

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
November 7, 2011
City Hall Conference Room

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

ABSENT: Council Member Clennon.

STAFF PRESENT: City Attorney David Hoversten, Police Chief Brian Krueger, Parks and Recreation Director Kim Underwood, Public Works Director Jon Erichson, Library Director Ann Hokanson (until 7:00), Assistant City Engineer Steven Lang, Fire Chief Mickey Healey, Administrative Services Director Tom Dankert, and City Administrator Jim Hurm.

ALSO PRESENT: Craig Knippel, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 6:15 p.m.

Item No. 1. Snow removal at intersections— Craig Knippel (1311 2nd Avenue SW) discussed his request to amend the city ordinance (7.04) to require the clearing of snow from the corner sidewalk radius into the street to allow for better pedestrian walking routes. Mr. Knippel displayed three cakes that he made to show the problem, noting most homeowners do nothing with the radius', therefore requiring people to walk in the streets in order to cross the street. One cake had a small walking path (his preference) and the other had the entire corner lot radius with a clear path. Mr. Knippel stated if the owners can clean their driveways and sidewalks, then they should have the means to clear the radius into the street also.

Mr. Erichson stated the major question here for council is, are we going to enforce that now if we get a complaint. Mr. Erichson stated we require the sidewalk only to be shoveled, not the radius into the street. Council Member King stated we cannot require our citizens to shovel the radius and part of the street when it is all said and done. Mr. Erichson stated our rate to clean sidewalks is \$0.50 per linear foot, and it is based on sidewalk width and depth of snow, not the heavier corner lot radius and street. Mr. Erichson stated we could try to educate the citizens for voluntary compliance.

Council Member Enright stated our ordinance does state the owner has to remove the snow. Mr. Erichson stated many homeowners do not have the capability to remove this much snow, and it could create visibility problems the snow is stacked. Mr. Erichson stated we do not get many citizen complaints about the radii not being shoveled. Council Member McAlister noted we have survived this long without requiring the radius to be shoveled, and we should not do anything more except maybe a media blitz highlighting the problem.

No further action necessary.

Item No. 2. 14th Street NW construction project – Mr. Erichson stated we have some work scheduled for 14th Street NW near the athletic field next summer. As part of the project, one option we looked at was to eliminate the service road to the west of 14th Street NW. Mr. Erichson stated he sent out a survey to the affected residents in the area, and 14 responded with 10 of those responding that the service road should be kept in place.

Mr. Erichson noted this was for informational purposes only unless Council wants to do something different with the road. No objections noted to leaving the road as a majority of the citizens have asked.

Item No. 3. Status of old library parking lot (1st Street/2nd Avenue NW intersection) – Mr. Erichson noted Mower County has called inquiring if the City would like to lease this old parking lot back for a nominal fee (\$1) plus all plowing and maintenance costs until the County needs it with the move back downtown by Health and Human Services. Mr. Erichson stated when Mower County bought the Robbins block, they created more than enough parking for the immediate future, hence their request to lease it to us as they do not have a need right now. Mr. Erichson stated he did not feel that we needed the additional parking (and maintenance costs) at this point either, so he recommended to let Mower County keep the property as is.

Motion by Council Member Austin, seconded by Council Member Enright, to recommend to Council the denial of the offer to lease the old library parking lot back. Carried 6-0.

