

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
July 1, 2024
City Council Chambers

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

MEMBERS ABSENT: Council Member Joyce Poshusta and Jason Baskin

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 Schon, Human Resources Director Tricia Wiechmann, and City Clerk Brianne Wolf

APPEARING IN PERSON: Mark Nibaur, Alex Bumgardner, Jay Lutz from Austin Utilities and Dave Desmond, CEO of SMMPA

Mayor Steve King opened the meeting at 6:24 p.m.

Item No. 1. Austin Utilities/Southern Minnesota Municipal Power Agency (SMMPA) Power Sales Contract Extension Ordinance – Mark Nibaur

Mark Nibaur stated he is here today to speak with the Council about power. Mr. Nibaur and Austin Utilities would like to talk about extending the power contract at this time to 2050. He stated Austin does not generate its own power so they need to buy power and they would like to enter into a contract with Southern Minnesota Municipal Power Agency.

Alex Bumgardner stated they looked at the cost comparison. It would cost Austin Utilities \$417 million to self-supply vs \$416 million to extend the contract with SMMPA. If they were to try and self-supply they would have added costs to their operations but if they stick with SMMPA they don't anticipate any changes to their front operationally. He stated there is a lot more risk involved with trying to self-supply. It's an extremely technical field and there can be challenges trying to staff that field.

David Desmond, Executive Director and CEO of the Southern Municipal Power Agency (SMMPA) acknowledged the work that that Mr. Nibaur and Mr. Bumgardner and the whole Austin Utilities Board of Commissioners have put into this process. He stated Austin was one of the original founding members of the agency when cities came together in the 1970s with concerns over power supply and reliability; no different than the same concerns that utilities have today. The governance structure the agency has established reflects the influence of these three large core members that they have. They are set up that the three largest members of the agency have an automatic seat on the board. Austin Utilities has had an automatic seat on the agency

board since the agency inception and if this contract is extended and given size of Austin relative to the other SMMPA members, they would expect that to continue.

Moved by Council Member Baker, seconded by Council Member Postma, recommending adoption of the SMMPA ordinance. Carried.

The item will be on the July 15, 2024 Council agenda.

Item No. 2. Local Option Sales Tax Review – Steven Lang

Public Works Director Steven Lang gave an update on the Local Option Sales Tax program (LOST). He stated that LOST was established in April 2007 and can run for up to twenty years or until all the designated projects are complete. When starting out, they were estimating generating around \$1 million in revenue now they're approaching \$2 million of revenue generated through LOST. Each year those dollars are being put toward flood control projects.

He stated they have completed almost \$40 million worth of flood control work with that money and have identified another \$20 million of projects. They have identified areas of the collection system that need to be upgraded. They've identified some trunk lines that run along the rivers and want to upgrade those using a portion of LOST.

He stated they recently accepted a \$4 million grant and anticipate both phases of the treatment plant will total around \$8 million. They have 50% Department of Natural Resources dollars in place and they continue to bring dollars into the LOST.

He stated the engineering department entered into a study six months ago with SEH to review some anomalies with the flood water surface elevations that brought additional properties into the floodplain in 2013 in the Wildwood Park neighborhood.

He stated looking at that more closely, some initial results of the study looked like the 2013 mapping that was done by the state and FEMA had some imperfections, and they look to correct those. It appears they can pull those properties back out of the floodplain by removing them from possible acquisition. He stated this is still a work in progress; those final maps are probably years down the road by the time they work with FEMA and work through that process.

They have included some local option sales tax dollars for the 4th Avenue Dam removal or refurbishment. This is something that will have to happen in the future as this is currently a flood control device.

He stated there is a project identified for the Ellis ditch area. It's been on this list for multiple years and they have \$100,000 identified for a study in 2025. Also in 2028, there are plans for the Dobbins Creek trunk sewer to make improvements to eliminate inflow and infiltration into the trunk sewer along Davis Creek and the SE Interceptor Phase 1. They have identified \$1,000,000 for this project.

All of those projects involve the neighborhoods that were here tonight at the Council meeting and experienced flooding on June 22. The projects have been identified as a way to limit the amount of volume of flow going to the treatment plant during a high water event. There's not

one solution that's going to change everything. It's all these little things that we're going to do over time to make improvements.

Mayor King thanked Mr. Lang. He stated a question came up from a citizen who claimed at one time the City did go around and pick up trash.

Director of Administrative Services Tom Dankert stated that one time in 2004 the City did go and pick up debris in the Wildwood Park neighborhood. He stated it was an obstacle to get reimbursement of our cost for doing that because we were handling what typically should have been handled by the private sector. It all depends on who you get as a FEMA rep and who you're working on your disaster recovery plan. It takes a lot of discussion to get them to assist. He knows we've tried it on other flood events to no avail. He stated the City just got lucky that one time.

Mr. Lang stated if Council wants to provide that service that they would need to figure out where to pay for that.

Council Member-at-Large Austin stated that it's a tragedy, but even their homeowner's insurance will probably not do a whole lot for the citizens. He asked if there is something that we could provide to give some relief.

Council Member Helle stated we can do anything we want. It's just, do we want to pay the bill? And how do we want to pay the bill? And whose responsibility is it and setting a precedent for the next time.

Item No. 3 Administrative Report

None.

Moved by Council Member Fischer, seconded by Council Member-at-Large Austin, adjourning the meeting at 7:23 p.m. Carried.

Respectfully Submitted,

Brianne Wolf, City Clerk