

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
July 6, 2009
City Hall Conference Room
6:36 pm / Immediately following council meeting

PRESENT: Mayor Stiehm, Council Member-at-Large Anderson, Council Members Austin, Martin, McAlister, King, Clennon, and Pacholl.

ABSENT: None.

STAFF PRESENT: Community Development Director Craig Hoium, Parks and Recreation Director Kim Underwood, Public Works Director Jon Erichson, Administrative Services Director Tom Dankert and City Administrator Jim Hurm.

ALSO PRESENT: Firefighter Chris Grunewald, Sandy Forstner, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 6:36 pm.

Item #1. – Coalition of Greater MN Cities report: Elizabeth Wefel from the Coalition discussed some of the outcomes of the latest legislative session. Ms. Wefel noted some annexation reform goals had been passed in the House Local Government Division, but they were then blocked at the full committee. This bill would have saved the taxpayer money as it would have prohibited excessive payments to townships (that were unrelated to tax base losses) that had part of their tax base annexed into a city. The Coalition is hopeful that this bill would be reviewed in the next legislative session.

Local Government Aid (LGA) had significant discussion at the legislative level. The goal of the Coalition was to minimize the reductions to LGA. However, with the state looking at a nearly \$6.4 billion deficit, cuts were inevitable. Ms. Wefel stated she believes the Coalition was successful in getting the public educated about LGA and what it means for Greater Minnesota, and ultimately the final unallotment was lower than Governor Pawlenty originally announced.

Council Member-at-Large Anderson questioned how sure she was that LGA will not be further unallotted. Ms. Wefel stated the Coalition is not real confident that this issue is over. Anything could happen depending on how the economy is recovering to how conservative the estimates were when they came out in the projections.

Ms. Wefel stated cities have several options they should be reviewing in response to the LGA reductions:

1. Levy limits are in place; however you can levy back the 2008/2009/2010 cuts.
2. Cities should prepare for further LGA reductions.
3. Cities may have to reduce services.
4. Cities may need to use reserves.
5. Cities are also looking at new and increased fees.
6. Cities need to talk to the press and citizens about the importance of LGA.

7. Hold the Governor accountable for property tax increases and service cuts at the local level.

Council Member-at-Large Anderson questioned what other cities are looking at doing in relation to the LGA reductions. Ms. Wefel stated they are mostly reviewing a combination of items:

- Significant service cuts
- Lay-offs and not re-hiring for vacancies
- Postpone projects
- New fees
- Using reserves
- No one is levying back the full amount

Mayor Stiehm thanked the Coalition for their hard work during the tough legislative session.

Item #2. – 2009 budget adjustment: Mr. Dankert noted that at the last work session he was incorrect in stating that the trail project by the mall area was being funded by MnDOT. Mr. Dankert noted this funding was actually part of the 2008 tax levy and was needed for the agreement with MnDOT as part of the signal light installation project they were doing. Mr. Erichson stated this is more of a safety enhancement in the area to better access Oak Park Mall and the Target development.

After further discussion, motion by Council Member Pacholl, seconded by Council Member-at-Large Anderson, to recommend approval of this budget carryover to council. Carried 7-0. Item will be added to the next council agenda.

Council Member McAlister stated this is not an ideal place for a crossing, as it looks like we are doing something, but this may not be the best solution.

Other Item – Tornado Update: Mr. Erichson and Ms. Underwood noted that they are in the range of \$350,000 to \$375,000 in damage after the tornado. Most of this should be covered by the insurance company, and we are just fixing those areas that have been damaged.

Mr. Erichson noted we may be able to get the grinder to come back, but only if we can find an alternate site. A tour was scheduled for July 20th to review the damaged area.

Item #3. – Report on the League of Mn Cities Annual Conference: Council Member Clennon stated she attended the roundtable discussion, but wished they had more time allotted for the discussions. It was a great way to interact with other local officials. Some of the other discussions Council Member Clennon attended included:

- Partnering with Schools, Counties, and other Cities
- Maturing Communities: Preparing for the Inevitable
- Fire Sprinkling in Single Family Homes
- Smart Hiring to get to the Paperless Office

Additionally, Council Member Clennon stated that in discussion with some cities, they have listed all of the services they provide and have ranked them in order of priority, which is something Austin has not done.

Council Member-at-Large Anderson stated she will get something out to council later this week regarding what sessions she attended. However, at a future date we should discuss and review our disaster plan. Additionally, Mayor Stiehm won a \$1,500 drawing for the City of Austin. Some of the other session that Council Member-at-Large Anderson attended included:

- Alternate Revenue Sources
- Census Update, including how important it is to get everybody counted
- Working constructively with concerned citizens
- Revitalizing main street in tough times

Mayor Stiehm stated the roundtable discussions were too big. The census discussion was very informative, and it is very important that snowbirds and immigrants be accurately counted. Plenty of other council members and mayors were also met. Mayor Stiehm concluded that in his discussions with others at this conference, LGA could very easily be cut again in December of 2009.

