

M I N U T E S
COMMITTEE-OF-THE-WHOLE WORK SESSION
August 22, 2006
City Hall Conference Room
5:30 p.m.

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

ABSENT: None

STAFF PRESENT: Jon Erichson (arrived at 6:20 p.m.), Paul Philipp, Jim Hurm, and Tom Dankert

ALSO PRESENT: Craig Oscarson, Dave Hillier, and Terese Amazi from Mower County, Sandra Session-Robertson from KSMQ, Public, KAAL TV-6, Austin Post Bulletin and Austin Daily Herald

Item #1 – KSMQ report – Sandra Sessions-Robertson gave an update on the status of KSMQ since she took over as president and CEO of the organization. Ms. Robertson noted she only intended on staying for six months, but immediately liked what she saw in the station and the potential it had to grow. KSMQ needs to be a regional system that provides a dependable broadcast to its citizens. We do not sell products, we are educational and informational only, noted Ms. Robertson. KSMQ has over 655,000 customers, and the city support that has been received is much appreciated. Much of the funding for KSMQ comes from federal grants that need to be matched by local funds, both actual cash and in-kind contributions. On an annual basis, \$800,000 is needed to be raised locally.

Ms. Robertson stated that KSMQ is now a community-owned asset, made up of the City of Albert Lea, City of Austin, Hormel Foods Corporation, Hiawatha Broadband, Southern Minnesota Initiative Foundation, Riverland Community College, and the Welcome Center. The station is seeking a minimum annual commitment of \$25,000 (cash or in-kind) from each of these boards. Ms. Robertson stated she is challenging all of the partners who are seated at the table to stand up and meet the full potential of the organization. Ms. Robertson noted that in addition to the annual \$25,000 contribution, she would like to do a program on Austin as a regional city project that would air on their station, with a cost of \$25,000.

Council Member Dick Pacholl stated that in the past, KSMQ was looking for a new place to operate out of. Ms. Robertson stated that Riverland Community College President Terry Leas has stated that we will always have a home at Riverland Community College if needed. Currently, Ms. Robertson noted she would like to focus on the programming side of things to get viewership increased.

Council Member Baker questioned if Main Street Inc. has looked at a downtown location for KSMQ. Mr. Hurm stated that they have looked in the past, but nothing recently. Ms. Robertson noted she would like to have this discussion in two years as to a future location.

Mayor Rietz thanked Ms. Robertson for her presentation and that Council will review her request.

Item #2 – Location of Police Department – Mr. Dankert discussed the financial aspects of the Police Department separating out from the proposed Justice Center and moving into their own building in downtown Austin. Mr. Dankert outlined the different capital and operational costs that the city council needs to analyze, as follows:

- Capital costs if we were to stay with Mower County would estimate \$4,373,678 to \$5,579,925 for a facility that included 19,678 of common/police department/dispatch space. Building our own Police Department, but leaving dispatch and records with Mower County would be estimated at \$3,744,456 to \$4,568,875. Moving all police functions out and going in with Steele County for dispatch services is another option we are exploring, but this amount can not yet be determined as a feasibility study needs to be performed.

Mr. Dankert noted that the capital costs for going on our own at this time may allow for a savings to the city of \$500,000 to \$1,000,000. This is all due to a building size of 15,000 square feet in the city proposal versus the 19,678 in the county's estimate.

The operational cost side is where we come into some funding issues. The three options were reviewed and the following are our estimates:

- If we are to stay with Mower County for dispatch and records management services, the estimated cost is our annual \$428,000 appropriation (as budgeted for 2006).
- If the Police Department moves out, but everything else stays with Mower County, we would need two additional staff people, plus our own building operational costs. We would also still be paying approximately \$428,000 of joint fees to Mower County. Our estimate for this option is a total of \$608,000 to \$643,000.
- If the Police Department were to move out with records, but dispatch stays, then the estimated costs would increase to \$608,000 to \$643,000 as an additional staff person (totaling three) would now be needed to handle records.
- Finally, if the city were to go the Steele County route, we would no longer have any costs associated with Mower County; we would have three additional staff members plus building operational costs; plus we would now have an annual fee to pay to Steele County for this service. We need the feasibility study in order to get these costs.

