

PRESENT: Mayor Rasmussen Jr., Councilors John Schulte V., Larry Baker, Reid Olson, Larry Anderson and Al Brooks. Also, City Manager Chad Adams, City Engineer Steven Jahnke, and City Clerk Shirley Slater-Schulte. Councilor Ellen Kehr was absent.

CONSENT & APPROVAL OF AGENDA

- A. Approve Minutes of the June 11, 2012 Regular Council Meeting
- B. Approve Minutes of the June 7, 2012 Work Session
- C. Licenses and Permits (See attached list)
- D. Resolution 12-118 Accepting Donations
- E. Resolution 12-119 Authorizing Information System Staff Sharing Agreement Between City of Albert Lea and Freeborn County
- F. Resolution 12-120 Appointing Election Judges
- G. Resolution 12-121 Authorizing Agreement for Sanitary Sewer and Watermain and Petition for Annexation for 1311 Crossroads Boulevard

MOTION: I will move to approve the Consent Agenda as amended:

- A. Removal of 7K - Resolution Acknowledging Low Bid Proposal for Freeborn Bank and Jacobson Building Elevator Replacement Project; and add:
- B. Item 7K - Resolution Authoring Subordination Agreement for 812 Washington Avenue

Motion made by Councilor Brooks, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr.; Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolutions 12-118-12-121
included with these minutes)

PUBLIC FORUM

Mr. John Severtson, 214 South Pearl, Planning Commission member, interested in developing the old Waste Treatment site as an RV Park and would like the city to consider the development of the site and the lease of said property to the Yellow Ribbon Committee for \$1.00 per year.

Mr. Keith Porter Sr., 1634 Masee Street, would like to see the claims included in the public agenda packet.

Mr. Harold Reed, 2000 S. Broadway, stated concerns with neighbor's property and long grass.

PETITIONS-REQUESTS-COMMUNICATIONS

UNFINISHED BUSINESS

ORDINANCE 149,4d AMENDING ZONING AND LAND USE MAP (2ND READING)

City Manager Adams explained that on June 5, 2012, the Planning Commission reviewed the request of Lou Rich, Inc. to change the zoning on 818 and 822 Madison Avenue. After a public hearing the Planning Commission recommended a change in the zoning district classification from R-P Residential Preservation District to I-2 Industrial District. City Council introduced the ordinance at its regular meeting of June 11, 2012 and set the second reading for June 25, 2012. Staff recommends adoption of the zoning district change and a corresponding zoning map change. Staff recommends approval of the proposed ordinance amendment.

Councilor Anderson moved the adoption of the 2nd reading, seconded by Councilor Olson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the 2nd reading of the ordinance passed. Councilor Kehr was absent.

(See Secretary's Original Ordinance 149,4d
included with these minutes)

NEW BUSINESS

PUBLIC HEARING AND RESOLUTION 12-122 ORDERING REMOVAL OF HAZARDOUS PROPERTY AT 722 COLUMBUS AVENUE

City Manager Adams explained that the property at 722 Columbus Avenue is reasonably beyond repair and should be removed. It was posted as uninhabitable on February 4, 2010. The owner of the property is deceased. The City published notice of this hearing in the newspaper to notify owners and interested parties of this hearing. The attached resolution would permit city staff to move forward with removal of the building and its contents. This will require a resolution by Council and a motion before the Court for the summary enforcement of the Order. Staff supports the request.

Mayor Rasmussen Jr., opened the public hearing.

Ms. Jennifer Parker, 806 Columbus Avenue, neighbor to this property, encouraged the council to move forward with the Order of Removal of this property.

Mayor Rasmussen Jr., called three times and then closed the public hearing.

Motion made by Councilor Olson, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr.; Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-122
included with these minutes)

PUBLIC HEARING AND RESOLUTION 12-123 ORDERING REMOVAL OF HAZARDOUS PROPERTY AT 717 MADISON AVENUE

City Manager Adams explained that the property at 717 Madison Avenue is reasonably beyond repair and should be removed. It was posted as uninhabitable on March 17, 2010. The owners of the property cannot be located. The City published notice of the hearing in the newspaper to notify owners and interested parties of this hearing. The attached resolution would permit city staff to move forward with removal of the building and its contents. This will require a resolution by Council and a motion before the Court for the summary enforcement of the Order. Staff supports the request.

Mayor Rasmussen Jr., opened the public hearing. No one spoke to this issue.

Mayor Rasmussen Jr., called three times and then closed the public hearing.

