

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
October 21, 2013
City Hall Conference Room

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

ABSENT: Steve King

STAFF PRESENT: Director of Administrative Services Tom Dankert, City Administrator Jim Hurm, Public Works Director Steven Lang, HRA Director Jon Erickson, and City Clerk Ann Dunlap

ALSO PRESENT: Austin Daily Herald, Larry Ashley, Hy-Vee representative Mike Waller

Mayor Stiehm opened the meeting at 6:14 p.m.

Item 1- Liquor Licensing Request from Hy-Vee

Ann Dunlap presented on Hy-Vee, Inc.'s request for a modification of the City Code to allow an entity to have an on-sale and an off-sale liquor license. Hy-Vee is planning an expansion and remodel project next year and proposing to expand their restaurant to include on-sale liquor choices. In addition, they are interested in having a catering license which would allow them to use their proposed on-sale license to cater liquor at events. They currently do not hold an on-sale liquor license; only an off-sale for their liquor store. Hy-Vee currently has this type of restaurant five locations.

Currently the City code in does not allow more than one license to be held by any person. In order to grant Hy-Vee's request the City would have to modify the current ordinance to allow a person to hold more than one license.

Ann Dunlap researched other cities in this area and it appears that Austin and Albert Lea still carry this same restriction. She also spoke with Al Erickson at the State's Alcohol and Gambling Enforcement Division. Mr. Erickson stated the issuance of dual licenses is very common in Minnesota Cities, especially with grocery store restaurants.

In addition, the City Code does currently not address catering. A caterer's permit can be obtained directly from the State but a City may additionally regulate this practice through licensing. Per statute, with each catered event, the caterer needs to notify the Police Chief of such event. Currently, the City believes catering events are taking place in the City but the Clerk's office cannot confirm or regulate without City licensing. Through licensing, the City can better monitor the catering events and would recommend this type of license.

Mike Waller, director of Real Estate development from Hy-Vee stated the expansion will create new choices in their restaurant, which is planned to be over 5000 square feet. This type of restaurant is also planned in 75 Hy-Vee locations over the next few years.

Council Member Enright spoke in favor of the modification stating that Hy-Vee putting its trust in Austin and it would be good for the community to have additional types of restaurants.

After further discussion, moved by Council Member Enright, seconded by Council Member Austin, to modify the current code to allow an individual to have both an off-sale and an on-sale liquor license and to prepare an ordinance on catering licensing. Carried.

The matter will be referred to the City Attorney for preparation and brought to the City Council Meeting once prepared.

Item 2- Austin HRA Small Cities Lot Grants

Jon Erichson, director of the Housing and Redevelopment Authority for the City, proposed to apply for a Small Cities Block Grant through the EDA. This grant is focused on owner-occupied housing rehabilitation and would be targeted at Crane South Addition, which is East of the Hormel Plant. The HRA has surveyed the owners of the property and it appears that there will be willing participants in the program. The grant is proposed for 25-30 homes at approximately \$25,000 per home.

The City would need to be the applicant on the grant for the HRA pursuant to the grant regulations but the HRA would do all of the implementation and project management. The pre-application is due in November 2013 and if the application passed that round, it would then move forward as a finalist. Mr. Erichson was requesting permission for the City to sign on the grant for the HRA.

Council Member-at-Large Anderson inquired if there would be any opportunity in the grant for rental housing rehabilitation? Mr. Erichson stated that approximately 50% of the neighborhood is non owner-occupied. The priority would be owner-occupied residences then if there are funds left over to improve the non owner-occupied.

After further discussion, moved by Council Member-at-Large Anderson, seconded by Council Member Boughton, to have the City of Austin be the grant applicant on behalf of the HRA for the Small Cities Block Grant. Carried.

Mr. Erichson will prepare the pre-application grant and the item will be placed on the next Council Meeting agenda.

Item 3- Riverside Arena Membrane Roof Replacement

Steven Lang presented on repairs needed on Riverside Arena. Recent heavy rains have revealed that the rubber membrane roof is shrinking and pulling away causing leaking on the flat roof on the south side of the area. In addition, there are also leaks and repairs that need to be addressed on the west flat roof.

The estimate for the south roof repairs is \$31,000 with Kiker Brothers, Inc. having the lowest bid to replace the entire area. A bid was also supplied from Kiker Brothers for a patch repair on the roof instead of a full replacement but that figure was half of the cost to replace the entire area. The estimate for the repairs on the west roof is \$5,000.

Steven Lang proposed taking the funds for these repairs from the 2013 budget for air conditioning repairs on the arena. Those air conditioning improvements would then wait until the main system upgrade in 2015.

