

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
August 20, 2012
City Hall Conference Room

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

ABSENT: None.

STAFF PRESENT: Fire Chief Mickey Healey, Community Development Director Craig Hoium, Park and Recreation Director Kim Underwood, Police Chief Brian Krueger, Public Works Director Jon Erichson, Director of Administrative Services Tom Dankert, and City Administrator Jim Hurm.

ALSO PRESENT: Sandy Forstner (Chamber of Commerce), Malcolm McDonald (Council Member candidate), Public, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 6:55 p.m.

Item No. 1a. Outside organizations – request for funding – Austin Symphony Orchestra– Danielle Heiny (Board Member) gave a brief overview of the history of the Austin Symphony Orchestra noting they have a 56 year history in Austin. Ms. Heiny discussed some of the concerts they have done during the year, including a concert that is free for all students to attend. Ms. Heiny noted Vision 2020 will change Austin, and the arts are going to be a huge focus. Ms. Heiny noted their request was for the continued \$2,500 of funding.

Terry Dorsey also spoke noting it is impressive for a city of this size to still have a symphony orchestra. The Board did raise ticket prices this year to raise additional revenue for our budget. Ms. Heiny added that the city funding is also used to leverage other grants as it shows community support for the symphony orchestra.

Council Member Clennon questioned how many free tickets were given away last year as part of the newspaper promotion. Ms. Heiny stated she thought 50-75 tickets were given away free to the community.

Item No. 1b. Outside organizations – request for funding – Community Band– Carolyn Eilertson stated they have no board for the Community Band, but they are made up of 38 musicians from around the area. Ms. Eilertson stated the \$1,000 they are requesting is almost entirely the budge for the Community Band, but they also rely on the Park and Recreation department to help transport them.

Council Member Boughton stated a few years ago the Community Band was reduced from \$2,000 down to \$1,000.

Item No. 1c. Outside organizations – request for funding – Welcome Center– Jake Vela, Executive Director of the Welcome Center stated they are requesting \$10,000 this year to help support their programs and services. During the last year, Mr. Vela noted they served over 1,000 clients in the area and are working to reduce language barriers within the community. Mr. Vela stated they are the only organization directly serving immigrants in Mower County and the increase over the 2012 allocation of \$5,000 is to keep offering these services. Mr. Vela noted they have two paid staff and one volunteer, and they have received more exposure since moving onto Main Street.

Item No. 1d. Outside organizations – request for funding – KSMQ– Eric Olson, Director, discussed the funding request for KSMQ for 2013. Mr. Olson noted Austin has one of only five PBS stations in the state of Minnesota, and the City of Austin is heavily promoted in their programming as a major supporter of free public television. Mr. Olson asked for continued funding as it does help leverage other funds for grants. The last two years have resulted in KSMQ operating a deficit budget, and that cannot continue, stated Mr. Olson. As part of 2013, Mr. Olson stated KSMQ will be doing some weekly Vision 2020 updates for programming. On the employment side, Mr. Olson stated that KSMQ has twelve employees, and additionally they spent over \$300,000 on capital projects last year that employed many local people in the construction industry.

Item No. 1e. Outside organizations – request for funding – Human Rights– Lynsie Moritz discussed their request for \$3,500 of funding for 2013 noting they work in partnership with the Welcome Center, Paramount Theatre, KSMQ and others. Annually the Human Rights Commission puts on the Martin Luther King event and sponsors the essay contest. The goal is to educate the public about minority populations. Ms. Moritz stated they have also created a landlord/renter video that will be airing soon.

Item No. 2. Amend ordinance on shade tree disease – Ms. Underwood stated her Park and Recreation Board has approved an amendment to ordinance 10.08 that would add a section titled “Shade Tree Pest” as this would then include the emerald ash borer as well as other pests that may arise. This addition will also fulfill one of the activities from our GreenCorps host site agreement with the MPCA.

Council Member Enright questioned who the tree inspector is. Ms. Underwood noted that Randy Hofner, Parks Supervisor, is certified, as are the two members from the tree crew. Additionally, we call in people from the state if we need help or have questions answered.

