

M I N U T E S
COMMITTEE-OF-THE-WHOLE WORK SESSION
January 19, 2010
City Hall Conference Room
7:00 pm / Immediately following council meeting

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

ABSENT: Council Member Clennon.

STAFF PRESENT: Public Works Director Jon Erichson, Assistant City Engineer Steven Lang, Parks and Recreation Director Kim Underwood, Administrative Services Director Tom Dankert, and City Administrator Jim Hurm.

ALSO PRESENT: Craig Patrick, Jim Webber, Public, KTTC TV-10, Austin Post Bulletin, and Austin Daily Herald.

NOTE: Closed meeting pursuant to M.S. 13D.05, Subd. 2b for consideration of allegations against an individual held from 5:00 to 5:15.

Mayor Stiehm opened the meeting at 7:05 pm.

Item #2 – Potential rental of Riverside Arena – NAHL team owner: Ms. Underwood discussed a potential revenue source for Riverside Arena as Craig Patrick has shown a great deal of interest to locate a new NAHL hockey team in our community. Mr. Patrick is interested in renting the hours that are considered dark hours (unused hours) on an annual basis for his team to practice and to have home games. This would generate revenue to the arena, however approximately \$70,000 of renovations would be needed to Riverside Arena in order to make the rental work. Additionally, visiting teams will be staying overnight in our hotels and spending money within the community so it could be an economic windfall for many area businesses. The team may also employ up to five people also.

Council Member King questioned how long the season was. Mr. Patrick stated it ran from September through April, which equates to 28 games plus playoff games mostly played on Thursday and Friday nights. The team is made up of players between the ages of 18 and 20 years old. Mr. Patrick stated the players would need sponsors from the community, but the players would need to pay their own room and board. A lot of these kids end up going to Division 1 schools.

Jim Webber, a citizen from Austin who also partly owned the former Austin Mavericks, stated his team always received good support from the community; however, we lost a lot of money in doing this. Host families are hard to come by, and the costs associated with renting the arena have only increased. Mr. Webber noted the Austin Mavericks left Austin in 1985 as the strike loomed large and resulted in fewer fans at the game which translated into more financial losses. The team went to Rochester and Mr. Webber noted he had to pay over \$15,000 out of his own pocket in order to make everybody whole in the community. We never, ever made a profit, noted Mr. Webber. Additionally, there was no way we could have obtained a beer license for the

facility, and this is also being requested by Mr. Patrick. Mr. Webber also noted that Albert Lea apparently is experiencing some losses with their team.

Mayor Stiehm thanked Mr. Webber as he noted that we need to also hear the other side of the story. Mr. Patrick stated this is more of a hobby to him and a lifelong dream, and he is willing to pay the bills upfront.

Mr. Patrick stated the issues that are plaguing Albert Lea may include inadequate funding from the beginning. The NAHL will consist of 19 teams in the upcoming season, and none of them make a lot of money. Albert Lea also allegedly paid players to play on their team, and the owner was subsequently removed by the League. Mr. Patrick stated he thinks the public will enjoy this league and his organization.

Mr. Erichson stated we are looking for Council direction on this. We will need action at the first full meeting in February in order for Mr. Patrick to get his team approved for Austin. The locker room and arena will require about \$70,000 of improvements.

Council Member-at-Large Anderson questioned the admission fee to attend a game. Mr. Patrick stated he has not yet finalized those costs. However in Washington where one of the team's plays out of, they charge between \$14-\$17 a person to attend games and they have a huge following. Mr. Patrick stated he was hoping to get the cost of a ticket under \$10 if he can.

Council Member King thanked Mr. Webber for his insight into the operations of the hockey team. It appears Mr. Patrick has the means to make this work without the gate receipts. We shouldn't turn our noses at this as it appears it will not take away ice time from the youth.

Council Member Austin stated the only real conflict is that some events are scheduled for right after the ice season, which now may need to be extended. This would require those events (home show for example) to be scheduled later in the year, or for them to find other venues to hold their events at.

Mr. Patrick stated he is investing a lot of his own money in this. He needs people to come to the game and for advertisers to also use this team in order for it to be a successful team.

Council Member McAlister questioned the additional ice time that would now be rented. Ms. Underwood estimated an additional revenue amount of \$35,000 per year, which would then equate to two years of revenue to pay off the needed arena improvements. Council Member McAlister stated he recognizes the need to use this facility, but he cannot justify using taxpayer dollars to fund a sporting event.

Council Member King stated we pay the DCA \$60,000 for economic development as an investment in our community. Council Member King stated he sees this as an investment in order to make some funds long-term. Council Member Austin added that this could create some more exposure for our community.

Moved by Council Member Austin, seconded by Council Member King to forward the request to Council at the next council meeting. Carried 4-2 (Council Members McAlister and Martin – Nay). Item will be added to the next council agenda.

