

M I N U T E S
CITY COUNCIL CHARTER MEETING
January 5, 2009
5:30 P.M.
Council Chambers

MEMBERS PRESENT: Mayor Stiehm. Council Members Brian McAlister, Jeff Austin, Dick Pacholl, Steve King, Marian Clendon and John Martin. Council Member-at-Large Janet Anderson.

MEMBERS ABSENT: None.

STAFF PRESENT: Jim Hurm, Jon Erichson, Craig Hoium, Tom Dankert, Jeanne Howatt, David Hoversten, Dan Wilson, Ann Hokanson, Kim Underwood, and Paul Philipp. Steven Lang.

OTHERS PRESENT: Post Bulletin, Austin Daily Herald. Denny Treuter. Public.

Mayor Stiehm introduced the new council members.

Oaths of office were taken by Mayor Stiehm, Council Member-at-Large Anderson, First Ward Council Member Brian McAlister, Second Ward Council Member Steve King, and Third Ward Council Member Marian Clendon.

Oaths of office were taken by City Administrator Jim Hurm, City Recorder/Treasurer Tom Dankert, City Attorney David Hoversten, and City Engineer Jon Erichson.

Moved by Council Member Dick Pacholl, seconded by Council Member Austin, adopting a resolution appointing city officers – city administrator, city attorney, city recorder/treasurer, city engineer – for a period of two years. 6-1. Carried. Council Member Martin voted nay.

Moved by Council Member McAlister, seconded by Council Member Austin, approving the agenda. Carried.

Moved by Council Member Pacholl, seconded by Council Member Martin, approving the minutes of December 15, 2008. Carried.

Mayor Stiehm presented the annual Citizen Action Award, and Fire Chief Dan Wilson presented a plaque, to Denny Treuter for his efforts of prefire planning at the Austin Catholic Elementary School. The project included enclosing stairwells, installing an automatic fire alarm system, and adding a monitored fire system.

Moved by Council Member Austin, seconded by Council Member King, approving the consent agenda as follows.

Licenses:

3.2 Temporary Beer: Austin Jaycees @ St. Edward's Corcoran Center, February 7
Cab Driver: Todd Carlson
Commercial Hauler: Waste Management of S. MN, Clarks Grove, MN
Excavation: Larson Contracting, Inc., Lake Mills, IA
Exempt Gambling: Mower County Habitat and Pheasants Forever at Holiday Inn, Feb 28
Food: Austin Dairy Queen, 1200 @. Oakland Avenue
Food: Main Street, 1305 1st Avenue SW
Food: Austin Youth Hockey Association
Food: Salvation Army – Soup Kitchen, 409 1st Avenue NE
Food: Sterling Drug Downtown, 501 1st Street NW
Food: Super Fresh Produce, 2101 4th Street NW
Garbage Hauler: Waste Management of S. MN, Clarks Grove, MN
Master Plumber: DCP Plumbing, Farmington, MN
Novelty Machine Owner: Theisen Vending @ Skill Mill - Oak Park Mall
Novelty Machine Premise: Theisen Vending @ Skill Mill – Oak Park Mall
Sign Installer: Nagle Signs, Waterloo, IA
Sign Installer: Theissen Sign Company, 611 10th Drive SE
Tattoo Artist: Holly Lewno

Claims:

- a. Pre-list of bills.
- b. Jennifer Branson. This claim has been referred to the city attorney to protect the city's interest.
- c. Linda Dudley. This claim has been referred to the city attorney to protect the city's interest.

Carried.

A public hearing was held to consider the Lansing Township Orderly Annexation.

Public Works Director Jon Erichson said the City has been involved with this project since the 1990s and more intensively since 2006, with the final result of a required mediation. In 2006, Council approved a feasibility study for the ultimate area of approximately 700 acres. In November of 2006, an ad hoc committee including residents of the area was formed to study the possibility of annexation. The ad hoc committee recommended annexing the area by a 12-4 vote. A public meeting was held on January 25, 2007, which was open to the public. A survey of the residents was obtained, and the results are included in the backup to the agenda. The City distributed 209 survey ballots,

of which 167 were returned. And of the 115.5 that wanted sewer, 90% wanted it from the City of Austin. After this, an annexation agreement was approved by the City but turned down by the Township. The City subsequently received a petition by some of the residents for annexation. Additional meetings were held, and the parties went to mediation. It was recommended for approval by staff and the Township to annex five major areas. The originally requested area to be annexed was 768 acres; the final recommendation was for annexation of approximately 338 acres. The agenda backup includes a map showing the proposed annexed area show in green. The area in orange would not be annexed. The agreement states that the City would not initiate action for five years for the areas indicated by the orange color, but this would not prevent residents from initiating annexation. The green area would be annexed immediately. The tax reimbursement schedule is set forth as follows:

Year 1	100%	Year 6	50%
Year 2	90%	Year 7	40%
Year 3	80%	Year 8	30%
Year 4	70%	Year 9	0%
Year 5	60%		

The Township agrees to provide reasonable support to the City of Austin's efforts to secure grants for sewer. Also, the City and Township will share the survey work cost.