Council Member Enright questioned if wood could be transported. Ms. Underwood stated it depends on what is labeled as a disease. If you are transporting wood in the same county as a quarantine, then you are fine.

After further discussion, motion by Council Member Austin, seconded by Council Member-at-Large Anderson, to recommend to Council the approval of the amendment to ordinance 10.08 as presented. Carried 7-0. Item will be added to the next council agenda.

Item #3. Pleasant Valley Wind Farm – Mr. Erichson stated the City had previously supported a request from RES America Development Inc. to install approximately 188 wind turbines northeast of Austin. This has minimal impact to the airport, but a huge economic impact to Mower County as it is estimated to bring in \$1.3 million of wind tax. However, the FAA did not support the original request. RES is now asking us to amend the letter of support as they are making slight changes in their project in order to meet FAA approval. The new request would be to revise the HIPET from 2140 feet to 2100 feet. This is actually better for the airport and the landing of aircraft as it lowers the angle of approach to the runway. If Council were to support this request, it would be more restrictive on RES than your last approval. Mr. Erichson stated the consensus amongst those involved with the project is that this request would probably be approved.

Council Member Clennon questioned how this matched with the state approach as the state is more restrictive than the FAA. Mr. Erichson responded by noting the issue is not with the state to approve but the FAA. The state has indicated to us that they are willing to support this request to the FAA.

After further discussion motion by Council Member-at-Large Anderson, seconded by Council Member Boughton to recommend to council the approval of the amended letter of support for RES America Development Inc. Carried 7-0. Item will be added to the next council agenda.

Item No. 4. – Downtown bathrooms – Mr. Erichson discussed the budget and the 2012 allocation of \$20,000 to tear down the bathroom facilities that were damaged during the downtown fire a few years ago. Last work session council had some discussion on restroom facilities in the downtown area, so we did not want to start this project if Council will eventually want them restored. Mr. Erichson contacted Mower County and the downtown associations to gauge their interest in keeping the facilities, and Mr. Erichson noted he received an email from Main Street Inc. today stating they recommended that the facility be torn down. Mr. Forstner stated many people do not understand the issues of the downtown. Chief Krueger stated these facilities were high targets for vandalism and property damage, but security cameras in the downtown area would certainly help out.

Council Member-at-Large Anderson stated she would like to explore having the other businesses keep their doors open longer so bathrooms would be available. Maybe it would just be during the events like Tuesday's on Main or The Farmer's Market.

Council Member Enright stated Saturday afternoons are also a big concern as the public is looking for bathrooms. Council Member Clennon stated if we want to attract more people downtown, then we will need public restrooms.

Mr. Dankert clarified that in the 2012 budget there is \$20,000 to tear down the current facility. If Council elects to keep these open, we will need \$20,000 or so annually to pay for the maintenance of the facility and that is not in the 2013 budget.

Council Member McAlister stated the bathrooms have been there for 40+ years and the plaza has been a loser from day one. This facility was not an issue until recently and we should get rid of them for something more useful. Council Member McAlister stated it was pointless to continue this facility. Council Member Enright noted her agreement with Council Member McAlister.

Council Member Austin stated he cannot justify spending \$45,000 on the public bathrooms. If the downtown businesses want to stay open for the public, then the public will have bathrooms available to them for their shopping at these stores.

After further discussion, motion by Council Member Enright, seconded by Council Member McAlister, to continue moving forward with the demolition of the downtown bathrooms. Carried 6-1 (Council Member Clennon – Nay). No further action necessary as this is already in the 2012 capital budget to tear down the facility.

Item No. 5a. – Budget staffing requests – Park and Rec– Ms. Underwood noted she is requesting a reinstatement of the administrative assistant position as a city employee. Ms. Underwood noted she has been using a temporary service since 2008 at a reduced cost, but turnover and employee training are a constant issue. Ms. Underwood noted this person takes care of entering payroll, accounts payable, answering the phone and covering the front desk. Mr. Dankert noted this would require an additional \$30,000 of tax levy to cover as it is not in the proposed 2013 budget.

