

**M I N U T E S**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**July 6, 2010**  
**City Hall Conference Room**  
**4:30 Regular Meeting (continued following council meeting)**

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

**ABSENT:** None.

**STAFF PRESENT:** Community Development Director Craig Hoium, City Attorney David Hoversten, Public Works Director Jon Erichson, Assistant City Engineer Steven Lang, Administrative Services Director Tom Dankert and City Administrator Jim Hurm.

**ALSO PRESENT:** Marv Repinski, Public, KAAL TV-6, Austin Post Bulletin and Austin Daily Herald.

Mayor Stiehm opened the meeting at 4:30 pm.

**Other Item – Lansing Township Annexation:** Public Works Director Jon Erichson discussed the status of those objecting to the sewer project in the newly annexed Lansing Township area. Mr. Erichson stated we had approximately 40 objectors through the June 21 meeting, and we are now up to 71 total objectors (another objection came later in the meeting putting the grand total to 72). Mr. Erichson discussed options for the project, including having Council reject the bids that we have received and not doing the project as designed, but changing the scope only to include only those people in the Woodhaven Addition. Mr. Erichson stated the total cost, if the City were to lose this battle in court, could exceed \$1.3 million, and that cost would then have to be paid by the other taxpayers within the city.

Mr. Erichson discussed the proposed new project that would only address needs in the Woodhaven area. The objecting parcels are scattered throughout the area, but Woodhaven has had no one object to the project. A feasibility study could be ordered by Council for which we may be able to provide a low pressure system to that area only. This would require a grinder pump and is not as great as a gravity system, and the low pressure system may be more costly (grinder pumps required) and the pumps will not work if the power goes out. This project will be difficult to deliver in 2010, but it would address the immediate needs of that area and those that have agreements with the MPCA.

Mr. Erichson stated he has reviewed the objections and they are based on different reasons. Empty lots being assessed and property values not increasing are some of the common complaints against the project. Mr. Erichson noted the public he has spoken to expect some compliance follow-up from Mower County for all of the residences in the newly annexed area, as the pollution needs to be stopped. Mr. Erichson stated we will continue to look for grants to try to “buy” the cost of the project down.

Mr. Erichson noted he would like to give those objectors another chance to withdraw their objections before a new project is designed. This would allow those that want the project, but

thought the City would cover some of the costs, to re-think their decision. Mayor Stiehm stated it would not be fair to the rest of the community for the city taxpayers (or rate payers) to pay for their own assessments, plus cover a portion of the newly annexed areas assessments. Mr. Erichson stated we have to award the bids by August 9 and 11 (as there are separate bids), so we do not have a lot of time to make a decision on this issue.

Council Member Pacholl questioned the area west of the power plant, and if that could also be serviced by a low pressure system. Mr. Erichson stated west of the river could be looked at, but the negatives to a low pressure system include needing everyone to have a grinder pump at the house, and if there is a power outage, then the grinder pump will not work.

Mayor Stiehm stated we could then do Woodhaven, and we could do other areas if enough objectors withdraw their objection. Mr. Erichson clarified that we could limit the scope of the project based on the number of objections that are withdrawn, and we could do the east or west side separately if we get enough objections withdrawn. With the Woodhaven area, Council would have to authorize a new feasibility study, and then we could bid this project.

Council Member Clennon stated she spoke with property owners regarding the MPCA. Council Member Clennon noted ten years ago (or so) the MPCA identified certain areas, including Ramsey Park, with failing septic systems, and all of these people corrected their problems back then. However, the failing systems in Woodhaven were never fixed, so now we have to do a project to help Woodhaven even though the other areas don't have an immediate need for a new sewer system. Mr. Erichson stated he had staff go over the Mower County enforcement records over a two-day time period and noted it was very difficult to research, but based on his notes the residents in the Ramsey Park area do not indicate upgrades in the septic systems. Mr. Erichson also stated that if compliance inspections are done by Mower County, then we can easily find out who is in compliance and who is not in compliance.

Council Member Clennon also questioned the newly developed Mike Olson property. Mr. Erichson stated this development has six platted lots at the south end of the development; two of those lots have already been sold. The other lots listed (at north end) are platted into outlots, and you cannot build on outlots until those have been subdivided. Mr. Erichson stated that for this development, they had used the six platted lots plus another 20 lots that could be created out of the platted outlots. Council Member Clennon stated she noted for sale signs on many of the lots in the area we consider an outlot, and all have defined frontage. Mr. Erichson reiterated that there has been no subdivision of those specific outlots, so whatever he is advertising as specific lots may be his intentions on how he wants it subdivided.

