

M I N U T E S
COMMITTEE-OF-THE-WHOLE WORK SESSION
April 4, 2006
City Hall Conference Room
5:30 p.m.

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

ABSENT: None

STAFF PRESENT: Jim Hurm, Denny Maschka (5:30 to 5:35 p.m.), Trish Wiechmann, and Tom Dankert

ALSO PRESENT: George Brophy, KAAL TV-6, KAUS Radio, Austin Post Bulletin, and Austin Daily Herald

The Mayor called the work session to order at 5:30 pm. And noted items #1 and #2 will be removed from this agenda and added to a future agenda as the Police Chief will not be able to attend this evenings meeting.

Other Item – Sale of Arena Flooring– Parks and Recreation Director Denny Maschka noted he has a request from Horner Flooring to purchase our old gym floor and baskets. Mr. Maschka noted we have been trying to sell the floor for a number of years, and this is the first request we have had. Mr. Maschka noted the price would be between \$10,000 and \$15,000.

Council Member Dick Pacholl questioned if this floor could be used at Riverside Arena for the Youth Activity Center. Mr. Maschka stated that the flooring would cover a portion of the concrete floor, and would create issues as the flooring sits above the floor, so we would have some potential issues with the rise up to the floor. It is also hard to move the floor in and out of the facility.

Motion by Council Member Hecimovich, seconded by Council Member Nordin to authorize Mr. Maschka to negotiate the sale of the flooring and baskets. Carried 7-0. No further action needed as council approved the sale of this at a prior council meeting.

Item #4 – Economic development report – George Brophy, DCA Executive Director handed out a two-page memo outlining some of the activities of the DCA for February and March of 2006. Included in Mr. Brophy's report were the following:

- City of Austin Activity
 - Main Street Committee
 - APEX meetings
 - City clients such as Lakeside Properties, Eagles Club, and Andre Stouvenal
- DCA Activity
 - Board meetings
 - Annual meeting

- Strategic planning for DCA
- DCA Technical assistance requests
- Marketing
- Hormel Institute

Mr. Brophy went into detailed discussions on many of the items he has been working on. Additionally he has invested some time into researching housing developments such as is being done in St. Peter, Minnesota. There, housing in the range of \$125,000 to \$175,000 is being done to entice new professionals to live their and attend the schools.

Council Member Baker noted he would like to see some brick and mortar at the Cook Farm site soon. Additionally, Council Member Baker noted we have a poorly coordinated community development program.

Mr. Brophy stated we have a good supply at the Cook Farm site, but we have no demand. Manufacturing firms are leaving the United States in record numbers. Our best bet is to entice businesses that deal with other local businesses to build at the Cook Farm site. Additionally, Mr. Brophy noted he assumed we are going to give the land away also, not sell it. As far as community development coordination, Mr. Brophy agreed that things are poorly coordinated. On some regular basis, Mr. Brophy noted some coordination needs to take place.

Council Member Hecimovich questioned what Owatonna's secret was. Council Member McAlister stated that I-90 had something to do with it. Mr. Brophy stated that Faribault is also growing, but Owatonna is 40 miles from Mankato and Rochester. Owatonna has Buzz Kaplan and his desire some many years ago to start OTC and Wenger companies. There is some deep rooted history in Owatonna.

Mr. Brophy also reiterated that Council should not pressure itself to get the money back out of the Cook Farm site, as the infrastructure costs will more than likely have to be given away to entice business into Austin.

Mayor Rietz noted she would like to see one person in charge of economic development. The DCA issue is that they have a separate board overseeing their director.

Council Member Baker stated that we need to take a look at how aggressively we go after companies by offering financial assistance. Austin's job growth seems to be slow. Is this a coordination problem? Council Member Baker stated he did not know the answer, but did know that we need to do some things differently.

Mr. Brophy noted Owatonna has incubators and have invested in excess of \$800,000 into single buildings to help grow local businesses. Albert Lea is doing this also as they have concluded that people will not want to move to this area. These cities are willing to lose a million dollars plus with these investments. Council Member Hecimovich stated that the Cook Farm was a big investment for which we have had absolutely no return.

Council Member-at-Large Christopherson stated that DCA Chairperson Craig Johnson stood in front of the council four or five years ago and asked the city to put big dollars into the

infrastructure at the Cook Farm site. It was controversial back then, but we kept up our end of the bargain and now I am frustrated as DCA stated they would get it filled after we built it.

Council Member McAlister stated he does not buy that argument. We now have infrastructure in our farm field and it is ready for development. We need to have these things here now in order for people to come here. It is not fair to lay the blame on the DCA. We need to shut up and invest in some of these things. Council Member McAlister stated he was not going to say no to everything. Council Member-at-Large Christopherson stated he said yes five years ago, and has yet to see any progression out at the Cook Farm site.