Police Chief Paul Philipp stated that he has felt that the two departments need to stay together, but not at the proposed site near the airport. Chief Philipp stated his favorite site would still be downtown, but he could probably work with the Cook Farm site.

Further general discussion ensued regarding why the County is building such a large facility, the city's involvement in the decision making process, and other general frustrations of the process. County officials noted that this facility is primarily a jail facility, which is their obligation under the law, not the city's.

Council Member Baker noted the best place for this is wherever both parties can be together. Council Member Baker noted his immediate concern is the loss of jobs in the downtown area. We need assurances that the Health and Human Service jobs will come back downtown.

County Commissioner Dave Hillier stated revitalizing downtown will only be from those businesses that sell something people want to buy. Mr. Hillier noted in the past he has pledged to bring the Health and Human Services people back downtown, as the current agreement for rent at the Oak Park Mall is becoming too expensive. Mr. Hillier noted there are 70 employees in these two departments and parking is a major issue. We will need at least half of one square block for our parking.

County Coordinator Craig Oscarson stated that all five board members have indicated in the past that they want the Health and Human Services employees back downtown. We could acquire the former USEM's block; we could remodel the current courthouse (which may cost close to the same amount as starting over); or we could move all County functions off-site. If we were to remodel this facility, we would need two city blocks for parking (employee and customer) and the building.

Mayor Rietz asked if the city and county can sit down and discuss this issue and the entire downtown area. Mr. Oscarson stated it could be a possibility.

Council Member Baker stated that if he is to commit \$5 million to this building, then he wants assurances that the downtown will be taken care of through a renovation. Mr. Hillier noted we want to accomplish one thing at a time. Mr. Hillier noted he is committed to downtown, but who knows who will even be a commissioner when that time comes. Mr. Hillier noted if we stay together on this project, then we can work together on another project.

Council Member Baker questioned how they will fund nearly \$4 million in annual debt service for this new building. Mr. Hillier stated you need to look at our alternatives if we do not build. Sheriff Terese Amazi stated that the Department of Corrections (DOC) is in the process of reducing our beds from 45 to 34. We need to remodel the kitchens, review transportation costs, and the judicial security costs. Mr. Oscarson said long-term we have only two options – build a new jail or contract out 100% of our boarding.

Mr. Hurm noted there appears to be three issues:

1. Health and Human Services and downtown
2. City paying for capital costs, again
3. The cost of dispatch services

Council Member Hecimovich questioned the cost of the facility if only a jail was constructed. Mr. Oscarson stated the jail is probably 53-54% of the entire cost. Mr. Hurm questioned why

Cerro Gordo County's facility is so much cheaper. Ms. Amazi stated that the jail is only 120 beds, there is only one court room, plus dispatch. Mr. Oscarson stated Iowa is also governed by different rules for the inmates.

Mr. Hillier noted we are not into it enough to determine if costs can be cut by reducing the scope of the project.

Council Member McAlister stated that he is not comfortable with this yet (either staying or going). The location at the airport is terrible and he does not want the two entities to separate. We need to get serious and stick together.

Mayor Rietz stated Austin residents pay 100% of the city levy, plus approximately 45% of the county levy. Mayor Rietz asked if the two entities' staff could work together on a joint resolution. Mr. Hillier stated the jail is the county responsibility, and it is good to stay together. The taxation issue will be debated forever. Chief Philipp has been involved as far as his needs for the new facility and the Police Department. Chief Philipp stated he was not invited for the original visioning committee meetings, but he did show up as an interested citizen. Chief Philipp agreed that office space was discussed with him. Mr. Hillier stated if the site is the only hang-up, we could look at the Cook Farm option.

Council Member Baker stated, but if we give you our \$5 million, would the County also discuss location, jobs downtown, and the dispatch costs? Mr. Hillier stated these could be additional costs to Mower County.

