M I N U T E S
CITY COUNCIL CHARTER MEETING
December 7, 2009
5:30 P.M.
Council Chambers

MEMBERS PRESENT:	Mayor Stiehm. Council Members Brian McAlister, Jeff Austin, Dick Pacholl, Steve King, Marian Clennon and John Martin. Council Member-at-Large Janet Anderson.
MEMBERS ABSENT:	None.
STAFF PRESENT:	Jon Erichson, Craig Hoium, Tom Dankert, Jeanne Howatt, David Hoversten, Dan Wilson, Kim Underwood, and Paul Philipp.
OTHERS PRESENT:	Post Bulletin, Austin Daily Herald. Matt Simonson. Donna Welsh. Residents from newly annexed area Lansing Township annex. Marlys Sorlie.

Added to the agenda: A motion authorizing two additional temporary, part-time dispatch positions requested by Mower County; and a resolution authorizing the City to participate in the U.S. Communities Government Purchasing Alliance.

Moved by Council Member Austin, seconded by Council Member-at-Large Anderson, approving the agenda as amended. Carried.

Moved by Council Member Pacholl, seconded by Council Member Austin, approving the minutes of November 16, 2009 and Truth In Taxation Hearing minutes of December 1, 2009. Carried.

Matt Simonson spoke to Council reminding them of the Human Rights Act and alluded to this country being like China where there are no guaranteed rights. Mr. Simonson gave handouts to Council, maintaining that the Minnesota Human Rights Act supports equality for all including the protection of low income people. Mr. Simonson then complained that the City has spent much money on the airport runway and the jail. Mayor Stiehm asked what specific topic Mr. Simonson had, and he answered by saying he applied for a permit for a leaking roof. City Attorney David Hoversten then advised Council that Mr. Simonson has sued the City and he recommended no interchange of information and that he be excused. Mr. Simonson then said that his issue involves the public interest also. He does not think that his council members, Ms. Clennon and Mr. Martin, have looked into his situation.

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

Consent Agenda
Licenses:

Massage Therapist: Heidi Lusson, Crystal Lake, IA
Exempt Gambling (raffle) Mower County Habitat and Pheasants Forever, Holiday Inn, February 27, 2010

Claims:

a. Pre-list of bills.
b. Barbara Wolf, 508 8th Avenue NW. This claim has been referred to the city attorney to protect the city's interest.
c. Marian J. Clennon, 1711 3rd St. NE. This claim has been referred to the city attorney to protect the city's interest.

6-0. Carried. Council Member Clennon abstained.

Finance Director Tom Dankert opened the public hearing for the Truth In Taxation continuation hearing. The hearing was held Tuesday, December 1 at 6:01. Some property owners may not have received their tax statements on time this year so the meeting was continued to tonight. The projected tax levy is $3.9M, which is an increase from the 2009 $3,705,000 2009 tax levy. The increase is due to salary increases and the cut in allocation of the state funding (LGA). The breakdown of the tax levy is as follows:

General Fund	$ 2,570,811
Library	$ 799,482
Port Authority	$ 25,000
Debt Service	$ 149,707
Capital Improv.	$ 355,000
Total	$ 3,900,000

Mr. Dankert explained the breakdown of the property tax dollar: 45% goes to Mower County, 32% to City of Austin, 20% to School District. 3% goes to other entities such as the HRA and the Watershed District. In 2009, there were 139.65 full-time equivalent positions. Proposed for 2010 are 138.15 FTE. The 1.5 reduction in staff is the result of one CSO going from full time to part-time, and a retirement at the Library. The Library has agreed not to rehire the position until 2011. Sixty percent of the budget goes toward personnel costs: salary, insurance, part-time costs, etc. The total budget is $27M for 2010. This includes sewer user fees, debt service, recreational programs, etc. and other sources, but is largely from Local Government Aid. Mr. Dankert said that due to the state deficit, the City could see further unallocation.

