

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
September 19, 2011
City Hall Council Chambers/Conference Room
Immediately following council meeting

PRESENT: Mayor Stiehm, Council Member-at-Large Janet Anderson, Council Members Jeff Austin, Roger Boughton, Brian McAlister, Judy Enright, Marian Clennon, and Steve King

ABSENT: None.

STAFF PRESENT: Public Works Director Jon Erichson, Parks and Recreation Director Kim Underwood, Police Chief Brian Krueger, Community Development Director Craig Hoium, and Administrative Services Director Tom Dankert.

ALSO PRESENT: Representatives of PNE Wind, Mark Nibaur (Austin Utilities General Manager), Austin Planning Commission members, Kristen Lindbloom (Human Rights Commission), Brian Koser (Community Band), Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 6:30 p.m.

Item No. 1. Report from Craig Hoium on Vision 2020 (with Planning Commission) – Mr. Hoium outlined a planned event at the Holiday Inn Convention Center scheduled for Wednesday September 28 at 5:30. The goal of this event is to eventually get 10 ideas to make Austin a better place to work and live. A total of 1,000 suggestions are being requested of our citizens, such that a steering committee can eventually get the ideas down to 10 that could be implemented by 2020. This idea is based off of the Dubuque, Iowa presentation and their success.

This is for informational purposes only.

Item No. 2. Austin Utilities' wind energy contract – PNE Wind – Mr. Nibaur introduced a concept that the Austin Utilities has been working on for some time now. Their negotiations are done and they are ready to proceed to get Austin Utilities Board's approval; however, they are also required under the Charter to get city council approval on this arrangement as it will be for 25 years.

Representatives of PNE Wind discussed their proposal to develop a wind farm approximately 14 miles north of Austin. This proposed wind farm could provide emergency power to Austin in the event our lines are down and also help during peak emergencies. The City Council, due to timing and permitting issues will need to have this approved at the October 3 meeting. The Austin Utilities Board is expected to approve the agreement next Monday.

Council Member Boughton questioned how many towers there would be. Andre (PNE Wind) noted it depends on the megawatts, but they envision approximately 12 towers to generate a total of 35 megawatts.

Andre also gave some background on PNE Wind, noting they are a German company openly traded in the market. They have United States offices in Chicago and are relatively new to the United States. For this project, 100% of the land is under control, and the transmission lines and related land is in process. They also have two off-takers looking at purchasing our power. This project will cost \$60 million to construct, and will have an estimated \$3 million in new revenue to the State and County, along with eight new full-time jobs paying in the \$80,000 salary range.

Mr. Nibaur noted that on the Austin Utilities side, we are going to receive a one-time cash payment, plus ongoing annual payments, plus we will have a reliable backup power source for the community. This contract is for 25 years.

Council Member Boughton questioned how this would affect the relationship with SMMPA. Mr. Nibaur stated this would not hurt this relationship in any way, as it only helps SMMPA as more power would be flowing through their grid.

Council Member Enright stated we don't operate our generator that often. Does this create some long-term problems for our generation system? Council Member Enright stated she would like to maintain all options though.

Council Member-at-Large Anderson questioned if this would enhance our quality of power. Andre stated this is a very reliable source, and there will now be more power put onto the grid.

Council Member McAlister stated the way the Austin Utilities and City of Austin are set up, the City must approve this arrangement. Mr. Nibaur stated that was correct.

Council Member Boughton questioned why a commitment for 25 years. Andre stated in order to guarantee the cash flow and fully depreciate the facility, they need at least 25 years. Andre noted they first wanted an 80-year agreement which the Austin Utilities quickly rejected.

No further action needed. Item will be on the October 3 City Council agenda.

Item No. 3. Dog Park – Ms. Underwood discussed a proposed location for the dog park, located at the south end of the 500 block on 2nd Street SE. Ms. Underwood stated she has not yet met with the neighbors to this property, but she intends to send letters to the area residents if Council concurs that this is a good location for the dog park.

Council Member Enright questioned the distance from the fence to the trail. Ms. Underwood stated it is pretty close at about eight feet away.

Council Member-at-Large Anderson questioned if there was a water supply included. Ms. Underwood stated there was not, but across the street at Veteran's Pavilion there is water and restrooms, along with playground equipment.