Council Member Pacholl advised the new members that this may be new information to them, and that they should ask any questions.

No other comments were made.

Moved by Council Member Austin, seconded by Council Member Anderson, adopting a resolution approving the annexation of approximately 338 acres in Lansing Township. 7-0. Carried.

Mayor Stiehm said there were many excellent candidates to fill the positions on Boards and Commissions. He noted that he asked those not being granted a position to apply again.

Moved by Council Member Pacholl, seconded by Council Member Clennon, approving the appointments and reappoints to Boards and Commissions:

Human Rights Commission

Ron Langrell (Term ending 12/31/11)
Sandy Anderson (Term ending 12/31/11)
Steve Wald (Term ending 12/31/11)
Troy Nelson (Term ending 12/31/09)

Library Board

*Sally Baker (Term ending 12/31/11)
Becky Repinski (Term ending 12/31/11)
Carmen Tribbett (Term ending 12/31/11)*

Park & Rec Board

Gretchen Ramlo (Term ending 12/31/12)

Fire Civil Service

Paul Sylphalski (Term ending 12/31/11)

Police Civil Service Commission

Ron Howard (Term ending 12/31/11)

City Planning Commission

*Lynn Spainhower (Term ending 12/31/12)
Jodi Krueger (Term ending 12/31/12)
Jeff Bednar (Term ending 12/31/11)*

Cable TV Committee

*Monica Grimm (Term ending 12/31/11)
Aaron Stewart (Term ending 12/31/11)*

Carried.

Council must pass a resolution declaring checking and investment depositories for 2009. Finance Director Tom Dankert indicated that Northland Securities was added to the list for which investments will be made. Also, the Hormel Credit Union should be listed as Accentra now. Also, Council must pass a corporate resolution for Northland Securities, an authorized broker.

Moved by Council Member Austin, seconded by Council Member Martin, designating depositories for checking and investments for 2009. 7-0. Carried.

Moved by Council Member Austin, seconded by Council Member Martin, authorizing an investment account with Pershing, LLC (Northland Securities). 7-0. Carried.

The City has received legal newspaper bid quotes from the Austin Daily Herald and Austin Post Bulletin. The Herald has quoted \$4.35 per column inch, and the Post Bulletin has quoted \$3.25 per column inch. The average daily circulation for the Herald is 3,822 (within 55912), and the average Monday-Friday circulation for the Post Bulletin within 55912 is 2,696.

Council Member Pacholl asked if both papers could be designated. City Administrator Jim Hurm said that that may be possible, but then the City would be paying twice. City Attorney David Hoversten said there is a provision in state statute which provides for joint bidding. The two papers would need to arrange a joint bidding quote, and the City would be free to reject the quote if they do not wish to use both papers. Mayor Stiehm suggested tabling the matter to ask the two papers if they would like to pursue a joint bid. Mr. Hoversten said that would be allowed, adding that the statutes are silent on the joint bid arrangement.

Council Member McAlister made a motion to table the matter, due to the substantial financial difference.

Council Member Martin noted his disappointment on receiving the information on Friday. No one is available to call over the weekend leaving only today, Monday, to make any calls. He would like to see these are kind of issues taken up at work sessions. Council Member Martin seconded the motion to approve the Post Bulletin.

4-2. Carried. Council Members Anderson and Pacholl voted nay. Council Member Clennon abstained.

City Engineer Jon Erichson gave a background for the following feasibility reports. The projects began as part of the Capital Improvement Plan for 2009. For the projects requiring assessments to adjacent property owners, there are a number of steps that are required according to state statute. Council has already approved the request for the feasibility reports, and they are in front of Council tonight. If approved, Council will then set public hearings for February 17 and March 2. Assessment hearings will then be on the March 16 or April 6 agendas, and bid openings will occur at the end of April. Construction is scheduled to begin in May. In addition, the Engineering Department holds (informal) public informational meetings. Part of the feasibility reporting is the funding source. One source is through the federal gas tax, which is a federal grant. These are competitive grants that must be applied for five years in advance (i.e., applied for in 2008 for 2013 projects). As a city greater than 5000 in population, Austin is eligible to receive the state gas tax. \$850,000 to \$1M must be spent on street projects from this tax. Those streets that use the state aid gas tax are still assessed in order to treat all property owners the same. The funding received from the State, then, is used to pay for city costs on other streets. Collection of assessments and bonding is also used to finance the street projects. City Engineer Jon Erichson requested that items 17 and 18 be tabled.