Marv Repinski handed out some information he had researched, including using some resources through John Garry at the DCA in an attempt to bring some grant monies into the community. Mr. Repinski noted a change in this project at this venture will only suspend the inevitable. Mayor Stiehm noted we are looking at a new option that will satisfy the immediate needs of Woodhaven, and fines may start if we wait any longer.

Council Member Clennon questioned how much the east side only option would be. Mr. Erichson estimated it at \$1.86 million dollars for the 116 estimated residential equivalent parcels. Mayor Stiehm noted several years ago we did this for the Norman Park area, 100% of the cost of which was assessed to those property owners.

Mr. Dankert asked, for clarification for the minutes, if other parcels could be added in at a later time if a low pressure system were installed to service the Woodhaven area. Mr. Erichson stated some could potentially be added in, but at a very limited capacity.

Council Member Austin noted if we do run a line by other properties, we can then create a fee (not an assessment) for others that want to hook into the city. Mr. Hoversten noted that was correct – under M.S. §444, we can create a connecting fee and an availability charge for those citizens that want to hook into existing infrastructure. This is not assessed and spread out over 15 years but would be an immediately-due payment, in one installment.

Resident Teresa Miller noted that her and her husband's objection was not in the exhibit. Mr. Lang quickly researched it and noted that we do have their objection on file.

Mr. Repinski stated he is 100% for this project. Mayor Stiehm stated it is not appropriate for the rest of the city to subsidize this project. Mayor Stiehm stated he wanted to ensure the public has been adequately informed, so people do not come back to us down the road and say we didn't tell them about the ramifications of not doing the project now. Mayor Stiehm stated all properties in the newly annexed area will be compliant when this project is done, no matter what scope it is done in.

Council Member King requested clarification on Mr. Erichson's thoughts. Mr. Erichson stated that at this time, due to the number of objections and the risk being too great to proceed with the full project, that we do not do the project as originally designed. The citizens have been informed that the City will *not* subsidize this project, so if some of the objectors want to withdraw their objections we should give them an opportunity to do this, as this may determine if we want to still do the original project. If a significant number of objectors withdraw their objections on the west side, we can do that project as is under the proposed contract.

Council Member Clennon questioned why inspections were not done before the project. If a majority were in compliance as her research indicates, she said, we wouldn't even be doing the project. Now at the end of the process we are threatening the people out there that they will be inspected. Mr. Erichson noted this area has only been in the city limits now since February of 2009. The City does not have a septic system ordinance to enforce, only Mower County does. Mower County is the responsible party for inspecting and enforcing the septic systems and we have no authority to do such. This sewer system was requested by a majority of the people in the area, but now some don't want to pay for the project. Mayor Stiehm clarified for the public that the City of Austin will not be doing the compliance checks, this will be done by Mower County and the MPCA. Mayor Stiehm noted there is a very good chance that somebody is going to complain to these entities that sewage is being dumped into the river and onto lots, and then the systems will be checked. Council Member Clennon noted her question was not really answered. Council Member Austin stated this has been a 10-year problem and then we got involved based on the citizens request. They wanted the city sewer system and not Lansing Township's alternative. It is not part of our scope of work to check the systems for compliance, as this is a County function. Council Member Clennon noted only Woodhaven needs this project as 10 years ago everybody else fixed their problem. Mr. Erichson stated only a compliance inspection will tell that for sure.

Mayor Stiehm stated some people are dumping into the river. Council Member Austin stated a septic system is not a permanent solution.

Mr. Hoversten noted the action Council will need to take at the council meeting in two weeks includes the following if they are going to abandon the originally proposed project:

- Rescind the resolution ordering the improvement.
- Order a feasibility study for the revised projects.

Mayor Stiehm noted he is trying to be perfectly clear to the objectors. If you complained thinking the City will reduce the cost and subsidize this project, it is not going to happen, and you may now not get sewer service if objections are not withdrawn.

Citizen Mike Berndt stated that 90% of the occupied homes on the west side do not want this.

Council Member-at-Large Anderson stated the appraised values should increase with a new sewer system, and questioned if a new feasibility study would factor this in. Mr. Erichson noted that we could adopt the assessment roll for those that have not objected, and then we may see the others in court. Both sides will have to hire appraisers to verify the increased appraised value of the property with the functioning sewer system. A judge then makes the final determination on the objections and a value. Mr. Erichson stated those objecting are the ones that have to file in court, not the City of Austin.

Meeting adjourned at 5:26 for the regular council meeting.

Meeting re-opened at 8:00 after the regular council meeting.