Motion made by Councilor Anderson, seconded by Councilor Schulte V to approve the resolution and secure the property. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-123
included with these minutes)

PUBLIC HEARING AND RESOLUTION 12-124 ORDERING REMOVAL OF HAZARDOUS PROPERTY AT 815 MADISON AVENUE

City Manager Adams explained that the property at 815 Madison Avenue is reasonably beyond repair and should be removed. It was posted as uninhabitable on January 18, 2012. The owner of the property is deceased. The City published notice in the newspaper to notify owners and interested parties of this hearing. The attached resolution would permit city staff to move forward with removal of the building and its contents. This will require a resolution by Council and a motion before the Court for the summary enforcement of the Order. Staff supports the request.

Mayor Rasmussen Jr., opened the public hearing. No spoke to this issue.

Mayor Rasmussen Jr., called three times and then closed the public hearing.

Motion made by Councilor Anderson, seconded by Councilor Schulte V to approve the resolution and secure the property. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-124

included with these minutes)

PUBLIC HEARING AND RESOLUTION 12-125 ORDERING IMPROVEMENT AND PREPARATION OF PLANS FOR KATHERINE STREET RECONSTRUCTION, WEST HAWTHORNE PAVING AND BETHA LARSON LANE SPOT RECONSTRUCTION, JOB #1256 & #1260

City Manager Adams explained that a public hearing is being held to receive public input on the proposed assessments for Job 1256 and 1260. The project involves the following:

Katherine Street – Job No. 1256

This portion of the project involves removing and replacing the existing bituminous surface, aggregate base, curb and gutter, watermain, sanitary sewer and storm sewer on Katherine Street from E Main Street to Bridge Avenue. The existing 4 inch watermain will be replaced with a 6 inch line.

Hawthorne Street & Pioneer Park Parking Lot – Job No. 1260

This portion of the project involves installing a new bituminous surface on W Hawthorne Street from Lakewood Avenue to Pioneer Park, and installing a new bituminous surface on the parking lot at Pioneer Park. The work is being proposed in order to provide the residents along W Hawthorne Street and the users of Pioneer Park with a paved roadway, and to reduce annual maintenance costs associated with maintaining the existing gravel surface.

Betha Larson Lane & Crossroads Boulevard Entrance

This portion of the project involves removing and replacing the existing bituminous surface and aggregate base on Betha Larson Lane from Kram Avenue to approximately 400 ft. east and a small portion of Crossroads Boulevard at the intersection of TH 65. The surfaces are significantly deteriorated and warrant replacement. The deterioration is likely due to poor subsoil and heavy trucks. The existing curb and gutter and underground utilities are in good condition and will remain in place. These roadways were constructed in 2002. As such, they are still within the 15-year guarantee period as stated in the Assessment Policy, and there will be no assessments for this work.

The total cost of the project is as follows:

Total Project Cost:	\$366,135.85
Assessable Portion:	\$94,723.95 (25.9%)
Sanitary Sewer Costs:	\$29,902.30 (8.2%)
Watermain Costs:	\$42,331.50 (11.6%)
City General Funds:	\$199,178.10 (54.4%)

A neighborhood meeting was held with the Hawthorne neighborhood on June 20, 2012 and staff met with individual businesses the week of June 18th. A 4/5 vote is required to order the improvements. Staff recommends approval.

Mayor Rasmussen Jr., opened the public hearing.

Mr. Craig O’Neil, 110 W. Hawthorne Street, stated that his mother is owner of a house and lot on Hawthorne Street. The numbers presented seem too high; the house was built in 1954 and the gravel road has been this way for 58 years with no road work other than top dressing. There is a section of the road that

is a problem. The family is looking for alternatives to the project. They are in favor of it but need some relief and encouraged the council to review different options for the road.

Mayor Rasmussen Jr., called three times and then closed the public hearing.

Motion made by Councilor Schulte V to order improvement and preparation of plans for Katherine Street Reconstruction, West Hawthorne Paving and Betha Larson Lane Spot Reconstruction, Job #1256 & #1260, with direction to staff to separate the bid for West Hawthorne Paving and Parking Lots Project, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-125
included with these minutes)

RESOLUTION 12-126 ACCEPTING BID AND AWARDING CONTRACT FOR 2012 SEWER CONTRACT NO. 1 PROJECT (HILLS GARDEN AREA), JOB #1118

City Manager Adams explained that this item is to accept bids for the 2012 Sewer Contract No. 1. The project involves the construction of a 12" pvc sanitary sewer line connecting the existing trunk sanitary sewer line north of the Canadian Pacific (CP) rail to the Hills Garden area. The line would be bored under the CP rail line and run across farmland currently owned by Mark Jones. It would then be run into the Hills Garden area on easements that would be provided by the homeowners. There are currently 16 properties where sewer would be provided, and 16 lots which engineering believes could be assessed. The trunk sanitary sewer line could also service 202 acres located south of West Main Street in the future.