Item No. 5b. – Budget staffing requests – Wastewater Treatment Plant– Mr. Erichson noted his request is part of succession planning for the treatment plant as Jim Samuel may be retiring in the very near future. Mr. Erichson stated this department is supported via user fees and not the tax levy, and over the years some staffing has been reduced and reconfigured to meet the needs and budget of the City. Mr. Erichson stated in the budget is the operations supervisor, but this position has not been filled for a number of years. We are required to have an operator with a Class A license, and we would make this a requirement of the job (or the new employee would have to get this Class A license within 6 months). Mr. Erichson noted he would like to proceed with filling this position.

Additionally, Mr. Erichson stated he has had one retirement and one resignation at the treatment plant this year. Mr. Erichson stated he would like to combine the two positions into a maintenance technician/floating relief operator that would have the following responsibilities:

- General WWTP and grounds maintenance
- Mechanical, electrical, and instrumentation equipment maintenance

After further discussion, motion by Council Member Austin, seconded by Council Member King to recommend to council the approval of the two Wastewater Treatment Plant positions. Carried 7-0. Item will be added to the next council agenda.

Item No. 5c. – Budget staffing requests – Building and Zoning– Mr. Erichson noted the Building and Zoning Department has two full-time employees and forty hours of administrative assistant budgeted each year. However due to a work-related injury, one of the employees has been reduced to 25 hours per week due to the injuries. This person has been dealing a lot with the zoning violations within the community, but we are seeing ramped up construction and we really need the full-time building inspector back instead of dealing with zoning issues. Mr. Erichson stated the permits and the revenue support having the two positions, but zoning has become very important for the council over the past few years. Mr. Erichson stated the zoning position, if approved, could be the current person or not. Additionally, Mr. Erichson noted that for every one violation you see on the council agenda, there are ten others that get resolved without council action.

Council Member Clennon questioned how many inspectors there were in 2000. Mr. Hoiium stated 3 hours per day more than we have now.

Council Member King stated he is in favor of this, but he would like to see the weed violations that currently go to Park and Recreation be handled here also as a one-stop shop.

Council Member Enright stated this is a very important position to her.

Council Member Clennon stated she could support also, if the weeds go with it.

Council Member Austin stated he wanted to have discussion on the Parks request as that may influence his vote on this. If we are contracting at Park and Rec, then maybe we should contract for all future vacant positions like the zoning position.

After further discussion motion by Council Member King, seconded by Council Member Enright to approve of the 20-hour zoning position for the 2013 budget. Carried 5-2 (Council Members Austin and Clennon – Nay). Item will be included as part of the 2013 budget.

Item No. 5a. – Budget staffing requests – Park and Rec (continued) – Council Member King questioned why payroll wouldn't be done in Finance. Mr. Dankert and Ms. Underwood stated they have over 200 part-time staff and Finance could not input timesheets for all of them without additional staff. Mr. Dankert noted the Park and Rec inputs their own time and bills, but Finance than combines everything together to do the final payments.

Discussion ensued on using fund balance and reducing contingency. Council Member McAlister stated the school board issues tax anticipation notes every year as they don't have enough money to pay the daily bills. Then, once the tax check comes they pay the debt off again until next year. This is not a good practice and we need fund balance to pay our bills on time. Mr. Dankert added that if Park and Rec was in city hall we probably would not be needing the additional employee as coverage could be handled by existing staff (Ms. Underwood noted her agreement).

Council Member Enright stated our CIP is also a great tool as it helps us plan for taxes and capital repairs.

After further discussion motion by Council Member Enright, seconded by Council Member Austin, to approve of the full-time city employee administrative assistant at the Park and Rec Department for the 2013 budget. Carried 4-3 (Council Members McAlister, King and Clennon – Nay). Item will be included as part of the 2013 budget.