The breakdown of the General Fund expenditures is as follows:

Public Safety	37%
Highways and Streets	25%
Parks & Recreation	17%
General Administration	14%

Other	4%
Economic Development	2%
Transfers Out	1%

Mr. Dankert noted that at the December 1 TNT meeting, there were some questions from the newly annexed citizens from Lansing Township. As per the Lansing Township annexation agreement, residents paid their taxes to Lansing Township in 2009. 2010 is the first year they will pay to the City of Austin, and the City will remit back 90% to the township. Some of those residents are seeing a tax increase on the city portion of their taxes, in some cases more than double. Mr. Dankert met with Donna Welsh, finance director for Mower County following the December 1 hearing. Discussions with Lansing Township regarding the annexation began in 2006. At that time the tax rates for the Lansing residents were compared with the City of Austin's, and it was noted that the tax rates were similar (within 10%) so those residents would not see much of a difference. Since then over the next four years, the Lansing Township decreased their tax levy by approximately 35%; residents' tax rates reduced with that reduction. Meanwhile, the City of Austin has slowly increased its tax levy each year. This is the reason for the disparity. Mr. Dankert noted that if Lansing Township had increased their tax levy, it would have remained similar to the City's. But, he noted, if the City Council wishes to lower the property rates for the annexed area, they would have to lower them for the entire city.

Mr. Dankert said Council has the option to reduce the levy and expenditures by $25,000 because the proposed budget and levy was a little higher than what the actual will be, but he reminded them that with the state budget forecast we will likely be further reduced in LGA.

Council Member McAlister noted that when the City and Township started discussions on the annexation, one concern of the Township was that they would lose money, and then they proceeded to drop their tax levy pretty substantially.

Donna Welsh said she would be discussing this with the Lansing Board also. This is a learning process, she noted. She said they had some capital changes after 2006, resulting in the reduction. She said she believed the sewer and water was on their agenda to begin with.

Council Member McAlister asked Ms. Welsh to communicate any information from the Lansing Board to the City Council.

Council Member Pacholl said the Council does have the option to drop the levy by $25,000, but reminded everyone that LGA doesn't come until June or July plus we don't know if the Governor will unallot.

Roger Jennings, 54774 245th Street, said he understood the explanation of the disparity in tax rates but questions why he needs to pay in advance and what he is paying for. Mr. Dankert said there is some confusion regarding the tax payments; some people think they

are the sewer assessment. The reason for the tax statement is that the City of Austin is currently servicing the annexed area. This includes police officers, snow plowing, etc.. This started in the second week of January 2009. Mr. Jennings said he didn't think anything was changed. We always had both city and county police, he said. He reiterated his concern of what he's paying for and what services he is getting. Mr. Dankert reiterated that the annexed area actually is receiving service right now. Mr. Jennings questioned the septic cost. Mr. Dankert said the Austin Utilities bills would be separate. The annexed area now has availability to all city services: fire, police, street – all services. Mr. Jennings said his taxes went from Lansing Township's $379 (in 2009) to the City of Austin's $951 for 2010. Mr. Jennings said he was told that basically nothing was going to change.

Mike Schuster, 54180 236 Street, said there was a lot of concern in his area and he himself was concerned until he talked to Tom Dankert. If the annexed residents would look back to their 2006 tax statements in the Township and compare them with the proposed 2010 taxes, they should see some increase. But going from 2009 to 2010, there is a lot of increase. What Lansing Township has done in the past is they have tried to keep their tax levy low so they wouldn't have surplus. He believes the residential areas in Lansing Township are taxed lower, but the agricultural areas are being hit. The County has lowered the taxes tremendously, and it seems strange that after starting negotiating with the City, the rates then went down. Mr. Schuster said he also remembers statements from the Lansing Township board, saying the residents, if annexed, would be "shocked" with what their taxes would be – did they program this to make the City look bad? It seems strange, he noted, that the Township taxes were going down while the City's was going up. We do see a lot more law enforcement out there that we wish wasn't out there. (sic) Mr. Schuster said there were a lot of residents whose taxes didn't go up and questioned that disparity. He would like the City to look into that; perhaps those properties weren't annexed in.