A total of three bids were received. The bidders included Blitz Construction of Byron, MN, Sorensen Bros., Inc. of Albert Lea, MN, and Wencil Construction Inc. of Owatonna, MN. Blitz Construction had a discrepancy of \$0.10 in the bid. The bid total was 10 cents more than printed on the proposal. The discrepancy did not impact the low bidder. The City Engineer recommends the low bid of \$278,077.80 as submitted by Blitz Construction of Byron, Minnesota. The bid abstract is attached. The Engineer's estimate including contingency was \$287,100.00.

In order to construct the project the City requires ten easements. Robinson Appraisal has been hired to perform the appraisals and preliminary offers have been submitted to the impacted properties and all ten have agreed to the offers. However, the formal offer will not be submitted until after award of the project and approval of offers at the next Council meeting. Based on this, the award of low bid would be contingent upon all easements being received by the City.

Motion made by Councilor Baker, seconded by Councilor Olson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr.; Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-126
included with these minutes)

RESOLUTION 12-127 AMENDING PROFESSIONAL AGREEMENT WITH MEAD AND HUNT FOR MUNICIPAL AIRPORT AMENDMENT #1, TASK ORDER #21

City Manager Adams explained that in April 2005 the City entered into a Professional Services Agreement with Mead & Hunt, Inc. The attached resolution would amend the contract to include Task Order #21 Amendment #1. Task Order #21 is to provide plans and specifications for the rebidding of the airport apron in concrete and installation of wildlife fencing on both the south and east sides of the airport. The specific breakdown of the task order is included in the resolution. The agreements are 90% Federal Funds and 10% City funds and are both contingent on receipt of federal funds and may be reduced after Council approval to reflect funding received. Staff recommends approval.

Motion made by Councilor Anderson, seconded by Councilor Brooks. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-127
included with these minutes)

RESOLUTION 12-128 AWARDING SALE OF GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND BONDS, SERIES 2012A

City Manager Adams explained that the proposed sale of bonds for the City of Albert Lea was scheduled for 10:00 a.m., Monday, June 25, 2012. Mr. Paul Steinman, representative from Springsted, Inc. was present to review the sale with the council. The attached resolution would award the sale of the General Obligation Permanent Improvement Revolving Fund Bonds in the amount of \$2,175,000 and provide for the payment of these bonds. Staff recommends approval.

Mr. Paul Steinman, Springsted Incorporated, Inc., explained the sale of the General Obligation Permanent Improvement Revolving Fund Bonds. There were eight bids and the award was to UMB Bank, N.A. at 1.5969% interest rate.

Motion made by Councilor Schulte V, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-128
included with these minutes)

RESOLUTION 12-129 APPROVING POST-ISSUANCE COMPLIANCE PROCEDURE AND POLICY FOR TAX-EXEMPT GOVERNMENTAL BONDS

City Manager Adams explained that the attached resolution would approve the Post Issuance Compliance Procedure and Policy for Tax-Exempt Government Bonds. In 2009, the IRS mailed its Governmental Bond Financings Compliance Check Questionnaire, Form 14002 to two hundred governmental entities that had issued tax-exempt bonds in 2005, and had suggested that it may send this questionnaire to more issuers in the near future. A major focus of the IRS questionnaire is whether the governing body of the issuer of tax-exempt governmental bonds has adopted written procedures for compliance with the tax code and the tax

regulations related to use of the proceeds of tax-exempt bonds and bond-financed facilities. Staff recommends approval.

Motion made by Councilor Baker, seconded by Councilor Olson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-129
included with these minutes)

RESOLUTION 12-130 SETTING ASSESSMENT RATE FOR FUTURE PROJECTS

City Manager Adams explained that the City’s Special Assessment Policy indicates that the interest rate on assessments is to be set at 1-2% above the last bond issue. The bond sale completed June 25th requires an adjustment to the Special Assessment Interest rate. The sale of bonds will adjust the rate and resulted in a true interest cost of 1.59%. The rate is currently set at 4.1% based on the 2011 PIR Bond issue which had a true interest cost of 2.1%. Staff recommends establishing the rate for future projects at 3.59%.