Council Member Enright inquired as to what would happen to the remaining funds? Tom Dankert replied that any additional funds that were allocated for the arena air conditioning repair that were not used could be used in a different manner or sit in fund balance for future use.

Council Member Jordal asked if informal bids would work on this project or if it needed to be subject to competitive bidding. Steven Lang replied that informal bids are appropriate in this circumstance.

Council Member Carolan questioned if a hot tar roof would last longer and be a better investment? Steven Lang stated he did not know the facts on hot tar versus rubber roofing.

Council Member Enright stated that hot tar roofs do last longer but are probably three times as expensive as a rubber roof.

After further discussion, moved by Council Member Enright, seconded by Council Member Austin, to allow the funds originally allocated for air conditioning improvements to be reallocated for rubber membrane roof replacement on the south flat roof and leaks and repairs on the west flat roof. Carried.

The item will be placed on the next City Council meeting to change the use of the 2013 funds.

Item 4- Temporary Sewer Department Replacement

Steven Lang presented about the need for a temporary position in the sewer department. There was a slip and fall injury in sewer department on January 30, 2013. The employee suffered an extensive shoulder injury and has not been able to return to duty. The injury is complex and it has been difficult to get a time frame on when this employee will return. It is important to get this department up to full staff prior to winter as sewer department employees are utilized to plow snow in the winter. The proposed position would be a temporary position with no credit towards hire if a full time position does become available.

Another option is get an employee from temporary hiring agency. This option would alleviate unemployment benefits once person is let go but the cost and procedure for this process hasn't been thoroughly investigated at this time.

Council Member Enright expressed that the City would want to hire someone with experience in this area.

Council Member Carolan inquired if the City could utilize the Park and Rec staff for snow removal emergencies? Steven Lang stated that the Park and Rec staff along with the WWTP staff are all used to plow snow.

After additional discussion, moved by Council Member Austin, seconded by Council Member-at-Large Anderson to move forward with the hiring of a temporary position in the sewer department. Carried.

The matter will be placed on the next council agenda.

Item 5- North Main Flood Control Project, Construction Services, Phases 3 & 4-5-6-7

Steven Lang presented on additional inspection services needed for the North Main Flood Control Project Phase 3 and Phases 4-5-6-7. He has requested prices from consulting firms for construction services including the following: day to day on-site project inspection; project management, including contractor coordination, plan interpretation, change order evaluation and quantity measurements; and as-built measurements and drawing modification. These individuals would be the eyes and ears for the City on the project. Typically, the City likes an employee to fill this position. However, this is a very complex project, especially Phase 3, and the most qualified inspector, Dennis Bissen, is retiring at the end of this year. There is not another well suited individual on the engineering staff to handle this type of project. It's a possibility that the replacement for Dennis Bissen would be capable of handling this type of project but no individuals have been interviewed yet. Phase 3 is a very complex project will need a senior inspector. Phase 4-5-6-7 may allow someone less experienced and a City employee may be adequate for this phase.

During the projects the City will continue to be the project manager and provide the following services: project oversight and direct contact with the prime contractor, project inspectors and SEH engineers; direct involvement with construction change orders, design changes and contractor payment requests; and project information management, status updates for the Council, businesses and city residents.

Mr. Lang proposed to interview and present the recommended person to the Council at the November 4th Council meeting so an inspector can be hired for Phase 3 work which is scheduled to begin this year. The proposed positions would be funded through the EDA grant, DNR grant and the local option sales tax revenue.

Council Member-at-Large Anderson questioned if there are restrictions or a cap on the percentage of the project that can be funded by the local option sales tax? Tom Dankert stated that there is no cap on what can be paid out of the local option sales tax fund. However, to maximize the DNR and EDA grants, we will fund as much out of those areas first then the remainder from local option sales tax.

Council Member Jordal asked for an estimate on what the cost of this would be? Steven Lang stated he had been provided one bid but did not want to disclose the amount at this time.

Council Member Carolan questioned if Dennis Bissen could be hired back as a consultant or could postpone his retirement? Tom Dankert stated that there are certain regulations for PERA that need to be met including separating from service with the City for at least 30 days after retirement. Steven Lang added that postponing retirement isn't an option for Dennis Bissen.

Council Member Carolan inquired if Steven Lang is authorized to do the inspections? Steven Lang stated he is authorized and capable to complete the inspection but due to the nature of his position he does not have time to complete the inspections.

Council Member Carolan asked if Jon Erichson could be hired which Steven Lang confirmed he could be hired for this type of work.

No further action needed at this time.

