

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
February 21, 2012
City Hall Conference Room

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

ABSENT: None.

STAFF PRESENT: Human Resource Director Trish Wiechmann (at 9:00 p.m.), Community Development Director Craig Hoium, Public Works Director Jon Erichson, Assistant City Engineer Steven Lang, Administrative Services Director Tom Dankert, and City Administrator Jim Hurm.

ALSO PRESENT: Marv Repinski, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 7:25 p.m.

Item No. 2. Authorization to hire for the Park and Recreation mechanic position– Ms.

Underwood stated the current mechanic Randy Hofner has been hired to replace Tom Graff as parks supervisor, which now means we have an opening for a mechanic. Ms. Underwood stated nobody posted into the position that met the qualifications, so she would like to advertise to replace the position of mechanic for Parks and Recreation.

Motion by Council Member Austin, seconded by Council Member King to recommend to council the hiring of a replacement mechanic for Parks and Recreation. Carried 7-0. Item will be added to the next council agenda.

Item No. 3. Engineering Services – North Main flood control – Mr. Erichson gave council a brief overview of the status of the flood control projects. Mr. Erichson reviewed a flood wall map, noting that phases 2, 9, 10, and 12 have been completed. Phases 3-7 in the Burr Oak neighborhood are next on the list to complete. Mr. Erichson stated we have run into one problem however, and that is with the Sinclair Gas Station. We have an appraisal on the property and they are willing to sell, but we have potential contamination issues that have to be dealt with. Mr. Erichson went through the options including buying the property or berming around them, but in the end somebody will have to clean up this property. Compounding the issue is our \$5 million Department of Commerce federal grant. None of this grant may be expended without first acquiring 100% of the land or right of way through the land. Mr. Erichson stated they are working on the final parcels for this, but we may be left with the Sinclair Gas Station as the lone holdout.

Council Member Boughton questioned where the funding would come from if we bought this parcel and had to clean it up. Mr. Erichson stated the acquisition would come 50% Local Option Sales Tax and 50% DNR grant. The cleanup would be proposed to come 90% from the state Petrofund and the remaining 10% from the Local Option Sales Tax.

Council Member-at-Large Anderson stated we need to do the right thing, and that is to buy the Sinclair Gas Station and clean it up.

Council Member Clennon questioned why the company has not been fined for this contamination – was it because they never dug the ground up? Mr. Erichson stated they actually pump the ground water into a building to “clean” the hydrocarbons, and then into our wastewater treatment plant through the sanitary sewer. However, this process did not work so the MPCA is wants to get this parcel cleaned up. Sinclair is not willing to dig this up as the contamination costs are unknown.

Discussion ensued about purchasing the parcel and cleaning up the property. Council Member McAlister stated we should check with the City Attorney on this first. Council Member King speculated that there may be some room for negotiations on this purchase price since it is contaminated soil.

After further review, motion by Council Member Boughton, seconded by Council Member-at-Large Anderson, to recommend to Council the purchase and cleanup of the Sinclair Gas Station property at the best reasonable price that Public Works Director Jon Erichson can negotiate. Carried 7-0. Item will be added to the next council agenda.

Discussion ensued regarding when the project protecting North Main would be done. Mr. Erichson stated we will bid out this year, but it will not be done in 2012. Mr. Erichson stated we are planning on bidding this in stages, with phase 3 (\$7 million) this year, and another project, phase 4-7 being bid in the fall with a start date of spring 2013 (\$5 million).

Mr. Erichson stated plans are 95% complete for the phases, but the cost has risen to about \$12 million (from the original estimate of \$9.25 million). However, a federal grant was increased from \$2 million to \$5 million, and the DNR may give us another grant for flood projects. The Federal Department of Commerce grant is fixed at a \$5 million maximum.

Mr. Dankert noted that due to the size of this project, we may encounter some cash flow problems depending on when the federal government reimburses us for the project.

Mr. Erichson added that there will be additional costs from the engineering firm that is drawing the plans up for this as we have had to make changes to comply with the federal grant requirements.

