

M I N U T E S
CITY COUNCIL MEETING
December 2, 2024
5:30 PM
Council Chambers

MEMBERS PRESENT: Mayor Steve King, Council Members Paul Fischer, Michael Postma, Joyce Poshusta, Geoff Baker and Council Member-at-Large Jeff Austin

MEMBERS ABSENT: Council Member Jason Baskin, Council Member Laura Helle

STAFF PRESENT: City Administrator Craig Clark, Director of Administrative Services Tom Dankert, Police Chief David McKichan, Fire Chief Jim McCoy, Public Works Director Steven Lang, Planning and Zoning Administrator Holly Wallace, Park and Rec Director Jason Sehon, City Attorney Craig Byram, Library Director Julie Clinefelter, Director of Human Resources Trish Wiechmann, and City Clerk Brianne Wolf

APPEARING IN PERSON: Austin Daily Herald, Honorary Council Member Cindy Stahl

Mayor Steve King called the meeting to order at 5:30 p.m.

Moved by Council Member Baker, seconded by Council Member Fischer, approving the agenda as amended. Carried.

Moved by Council Member Baker, seconded by Council Member Postma, approving Council minutes from November 18, 2024. Carried.

CONSENT AGENDA

Moved by Council Member Baker, seconded by Council Member Fischer, approving the consent agenda as follows:

Claims:

- a. Pre-list of bills

Appointments:

Kandace Feist to the Culture and Arts Commission – term through December 31, 2024

Carried.

PUBLIC HEARINGS

A public hearing was held for a tax abatement requested by Bigelow & Lennon Construction. They are proposing to build a single-family home at 1302 17th Street NE valued at approximately

\$360,000.00. City Administrator Craig Clark stated the application is in conformance with the City's policy for tax abatement.

There were no comments from the public.

Moved by Council Member Baker, seconded by Council Member Postma, approving the tax abatement. Carried. 5-0.

There were no comments from the public.

A public hearing was held for the renewal of a currency exchange license for Tienda y Taqueria Guerrero, Inc.

City Clerk Brienne Wolf stated the City has had no issues with the business and requested Council approval of the renewal of the currency exchange license for Tienda y Taqueria Guerrero, Inc.

Moved by Council Member-at-Large Austin, seconded by Council Member Baker, approving the renewal of the currency exchange license. Carried. 5-0.

AWARDING BIDS

Public Works Director Steven Lang stated the June flooding caused damage to the riprap located on the dams at East Side Lake and the Cedar River. They have created a plan to add new, larger riprap to protect the dams from undermining and relocate the existing riprap downstream to protect the river banks.

They received two bids for repair with Hansen Hauling & Excavating, Inc. coming in with the low bid of \$21,760. Mr. Lang stated the project will be funded using the Property/Liability Insurance Risk Management Fund. He will also seek reimbursement from FEMA. He would recommend awarding the bid to Hansen Hauling & Excavating, Inc.

Moved by Council Member Baker, seconded by Council Member Fischer, awarding the bid for dam riprap repairs to Hansen Hauling & Excavating, Inc. Carried. 5-0.

PETITIONS AND REQUESTS

City Clerk Brienne Wolf requested approval of an ordinance related to cannabis registration and zoning.

Council Member Baker stated he would not be in favor of this ordinance. He would like there to be a preventive barrier in place around schools and daycares. He stated there is too much uncertainty about this and he would like to be smart about this. He would like to start off more restrictive with the ordinance. He stated in the future we can loosen the restrictions.

Mayor King asked City Attorney Craig Byram about the hold up at the State level with Cannabis licensing and asked if we would be able to place the ordinance on hold.

City Attorney Byram stated there is a lot of uncertainty at the State level and it is hard to know when they will have their program going. From our prospective, the City should have something in place before the beginning of the year as the State does have the ability to license starting in January. He noted many other municipalities have stated the end of the year is their drop-dead date of getting an ordinance in place. He recommends we pass something at the next Council meeting or hold a special meeting to get something passed.

Mayor King stated to mirror the alcohol ordinances make sense, as this is something that has existed. This can be a good model but he can be swayed.

Council Member-at-Large Austin agrees with Council Member Baker. He stated it is easier to relax things in the future than to tighten them.

Council Member Postma stated he does not see a reason in delaying this. He stated the State has not given the City a lot of control over these issues. The State has given the City control over zoning and the minimum amount of business allowed per population. The City has gone as conservative as we can with the amount of businesses they are allowing. He feels having zoning restrictions in place may cause barriers in the future.

Mayor King requested a motion for preparation of the ordinance.

Council Member Postma motioned to approve. No second.

Council Member Baker stated he would like a 1000ft buffer zone included in the ordinance.

Mayor King stated we do not need to have this done by the end of the year, we do not need to rush this.