Item 6 – Turtle Creek 1 Update

Steven Lang presented on the proposed annexation of 100 acres of land located northwest of the intersection of Oakland Avenue West and Interstate 90, referred to as Turtle Creek 1. This area consists of approximately 28 homes, 1 church and open areas. Mower County Environmental Services has done testing on the systems and has determined the majority of the systems are not in compliance. The City has drafted a orderly annexation agreement and reviewed the agreement with Austin Township, defined the ultimate service areas and are working with Jones, Haugh and Smith land surveyors to provide a property boundary description, applied for and received ranking for a Point Source Implementation Grant that could cover up to 50% of the public infrastructure costs, and requested and received proposals for surveying and design of an sanitary sewer system to the existing structures.

To receive the Point Source Implementation Grant (PISG), the City must apply for the grant by June 30, 2014. It is anticipated that the City will received the grant due to the #8 ranking on the list. The project is a high priority due to high number of non-compliant systems and their impact on groundwater in the area.

The next steps on the project would be:

- Complete the property survey and the orderly annexation agreement,
- Have the Township approve the orderly annexation agreement at the first meeting in November
- Have the City Council approve surveying & design services at the first meeting in November
- Have the City Council approve the order annexation agreement at the second meeting in November
- Area would be annexed into the City on January 1, 2014 and then move forward with design and construction of the sanitary sewer project.

Timing is critical on surveying for this project. The City needs to approve contracts for those services before it starts to snow and causes issues with collecting survey data.

The proposed annexation agreement requires non-compliant septic systems to be hooked up within 90 days of completion or July 1, 2015, whichever is longer. Compliant septic systems would have five years to get hooked up to the system. Also included in the annexation agreement would be a “hook up fee” that could be implemented if the owners objected to the annexation and assessment. The proposed grant would be applied on the assessment balance, thereby reducing the amount the homeowner owed but the grant could not be applied to the “hook up fee.” The terms and language for the proposed annexation agreement are still being finalized.

Council Member-at-Large Anderson questioned if this project involved sewer and water? Steven Lang replied that the current discussions only involve sewer service. Water service would be an option at an additional cost.

Council Member Jordal asked how many objectors there are to this project. Steven Lang stated that out of approximately 28 parcels there are 3 or 4 people against the project.

Larry Ashley, a citizen in the proposed area, added that out of 28 replies, 6 of those did not want to come into city and change their sewer service according to a survey done two years ago.

Council Member Enright asked if all of the property owners been notified of this project? She added that some of the property owners in the Lansing sewer group claimed they were never notified. Steven Lang replied that they had all been notified of the proposed annexation by Austin Township. In addition, all of the property owners have been notified by Mower County Environmental Services of their failing septic systems. The Lansing sewer group was never notified by Mower County.

Larry Ashley questioned if local companies would be offered the chance to work on the project. Steven Lang replied that the project would be subject to the competitive bidding process.

After additional discussion, motion by Council Member Austin, seconded by Council Member Boughton, to move forward with the next steps as outlined by Steven Lang, including completing the survey work, drafting the orderly annexation agreement and presenting it to Austin Township and the City Council. Carried.

Items will be placed on the November Council meetings.

Item 7- 2014 Budget Discussion

Tom Dankert presented on the 2014 budget. The current tax levy is set at \$4,120,000 and cannot be increased. Since the last budget update there have been increases in revenue to the police and fire aid. There may also be increases in the LEC budget but that figure won't be finalized until the County determines their budget. Mr. Dankert asked for any additional questions or requests for changes in the proposed 2014 budget. There was no discussion. The truth in taxation hearing is set for December 3, 2013.

No further action needed.

Item 8-Administrative Report

No discussion.

Item 9- Open Discussion

a. New Topics from Conversations with the Council

Mayor Stiehm noted that there were no citizens in attendance at the Conversations with the Council earlier in the evening. He stated that it may be beneficial to change the date back to Saturdays as there were usually citizens attending on that day.

Council Member Austin questioned if the meetings are productive as it is always the same people in attendance with the same complaints.

Mayor Stiehm stated that there are always going to be negative people at the meetings no matter the day. A newsletter was just published with the dates on the first and third Mondays through the end of 2013.

Council Member-at-Large Anderson suggested the first Saturday of each month beginning in January 2014.

The item will be discussed at a later date.

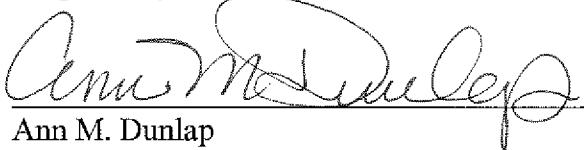
Item 10- Matters at Hand

a. **Findings ways to increase communication with the public awareness of City policies**

No discussion. Will be placed on November 4th work session agenda.

Motion by Council Member Austin, seconded by Council Member-at-Large Anderson, to adjourn the meeting at 7:14 p.m. Motion passed unanimously.

Respectfully submitted,



Ann M. Dunlap