Item No. 4. 2012 electronics recycling in June – Mr. Erichson noted that the last recycling program we did in 2011 resulted in 220,946 pounds of material that were recycled by 5R Processors. We are proposing to hold a similar event on June 9 at the fairgrounds as a joint partnership with Mower County. There will be some minimal costs that would be funded via the Waste Transfer Station budget, plus some overtime costs for staff involved in working the program.

Council Member McAlister questioned where the stuff went after it left Austin. Mr. Erichson stated 5R Processors hauls the recycled material back to Wisconsin.

Council Member Enright stated that RE-FEST will not be offering the recycling program this year.

Motion by Council Member-at-Large Anderson, seconded by Council Member King, to recommend to Council the recycling program for June 9 at the fairgrounds in joint partnership with Mower County. Carried 7-0. Item will be added to the next council agenda.

Other Item. – Spring/Fall waste pickup – Council Member Boughton questioned if any more thought had been done on offering a citywide cleanup day. Mr. Erichson stated this would be very expensive based on the limited junk we haul away during flood events. Council Member Austin noted Mr. Hurm did a presentation a few months ago on this and the communities that do these appear to have their own municipal garbage service.

After further discussion no further action required.

Item No. 5. – Citizen engagement & Coffees with the Council update – Council Member Austin noted this was updated at the council meeting earlier tonight. Council members discussed the dates of March 10, April 14, and May 12 with some council members noting they have a conflict and would not be able to attend some of the meetings. Council Member King noted attendance is not mandatory.

Council Member McAlister recommended that some ground rules be set up. Council will not be able to answer all of the questions, and we don't want this to be a free-for-all.

Council Member Clennon stated our legislative leaders have this; they give an update to those who attend, and then they open it up for general discussion.

Council Member-at-Large Anderson stated staff is not needed to attend these meetings.

Item No. 6. – Discussion on a strategic planning process – Mr. Hurm noted that after reviewing the process for a strategic plan, it may be more beneficial and cost-effective to include this with the Community Development Department's comprehensive planning process that is in the "Unscheduled Projects" section of the 5-Year Capital Improvement Plan.

Council Member Austin stated we should also look at the timing of this, as some council members may or may not be back with the upcoming elections, so we may want to wait until a new council is on board to start and finish this process.

Council Member McAlister also stated that the Vision 2020 projects may be incorporated into the plan as well.

Item No. 7. – Budget discussion: Administration/Finance – Mr. Dankert reviewed the different expenditure line items for the Administration and Library departments of the City of Austin for 2012. Mr. Dankert then handed out five additional 11 x 17 spreadsheets with the same information on them, only color-coded as follows:

- Purple = Contractual Obligation with Bargaining Unit/Employee
- Green = State/Federal/Local Requirement

- Pink = Contractual Agreement with Provider
- Blue = Internal Service Fund (insurance, etc.)
- Orange = Utilities/Repairs required to some degree

Mr. Dankert went through the different colors and how they impacted the council's ability to make massive changes to the expenditures of these departments. Mr. Dankert noted things can certainly be negotiated, but he cautioned Council on getting their hopes up to reduce wages/benefits for municipal employees, especially in the State of Minnesota with pay equity and arbitration eligibility rules.

Council Members asked different questions regarding several of the expenditure line items that are available in these departments. Mr. Dankert noted they have closed out 2011 and the fund balance appears to have increased by about \$500,000-\$600,000 as expenditures are coming in at 98.6% of the budget while revenues are coming in at 102.9% of the budget. Some of the increased revenue is on paper only (so it cannot be spent) while others are the result of flood reimbursements for staff time, increased their PILOT (payment in lieu of taxes) from the Utilities, increased permit revenues, and reimbursement from the 2009 downtown fire/Leon settlement. Mr. Dankert stated quick calculations put this fund balance now at 49%, and the State Auditor's office recommends cities be between 35% and 50%. Mr. Dankert noted one option that staff is exploring to reduce the fund balance is to pay off the debt for the Central Garage.