Cheryl Dunlap, 54148 238th Street, was on an ad hoc committee and verified that there was little difference in comparing the tax rates in those early meetings. They were all within $100. The township residents did not hear anything new since then and probably should have had subsequent meetings.

Dan Franklin, 24558 546th Street, said he also was on the ad hoc committee. They had met with the County Treasurer and Tax Assessor, and there were no big differences based on the 2007 figures. They said the rates were very fair and up-to-date.

No other comments were made.

Moved by Council Member Austin, seconded by Council Member McAlister, closing the public hearing.

Moved by Council Member Austin, seconded by Council Member McAlister, adopting a resolution approving tax levy for the year 2010 at $3.9M. 5-2 Carried. Council Members Martin and Clennon voted nay. Council Member Martin said the decision is

tough, adding that we're not going to see the end of this. He believes there is more unallotment coming and that we will never see LGA come back (at the level we have had it). Council Member Martin said he doesn't think a lot of us (Council) took the budget situation as serious as it is during the discussions.

Moved by Council Member Austin, seconded by Council Member King, adopting a resolution approving the budget at $27,224,409. 5-2. Carried. Council Member Martin and Clennon voted nay.

Moved by Council Member Austin, seconded by Council Member-at-Large Anderson, adopting a resolution authorizing cancellation of certain ad valorem tax levies. 7-0. Carried.

City Administrator noted the Council at a recent work session reviewed and recommended approval of an increase in health insurance costs. Total premium costs are recommended to be increased by 3%, which will be passed on to the employees. There will be no additional cost to the City.

Moved by Council Member Austin, seconded by Council Member King, adopting a resolution approving plans, qualifications and rates for 2010 city health insurance. Council Member Martin said the increase is not a lot of money in consideration of the increases in pay. 5-2. Carried. Council Members Martin and Clennon voted nay.

Moved by Council Member Austin, seconded by Council Member Pacholl, adopting a resolution adopting health insurance plans and required employee contribution for said plans for non-bargaining unit employees for the calendar year 2010. 5-2. Carried. Council Members Martin and Clennon voted nay.

Moved by Council Member King, seconded by Council Member-at-Large Anderson, approving the reappointment of Sophia Ponce to the Human Rights Commission. Carried.

Moved by Council Member King, seconded by Council Member Pacholl, approving the reappointment of Troy Nelson to the Human Rights Commission. Carried.

Moved by Council Member Austin, seconded by Council Member King, approving the appointment of Lynsie Moritz to the Human Rights Commission. Carried.

Moved by Council Member Pacholl, seconded by Council Member Austin, approving the reappointment of Pat Toschak to the Library Board. Carried.

Moved by Council Member Austin, seconded by Council Member King, approving the appointment of Barry Irish to the Library Board. Carried.

Moved by Council Member Austin, seconded by Council Member King, approving the reappointment of Vicki Splinter to the Library Board. Carried.

Moved by Council Member King, seconded by Council Member Pacholl, approving the appointment of Karen Sundal to the Park & Rec Board. Carried.

Moved by Council Member Pacholl, seconded by Council Member-at-Large Anderson, approving the appointment of Roger Boughton to the Fire Civil Service Commission. Council Member Clennon called for discussion. Mayor Stiehm said Mr. Boughton has resigned from the Charter Commission as he cannot serve on another city board while on the Fire Civil Service. Council Member Clennon said she would like to look in to the documentation for the existence of the commission. City Attorney David Hoversten said it is statutory. The City can regulate some of its own civil service rules, but the basic outline is by statute. Council Member Clennon asked if the city adopted the rules, to which the City Attorney said the rules are adopted by the State. Council Member Martin said that there is a statute that says the City has to vote on it by ordinance. Mr. Hoversten said that that is referencing the creation of the City's Fire Civil Service, which has already been done. Then Council Member Martin said he is getting information from closed meetings, and does not know further what he can say. Mr. Hoversten said he would be glad to have a conversation with him and give him his legal opinion. Council Member Austin said his point does not affect an appointment. It is timely to appoint him now. Council Member-at-Large Anderson concurred. Mayor Stiehm said we still need a full civil service commission to talk about the fire chief job description. Council Member Pacholl said Council can decide if they no longer want a fire civil service, but for now we do have one. He indicated Council has talked about removing the police civil service commission. City Attorney David Hoversten said both are covered by Minnesota statutes in a specific section. Council Member McAlister said he believed it was up to the Fire Civil Service to take that action. Mr. Hoversten said he wasn't certain and that he would have to check. Mayor Stiehm said the civil service commission would not be eliminated tonight; that discussion needs to take place at a work session.