Item No. 4. Audit quote – Mr. Dankert discussed the audit for the year ending December 31, 2011 noting we have always had the local firm, Larson Allen LLP (formerly BACH) perform our audit. Larson Allen is one of the biggest CPA firms in Minnesota, and their government audit practice is highly regarded in the state, plus they have a main office here in Austin that employs local people. Mr. Dankert stated he has requested a three-year audit quote in an effort to keep increases at a minimum, noting Larson Allen has responded with the three year quote as follows (not including Austin Utilities as this is their cost):

<u>Year Ending</u>	<u>City Audit</u>	<u>Single Audit</u>	<u>Port Authority</u>	<u>Total</u>
12/31/11	\$ 33,800	\$ 3,560	\$ 3,800	\$ 41,160
12/31/12	\$ 33,800	\$ 3,560	\$ 3,800	\$ 41,160
12/31/13	\$ 34,100	\$ 3,560	\$ 3,800	\$ 41,460

Mr. Dankert noted the rate for 12/31/11 and 12/31/12 is also the same rate we paid for the year ended 12/31/10. Mr. Dankert noted Larson Allen would also honor a frozen rate for 12/31/11 if we only wanted to sign an engagement letter for the one year. Mr. Dankert stated that if Council desires to change auditors, we need to start this process in the summer through an RFP process.

After further discussion, motion by Council Member Boughton, seconded by Council Member Austin to recommend to Council the approval of the three-year audit engagement with Larson Allen. Carried 6-0. Item will be added to a future council agenda when the engagement letter is received.

Item No. 5a. 2012 budget discussion – Implementing a fee for auto extrications – Chief Healey discussed the five items on his memo as potential revenue sources for the Fire

Department budget. Chief Healey stated he reviewed the fee structures at other fire departments to come up with his recommended rates. Chief Healey explained them as follows:

- Auto extrications – charge is dependent upon the number of personnel involved plus the type of vehicle. Council Member McAlister questioned if this would create problems with mutual aid. Chief Healey stated no, but the bus example is a good one to refer to as all of those people do not pay taxes in our community yet our resources (and our tax payer funds) were used to aid in the effort.
- Fireworks permit – Chief Healey stated the fire code would have us inspect these tents or facilities, and every year we get calls wondering about the fee for this.
- False alarm fees and fire watch fees – Council Member King stated this is really part of their jobs and the citizens are already paying for this service through their taxes. Council Member Boughton stated if we do not start charging for these like other fire departments do, then we will have to cut our budget in other places.
- Daycare/Foster care inspections – right now the State collects this money, so the provider is already paying for it. We, as the Fire Department, can collect the funds instead.

Council Member Enright stated many cities have these fees, and we need to start looking at these. This charges those people that are using the system.

Council Member Austin stated at some point it looks like we are charging property taxes for a minimum level of service, and anything above that minimum level the public will have to pay extra for.

After further discussion, motion by Council Member Boughton, seconded by Council Member-at-Large Anderson to recommend to Council the auto extrication and firework fee as proposed. Carried 4-3 with Mayor Stiehm breaking the tie vote (Council Members Austin, McAlister, and King – Nay). Item will be added to a future council meeting agenda.

Motion by Council Member Enright, seconded by Council Member Boughton to recommend to council a fee for false alarms and fire watches as proposed. Carried 4-2 (Council Members Austin and King – Nay). Item will be added to a future council meeting agenda.

After further discussion, council requested the issue of charging for daycare/foster care inspections be brought back with additional information. No objections noted.

Item No. 5b. 2012 budget discussion – increasing parking violation fines during snow emergencies – Chief Krueger discussed his memo and what he found out from the research on parking violation fines during snow emergencies. Chief Krueger stated it appears the average is between \$20-25 per fine, while ours is currently at \$10 (\$15 if not paid within 5 business days).

Council Member Boughton asked about Albert Lea's and Rochester's rates and the state surcharge. Chief Krueger stated those cities do not have an administration fee, so the state keeps their surcharge. Our fee is an administrative fine, so we keep 100% of the fine.

After further discussion, motion by Council Member Enright, seconded by Council Member Austin, to recommend to Council the increase in fines for parking violations during snow emergencies from \$10 to \$25. Carried 6-0. Item will be added at a future council meeting.