Council Member Scott Pacholl stated that maybe the City needs to take on the progression. Council Member-at-Large Christopherson questioned how much should taxpayers keep paying for this progression? Council Member-at-large Christopherson stated he needed to see a return on his investment. We have already taken a \$1.5 million leap at the Cook Farm site.

Mayor Rietz noted it might be good to have an entire work session dedicated to economic development. Mayor Rietz noted a questionnaire could be sent to the Port Authority, DCA, Chamber of Commerce, and others to discuss economic development in our community.

Council Member Baker noted he did not want to waste any more time on talk; he wants results.

Item #5 – Human resources – Mr. Hurm stated the goal of this review is to go over some of the items that were brought up at the council retreat.

Human Resources Director Trish Wiechmann discussed an overview of her position and the duties for which she is responsible, including employee relations, health and safety programs, and liaison to other committees. Mayor Rietz questioned how the new health program is working out. Ms. Wiechmann stated that things appear to be going well, even though there are many plan options. The HSA's are getting people involved in the decision making process and more people are getting educated. Ms. Wiechmann noted she has heard many good comments from people.

Ms. Wiechmann also discussed the policies and the employee handbook that Council adopted some years ago. All employees receive a copy of the book, and policy revisions are made by Council throughout the year. Any labor contract supersedes the policy manual. Policies will continue to be revised by Council.

Ms. Wiechmann also discussed the hiring process, including an example on the recently hired Wastewater Treatment Plant position. Council Member Hecimovich questioned if seniority follows an employee that takes a new job within the city. Ms. Wiechmann stated that some contracts have seniority listed, but vacation seniority would not be lost by moving into a new position within the city.

Council Member Baker questioned if we use quantitative goals and specific goals for department heads to be evaluated on, and do these match Council's goals. Council Member Baker noted we should have some evaluation for merit. Ms. Wiechmann stated that we do not, but such a system would be nice to be implemented. The Library Board, for example sets specific goals for the

Library Director, but there is no level of compensation added as she is covered by a union contract.

Mayor Rietz noted Mr. Dankert and Mr. Hurm have merit pay provisions within their contract, but they have never been exercised by either party. Mayor Rietz noted we could not tie merit pay to the department heads due to the existing AFSCME contract.

Council Member McAlister stated everybody at the Police Department gets an annual review, except the Police Chief.

Council Member Baker noted these are important to do, and they don't need to be necessarily tied to pay.

Ms. Wiechmann also discussed comparable worth and pay equity. Originally, Austin went through a pay equity study in 1991 and 1992. This created our current pay system and pay equity report. Austin was responsible to file this for December 31, 2005 and passed with the bare minimum of 80%. Mr. Hurm noted we should re-do the entire system, but we are not recommending this right now. Maybe we can look at a few positions each year. It is difficult to comply with the report by freezing positions and giving others raises. This is especially true based on our bargaining history.

Council Member Baker stated this was not a good report for pay equity. Men dominate the big high paying jobs, and it is important to come closer to pay equity. Council Member McAlister stated this whole process was stupid. You cannot compare a librarian to the Police Chief, it is impossible. Mr. Dankert noted this report is looked over by Cy Smythe's daughter to ensure correctness. Mr. Dankert noted Cy's daughter Ann, who now works for Springsted, could look at this report and get us up to 85% with a few minor wage adjustments.

On succession planning, Ms. Wiechmann stated that we have no adopted policy, and there are not too many cities that do. Our goal is to still hire the best possible candidate for the job, regardless if they are an internal candidate or an external candidate. Ms. Wiechmann noted we could have several retirements in the very near future. Mayor Rietz noted sometimes we need stability, while at other times we need a change.

Council Member-at-Large Christopherson stated that if employees are going to be retiring, that we should have plenty of advance warning. Mayor Rietz stated that our department heads usually give us more than the two week required notice.

Item #3 – Regional flood presentation – Council Member Hecimovich stated there were a few options on the regional flood issue. A combination of the Turtle Creek and Cedar River Watershed is one option. Freeborn County does not want in, but they could be. There is some taxing issue that they are concerned with. Dodge County does not want to be part of this, as they send the water here, they do not have the flood problems. Council Member Hecimovich noted that there are no good positions yet as there is no consensus from the group as to what direction they would prefer. There is a meeting on April 18 for the Turtle Creek watershed for a recommendation from their group. Mower County Commissioner Dick Lang has stated that we need to move forward on this.

Item #7 – Closed session - Motion by Council Member Nordin, seconded by Council Member McAlister, to close the meeting at 7:20 p.m. under M.S. 13D.03 to discuss the grievance arbitration. Carried 7-0.

See tape of closed meeting.

Motion by Council Member Hecimovich, seconded by Council Member Nordin to reopen the closed meeting at 7:34 p.m. Carried 7-0.

There being no further business, Council Member Dick Pacholl moved to adjourn the work session, seconded by Council Member Nordin. Motion passed and the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Tom Dankert
Director of Administrative Services