Mr. Dankert stated that 70% of the budget for these departments has now been color-coded as noted above. This leaves 30% of these budgets to be debated with things Council has some real ability to reduce. However the following three items make up a portion of the outstanding expenses of these departments:

- Contingency = 4%
- Capital Outlay = 14%
- Library Books 4%

Mr. Dankert reiterated that books and capital outlay (police cars, park equipment, roof repairs, etc.) are needed on an annual basis, and warned Council on eliminating contingency funds from the annual budget. Realistically, Council is now left with about 8-9% of these budgets that have not been color-coded or discussed above. One could argue that we should color code supplies/communications/postage but for now they have been left as uncolored for this discussion. Mr. Dankert noted that one council member earlier commented that there is not much left to discuss in these budgets once you take out the colored items that we are under obligation to pay for.

Council Member Clennon requested that for the departments with large revenues, we add those onto the pages as well for future discussion. Mr. Dankert noted he would do that on the future discussions.

Council Member Boughton thanked staff for the thorough review and noted this is giving him a better understanding of the individual budgets.

No further action necessary.

Item No. 8. – Administrative Report – None.

Item No. 9. – Open Discussion – Facebook - Council Member Clennon stated we now have a Facebook page and we should be posting meeting notices on our Facebook page. Also, Council Member Enright stated she was able to post something to our Facebook page, even though we had this feature turned off. Mr. Dankert will notify our MIS Administrator Don Tomlinson to see if he can get that fixed.

Council Member McAlister stated you have to have a Facebook account in order to get these alerts.

Item No. 9. – Open Discussion – HRA Board - Council Member Austin stated he is reading a lot about a new facility for the Humane Society. Additionally, he is hearing about the discussion of the HRA Board and their desire for their own full-time director. Council Member Austin questioned how much authority the city council has over the HRA Board. Mr. Hurm stated the city council gave up this authority a few years ago when they changed the makeup of the board. Mr. Hurm stated, however, that the city council appoints the board so the two bodies may want to work together on this. Council Member Austin stated that it then appears that the HRA Board can do whatever they want without our approval. Marv Repinski, HRA Board chairman, noted that HUD has stated the Board of the HRA has the full authority to hire their own director if they so desire.

Council Member Boughton, who also serves on the HRA Board, stated the Board is currently assessing their needs. Mayor Stiehm stated he would hope that the HRA Board would come to Council before they make any such decisions. Council Member Boughton stated that would be fine. Mr. Repinski stated Austin's HRA has a different structure than many other communities.

Council Member McAlister stated that at the last council meeting, Mr. Repinski made some comments about the city council minding their own business and staying out of the HRA's business. Council Member McAlister stated this will not sit well. Mr. Repinski stated he did not remember saying such words.

Council Member Boughton noted he would give a monthly update at the work sessions in the future.

Item No. 9. – Open Discussion – Humane Society - Council Member-at-Large Anderson questioned the status of the new facility, as she was at some fund raising event this weekend and was told by one volunteer that the City opposed the collaboration effort. Mayor Stiehm stated he has spoken with Chief Krueger on a regular basis regarding this and staff may be opposed to the structure as proposed by the Humane Society. Mayor Stiehm stated we are required by law to put some dogs down, while the Humane Society does not put any dogs down, hence one potential conflict.

Council Member Clennon questioned why the Humane Society has not come to council on this yet. Council Member-at-Large Anderson stated the perception out there is that the City is not interested in this. Mr. Hurm stated that from our prospective we have been working with the

Humane Society on this in order to bring something to council. Right now this is with Craig Hoium trying to locate some eligible parcels that such a building could be built on.

Item No. 10. Matters In Hand –No discussion.

Item No. 1 Closed Session - Motion by Council Member Austin, seconded by Council Member King, to close the meeting for an employee evaluation pursuant to M.S. § 13D.05 subdivision 3. Carried 7-0.

See DVD of closed session (Human Resources Director Wiechmann has the DVD).

Meeting re-opened at 9:40 p.m.

Motion by Council Member Austin, seconded by Council Member Boughton to adjourn the meeting at 9:42 p.m. Motion passed unanimously.

Respectfully submitted,

Tom Dankert