Other Item – Chief Krueger briefly discussed Police Captain McKichan’s memo regarding certifications in response to Council Member Clennon’s email. Chief Krueger stated our requirements are higher than required by the State of Minnesota. There is a great cost in training to get the “certification card” with a mandatory 40 hour training the first year. Our first responder training is actually handled by a certified member of Gold Cross Ambulance who is also a full-time police officer.

After further discussion, Council Member Austin requested that this topic be brought back up at the next work session since Council Member Clennon asked about the subject but is not here tonight to hear the response and the training the Police Department currently goes through. No objections noted.

Item No. 5c. 2012 budget discussion – Overall 2012 budget review – Mr. Dankert the changes that have been made to our budget since the September 6, 2011 council meeting, as follows:

- **General Fund (Fund 11000)** – Change the Joint Powers Services (42010) line item from \$580,000 estimate to newly revised County estimate of \$601,634, an **expenditure increase of \$21,634**. This is from a meeting with Mower County on 10/17/11.
- **General Fund (Fund 11000)** – Change Special Fire Services (42200) from \$0 to \$4000 for the newly approved auto extrication program, a **revenue increase of \$4,000**. This is from the 10/3/11 council work session.
- **General Fund (Fund 11000)** – Eliminate the Health Officer (44120) expenditure of \$1,250, an **expenditure decrease of \$1,250**. This is from the 10/17/11 council work session.
- **General Fund (Fund 11000)** – Change KSMQ allocation (41950) from \$12,500 to \$7,000, an **expenditure decrease of \$5,500**.
- **General Fund (Fund 11000)** – Change Other Revenues (41110) from \$4,982 to \$5,866, a **revenue increase of \$884**. This is a plug number to help balance the budget.
- **General Fund (11000)** – Change Contingency from \$150,000 to \$140,000, an **expense decrease of \$10,000**. This is a plug number to balance the budget.
- **Capital Outlay changes (General Fund and Fund 49000 CIP Revolving)** – See attached Schedule A for changes in the proposed tax supported capital outlay. The total expenditure does not change, but we are not buying the Auto Cadd software but will instead use the \$6,000 to replace the plotter.

Other Changes in Funds:

We have now worked through the budgets that were submitted after the original deadlines and are requesting that the Mayor and Council review the attached schedules as listed below that require changes to the operational budgets of funds that are supported via user fees and not taxes:

- Schedule B – CIP Revolving Fund (49000)
- Schedule C – Wastewater Treatment Plant Fund (61000)
- Schedule D – Waste Transfer Station Fund (62000)
- Schedule E – Storm Water Utility District Fund (67000)
- Schedule F – Central Garage Fund (71000)
- Schedule G – MIS Replacement Fund (71000)

Library Fund Note:

On September 6 Council approved the proposed budget and tax levy via resolution #14087. However, the total budget for the Library was listed as \$1,050,289 instead of the \$1,088,289 it should have been. This does not change the tax levy allocated to this fund.

Mr. Dankert noted that Council Member Clennon had sent an email to Mr. Hurm requesting more discussion at the November 21 council work session since she is not able to attend this evening's work session. Mr. Dankert noted our TNT hearing is scheduled for November 29, and with the Thanksgiving weekend the council packets would be delivered the afternoon of Wednesday, November 23. This only gives us Tuesday, November 22 to get the packets and Truth In Taxation materials printed for the council to review for the TNT hearing. Mr. Dankert stated council could change the budget and the tax levy after the November 29th TNT hearing, but a proposed budget and levy will need to be forwarded to the regular council meeting scheduled for December 5. Once the levy is adopted (proposed to be at the December 5 meeting) the tax levy cannot be changed. After Council approves the budget and tax levy, documents have to be filed with the State of Minnesota and Mower County Treasurers office so we can certify our compliance with the Truth in Taxation requirements. Council can always amend the budget, but the tax levy cannot be amended. Mr. Dankert noted we could also schedule some special council meetings prior to November 21 if desired.

Council Member King stated we have discussed budget issues over the last three work sessions, and should be ready to go as is.