**Item #1. – Transportation Enhancement Project grant submission for a pedestrian trail from the Bandshell to 16<sup>th</sup> Avenue SW:** Mr. Erichson noted District 6 in the State of Minnesota gets approximately \$800,000 to spend on enhancement projects. We are now reviewing the 2014/2015 cycle and have a proposed project to bring forward. The project would provide a trail from the Bandshell to 16<sup>th</sup> Avenue SW and then up into Marcusen Ball Park. The estimated cost is \$200,000 for which a 20% local match (\$40,000) is required. Mr. Erichson noted it would be his intent to apply to the Hormel Foundation in 2013 for a grant to cover our \$40,000 local match. Mr. Erichson noted that if Council agrees with the proposal, we need to have it approved at the next council meeting.

Council Member King questioned if land acquisition is needed. Mr. Erichson stated it would not be needed as we acquired additional land with a land swap with St. Mark's back when the wastewater treatment plant was expanded.

Motion by Council Member Austin, seconded by Council Member King, to recommend to Council the approval of the grant application.

Before the voice vote could be taken, Council Member McAlister stated he is not opposed to the project, but only if we get the Hormel Foundation grant to pay our 20% local match. Council Member Clennon stated she is opposed to the project due to the long-term maintenance cost.

Motion passes 6-1 (Council Member Clennon – Nay). Item will be added to the next council agenda.

**Item #2. – WWTP permit – additional capital and operational requirements:** Mr. Erichson discussed his memo dated June 30, 2010 outlining the status of our permit application. Mr. Erichson noted the application is now out for public review, but Mr. Erichson outlined the significant permit changes from our last one, including the following:

- Additional monitoring requirements
- Flow monitoring
- Salty discharge requirements
- Additional mercury and total suspended solids monitoring
- Compliance schedule for completing water balance testing
- Development of a Mercury Minimization Plan within 180 days of permit issuance
- Updated Phosphorous Management Plan within 180 days of permit expiration
- Expanded Cedar River monitoring
- Requirement for the City of Austin to become a delegated authority to address pre-treatment customers within one year

Mr. Erichson noted these changes above will require changes to the 2011 budget. Mr. Erichson noted this is for informational purposes only.

**Item #3. – League of Minnesota Cities Annual Conference review:** Council Member Clennon outlined the recent annual conference that she and Mayor Stiehm attended. Discussion during the June 23rd all-day session was on innovation in public service, adding that the roundtable discussions gave insight to what other cities are doing. Council Member Clennon stated many cities are freezing all hiring's, no matter how high the position vacancy is. Additionally, cities have employee committees where the department head is not allowed to be in the committee. This allows for free-flowing discussion on how to make changes and cut costs. Additionally, Council Member Clennon stated many cities go through every line item of every departmental budget on an annual basis during budget review time.

Council Member Clennon stated the opening ceremony speaker, Anirban Basu, discussed economics in a funny interesting way. This speaker also noted that if you disregard the lost jobs in the metro area in Minnesota, the rest of the state has actually gained jobs. Another session outlined a Yellow Ribbon Program in support of the troops. Council Member Clennon stated she would like the city to be involved in this and would involve more endorsement of our troops. Tours of the St. Cloud Police Department were given; they have a very nice efficient setup. A session titled Shining the Spotlight on Your Budget focused on the Hopkins Citizen Academy in which citizens (maximum of 25) go through the process to learn about city government. Council Member Clennon also discussed the brainstorming session that they had on Friday, June 25 to get ideas on how to help in solving the State's fiscal issues.

This is for informational purposes only.

**Item #4. – Administrative Report:** None.

**Item #5. – Matters In Hand:** No discussion, except Mr. Hurm handed out a letter from Dan Kane regarding three properties in town. Mr. Hurm noted he would turn the first two issues over to Craig Hoium to review and the third issue to the Police Department for their comments.

**Item #6. – Open discussion – City Hall:** Council Member Martin noted that when he was in filing for office, a former city employee was walking back behind the counter. Council Member Martin noted we should not allow this as we may have some sensitive material in these areas. Mr. Hurm noted he would check into it.

**Item #6. – Open discussion – Code of Conduct policy:** Council Member-at-Large Anderson asked why Council Members Martin and Clennon voted nay on the three policies/codes that were on the council agenda this evening. Council Member Clennon stated that we are all grown-ups and people need to behave. We should not have to tell adults not to swear, for example, noted Council Member Clennon. Additionally, the Code of Conduct for Council states that we cannot do this or that to staff, but we can't have issues addressed if staff does something to us.

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

Respectfully submitted,

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Tom Dankert