots throughout the downtown area. This has now been reviewed and two parking lots – the old library lot and the lot behind Steve’s and Thirsty’s – would be added to the allowable parking during snow emergencies.

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, for the city attorney to prepare the ordinance. Carried.

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, for adoption and publication of the ordinance. 7-0. Carried.

The City Council has set new goals for 2006 during their annual retreat. The goals are as follows:

PRIMARY GOALS

- Flood mitigation
- Main Street Project
- Police Department location planning
- Economic Development
 - a) Centralization of economic development efforts
 - b) Cook Farm Industrial Park promotion
 - c) Assist with Hormel Institute expansion
- Promote more use of arenas

OTHER GOALS

- Planning for the re-use of flood properties
- Help KSMQ with relocation
- Facilitate move of Park & Rec office for Paramount use
- Better use of KSMQ and cable TV for interactive government
- Assist with relocation of AMCAT bus location
- Succession planning for city personnel
- Wireless internet for the community

ALSO LISTED

- Splash park at pool
- Early childhood initiative program assistance
- Quarterly retreat format for Council – focus on goals
- Help with attracting retail to the community

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, adopting the goals. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 401 Main Street S., Valle Property. Carried.

Moved by Council Member Dick Pacholl, seconded by Council Member-at-Large Christopherson, granting the Planning and granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 1602 Oakland Avenue East, Ruble property. Carried.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Dick Pacholl, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 1107 12th Avenue NE, Raimann property. Carried.

Referring the following issue to Matters In Hand: Establishing a committee to make recommendations regarding the Police Civil Service.

City Administrator Jim Hurm said this committee should likely meet for about three months. Mayor Rietz said we would also receive input from citizens.

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, referring the matter to Matters In Hand. Carried.

Park and Rec Director Denny Maschka requested Council authorize ice rental at Packer Arena for the months of March and April. The Austin Hockey Association and Austin Figure Skating Club have already paid upfront for their usage.

Moved by Council Member McAlister, seconded by Council Member-at-Large Christopherson, authorizing the ice rental at the Packer Arena. for March and April 2006. Carried.

REPORTS:

The CVB is holding an event for conference planners on March 6 from 5:00 to 8:00 pm at the Holiday Inn.

Council Member Nordin said she received a letter from a citizen which stated that she was displeased with the new mouse system at the library. Library Director Ann Hokanson said they lost the button system when the whole region had to change over their systems; this was not an option. The library does, however, have adaptive mice, and the library offers computer classes. She said the new system essentially does the same thing, and behind the scenes, operations are much easier and more efficient.

Council Member Dick Pacholl requested Council work on a number of the items which have been put on Matters In Hand. He questioned what is happening with the Gary Anderson property. Mr. Erichson said they will find out if they are eligible for funding on that property and will come back to Council when the decision is made.

Mayor Rietz announced that she will be heading to Wiggins, Mississippi this coming weekend. They will be meeting their mayor among other things.

The next Blandin Leadership Program workshop will be April 3 – 7.

Next Sunday is a festival of all churches event in connection with our sesquicentennial. This will take place at Knowlton Auditorium.

The work session scheduled for March 7 will be held on March 6 after the council meeting due to caucuses being held on March 7.

April 17 is the date for the open house for City Hall. This is the date in 1856 that the city was platted. The month of April is government month for the sesquicentennial.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adjourning the meeting to March 6, 2006. Carried.

Adjourned: 7:19 pm

Approved: March 6, 2006

Mayor: _____

City Recorder: _____