

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
March 18, 2013
City Hall Conference Room

PRESENT: Mayor Thomas Stiehm, Council Member-at-Large Janet Anderson, Council Members Jeff Austin, Roger Boughton, Steve King, Jeremy Carolan, Michael Jordal, and Judy Enright.

ABSENT: None.

STAFF PRESENT: Public Works Director Steven Lang, Director of Administrative Services Tom Dankert, Human Resources Director Trish Wiechmann (closed session), City Attorney David Hoversten (closed session), and City Administrator Jim Hurm.

ALSO PRESENT: Mark Nibaur, Austin Utilities General Manager. Public. Austin Daily Herald.

Mayor Stiehm opened the meeting at 4:45 p.m.

Motion by Council Member Austin, seconded by Council Member Boughton to close the meeting pursuant to M.S. § 13D.05 Subd. 3(b) to meet with the City Attorney to discuss pending litigation, and also for further discussion pursuant to M.S. § 13D.03 on labor negotiation strategy. Carried 7-0.

See DVD of closed meeting.

Motion by Council Member Enright, seconded by Council Member-at-Large Anderson to open the closed meeting at 5:22 p.m. Carried 7-0.

Motion by Council Member King, seconded by Council Member Boughton to adjourn the work session until after the regular city council meeting. Carried 7-0.

Mayor Stiehm re-opened the work session at 6:38 p.m.

Item No. 1. Minnesota Environmental Fund – voluntary deductions from paychecks – No discussion as the presenter was not able to make it due to the weather.

Item No. 2. Recycling – Merlene Stiles – No discussion as presenter was not in attendance.

Item No. 3. Amendment to SMMPA agreement and approval of Power Sales Contract – Mr. Nibaur presented two agreements he would like the City of Austin to approve in relation to some power lines that are being sold to SMMPA. The transmission lines, most of which are already owned by SMMPA, are located between the new Murphy Creek Substation (along Highway 218 by the Cook Farm site) and the existing NE Substation. The two agreements need to be amended and approved by the City Council as follows:

- Power Sales Contract with SMMPA – This agreement will need to add the Murphy Creek Substation as one of the delivery and measurement points.
- Transmission Line Contract – This agreement needs to approve the transfer of the lines from the Austin Utilities to SMMPA.

Both of these agreements have been approved by the Austin Utilities Board at their March 12 Board meeting.

Mr. Lang noted he did not have any issues with approving these agreements.

After further discussion, motion by Council Member King, seconded by Council Member Austin, to recommend to Council the approval of the Transmission Line Contract and the Power Sales Contracts. Carried 7-0. Items will be added to the next council agenda as separate action items (2).

Item No. 4. Change order to contract with S.E.H. for design services for the North Main flood mitigation project. – Mr. Lang discussed the continuing work on the North Main Flood Control Project, Phases 3-7. Austin originally worked with S.E.H. for engineering services in 2007 as part of phases 2,8, 9, 10, 11 & 12, and as additional work came forward we have just amended the contract for the change orders. At this time, Mr. Lang requested Council consider change order #5 in the amount of \$58,700 to address the following design changes:

- Sinclair Site Design and Modifications
- Street Lighting Design and Plan Production
- Water and Gas Main Plan Production

This change order will be paid 50% from the local options sales tax and 50% from a DNR grant.

Motion by Council Member-at-Large Anderson, seconded by Council Member Carolan to recommend approval of the change order #5 for S.E.H. Carried 7-0. Item will be added to the next council agenda.

Council Member Boughton questioned when we could anticipate having the North Main Flood Project completed. Mr. Lang noted it will take roughly 18 months to complete once we start construction, but we are still probably six months away from starting construction.

Item No. 5. Financing street improvement projects: assessments vs. 100% tax levy – Mr. Dankert noted that Council had some discussions on this based on the council retreat and some League of Minnesota Cities seminars that new council had attended. Mr. Dankert discussed in detail the steps it took to create the spreadsheets that council is reviewing to determine if this would even be feasible in Austin.

Mr. Dankert stated that should Council switch to this method of street improvement, during the first year we could see nearly a 40% tax levy increase on all citizens to cover the projected improvement costs. Each year thereafter, the increase would be in the 3-4% range depending on the dollar amount of street projects Council approved.

Mr. Dankert also reviewed a scenario whereby we slowly reduced the assessment we levy amongst property tax payers over a ten-year period. The results are similar as it takes a full fifteen years to realize the revenue from an assessment, yet we need additional cash immediately to pay for the street project.

