

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
March 19, 2012
City Hall Conference Room (Council Chambers until about 7:45 p.m.)

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: Public Works Director Jon Erichson, Assistant City Engineer Steven Lang, Parks and Recreation Director Kim Underwood, and Administrative Services Director Tom Dankert.

ALSO PRESENT: MPCA, Public, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 6:35 p.m.

Item No. 1. MPCA presentation on the Total Maximum Daily Load (TMDL):— Mr. Erichson introduced members of the MPCA as they are presenting around the State regarding the storm water permitting process and permit approvals for wastewater treatment plants. Bill Thompson from the MPCA started off the PowerPoint presentation noting this started with a study that began in 2008 on the water quality in the state. Mr. Thompson noted things are unique here in Austin as we have three watershed districts. Mr. Thompson noted their study included water monitoring, crop residue surveys, modeling lakes, and coordinating implementation efforts. Mr. Thompson noted this study has about \$454,000 of costs into it for the Cedar River Basin TMDL study. Mr. Thompson stated the Cedar River and the stretch of Turtle Creek are considered impaired waterways. Mr. Thompson stated the Austin area has a sedimentary problem, and we need to have significant work done to meet the federal water quality standards including stopping stream bank erosion and crop residue.

Greg Wilson, a consultant from Barr Engineering, noted he studied this issue for the three watershed districts and the MPCA. Additionally, Mr. Wilson discussed turbidity (sediment settling) within our waterways.

Anna Kerr, from the MPCA, wrapped up the discussion by noting the MPCA issues permits to cities. This is a 5-year permit and Austin is considered an MS4 site, for which our permit expired in 2011 and they are currently working on issuing the new permit. Austin will be required to take steps to clean up the waterways as part of this permitting process, however, we are going to work with all municipalities to set some achievable goals as it took decades to pollute the river, and it may take a long time to clean it up.

Council Member Boughton asked about the Vision 2020 process in which there has been much discussion about cleaning up the Cedar River. Council Member Boughton asked if, in the next eight years, the Cedar River would be swimmable. Ms. Kerr stated you could see some changes in the next eight years, but it will take longer than that to clean it up.

Mr. Erichson noted that Austin is less than 1% of the area in the affected watersheds, yet we are the only MS4 city. This equates to the brunt of these cleanup costs and efforts will be the

responsibility of us alone. Ms. Kerr stated there will also be some funding from the recently passed Legacy Amendment whereby a state sales tax can go towards cleanup efforts.

Ms. Kerr stated they are looking at implementing achievable goals for implementation. If the City is the only one to meet those goals within the watershed and not the others, we (the MPCA) won't hold you, the City of Austin, liable. Ms. Kerr responded to questions on costs noting some of the estimates out do not include improvements communities have already made, so she cautioned that the costs were just estimates.

Mr. Erichson noted that in one of the tables in the PowerPoint Presentation, Austin Utilities was listed for the downtown power plant, but that has been decommissioned. Discussion ensued on the specific table and the waste load allocations (WLA) that were listed.

This is for informational purposes only.

Item No. 2. Dog Park (S.P.A.R.K.) group– Members of the SPARK group discussed the proposed dog park with Council, noting they have only raised about \$8,000 of their \$25,000 goal. SPARK members noted they are working with Home Depot to get a discounted rate on the needed fencing, and the material list has been approved by the Parks and Recreation staff. SPARK noted they would like to get the following help from the City on this project:

- City install the posts (SPARK would then install the fencing), or
- Direct the city staff to allow SPARK to use the post digger and a staff person to guide us in the installation.

Mayor Stiehm stated he has spoken with Mr. Erichson who said if Council directed, his staff could install the fence posts, but it would have to be when the staff has time available.

After further discussion, motion by Council Member Austin, seconded by Council Member Boughton to recommend to Council to direct staff (Park and Recreation and Public Works Department) to install the fence posts at their convenience. Carried 7-0. Item will be added to the next council agenda.

Council Member McAlister questioned if bids would be required as the City will eventually take ownership of this facility. Ms. Underwood stated it would probably be handled much like a donation with council approval via a resolution.