Item #4. – Consideration for guidelines for a voluntary furlough program: Mr. Hurm discussed the twelve points in his memo regarding an employee furlough program, as follows:

1. Definition of furlough - The voluntary taking of unpaid time off from work.
2. Up to 48 hours of unpaid leave (furlough) during the remainder of 2009.
3. 48 hours or less will not affect benefit accruals.
4. Additional time over 48 hours will fall under the unpaid leave policy.
5. City would continue to pay employer portion of insurance benefits during the designated furlough time off.
6. For a furlough, PERA is not affected. The employee has the option to pay their portion of PERA that they would have normally paid based on their regular salary. Such a determination then requires the City to pay its share as well.
7. Hourly (non-exempt) employees may take their furlough in full days or half days; and do not need to be consecutive days.
8. Salaried (exempt) employees – it is preferred that exempt employees take their furlough days consecutively; however they can be taken nonconsecutively as long as the exempt employee knows that they cannot incur overtime during the week they choose to use furlough time (as during this time period they are considered non-exempt).
9. Needs to be approved jointly by the department head, city administrator and human resources director.
10. Cannot interrupt the regular operation of the department.
11. Cannot create additional overtime – for the employee taking the furlough (before or after the furlough) or for other employees during the furlough (covering shift, hour, duties, etc.).
12. Time needs to be designated as furlough on the employee's time sheet.

Mr. Hurm noted there has been some interest from employees to participate in such a program.

Council Member McAlister questioned numbers 10 and 11 above, noting how can you *not* interrupt department operations with a furlough. Council Member McAlister noted he is uncomfortable with this.

Council Member-at-Large Anderson stated a suggestion she got from a city employee was for the department head, Mayor, City Administrator, and a Council Member or two to go to each department and meet with employees on their thoughts. This may allow for more of an open communication between everybody. Mayor Stiehm stated the union stewards should also be at the meetings. Council Member McAlister noted he would agree, but you need to open this up to everybody, not just the stewards.

Council Member Pacholl stated at first he was not too keen on the furlough concept, but the more he thinks about it it does not sound too bad. It is better to lose up to 48 hours of pay than to be losing your job.

Firefighter Chris Grunewald stated the Fire Department views these discussions of a furlough as a threat since they do not have a contract yet. Council needs to listen to the staff for other cost-cutting measures.

Council Member Clennon stated the goal is to have this meeting with the employees before the next work session. Mr. Hurm stated he will check schedules to see if next Monday will work.

In regards to outside organizations, Mayor Stiehm suggested that we have a couple of the groups at each of the upcoming council work sessions.

Council Member Clennon questioned when the general public could discuss the budget. Mr. Dankert noted since all, or a majority of the council will be at the July 13 meeting, the public should also be able to discuss the budget. Consensus was for this meeting to be at the Library from 6:30 to 8:00 on July 13.

After further discussion motion by Council Member King, seconded by Council Member Austin to recommend to Council the approval of the voluntary furlough program at the July 20 city council meeting. Carried 7-0.

Item #5A. – Administrative Matters – Schedule tours of Packer Arena and city projects:

Mr. Hurm noted Council could take a tour of Todd Park and Packer Arena on July 20 after the work session. Tours of other city projects could be scheduled in August. No objections noted.

Item #5B. – Administrative Matters – Review and revise Matters In Hand list: Mr. Hurm noted two items council discussed but have not yet put on the list are adopting a sewer rate charge increase by September 1 and an ordinance on service dogs should be officially put on the Matters In Hand list.

Motion by Council Member Austin, seconded by Council Member King to recommend to council to add sewer user charges and service dog ordinance to the Matters In Hand list. Carried 7-0.

Other Item: Mr. Hurm stated the Charter Commission has a lot of work going on, but they are hoping for a meeting next month.

Other Item: Council Member Austin also questioned if we should be reading the full resolution, as the date error tonight would have been incorrect in the resolution. Mr. Hurm stated no, we would have made the technical correction ourselves.

Other Item: Mr. Hurm updated Council on the status of the assistant fire chief, noting nobody internally applied for the position, so when an assistant fire chief is hired, then the lowest man on the seniority list will have to be let go. Council Member King stated there has not been enough discussion on this, and there needs to be somebody in command. Council Member King noted he was not comfortable with this and we should suspend the whole discussion for now. Council Member Austin stated this new position was supposed to help with the daily command at the fire station.

After further discussion, motion by Council Member King, seconded by Council Member Clennon to suspend the assistant fire chief hiring. Carried 6-1 (Council Member McAlister – Nay). Item will be added to the next council agenda.

Council Member King stated they still do not have the contract settled, and we agreed to not have anymore Fire Committee meetings until it was settled.

Mr. Hurm suggested a closed meeting after the next council work session to discuss the status. Mr. Hurm noted we will check on a work session on July 20 for a work session and another work session on July 21 for the tours.

Other Item: Council Member McAlister stated he has been having conflicts with attending both the HRA meetings on the third Wednesday of every month and attending the KSMQ meetings. Council Member McAlister requested other council members look at their schedules to see if something could be worked out.

Council Member-at-Large Anderson also noted they have been requested to have someone show up to the government affairs committee of the Chamber of Commerce. Suggestions included splitting these morning meetings amongst a few of the council members.

Motion by Council Member King, seconded by Council Member Austin, to adjourn the meeting. Motion passed unanimously. Meeting was adjourned at 8:30 pm.

Respectfully submitted,

Tom Dankert