Council Member Enright stated this may work well in a new community, but in an established one like Austin that has already relied on the street assessments to pay for roads it would be hard to change.

Council Member King agreed, noting it was good to explore, but it is not feasible at this time.

Motion by Council Member Enright, seconded by Council Member King to drop the issue of taxing instead of using assessments for street projects. Carried 7-0. No further action needed.

Item No. 6. Rehiring for city clerk – Mr. Dankert noted that after 35 years City Clerk Lucy Johnson is retiring from her job effective July 31, 2013. Mr. Dankert noted he is reviewing the job description with Human Resources and would like to start the process to rehire for the position, including some crossover training time before Ms. Johnson retires.

Motion by Council Member Enright, seconded by Council Member Jordal to recommend to council the rehiring of a city clerk. Carried 7-0. Item will be added to the next council agenda.

Item No. 7. Budget carryovers – Mr. Dankert stated annually Council must authorize budget carryovers – items that had been budgeted the previous year but were not purchased. Mr. Dankert discussed the items to be carried over including the following:

- Shirley Theel Park, balance remaining of \$10,290
- Pool Upgrades, balance unspent of \$4,200
- Police Cold Storage Building addition, unspent balance of \$65,000
- MDT for Tahoe, unspent balance of \$6,500
- Regulatory Sign Upgrades, unspent balance of \$20,000
- Arena Improvements, unspent balance of \$12,000
- Younkers/Target Trail, \$100,000
- Cedar River Dam Repair, \$50,000
- Kjeltic analyzer - lab, unspent balance of \$35,000
- BOD incubator, unspent balance of \$5,000
- TSS oven, unspent balance of \$3,500
- Digestion block, unspent balance of \$3,000
- Replace 1986 International Dump Truck (#33), \$43,000
- Replace 1998 Sno Go Blower (#141), \$131,500

Motion by Council Member King, seconded by Council Member Austin to recommend to council the budget carry over's as requested. Carried 7-0. Item will be added to the next council agenda.

Item No. 8. Administration and Library budget reviews – Mr. Dankert noted this process will help Council in their 2013 goals as we will once again go through the department budgets for the General Fund and Library Fund over the next few work sessions. Mr. Dankert reviewed both the revenue and expenditure line item categories for each department. Mr. Dankert discussed the color coding system used whereby items that were colored had some limited ability by council to make changes due to contractual obligations, state/federal requirements, etc.

Different council members asked questions regarding individual line items within each budget, with staff answering questions as they arose.

No further action needed.

Item No. 9. Conversations with the Council – Mr. Hurm discusses some proposed rules/guidelines for future Coffee's with the Council sessions for the public to ask questions about city government. Mr. Hurm briefly reviewed the guidelines as proposed:

1. One person speaks at a time with the permission of the chair running the meeting.
2. Each person commenting shall limit their remarks to two minutes and one topic.
3. Each citizen will be called upon to speak before anyone is recognized a second time.
4. The Chair should identify several relevant talking points and ask that initial speakers focus on those points.
5. The Chair shall dissuade comments not relevant to or in the domain of the City. The speaker will be referred to the proper jurisdiction.
6. To address concerns of campaigning, Coffee with the Council sessions should cease 90 days before an election.

Council Member Enright stated they already have the first meeting scheduled for Gymocha, but need to double check on the exact date. Additionally, Council Member Enright stated it was important to back other council members at these meetings.

Item No. 10. Administrative Report – None.

Item No. 11a. Open discussion – Local Government Aid – Mayor Stiehm stated that under the newly revised Governor's proposal, our LGA appears to be looking good for Austin. Mr. Dankert clarified that for 2014 under the current proposal, Austin's LGA would increase to \$7,879,577 and in future years would have steady inflationary increases instead of the decreases that were originally proposed. Mr. Dankert stated the funding for LGA needs an additional \$80 million to fund, so that may be an issue in the budget process for the State of Minnesota.

Mr. Dankert also noted this does not get us off relying on LGA, as it will only increase our dependence on the state.

Item No. 11b. Open discussion – Matters At Hand – Council Member Enright stated she would like to see the council goals listed in the Matters In Hand eventually so that we do not lose sight of them.

Item No. 11c. Open discussion – Ordinances – Council Member Enright stated she has asked Mr. Hurm to start having different ordinances (swimming pool, junk, car tabs, etc.) brought to council work sessions such that they can be reviewed and updated.

Item No. 12. Matters In Hand – No discussion.

Motion by Council Member King seconded by Council Member Austin to adjourn the meeting at 7:48 p.m. Motion passed unanimously.

Respectfully submitted,

Tom Dankert