Item No. 3. Reclassification of Library Fund Balance per GASB 54– Mr. Dankert noted last year we went through a process to change our fund balance classifications as required by the auditors and GASB. The auditors have now worked through several cities and they believe we need to change our classification of Library Fund Balance from Assigned to Committed. A resolution is required for this, but does not really change the end use of the fund balance.

Motion by Council Member Enright, seconded by Council Member-at-Large Anderson to recommend to Council the reclassification of fund balance for the Library as proposed. Carried 7-0. Item will be added to the April 16 council agenda.

Item No. 4. Increasing stormwater management fee– Mr. Erichson stated we currently charge residents a \$2.50 per month fee for stormwater requirements. Mr. Erichson stated this fee has not changed since implementation back in 2003, and currently generates about \$420,000 a year in revenue. A commercial parcel pays \$15.00 per acre. Mr. Erichson stated we are getting more and more unfunded mandates on this (see the TMDL discussion earlier) and the MPCA costs

will be substantial in the future. Mr. Erichson discussed our rate and a proposal to increase it to \$3.50 per month per parcel, and compared this rate to others in the state. Mr. Erichson noted the same level of increase would be put on commercial properties if Council were to approve this proposal. However, Mr. Erichson stated this still provides funding gaps in the capital improvement plan (CIP) if we only raise it to \$3.50 per parcel per month.

Council Member Enright questioned an attachment from the CIP (page 60). Mr. Erichson went through the expenditures on the page, and Mr. Dankert reviewed the cash balance which indicates that we won't have enough cash to pay for all of the projects at the current rate of collections and rates. Mr. Erichson suggested raising the rates now, and then looking at some systematic automatic rate increase.

Discussion ensued about needing another staff person to be designated to oversee this project, and that in 2010 or so funding was set aside for this position but was removed with the LGA issues. Mr. Dankert noted if another staff person were to be added we would need a 15% increase (\$0.37) to help cover this person as well as the listed projects. Council Member Boughton objected, noting that we should not be hiring additional staff in these tough economic times. Council Member-at-Large Anderson stated we just went through a presentation by the MPCA that we are going to need to comply with. In addition, she noted that we need to correct the environmental impairment.

Council Member Austin questioned what is going to get prioritized if we don't have the staff available to do the projects. Mr. Erichson stated we are doing the bare minimum at this point to comply with the current MPCA requirements. Mr. Erichson proposed sharing a position last year or so with Albert Lea, but they refused as they had enough work to keep the person 100%. We have also offered to share a position with Mower County, and that request is currently being evaluated by the County.

Council Member Austin lent his support for increasing the fee now, and having some automatic rate increases built in annually so we stay on top of this.

After further discussion, motion by Council Member King, seconded by Council Member Austin to recommend to Council the increase in the stormwater utility fee from \$2.50 to \$4.00 effective July 1, 2012 and to have automatic rate increases of \$0.15 annually each year beginning July 1, 2013. Carried 7-0. Item will be added to the next council agenda.

Item No. 5. – Monthly budget discussion: Engineering/Street Department– Mr. Dankert discussed the 11 X 17 spreadsheet outlining the different departments of the Public Works Department and the applicable lines that they have budgeted for in 2012. Mr. Dankert noted revenues in this department come primarily from state aid, building permits, and transfers from funds that pay for street projects and other tasks that staff spend time on. Mr. Dankert discussed the expenditure lines noting that approximately 97.5% of this budget is colored on our spreadsheet which indicate mandated costs via union contracts/state laws, etc. and would require major shifts in negotiations to make changes.

Other discussion ensued regarding some of the individual line items of the different departmental budgets.

Mr. Dankert noted he will be gone the week of April 2, so the final budget discussion will be with the Parks and Recreation Department on April 16.

