

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
OCTOBER 4, 2010
City Hall Conference Room
5:00 pm

PRESENT: Mayor Stiehm, Council Member-at-Large Anderson, Council Members Austin, McAlister, Martin (6:00 pm, not at 5:00 session), King, Clennon, and Pacholl.

ABSENT: None.

STAFF PRESENT: Human Resources Director Trish Wiechmann (until 5:15 pm), Public Works Director Jon Erichson, Police Chief Brian Krueger (6:10 pm) Administrative Services Director Tom Dankert, and City Administrator Jim Hurm.

ALSO PRESENT: Other staff (until 5:11 p.m.), Craig Byram (6:10 pm), Wayne Madsen (6:10 pm), Austin Post Bulletin (6:10 pm), and Austin Daily Herald (6:10 pm).

Mayor Stiehm opened the meeting at 5:00 pm.

Item #1. – Closed session for the purpose of discussing medical records that are not public data pursuant to Minnesota Statutes 13D.05, Subd. 2(a)(4).: Motion by Council Member Austin, seconded by Council Member-at-Large Anderson to close the meeting under Minnesota Statutes 13D.05, Subd. 2(a)(4) for the purpose of discussing medical records that are not public data. Carried 6-0.

See DVD of closed meeting.

Motion by Council Member McAlister, seconded by Council Member King, to re-open the meeting at 5:10 p.m. Carried 6-0.

Motion to adjourn the meeting by Council Member Austin, seconded by Council Member King at 5:11 p.m. Carried 6-0.

Mayor Stiehm re-opened the meeting (after the city council meeting) at 6:10 p.m.

Item #1. – Consideration of a modification to Eagles loan: Craig Byram representing the Austin Eagles Club presented a request to Council to modify the terms of the loan agreement between the Eagles Club and City of Austin. Mr. Hurm gave some background noting that as part of a comprehensive package to relocate the Eagles Club out of the flood area, the City of Austin gave the Eagles Club a \$60,000 loan at 1% interest. Mr. Byram noted the much-publicized tax issue with Mower County is close to being resolved with most of the funds being raised to pay the back taxes, and Mower County appears willing to waive the delinquent penalties and interest. Additionally, the Eagles has now been moved to a different tax classification based on some 2008 legislation, but this does not kick in until the taxes payable in 2012. Therefore they are requesting some help during 2011 as the tax bill will be the \$27,000 or

so it normally has been. The Eagles Club would like to have the city defer payment for 15 months until January 1, 2012 so that this cash can be used to pay the higher 2011 tax bill. Mr. Byram stated that in January of 2012, then, the Eagles could resume making payments (with interest still accruing from day 1 at 1%) and extend the loan out until November 1, 2017.

Mayor Stiehm questioned the cash flow issue the Eagles Club seemed to have. Mr. Byram stated they have increased their revenues and decreased their expenses, and additionally had some fund raisers for payment of the tax bill. Mr. Byram stated he is confident that with a city relief valve on the payments plus the decreased tax level for 2012, the Eagles Club can again have an even operation.

Council Member Martin questioned with the property tax increases that have been put forth by the differing governments, how that will affect the Eagles Club. Mr. Byram stated the city is a small percentage of the total tax bill, and the additional shift in taxes from the city to the rural area has actually decreased our tax bills over the years.

Council Member McAlister stated if we don't do this we will be putting the Eagles Club in even more dire straits. Mr. Byram agreed, noting that we did not want to end up like the Elks Lodge in Albert Lea that ended up disbanding over a financial issue.

Council Member King clarified that the interest will still accrue, even during the 15-month payment holiday. Council Member Austin stated it would according to the agreement.

Council Member Pacholl stated the County has approved the 2012 property reclassification and, in addition, the City has approved loan reschedules in the past, so he sees nothing wrong with this.

Motion by Council Member King, seconded by Council Member Austin, to recommend to Council the change in the loan repayment schedule with the Eagles Club as outlined above. Carried 7-0. Item will be added to the next council agenda.

Item #2. – Mower County All Hazard Mitigation Plan: Wayne Madsen, Emergency Management Coordinator for Mower County discussed the updated All Hazard Mitigation Plan for Mower County. Mr. Madsen noted the plan was adopted in 2005 by Mower County and all cities within Mower County. We have now made some updates to the plan. These updates have been approved by the State Hazard Mitigation officer, the Region 5 FEMA officer, and now Mower County and three of our cities have adopted this. We are now looking for Austin to adopt the updates as the plan needs to be in by November 1.

Mr. Madsen stated this plan is needed for us to be eligible for hazard mitigation dollars from FEMA. On page 87 of the plan is the section pertaining to the City of Austin; it discusses some of the City's plans including relocation assistance and the construction of a berm in the North Main area.

Mr. Erichson stated we will need some verbiage changes in the document to ensure we maintain our community rating of a 5. Every point below 10 allows Austin residents to receive a 5% discount on their flood insurance rating, so maintaining this at a level 5 is huge for those citizens that have to pay for flood insurance as they receive a deep discount. Mr. Erichson noted his

department is subject to an audit every three years, and annually it takes about 150 hours of staff time to participate in the program.

Council Member-at-Large Anderson questioned the need for upgrading the sirens as noted on page 86. Mr. Madsen answered that some of the newer sirens would just need to be reprogrammed for a few hundred dollars, but some communities would need an entire replacement of their system.

After further discussion, motion by Council Member Austin, seconded by Council Member-at-Large Anderson, to recommend to Council the approval of the Mower County All Hazard Mitigation Plan. Carried 7-0. Item will be added to the next council agenda.

Item #3. – Quarterly goals review: Mr. Hurm noted he would like to concentrate on the green initiatives that are part of council's goals in the next couple of work sessions.

Item #4. – Open discussion: Council Member Clennon noted in the past couple of weeks somebody has been offering to buy homes in the area east of the Hormel Corporate offices. Council Member Clennon questioned if the City had received any offers on the park that is in the area. Mr. Hurm stated nothing has come to him at City Hall. Council Member Clennon stated the people were given 60 days to accept the offer, but they could stay in the house until April 2011. The offer came from some developer.

Item #5. Matters In Hand: None.

Adjournment: Motion by Council Member King, seconded by Council Member Austin, to adjourn the meeting. Motion passed unanimously. Meeting was adjourned at 6:39 pm.

Respectfully submitted,

Tom Dankert