Motion by Council Member Austin, seconded by Council Member King, to recommend to Council the approval of staff drafting the budget documents with the changes as have been summarized tonight for the November 29 Truth In Taxation hearing so that documents can be delivered the week of Thanksgiving. Carried 6-0. Item will be added to the next council agenda.

Item No. 5d. 2012 budget discussion – Capital Improvement Plan 2012-2016 – Mr. Dankert gave a brief overview of the capital improvement plan (CIP) noting this plan would expend \$102.8 million over the next five years. However, much of the funding is grant-driven so if the grant does not get received, then the project would not be done. Each department head went through their different sections, as follows:

- Police (pages 5-7) – Chief Krueger discussed his vehicle replacement schedule and storage building needs for forfeited vehicles. Mr. Dankert noted the Port Authority owns the Robinson Building jointly with the DCA just down the block from their current facility. Mr. Dankert noted that if we do not get a long-term tenant, the Police Department has considered turning this facility into a storage facility for the Police Department and adding the animal control facility here. This would also reduce future expenditures by Public Works for additional cold storage. Chief Krueger stated he has had preliminary discussions with Jay Lutz at the Humane Society about jointly locating a facility at the Robinson Building.
- Fire (pages 8-9) – Chief Healey reviewed his schedule noting, amongst other things, the purchase of a new truck in 2012 that would eliminate two of his current vehicles. Mr. Dankert noted there is a healthy Fire PERA fund balance for future expenditures also.
- Library (pages 10-11) – Mr. Dankert discussed the 2012 purchases of reading porch lighting and a phone system in conjunction with the proposed new city phone system. Mr. Dankert also noted that in the event major roof or HVAC repairs, fund balance of the General Fund would be used to finance these (or the Building Fund).
- Nature Center (pages 12-13) – Ms. Underwood discussed the Nature Center requests, noting a van will be funded out of the Central Garage if the Hormel Foundation does not cover this cost, and the tax levy is needed to repair a portion of the Visitor's Center roof. Grant requests will fund the future items listed.
- Administration (pages 14-16) – Mr. Dankert outlined these requests noting the City Hall maintenance and carpet would be combined in one funding source to make the improvements around City Hall that have been pushed off. The phone system would be combined with the library to help finance a system for City Hall, the fire station, park and recreation offices, and the library. Computers and public works equipment was discussed.
- Wastewater Treatment Plant (pages 17-21) – Mr. Erichson stated the big expenditure we have coming up soon is the replacement of our lagoons which could be in the \$3 million replacement range. Hormel is working on some capacity issues that would help us out as we are pushing our limits on some days. Discussion ensued on how Hormel pays for their share of capital improvements, with Mr. Erichson noting daily communication between the treatment plant and Hormel representatives. Mr. Dankert noted to fund all of the capital items listed, a rate increase will have to occur soon. Mr. Erichson stated he would work on that for early 2012 implementation.
- Central Garage (pages 22-24) – Mr. Erichson stated most of the big capital is being deferred until 2013 and beyond, but we have our needed vehicle replacements that are scheduled (and scaled down from years before).
- Waste Transfer Station (pages 25-26) – Mr. Erichson stated we have done a majority of the big ticket items this year, with only some pavement repairs and boiler upgrade scheduled over the next five years. Mr. Erichson noted the rental fees cover 100% of the expenses with no tax levy being needed to help fund this program.
- Airport (pages 27-29) – Mr. Erichson noted most of the capital items here are paid for via different grant sources, but the major expenses related to the expansion have now been completed.
- Street Improvements MSA and Non MSA (pages 30-37) – Mr. Erichson briefly discussed the projects, also highlighting a map that council will get with the CIP showing the projects that are scheduled for the next five years.

