

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
August 28, 2006
City Hall Conference Room
7:00 p.m.

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

ABSENT: Council Member Dick Pacholl

STAFF PRESENT: Jim Hurm and Tom Dankert

ALSO PRESENT: Austin Post Bulletin and Austin Daily Herald

Item #1 – Property Tax Levy Discussion – Council Member-at-Large Christopherson stated he has been thinking a lot about this, and noted we should be able to find \$150,000 within the budget. We should levy a tax based on capturing the growth (2.66%) only. Additionally, Council Member-at-Large Christopherson stated we should have the 10% surcharge included within the budget for our backup plan in the event the referendum for the sales tax is not approved by the voters, as the flooding problem needs to be fixed.

Council Member Nordin agreed with the 10% surcharge, but stated we should capture both the growth (2.66%) and a flat rate increase of 5.09% as originally proposed.

Council Member Baker noted his agreement with Council Member-at-Large Christopherson.

Council Member McAlister stated he is opposed to the surcharge for flood mitigation. Council Member McAlister stated he believed we would not be able to get the referendum passed if the surcharge option was still on the table. Council Member-at-Large Christopherson stated he is committed to getting the problem fixed. Council Member McAlister stated we have done all we can at this point in time. If the voters say no to the referendum, we will need to fund this over a longer period of time. Council Member McAlister stated he would like to leave the 2.66% levy for growth and the 5.09% general levy increase intact.

Mayor Rietz noted the citizen committee is working hard to get this out to the voters for their approval. Council Member-at-Large Christopherson stated if the vote by the citizens is overwhelming against the referendum, then that sends the message that we do not do the project.

Council Member Baker stated that we need to move past the “threat” stage as some people will view it as such; however, if the referendum does not pass, then we are still obligated to fix the problem.

Council Member Scott Pacholl stated that he would like to see the referendum passed, and if the citizens do have a choice they will take the “no tax” choice.

Council Member Hecimovich stated he could go with the no surcharge option, but we should leave in the 5.09% and the growth of 2.66%. If we don't have this in, and we need to help find some revenue, then this could be used. Council Member Hecimovich stated we need to put our trust in the voters.

Council Member Scott Pacholl stated the voters will see the good deal the sales tax would be for the flood mitigation efforts.

Council Member-at-Large Christopherson questioned where the funding would come from for both the Justice Center and the flood mitigation. Mr. Dankert noted between drawing the General Fund fund balance down, using the remaining Police PERA Fund, employee opt out savings, and Building Fund allocations we can come close to covering our costs in the Justice Center. However, Mr. Dankert noted there is no current backup plan to fund the flood mitigation efforts. Future tax levy increases could certainly be considered.

Mayor Rietz gave an update on the Vote Yes Austin committee efforts.

Council Member Baker stated the extra \$300,000 in LGA plus the approximate \$100,000 of growth revenue from an increased tax levy should be enough for the city to live on. Council Member Baker stated the citizens may look at this as a threat, but he said he was committed to solving the problem.

Mr. Hurm noted our best plan B would be to bond for the project next year and then commit to funding after that.

Council Member Nordin stated she does not believe this is a threat, and that we need to step up to the plate.

After further discussion motion by Council Member McAlister, seconded by Council Member Hecimovich to recommend to Council schedule B with proposed tax levy of \$3,232,500. Motion fails 3-3 (Council Members Baker, Nordin, and Council Member-at-Large Christopherson – Nay).

Motion by Council Member Nordin to recommend to Council schedule A with a proposed tax levy of \$3,532,500. Motion dies for lack of second.

Motion by Council Member-at-Large Christopherson, seconded by Council Member Baker to recommend to Council a tax levy that includes the 2.66% growth plus the 10% surcharge for flood mitigation. Motion fails 2-4 (Council Members Hecimovich, McAlister, Nordin, Scott Pacholl – Nay).

After further discussion, Council Member Baker stated he will seek out ten voters in his ward and ask them about the surcharge for flood mitigation. He challenged all council members to do the same.

Mayor Rietz stated we should just put the two different proposed tax levies on the next council agenda and then make a decision at the council meeting. Council Member Dick Pacholl will also be there to help make the decision. No objections noted.

With no other items, motion by Council Member Scott Pacholl, seconded by Council Member Nordin to adjourn the meeting at 7:58 p.m. Carried 6-0.

Respectfully submitted,

Tom Dankert
Director of Administrative Services