Item No. 5a. – Conditional Use permit – Roger Bastyr– Mr. Erichson discussed his memo dated March 16, 2012 regarding an application by Rogers Industries for a conditional use permit (CUP) to crush material at the business site. Mr. Erichson noted Rogers Industries is outside the city limits (adjacent to the Cook Farm Industrial Park) which is why the County has to hear the issue, but as owners of the Cook Farm site, he asked Council if they want to file in opposition of this request as it may impact potential businesses that may want to move into our facility, like CRC for example. Mr. Erichson stated Rogers Industries was given a CUP back in 1997. They currently do not comply with three of the eight requirements:

- Permit expired 10 years ago
- Storage area is not as required
- Coniferous vegetation is not in place

Council Member Boughton questioned if Murphy’s Creek area residents would be able to hear the noise. Mr. Erichson stated he did not know for sure, but that would be a concern as well. Council Member Enright asked about the residences across the street for Roger’s Industries and the impact to them. Mr. Erichson stated they are out of the city limits and in the County, so the City cannot bring this up.

Council Member-at-Large Anderson questioned if a lot of dust is created. Council Member King stated yes, there would be. Mr. Erichson did note that Wally Bustad has a comparable operation in this area, but our buffer is the railroad tracks that separates the two properties.

Council Member Austin and Mayor Stiehm stated we should have our voice heard on this, whether we oppose it or just want to be on record.

Mr. Erichson commented that a possibility is to limit the number of days Roger Industries can crush material to a set number of days per year.

After further discussion, motion by Council Member Boughton, seconded by Council Member Austin to direct Mr. Erichson to register us on record at the public hearing, and to determine what would be appropriate restrictions to the CUP. Carried 7-0. Since the public hearing is before our next council meeting, Mr. Erichson will work with this motion and no further action is needed by Council.

Item No. 6. – Administrative Report –None.

Item No. 7. – Open Discussion – upcoming meetings –Upcoming meetings include the special March 26 meeting on redistricting. Additionally, we are scheduled for April 2 at 5:00 for a closed meeting on the status of grievances. Council also requested an update on contract negotiations. Council noted this meeting should be able to be closed, but City Attorney Hoversten should advise us on this.

Item No. 7. – Open Discussion – Coffee with Council -Council Member McAlister stated the Coffee with Council was not horrible, but it was not terribly productive. Council Member McAlister stated everybody from Council that attends should have some talking points to engage the audiences better.

Item No. 7. – Open Discussion – specific issues/complaints-Council Member Clennon asked Council if they wanted to here about some specific issues. For example, she was approached by somebody who was at the last council meeting who received a threatening letter that also

mentioned Council Member Clennon's name. The letter was anonymous. She asked if Council wants to hear about these. Mayor Stiehm and Council Member Enright stated this letter should just be forwarded over to the Police Department. Additionally, if you have questions you could also call the city attorney.

Council Member-at-Large Anderson questioned what we could do about an anonymous letter to somebody that is also asked to be unnamed. Council Member McAlister stated he does not know what the definition of "threatening" is as he has not seen the letter.

Council Member Clennon reiterated and asked Council if they wanted to hear about these. Council Member-at-Large Anderson stated yes, but we cannot do anything with anonymous letters. Additionally, Council Member Boughton stated we do not want to get into micromanagement of our departments and city either.

Council Member Austin stated we have eight bargaining units that cover 130 people. When it comes to employee complaints, they should contact their union rep. We will always have grievances with this many people working for us. Council Member Austin stated we must remember what our jobs are, and the chain of command.

Council Member Clennon stated she has not been getting involved as council directed, but sometimes the employees come to me. Mayor Stiehm questioned how many times she has contacted Mr. Hurm to discuss the employee issues. Council Member Clennon stated a couple times, but those have never gone anywhere (for resolution). Mayor Stiehm stated we are not going to be involved in contract negotiations as we do not need to politicize these things. Council Member Clennon stated she just wanted to sit in on them as then she could tell what side was telling her the truth or not.

After further discussion, Mayor Stiehm questioned if Council wanted to pass a motion to sit in on negotiations. None came forward.

Item No. 8. Matters In Hand –No discussion.

Motion by Council Member King, seconded by Council Member Austin to adjourn the meeting at 9:10 p.m. Motion passed unanimously.

Respectfully submitted,

Tom Dankert