Motion being already on the table, Council Member Clennon abstained and Council Member Martin voted nay. Carried. 5-1. One abstention.

Moved by Council Member-at-Large Anderson, seconded by Council Member Austin, approving the reappointment of Belita Schindler to the Police Civil Service Commission. Carried. 6-1. Council Member Martin voted nay.

At the November 16, 2009 council meeting, Council voted on a proposed ordinance to prohibit outdoor solid fuel burning appliances. The vote of 5-2, which was the first reading, was not unanimous so therefore Council may vote again, but the second reading (vote) need not be unanimously approved.
Community Development Director Craig Hoium provided additional backup from the LMC relating to wood burning appliances as well as some pictures of current appliances in NE Austin. A petition from Alvina and Bob Barclay signed by neighbors submitted in March 2004 was also distributed.

Council Member Austin verified with Mr. Hoium that the existing appliances would be grandfathered in but would be subject to the nuisance ordinance.

Council Member Pacholl reminded everyone that this has nothing to do with outdoor recreational fires, and that it would be good to include that info in the definition. Mr. Hoium said that if Council wishes, that terminology could be included under Subd. 7a of the proposed ordinance. Council Member Austin said that the term in Subd 2(A) "external solid combustion" gives a good explanation.

Council Member Clennon questioned when we are going to draw the line on what is too much: If we have too many complaints on fireplaces, should we ban them? She believes there is a safety issue inside whereas outside, you don't have that problem.

Council Member King confirmed with Mr. Hoversten that we are *required* to grandfather in the existing appliances.

Council Member Austin said he voted 'no' before due to his having a problem with banning them completely. Most complaints are from already existing appliances, and that won't change for the future.

Moved by Council Member McAlister, seconded by Council Member King, for the city attorney to prepare the ordinance. 4-3. Council Members Austin, Clennon, Martin and Council Member-at-Large Anderson voted nay. Motion failed.

Moved by Council Member Austin, seconded by Council Member-at-Large Anderson, appropriating $2800 from 2009 Contingency for the Chamber of Commerce's *Someplace Special* Community Guide. 6-1. Carried. Council Member Martin voted nay.

The City is eligible to receive funds for reimbursement for airport maintenance and operation. Funding amount is based on a formula including the runway length and type of lighting. The City of Austin is eligible to receive the maximum amount of funding, which comes from the aircraft fuel tax. Funding is for years 2010 and 11.

Moved by Council Member-at-Large Anderson, seconded by Council Member Austin, adopting a resolution approving grant agreement with the Minnesota Department of Transportation Aeronautics for airport maintenance and operation. Carried. 7-0.

On July 6, Council approved a 120-day moratorium on wind generation towers. The reason for the moratorium was to give time for staff to work on a draft. The draft has now been reviewed by the City Council and Planning Commission. The recommendation is to extend the moratorium for another 60 days to allow time for city staff to develop standards.

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

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

The owner of several buildings on the corner of Main Street and 2nd Avenue NE, is involved with ongoing renovations which include the improvement for roof drainage for the buildings. A private storm sewer drainage system will be installed. To extend the storm drainage, the owner is requesting an easement through the municipal parking lot behind the buildings.

Moved by Council Member-at-Large Anderson, seconded by Council Member King, adopting a resolution granting a utility easement for a storm sewer drainage line to Patrick Bradley. 6-1. Carried. Council Member Martin voted nay.