Council Member McAlister asked if there is any change to the price of bituminous. Assistant City Engineer Steven Lang said the forecast is around \$60 a barrel.

Council Member King confirmed with Mr. Lang that if costs exceed the estimate, funding would come from the budget.

Mr. Erichson added that as the federal grant projects develop and costs exceed the estimate, the City could request an amendment to a grant. State aid funds, however, are allocated through the City, and the City could use more of those funds.

Moved by Council Member McAlister, seconded by Council Member King, adopting a resolution receiving the feasibility report for street improvement on Oakland Place NE – Oakland Avenue to 8th Avenue, Project 1-A-09. 7-0. Carried.

Project 4-A-04 is Phase 2 of the 2008 Bustad Addition project. A cul de sac will be created, and a pedestrian trail constructed. A comprehensive planning meeting was held with neighborhood residents last year.

Moved by Council Member Pacholl, seconded by Council Member Austin, adopting a resolution receiving the feasibility report and calling a hearing for February 17, 2009 for street improvement on 19th Avenue SW, 4th Drive to 12th Street. 7-0. Carried.

Project 8-A-09 is a project in the NE Industrial Park. This street – 16th Avenue NE – was constructed in the mid 1970s. The Street Department will research on whether to re-do the street with concrete or leave the current concrete and cover with new pavement. A decision will be made with respect to the costs involved.

Moved by Council Member Austin, seconded by Council Member Anderson, adopting a resolution receiving the feasibility report and calling a hearing for February 17, 2009 for street improvement on 16th Avenue NE, 11th Drive to 14th Street, Project 8-A-09. 7-0. Carried.

Project 2-A-08: Council Member Dick Pacholl questioned why the other two blocks (6th Avenue between 4th Street and 7th Street) are not included in the project. Assistant City Engineer Steven Lang said those two blocks were reviewed, and that section was found to be in good condition. The two blocks were on the original list for reconstruction.

Moved by Council Member Austin, seconded by Council Member King, adopting a resolution receiving the feasibility report and calling a hearing for February 17, 2009 for street improvement on 6th Avenue SW – 6th Street to 12th Street and 9th Street SW – 6th Avenue to 8th Avenue, Project 2-A-08. 7-0. Carried.

Project 11-A-09: A 1-1/2" mill overlay will be put on, and the curb and gutter will be fixed. This is not a labor-intensive project, said Mr. Lang.

Moved by Council Member King, seconded by Council Member Clennon, adopting a resolution receiving the feasibility report and calling a public hearing for February 17, 2009 for street improvement on 7th Avenue SW – 6th Street to 8th Street, Project 11-A-09. 6-1. Carried. Council Member Martin voted nay.

Project 10-A-09: This project in the Sterling area will include extensive underground work to replace the sanitary sewer system and water main.

Moved by Council Member Austin, seconded by Council Member King, adopting a resolution receiving the feasibility report and calling a hearing for February 17, 2009 for improvement of the Sterling Sanitary Sewer Trunk Line, Project 1-B-09 and street improvement on 2nd Avenue SW – 11th Street to 14th Street, and 11th Street SW – 2nd Avenue to 6th Avenue, Project 10-A-09. 7-0. Carried.

Project 6-A-09: This project is south of the post office. The street has been overlayed many times and has a high crown. A totally new street will be constructed. The standard width is 36 feet so this street will be widened as much as possible (34 to 38 feet) without cutting down trees.

Council Member Martin asked if anyone had talked to the federal government yet to see if they would be doing any work with the post office themselves. Mr. Lang said they hadn't had any discussions yet, but the indicated streets are not directly around the post office.

Moved by Council Member Clennon, seconded by Council Member Pacholl, adopting a resolution, approving the feasibility report and calling a public hearing for February 17, 2009 for street improvement in the post office area: 2nd Avenue SE – 3rd Street to 4th Street; 3rd Avenue SE – South Main Street to 4th Street; 4th Avenue SE – South Main Street to 4th Street; 1st Street SE – 2nd Avenue to 4th Ave; 2nd Street SE – 2nd Avenue to 4th Ave; 3rd Street SE – 1st Avenue to 4th Ave, Project 6-A-09. 7-0. Carried.