City Attorney Byram stated if an applicant of the State is able to be processed in January, comes to the City and asks the simple question does this comply with your zoning ordinance, and we have no ordinance in place, then the answer is yes.

Mayor King stated with missing Council Members we would need to continue this to another meeting.

City Administrator Craig Clark wanted verification that with a 1000ft zoning buffer in place from the High School this would intersect the downtown.

Planning and Zoning Director Holly Wallace stated she would have to check on the map but she noted with this ordinance, these types of businesses would be required to apply for a conditional use permit which would be reviewed by the planning commission before being approved for their business location.

City Administrator Craig Clark stated do we want to take the most exclusionary standpoint or a scalpel approach. Would Council want a 600ft buffer as to not intersect the downtown.

Police Chief McKichan stated there is a daycare in between the High School and the downtown. He does believe Mower County created a map with a 1000ft radius with the exclusionary zones and they would have to look at the map.

Council Member Postma had a question about the exclusionary zones if implemented. He stated if a cannabis business were to open and then later on a daycare wanted to open up that was within that 1000ft exclusionary zone, would the daycare be permitted to open.

City Attorney Byram stated usually it's first come first served so the daycare would not be able to open.

Council Member Postma stated this is the reason he does not agree with the exclusionary zones and he fears there would be unintended consequences and he doesn't see the positive benefits of doing so.

Mayor King stated residence restrictions are tough. He does support what was previously agreed upon and having no restrictions.

City Attorney Byram stated with the material changes to this ordinance we will need to start this process over. This may affect some of the people who look to pursue these licenses in Austin, whether or not they will be negatively impacted.

Mayor King stated he has not heard anything negative on this ordinance from the public.

Director of Administrative Services Tom Dankert stated this will be move to the work session for December 16, 2024.

Police Chief McKichan stated he would speak with the County about getting the GIS map with the buffer in place.

City Clerk Brienne Wolf requested Council approve a resolution setting the fee schedule for miscellaneous business operations.

Council Member Baker asked why there is a \$10 adoption fee and if it is utilized.

Police Chief McKichan stated prior to the Police Departments partnership with the Mower County Humane Society a person was able to adopt an animal from the pound. They do not currently utilize this fee.

Council Member Baker made a motion to approve the 2025 fee schedule with the removal of the adoption fee.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, approving the 2025 fee schedule. Carried 5-0.

Public Works Director Steven Lang stated Council previous approved the rates for the T-Hangar lease and now he has a draft of the lease agreement to present to interested parties wishing to rent space in the new T-Hangar. Mr. Lang stated he is leaving the lease open as he is encouraging

long term leases. He would designate a specific unit out of the ten units to a specific owner. They would be responsible for electrical costs of each unit. He noted the lessee will be responsible for any taxes that the County may evoke on this property.

Council Member Postma asked about the 2% yearly increase term in the lease agreement. He wanted to know if there was the possibility in the future for the City to change this.

Public Works Director Steven Lang stated the 2% fee would last as long as the lease the person signs and when they sign a new lease their fees would be whatever is designated at that time to be the fees.

Council Member Postma wanted to know how long Mr. Lang anticipates some of these lease agreements will go for. Mr. Lang stated there is no end date set as of right now.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, approving the T-Hangar lease agreement template. Carried.

Director of Administrative Services Tom Dankert relayed that all of the Hormel Foundation Grant Awards the City requested were granted except for one. In total, the City was approved for \$5,170,193 for 2025. Mr. Dankert requests a resolution approving acceptance of the grants.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, approving the 2025 Hormel Food Grant Awards. Carried 5-0.

Director of Administrative Services Tom Dankert requested a release of easement from the property located at 510 2nd Street NW, the Former Mayo Eye Clinic. The easement was originally obtained in 1978 by Austin Utilities from the City of Austin. The owner of the building is in the process of selling the building and requests the release of the easement from the City. Austin Utilities has reviewed and approved the release of easement at their November 19, 2024 Board Meeting. They now request the City's approval to proceed.

Moved by Council Member Baker, seconded by Council Member Fischer, approving the release of easement from the City. Carried 5-0.

Director of Administrative Services Tom Dankert requested Council approve a resolution authorizing the City to enter into an agreement with the Minnesota Department of Revenue to continue collection of local option sales tax (LOST) on the City's behalf. This change is due to the fee paid to the Minnesota Department of Revenue. Currently, the City of Austin pays approximately 1.35% as a floating fee of LOST collections to the state to administer our program. A new statute was passed last session and now they will charge a flat rate going forward of up to 1%. The Minnesota Department of Revenue is expected to charge Austin 0.90% based on recent correspondence.

Moved by Council Member Baker, seconded by Council Member-at-Large Austin, approving a resolution to continue an agreement with MN Dept. of Revenue to continue the collection of LOST. Carried 5-0.

Public Works Director Steven Lang request the Council call for the feasibility reports for the