Council approved the voluntary furlough program in July for the remainder of 2009. If approved, the program would be extended through 2010 with a maximum 96 hours of furlough per employee.

Moved by Council Member Austin, seconded by Council Member King, approving the voluntary furlough program for 2010. 6-1. Carried. Council Member voted nay, saying this is a "band aid for a serious wound."

Moved by Council Member Austin, seconded by Council Member McAlister, adopting a resolution approving the sale of 2900-square-foot parcel of land adjacent to the old library lot to Clasen-Jordan Mortuary. 7-0. Carried.

Marlys Sorlie, communications supervisor at the LEC, spoke to Council. Four full-time dispatchers are currently on medical leaves, and all work the nightshift. They now have two part-time dispatchers; one is a police officer, but they are having a need for more. Plus there is a possibility of having another one out on disability. Ms. Sorlie said scheduling is tight: one dispatcher has no work three 12-hour days over Christmas. Part-time help is coming from Freeborn County, and another lives in Austin and works in Mankato so there are people who could step in. Pay would be at the basic first level versus time and a half for overtime. Hiring additional part-timers will also save on the other dispatchers' stress. They will not be getting any benefits, and they will only be filling in hours until the full-timers are back.

Council Member McAlister confirmed with Ms. Sorlie that they would all be working with someone else. Each shift has a second dispatcher.

Moved by Council Member McAlister, seconded by Council Member King, approving two part-time temporary dispatch positions. Carried.

Director of Park & Rec Kim Underwood is requesting that the City participate in the U.S. Communities Government Purchasing Alliance. Membership will allow us to have access to better purchase prices. Many cities currently participate, and state statute allows our participation. This program is similar to the Minnesota state bidding

contracts. Mr. Dankert noted that the entire city would be a member and could use the program, not just Park & Rec. There is no fee to participate.

Moved by Council Member Austin, seconded by Council Member Pacholl, adopting a resolution authorizing participation in the U.S. Communities Government Purchasing Alliance. 7-0. Carried.

Reports:

Jon Erichson said the forecast for tomorrow is 8-10 inches of snow. He then reviewed the snow removal emergency regulations. Typically, an emergency is called when four inches of snow has fallen. The public and media are informed, and then the public has six hours to respond. During an emergency, people are prohibited from parking in the downtown and East Side areas, next to the Hormel Plant and the Sterling Shopping Mall from 1:00 to 8:00 am. Cars must be parked on the odd side during odd days, and on even side during even days. Property owners are responsible for shoveling their sidewalks that are adjacent to their property. If those are not cleared, the City may clear them and assess the property owner fifty cents per linear foot. If not paid, the City may levy the costs. Mr. Erichson noted that most of these are complaint-driven. Also, it is a misdemeanor to place snow from private property onto public property.

Council Member McAlister questioned if the emergency routes were reviewed when new areas such as the Lansing Township annexation and developments are added. Public Works Director Jon Erichson said that due to cost, the department is not looking at adding more emergency routes, and, in fact, because of the budget cuts, they would like to decrease the amount of snowplowing.

Council Member Austin reported that the Park & Rec Board has completed the review of the director.

Council Member Clennon attended the Blue Line ceremony in the Cities to honor fallen police officers within the state. Four police officers have passed away in the last year.

Council Member Clennon also noted that last Monday she took a fall downtown and publicly thanked the Gomez family for helping her out.

Finance Director Tom Dankert sent condolences to the family of Dave (Tolly) Tollefson, county commissioner who recently passed away. Tolly served on the transit board.

Mayor Stiehm added his condolences to the friends and family of Tolly. He was excellent to work with, he said, and was instrumental – adamant and persistent – in getting the jail downtown.

Moved by Council Member Austin, seconded by Council Member King, adjourning the meeting to December 21, 2009.

Adjourned: 6:58 pm

Approved: December 21, 2009

Mayor: _____

City Recorder: _____