Item No. 6. – Budget – Mr. Dankert briefed Council as to where things were at noting tonight's actions on hiring two additional staff positions will add \$60,000 onto the current proposed \$4,100,000 tax levy. This means as we stand now the proposed tax levy for 2013 is at \$4,160,000, or a 4.6% increase. Council Member-at-Large Anderson asked how this affects the average homeowner. Mr. Dankert stated a 4.6% increase will still be around \$12 or so, but after you factor in growth it *may* be under \$5 for the whole year. Mr. Dankert noted commercial valuations were increased on average 30% by the Mower County Assessor's office which would then shift the value, and the tax, more onto commercial entities. Mr. Dankert stated when tax statements are finally run by Mower County, a resident may actually see no increase in their property taxes.

Mr. Dankert stated in the past we have voted individually on the agencies, but council could approve them via one blanket motion if they like also. Motion by Council Member Boughton, seconded by Council Member King to "blanket approve" the agency allocations as drafted in the budget dated August 6, 2012. Carried 5-2 (Council Members McAlister and Clennon – Nay). Both Council Members McAlister and Clennon questioned whether some of these are really city functions that we should support as their reasoning for voting nay.

Mr. Dankert noted we could also review tonight specific departments or line items that Council would like to debate, or we can do those in the next few months prior to the Truth In Taxation meeting. Mr. Dankert noted council will have to decide on the maximum tax levy this evening as that recommendation will be forwarded to council at the September 4 council meeting for passage. After September 15 the tax levy cannot be increased only decreased.

Council Member Clennon questioned if we really need the Contingency line item as this is merely a slush fund. Council Member Boughton agreed noting we could also budget for the positions we approved tonight to come from the savings in expenditures we seem to have each year. Council Members Austin and McAlister noted things come up that need to be fixed, and that is what contingency is for. Council Member Austin stated we also bank those savings up and after a few years use them for specific projects that would not require us to increase the tax levy for. Mr. Dankert noted we paid off debt in the Central Garage to save interest cost and reduce user charges into the fund. Additionally, in the past we used the Building Fund and some fund balance to pay for the dirt where the Justice Center is. This \$2+ million expenditure was planned on for years and we saved up for it so we didn't have to do like Mower County and raise the tax levy to pay for it.

Mr. Dankert noted the Building Fund is now freed up going forward. We have set the \$250,000 aside for the Animal Control facility, and we will probably need at least \$200,000 of the Building Fund for the LEC remodel as it appears it will be more than the \$800,000 we have currently budgeted for the program. Mr. Dankert stated eventually the Vision 2020 will need some capital funding if there are improvements we want to see for the community.

Mayor Stiehm also stated we used some contingency to pay for the Vision 2020 start up. The City of Dubuque put a lot of money into this endeavor and the City of Austin will also need to do this to make this a destination city.

After further discussion, motion by Council Member King, seconded by Council Member Boughton to recommend a tax levy of \$4,160,000 for payable 2013. Carried 6-1 (Council Member Clennon – Nay). Item will be added to the next council agenda.

Mr. Dankert noted he would put through the changes Council has approved tonight (staffing) and will bring that new proposed budget number to the council meeting on September 4 also to approve. Council Member-at-Large Anderson and Council Member Boughton stated it was very helpful to go through the line items of the different departments during the year as that gave them a better understanding of the operational costs of each department as this helps in minimizing the discussion on the budget now.

Council Member Enright stated she would really like to do the website also, and needs \$15,000 to do this. Mr. Dankert noted that could come out of contingency either in 2012 or 2013, but a request has been made of the Hormel Foundation for this.

Council Member Enright moved to fund \$15,000 of website development in 2012. Motion dies for a lack of a second. Council Member King stated this did not rank high on the Hormel Foundation list. Council Member Austin stated he would like to see what the Hormel Foundation funds first before we decide on spending money on this.

Item No. 7. – Administrative Report – None.

Item No. 8. Open Discussion – None.

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

Motion by Council Member King seconded by Council Member Austin to adjourn the meeting at 9:06 p.m. Motion passed unanimously.

Respectfully submitted,

Tom Dankert