Moved by Council Member Pacholl, seconded by Council Member Austin, tabling item number 17, the feasibility report for Project 7-A-09 (South Crane area). Carried.

Moved by Council Member Pacholl, seconded by Council Member Anderson, tabling item number 18, feasibility report for Project 2-C-09, 2009 sidewalk project. Carried.

Mayor Stiehm requested Council approve the addition of number 25, setting a public hearing for January 20, 2009 to obtain a revolving loan fund from DEED who will assist with funding for the construction of the CRC building expansion.

Moved by Council Member Austin, seconded by Council Member Martin, adding #25 as listed above, to the agenda. Carried.

Jim Fisher has requested an extension of his liquor license – with condition - for the Leisure Bar, 119 3rd Avenue NE.

Council Member McAlister objected to the request as this business has not been open for two years, and he doesn't expect the bar to be open within the next few months.

Council Member Pacholl agreed with Council Member McAlister. But he also said the City does not have a problem with handing out liquor licenses. This is number 14 out of a possible 18. If Mr. Fisher wants to pay it, he does not see any objection.

Council Member Martin agreed. There is no one waiting for this license, and the City is making money off of this.

Moved by Council Member Pacholl, seconded by Council Member Martin, adopting a resolution granting a hard liquor on-sale license to Jim Fisher, with the condition his

business be operable, or, if not, that he meet with the council again after July 1st to report on his progress. 5-2. Council Members McAlister and King voted nay. Carried.

An annual audit is required by the State and is normally approved at this meeting. Finance Director Tom Dankert said if Council would opt to change who performs the audit, the process would need to start in the summer as it would mean a major changeover. In 2007, the City paid \$40,980 for the audit. The proposal for the 2008 audit is \$40,540 and LarsonAllen would start in March. Mr. Dankert recommends LarsonAllen again as they are a local business which employs local people.

Moved by Council Member McAlister, seconded by Council Member Austin, authorizing LarsonAllen to perform the 2008 audit. Carried.

City Administrator Jim Hurm reported that the Park & Rec Board did interview three internal candidates and three external candidates. The Board has recommended Kim Underwood, the acting director, effective January 5. Ms. Underwood will remain at the \$62,500 acting director salary and will receive a step increase to the 2009 maximum salary of \$63,600.

Mayor Stiehm thanked all the other people who applied.

Moved by Council Member Pacholl, seconded by Council Member Austin, concurring with the Park & Rec Board's recommendation and approving Kim Underwood as Park & Rec director. Carried.

Moved by Council Member Austin, seconded by Council Member Martin, setting a public hearing for January 20 on a variance from the minimum sideway setback of five feet in an R-1 Single Family Residential District requested by Greg Hackensmith, 1807 3rd Avenue NE. Carried.

Moved by Council Member Pacholl, seconded by Council Member Martin, setting a public hearing for January 20 on a variance from the minimum corner sideway setback of 12 feet, 6 inches in an R-1 Single Family Residential District requested by the Austin Congregation of the Jehovah's Witnesses Kingdom, 2115 5th Avenue SE. Carried.

Council is requested to approve a senior citizen deferment of a special assessment for Ronald G. McKay. As with all senior citizen deferments, interest accrues from the first day of the original assessment. Mr. Dankert said he receives approximately a dozen requests per year for senior deferrals, and three to four actually pursue it.

Moved by Council Member Austin, seconded by Council Member Pacholl, adopting a resolution approving senior citizen deferment of special assessment for Ronald G. McKay. 7-0. Carried.

Moved by Council Member Austin, seconded by Council Member Pacholl, setting a public hearing for January 20, 2009 to obtain a revolving loan fund from DEED who will assist with funding for the construction of the Cooperative Response Center building expansion. Carried.

REPORTS:

Council Members congratulated Kim Underwood, and Council Member McAlister welcomed the new council members.

The next Mower County League of Cities meeting is January 15 in Elkton.

Council Member Pacholl said he would like to inform citizens that they are welcome to speak on any items that are not on the agenda.

Council Member Clennon thanked the public for their support with her campaign. She would like to have the dog park meeting scheduled. Mayor Stiehm said he is holding off on the meeting until the City finds out about the loss in LGA.

The Coalition of Greater Minnesota Cities is hosting the Legislative Action Day in St. Paul on January 15.

Council members are scheduled to have a picture portrait taken on January 20 and are requested to arrive early at 5:00.

Moved by Council Member Austin, seconded by Council Member-at-Large Anderson, adjourning the meeting to January 20, 2009.

Adjourned: 6:55 pm

Approved: January 20, 2009

Mayor: _____

City Recorder: _____