- Trails (pages 38-39) – Mr. Erichson stated grants will pay for the proposed 2012 projects, but these projects are dependent upon Mower County working on the bridges themselves. Future grants have been approved for trails beyond 2012.
- Sanitary Sewer (pages 40-43) – Mr. Erichson stated these are also paid for via the sewer fee, so funding is dependent on increasing the rates. Mr. Erichson discussed the lining of the sewer mains to extend the life also.
- Miscellaneous Streets (pages 44-46) – Mr. Erichson discussed street lights and signal lights, noting we have dollars set aside for LED improvements. Mr. Erichson stated we spend a couple hundred thousand dollars per year on street lights and questions arose regarding why the City pays for these and not Austin Utilities. Mr. Erichson noted we have discussed a street light utility fee on the utility bills in the past also.
- Miscellaneous Other Projects (pages 47-51) – Council Member Enright noted that Riverside Arena is in bad shape, so it would be good to get that repaired. Mr. Dankert said this is one expenditure we have kept pushing back to get funded, but agreed the time has come to repair the problem. Mr. Erichson stated the dam repair at the Cedar River Dam will need to be done soon as well, noting he heard informally that his Hormel Foundation grant request was not approved for this.
- Parks and Recreation (pages 52-56) – Ms. Underwood discussed the parks projects for 2012 and beyond noting roof upgrades and continual equipment upgrades are needed regularly.
- Storm Water Utility District – Mr. Erichson discussed these projects funded by the Storm Water Utility fee, specifically noting the Ellis ditch issue will be resolved if the citizens approve of the levy referendum on Tuesday, November 8. Mr. Dankert noted the current rate of \$2.50 per residential equivalent is not going to even come close to cover the proposed expenses. Mr. Erichson stated he will bring a new proposed rate structure to Council in early 2012.
- Senior Citizen Center – Mr. Dankert discussed the proposed air conditioning upgrades.
- Flood Mitigation – Mr. Erichson discussed the proposed flood projects, noting our share to be paid for with the Local Option Sales Tax seems to be above the projections.
- Economic Development – Mr. Dankert discussed the Hormel Institute expansion that would be paid 100% with state grants and Hormel Foundation grants. Council Member Boughton asked who made the payments. Mr. Dankert noted it is proposed to be similar to the current arrangement of any Port Authority bond issue being paid by the Hormel Foundation. The State bonding money does not have to be paid back.

Mr. Dankert discussed Section II regarding the financing side, including looking at the projected tax levy needs to finance capital into the future. Mr. Dankert reviewed the Building Fund, noting that in 2012 we will use the Building Fund to pay off an old improvement bond issue and also set aside another \$150,000 for the LEC remodel in the event the current budget cannot be scaled back. Mr. Dankert stated the Building Fund has no commitments after 2012, so the Council could use this fund to help pay for building projects that may come up through the Vision 2020 process, or to finance some of the items listed in the Unscheduled Projects section of the CIP. Council Member Enright questioned the \$168,000 addition to the Building Fund each year. Mr. Dankert noted the City paid off an old Port Authority bond issue through the CPS bankruptcy. APC is making payments way into the future and the City will then recover payment of the old debt. This is merely a long-term financing tool to ensure the bonds are paid off, and to ensure the City is repaid by the future APC payments.

Council asked many questions regarding the different projects. Council Member Enright complimented staff on a well thought out plan for the next five years. This sentiment was echoed by other council members as well.

Mr. Dankert noted this is scheduled for the December 19 council meeting for approval. No further comments noted.

Item No. 6. – Council Member appointments – Mayor Stiehm discussed the council appointments for next year, noting the following being approved by Council on a committee-by-committee basis:

AUSTIN/MOWER COUNTY HOMEOWNERSHIP BOARD

Meets January, April, September – 6:30, City Hall Conference Room

1. Jeff Austin
2. Marian Clennon

AUSTIN/MOWER COUNTY TRANSIT (AMCAT) BOARD

Quarterly meetings. No set time.