Mr. Oscarson stated if the courthouse stays, then the entire building needs to be gutted. Would the County be willing to do dispatch services at a county taxpayer cost? This may be a question for the judge to decide. As is, the Human Services Department will need a 3% to 30% Human Services tax levy increase.

Chief Philipp stated there needs to be some room to negotiate, but we also need to clear the air first. Council Member Hecimovich questioned if another extension should be sought. Council Member Baker stated we owe the county people an answer. We need to get together to hash this thing out. Mr. Hillier stated that we could get together to hash the issue out if it is relatively soon; we cannot wait until mid-October. Mr. Hillier stated he believes he still has the votes.

Chief Philipp stated that the feasibility study would need to be done if we were to join Steele County. The capacity is there, but the costs are what needs to be determined.

Mayor Rietz noted if possible an independent moderator is needed. After further discussion a meeting was scheduled for August 29, 2006 at 5:00 to 7:00 for the city council and county staff to have a meeting on five issues:

1. Dispatch services
2. Site of Justice Center
3. Jobs downtown
4. Jail only option
5. Capital costs

It was noted that a feasibility study by Steele County is not authorized yet.

Item #4 – Utilities easement – City Engineer Jon Erichson stated that he was going to give a presentation to Council this evening outlining a potential easement that is being requested by Austin Utilities to install infrastructure in the Cook Farm site from the east side of the project to the west side. Mr. Erichson stated we need to find out where the DCA is on the proposed building before we grant this easement. Plus, with the potential discussion of the Cook Farm site as an option for the Justice Center, this may change where the easement would go. Mr. Erichson reiterated that he does not want the easement approved until the DCA is ready to go. Mr. Erichson noted he will do nothing with the request until he hears back from the DCA.

Item #6 – Other Item – Hormel Institute – Mr. Erichson stated there is some infrastructure needs that could be done to correct some grading and road problems on the street in front of Hormel Corporate North and the Hormel Institute facilities. Mr. Erichson noted he is working on this with Hormel Foods and The Hormel Institute to come up with a way to do the road corrections. Estimated cost is \$1 million, but we can apply for a state infrastructure grant to cover up to \$500,000 of this project due to the Institute's bio-science connection. Mr. Erichson stated unless there are objections, he would go ahead and make the application for the project. At this time, there would be no requirement to commit to the project.

Motion by Council Member Hecimovich, seconded by Council Member Nordin to have Mr. Erichson move forward with the grant request. Carried 7-0.

Item #3 – Oakland Avenue Bridges – Mr. Erichson stated there will be a public hearing on August 23 in Council Chambers to review the Oakland Avenue bridge project as it relates to historical significance. Mr. Erichson noted if the scope of the proposed project were to be changed, then we would be in jeopardy of losing the \$1.7 million grant for the project. Since there are federal dollars being used here, a historical review is mandated by law. Mr. Erichson noted our grant was given a one-year extension to get the project done, and there will be no more extensions. The total cost of the project is estimated to be \$2.2 million, including the Austin Utilities improvements. Mr. Erichson stated the state statute mandates the County is responsible for bridges. However, the County does not have any money set aside to fix up the bridges.

Most council members noted they have been getting very few calls from the public on the issue.

This is for information purposes only, and no further action is needed by Council at this time.

Item #5 – Cooling Tower – Mr. Dankert noted the cooling tower on the roof of city hall is in need of replacement. The estimated cost is \$12,000 to \$14,000.

Motion by Council Member-at-Large Christopherson, seconded by Council Member Dick Pacholl, to recommend to Council the replacement of the cooling tower at city hall, funding to come from the Contingency line item. Carried 7-0. Item will be added to the September 5, 2006 council agenda.

Other Items – Council Member Dick Pacholl asked when the smoking ban ordinance would be reviewed. Mayor Rietz noted it would be discussed at the next council work session.

Council Member Baker noted this would be the last time that he will talk about something without backup given to him ahead of time. This message was to be transmitted to staff.

With no other items, motion by Council Member Dick Pacholl, seconded by Council Member Nordin to adjourn the meeting at 8:04 p.m. Carried 7-0.

Respectfully submitted,

Tom Dankert
Director of Administrative Services