Council Member Enright stated this was a nice solution.

Council Member McAlister stated he would recommend we send letters to those citizens living within a certain distance, and use the same distance used for legal notices. Council Member McAlister also questioned who would cover the ongoing maintenance costs. Martha Hauschildt stated the property is already being mowed and the fence is low maintenance. The pet owners will be cleaning up after themselves, so it may just be a dumpster as a cost which S.P.A.R.K.(the citizens for a dog park) could pay for.

Council Member Enright requested Weed Guard be installed under the fence so that the Parks and Recreation Department does not have to also trim around this property.

Mayor Stiehm stated the members of S.P.A.R.K. will be responsible for building and maintaining this facility.

Motion by Council Member Boughton, seconded by Council Member Austin to recommend to Council the approval of the parcel of property located at the South end of the 500 block on 2nd Street SE as the location for the new dog park. Carried 7-0. Item will be added to the next council agenda.

Item No. 4a. 2012 Budget: Human Rights Commission - funding – Ms. Lindbloom discussed the Human Rights Commission activities for the last year, noting they have used up the Blue Cross Blue Shield grant. The funding for the Human Rights Commission has been used this past year for the annual MLK celebration, billboards, renter video, anti-bullying campaign, training and block parties. Ms. Lindbloom stated they were again requesting \$3,500 to continue this work.

Mayor Stiehm stated they have done a great job here, and this is a good bang for the buck.

Council Member Enright stated the billboards are nice and easy to read, plus it sends the message.

Item No. 4b. 2012 Budget: Community Band - funding – Mr. Koser stated he has been down this road many times, stating he must personally decide if it is worth the \$1,000 that the council has given him in the past. Mr. Koser stated they start rehearsing in with their 35-40 members, and then have concerts in June and end with the 4th of July celebration. Mr. Koser stated he used to receive \$2,500, and his work is at about 80 hours to do this project.

Council Member Boughton questioned if there are other expenses. Mr. Koser stated they could use money to purchase music. Also Park and Rec provides a free truck for us to use to transport equipment. Council Member Boughton stated this is a quality of life issue, and we should keep it.

Item No. 4c. 2012 Budget: Discussion of outside agencies – Mayor Stiehm and the council reviewed and the funding for the outside agencies on an individual basis, as follows:

- Volunteer Recognition, \$800. Requested to hold off until we know whether or not a party will be held.
- Human Rights Commission, \$3,500. Moved by Council Member Austin, seconded by Council Member King to approve of the \$3,500 allocation. Carried 7-0.
- Welcome Center, \$10,000 request. Moved by Council Member Austin, seconded by Council Member McAlister to approve of \$5,000 for the Welcome Center. Carried 7-0.
- Memorial Day wreath, \$150. Moved by Council Member-at-Large Anderson, seconded by Council Member Austin to approve of the \$150. Carried 7-0.
- 4th of July, \$6,000. Moved by Council Member King seconded by Council Member Austin to approve of the \$6,000 allocation. Carried 7-0.
- Christmas in the City, \$855. Moved by Council Member Boughton, seconded by Council Member-at-Large Anderson to approve the \$855 allocation. Carried 6-1. (Council Member McAlister – Nay).
- Community Band, \$2,500 unofficial request. After much discussion about this entity getting other grants besides the City of Austin, moved by Council Member Boughton, seconded by Council Member King to approve \$1,500 for 2012. Failed 5-2. (Council Members Austin, McAlister, Clennon, Enright and Council Member-at-Large Anderson – Nay). Motion by Council Member-at-Large Anderson, seconded by Council Member Austin to approve \$1,000. Carried 5-2. (Council Members Clennon and Enright – Nay).
- Local Artist, \$500. Moved by Council Member Boughton, seconded by Council Member Austin to approve the \$500 allocation. Carried 6-1. Council Member McAlister – Nay).
- Austin Symphony, \$2,500. Moved by Council Member Boughton, seconded by Council Member Austin to approve the \$2,500 allocation. Carried 4-3. (Council Members McAlister, Clennon, Enright – Nay).
- Employee Appreciation/Wellness Program, \$1,500. Moved by Council Member Boughton, seconded by Council Member King to approve the \$1,500 allocation. Carried 7-0.
- Coalition of Greater Minnesota Cities, \$45,605 estimation. Moved by Council Member Enright, seconded by Council Member Boughton to hold this item over to a later date. Failed 4-3. (Council Members Austin, McAlister, King, and Council Member-at-Large Anderson – Nay). Moved by Council Member-at-Large Anderson, seconded by Council Member King to approve the \$45,605 allocation. Carried 4-3. (Council Members Boughton, Clennon, and Enright – Nay).
- League of Minnesota Cities, \$16,000 estimation. Moved by Council Member Austin, seconded by Council Member Boughton to approve the \$16,000 allocation. Carried 7-0.
- KSMQ, \$25,000 requested allocation. Moved by Council Member-at-Large Anderson, seconded by Council Member Boughton to approve a \$7,000 allocation. Carried 5-2. (Council Members Clennon and Enright – Nay).