Item #3. – Music license: Mr. Dankert noted that a few years ago we were approached by ASCAP requesting licensing fees in order to play music around city facilities. Eventually the city relented in order to legally play music within the facilities. Now, we have been approached by BMI, which claims to own the music rights to half of the recording industry. ASCAP owns approximately half of the rights and BMI owns the other half. Recording artists cannot belong to both entities, but this licensing fee is how these artists reap royalties for playing of their songs in public venues.

BMI requests a signed agreement. This would require council approval as it is an agreement. ASCAP has not asked us to sign such an agreement, but may well require it in the future. The risk we have if we do not pay the fees to both organizations, is that we could get sued by the recording industry for unauthorized use of their music. Staff has decided that the music is needed at certain buildings for public usage, so we should pay the fees.

After further discussion, motion by Council Member King, seconded by Council Member McAlister, to recommend to Council the approval of the license agreement with BMI. Carried 6-0. Item will be added to the next council agenda.

Item #4. – Options for Main Street/Oakland project: Mr. Lang discussed the proposed two block project on Oakland Avenue and Main Street. Mr. Lang noted the signal lights will be changed over which will have a mast that hangs over the intersection. This is a safer signal light and is also going to be harder for traffic to run into the base. However, this will also require the Christmas decorations to be hung in a different location. Mr. Lang discussed the five options in handling the Christmas light decorations, including eliminating the decorations, moving them to another location, raising the decorations, and re-doing the signal lights. The end result was a recommendation by the Engineering Department for option #1 which was to just replace the signal light and eliminate the decorations from this site.

Council Member-at-Large Anderson questioned why we could not do option #2 which just moves the decorations to another location. Mr. Lang noted moving these to another location would require us to incur additional cost by digging mounting holes in the ground at other locations. In the future, as other street projects are done, this may be accomplished through the street reconstruction project.

Motion by Council Member McAlister, seconded by Council Member Austin, to recommend to Council the approval of option #1 (remove the Christmas decorations). Carried 6-0. Item will be added to the next council agenda.

Item #5. – Retreat follow-up – establishing and prioritizing 2010 goals: Mr. Hurm discussed the results of brainstorming session. Discussion ensued about the best way to prioritize those goals Council discussed at the retreat. Mayor Stiehm requested that each elected official rank the items on their own and then turn them into Mr. Hurm, with a ranking of 1 being the highest priority and the ranking of 5 being the lowest priority. No objections noted. Mr. Hurm noted he would summarize the results and get the results back to Council.

Item #5a. Organizational discussion of an ethics committee: Mr. Hurm noted a meeting is set for January 25, 2010 at 4:15 in the city hall conference room as an organizational meeting.

Item #5b. Motion establishing a temporary ethics committee: Motion by Council Member-at-Large Anderson, seconded by Council Member King, to recommend to Council the establishment of an ethics committee. Carried 6-0. Item will be added to the next council agenda.

Item #6a. Open discussion – establish parameters for open discussion: Mr. Hurm discussed his memo dated 1/13/10 in attempting to gain some parameters for any open discussion items council members may want to bring up at the end of a work session. Mr. Hurm noted issues may arise that council wants to discuss in more depth at future meetings.

Council Member-at-Large Anderson stated she is looking for a venue to bring up things that you have come across.

Council Member McAlister stated under Administrative Matters I could bring up whatever I want, and then you could move it onto the next agenda also.

Council Member King stated we will have to learn this as we go.

Item #7. Administrative Matters: Council Member Martin stated it appears we have had increased accidents from our snow plows. In prior years we had hired a safety trainer, but now it appears we have a rash of accidents. Council Member Martin questioned what has happened with this. Do we need more training? Why did it happen? Mr. Hurm noted this would be referred to Public Works Director Jon Erichson for his review.

Council Member Austin noted the need for some succession planning. With the retirements out of the Police Department and the Fire Department, we need to know how the process works to replace the Police Chief and Fire Chief. How does any process work for hiring a replacement of one of our department heads, questioned Council Member Austin. Additionally, Council Member Austin wondered why it is different for the Park and Recreation Director versus the Fire Chief versus the Police Chief.

Council Member King agreed that we need some sort of protocol here.

Item #8. Matters In Hand: Mr. Hurm noted he would meet with department heads soon on employee evaluations. Mayor Stiehm stated we also need to get the City Administrator evaluation done at a closed meeting (next council meeting).

Regarding the ordinance review for liquor license violation penalties, Council Member McAlister stated we should progressively increase the fines, not close a business down. Mayor Stiehm stated we should leave it alone for now. Mr. Hurm stated he would do some research and get back to council. Mayor Stiehm questioned what other cities do in this situation. Council Member Martin questioned if there was a statutory maximum on the fines we could levy for violations. Council Member King reminded Council we just passed this social host ordinance. If we want to be strong here, we can't also be easier on the establishments that sell to minors.

Adjournment: Motion by Council Member Austin, seconded by Council Member King, to adjourn the meeting. Motion passed unanimously. Meeting was adjourned at 8:33 pm.

Respectfully submitted,

Tom Dankert