1. Judy Enright
2. Steve King

BLAZING STAR TRAIL JOINT POWERS BOARD

No set meeting times

1. Jeff Austin
2. Janet Anderson
3. Brian McAlister

CABLE TV COMMITTEE

No set meeting times

1. Roger Boughton

CHAMBER OF COMMERCE BOARD

Meets 3rd Wednesday of the month – 7:00 am, Chamber of Commerce

1. ~~Steve King~~ Brian McAlister

CITY/COUNTY HEALTH BOARD (County Appointment)

Meets the 4th Thursday of January, and the 3rd Thursday of March, May, August and November – 7:00 pm, Health and Human Services-Oak Park Mall

1. Jeff Austin

COMMUNITY EDUCATION ADVISORY COUNCIL

Meets every other month at 3:00 pm

1. Roger Boughton

CONVENTION & VISITORS BUREAU

Meets the 4th Tuesday of the month – 1:00 pm, various business locations

1. ~~Janet Anderson~~ Steve King

DCA BOARD

Meets the 3rd Tuesday of the month – noon, Town Center Conference Room

1. Brian McAlister

FAMILY CONNECTIONS

Meets 3rd Tuesday of the month -- 9:00 a.m, Mower County Board Room

1. Steve King

FIRE COMMITTEE

No set meeting times.

1. Judy Enright
2. Jeff Austin
3. Steve King

HOUSING AND REDEVELOPMENT AUTHORITY BOARD

Meets the 3rd Wednesday of the month – 4:30 pm, HRA

1. Roger Boughton

LEC COMMITTEE

No set meeting times

1. Tom Stiehm
2. Brian McAlister
3. Jim Hurm
4. Brian Krueger
5. Mickey Healey

LIBRARY BOARD

Meets the 2nd Monday of the month – 4:00 pm, library

1. Brian McAlister

MAIN STREET PROJECT BOARD OF DIRECTORS

Meets quarterly. No set meeting times.

1. Brian McAlister

MOWER COUNTY WATER MANAGEMENT COMMITTEE

Two times per year -daytime

1. Marian Clennon

PARK AND RECREATION BOARD

Meets the 1st Wednesday of the month – 5:15 pm, Park & Rec office

1. Jeff Austin

PORT AUTHORITY OF AUSTIN

Meets 4th Wednesday of the month in January, April, July, October (plus several special meetings) – 4:30 pm, Council Chambers

1. ~~Brian McAlister~~ Roger Boughton
2. Jeff Austin

SENIOR CENTER BOARD OF DIRECTORS

Meets 2nd Thursday of the month – 9:00 am, Mower County Senior Center

1. Brian McAlister

(Temporary) Rental Housing Ordinance Committee

1. Judy Enright

2. Roger Boughton
3. Tom Stiehm
4. Jim Hurm
5. Peter Grover
6. Jon Erichson
7. Jeff Anderson (Anderson Memorials)

Green steps (Sustainability Task Force)

1. Janet Anderson

Yellow Ribbon Committee

1. Judy Enright

Item will be forwarded to council for approval.

Item No. 7. - Administrative report – None.

Item No. 8. Open discussion – LMC land use training - Mayor Stiehm stated we can discuss this at the next council work session. No objections noted.

Item No. 9. Matters In Hand – No discussion.

Other Item – Market Value Credit - Council Member Austin discussed an article in the Sunday, November 6 Minneapolis Star Tribune regarding the metro counties and how they are not increasing their taxes much, yet the property owners could see massive increases because of the state change in the funding of the Market Value Credit program. Mr. Dankert noted this is why we have been honest with the public that even though we are reducing the gross tax levy, their taxes will be higher. Mr. Dankert noted people in the metro area are now doing the math that the tax rates will be higher.

Motion by Council Member Austin, seconded by Council Member McAlister to adjourn the meeting at 9:07 p.m. Motion passed unanimously.

Respectfully submitted,

Tom Dankert