Moved by Council Member Austin, seconded by Council Member McAlister to add the \$5,500 savings to contingency for now as we may be short \$18,000 in this line based on a recent budget printout from Mower County. Carried 7-0.

Item No. 4e Other. 2012 Budget: Discussion on tax levy – Mayor Stiehm asked Mr. Dankert to clarify our tax levy situation, as some newspapers are not reporting apples-to-apples comparisons as to what our tax levy means to the citizens. Mr. Dankert used the whiteboard to

indicate that our gross tax levy is going down from \$4,134,000 to a proposed \$3,975,000 (a 3.85% decrease). However, a portion of the payable 2011 tax levy was to be paid by the State of Minnesota through the Market Value Credit, hence reducing the impact to the local tax payers by some \$613,000. Therefore, for payable 2011, our tax payers were only paying taxes on approximately \$3,521,000 of tax levy (not the \$4,134,000 that council certified). For payable 2012, the Market Value Credit is gone, so 100% of our certified tax levy will be paid by the local taxpayers, and none of it will be paid by the State of Minnesota.

Mr. Dankert noted this is a very confusing topic, so much so that the Minneapolis Tribune has had an article each week for the last two weeks on this topic. Many metro area counties are touting zero percent increases, but this does not factor in the effect of the lost Market Value Credit that some counties are levying 100% back.

This is for informational purposes only.

Item No. 4d. 2012 Budget: WSJ article: “Cities Deep in Red Turn to Green Deals” – Mr. Dankert noted this is for informational purposes only. The Council has said we need to think outside the box, which we as staff are doing on a daily basis. However, some ideas, like issuing bonds by selling buildings and leasing them back does not seem like a prudent idea to me stated Mr. Dankert. Council agreed.

Item No. 5. LMC Performance Measurements update – Mr. Dankert discussed the backup noting the League of Minnesota Cities has got our survey information ready to go. They have recommended that this be up for 4-6 weeks for the citizens to respond to. This is only available via the internet, so if Council would like the survey available sans internet, we could add those surveys to the survey total.

Discussion ensued regarding informing residents via the Austin Utilities monthly statement, through an ad placed in the Austin Daily Herald and the Austin Post Bulletin, and by allowing hard copies to be completed at the Library and City Hall. Mr. Dankert noted an address will be required or the hard copy survey will *not* be counted into the totals. No objections noted.

Item No. 6. Administrative report – None.

Item No. 7. Open discussion – Council Member Clennon questioned why public input tonight was limited to only 2-3 minutes, and some nights it is 5 minutes. Mayor Stiehm stated Mr. Simonson will keep talking as long as you allow him to talk, and he takes up a lot of public meeting time and disparages the elected officials and staff. Mayor Stiehm stated Mr. Simonson and someone from the Nazi party that appeared in front of council a few years ago are the only ones he has curtailed comment.

Council Member Enright requested we have a budget discussion at the next work session as she has some topics she would like to discuss. Mr. Dankert requested that if staff research is needed that we get the questions emailed ahead of time.

Item No. 8. Matters In Hand – Nothing discussed.

Motion by Council Member Austin, seconded by Council Member King to adjourn the meeting at 8:55 p.m. Motion passed unanimously.

Respectfully submitted,

Tom Dankert