Motion made by Councilor Brooks, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-130
included with these minutes)

ORDINANCE 150,4d AMENDING CHAPTER 74 BOARD OF APPEALS LANGUAGE (1ST READING)

City Manager Adams explained that Staff seeks to amend City Code Sections 74-86 and 74-87 to clarify that final variance decisions are made by the City Council. In addition, typographical errors referring to the Board of Appeals as the “Board of Zoning Appeals” will be modified. These amendments do not change the way variances are addressed in the City, but corrects some language adopted (when new variance standards were adopted) in 2011. Staff supports this request.

Councilor Anderson moved the adoption of the 1st reading, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the 1st reading of this ordinance passed. Councilor Kehr was absent.

(See Secretary's Original Ordinance 150,4d
included with these minutes)

RESOLUTION 12-131 AUTHORIZING THE SUBORDINATION AGREEMENT ON PROPERTY LOCATED AT 812 WASHINGTON AVENUE

City Manager Adams explained that Terry Johnson, 812 Washington Avenue received financial assistance from the City of Albert Lea which caused a lien on the property. The owner is seeking refinancing and this agreement will ensure that the financial interest for the City of Albert Lea will remain on the property.

Motion made by Councilor Brooks, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-131
included with these minutes)

MAYOR & CITY COUNCIL REPORTS

First Ward, Councilor Schulte V. reported:

- Ward Items - grass complaint
- No Committee updates
- Shell Rock River Watershed Meeting – Cost share program for storm water ponds

Second Ward, Councilor Baker reported:

- Committee Updates – Planning Tour
- Ward items – 1st Annual Strawberry Festival

Third Ward, Councilor Kehr was absent

Fourth Ward, Councilor Olson reported:

- Ward Items
- Committee updates – Tour of certain parks within the city

Fifth Ward, Councilor Anderson reported:

- Committee Updates
- Ward Items
- Practice safe boating

Sixth Ward, Councilor Brooks reported:

- Ward Items
- Committee Updates

Mayor Rasmussen Jr. reported the following:

REAPPOINTMENTS FOR COUNCILORS

Mayor Rasmussen Jr. explained that Councilor Brooks is currently appointed to the Blazing Star Trail committee and Councilor Anderson is currently serving on the CVB. Councilor Brooks is requesting to be appointed to CVB and Councilor Anderson will be appointed to the Blazing Star Trail due to timing conflicts.

Motion made by Councilor Anderson to approve the appointment, seconded by Councilor Schulte V. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

- Update on the previous Country Club Golf Course property regarding removal of tall grass and weeds.
- Blazing Star Board – Attended meeting, excited about this group and project, funds for planning, etc. Trails out to State Park, engineering by the DNR, 1,300 foot bridge, attraction to this trail.
- Met with a School Board official, discussed ways in which the two entities could work together, maybe a member of our board could attend a School Board meeting every couple of months.

The following events will be held over the next two weeks (June 25 thru July 8):

- **SAT, JUN 30– “Strawberry Festival”** - From 9 AM to 3:00 PM on Broadway Avenue; this is a family oriented festival with mule rides and train rides for children. The Farmers Market and other craft and food vendors will be part of this event.
- **SAT, JUN 30– “Freedom Festival”** – From 12 noon to 9:00 PM at Edgewater Park. This is an appreciation for Veterans and includes music, food, and outdoor activities.
- **“3rd of JULY Parade”** – Parade begins at 6PM from the fairgrounds
- **“4th of JULY Car Show & Merriam’s Carnival”**– The annual 4th of July Car Show is on Broadway Avenue from 4 to 7 PM. The Carnival will be open June 30, July 1, (closed July 2) and open July 3 and 4th.
- **“4th of JULY Fireworks”**
- **SAT, JULY 7 – April Sorensen Memorial Half-Marathon & Relay** – The half-marathon & relay starts at the Country Inn & Suites, runs around Albert Lea Lake, and ends in Hayward.
- **SAT, JULY 7 – “Aragon Bar - Community Street Dance”** 5:00 PM until midnight in the City parking lot located on the north side of the Aragon.

PETITION PRESENTED TO COUNCIL

Mayor Rasmussen Jr. gave a response on the petition which was presented by Ms. Kathy Diaz, which contained approximately 34 signatures. The petition questioned why the Waseca County Attorney’s Office did not drop charges against form City Manager Jim Norman. Mayor Rasmussen Jr. explained that the decision to prosecute was not the city’s to make and that the Mayor Pro Tem did receive a phone call from the Waseca County prosecutor acknowledging that her office had received the city’s letter asking that charges be dismissed but she did not explain any further.

CITY MANAGER REPORT - No updates.

APPROVAL OF CLAIMS

RESOLUTION 12-132 APPROVING CONTRACT WITH COUNCILMEMBER

City Manager Adams explained that the attached resolution directs the Mayor and City Clerk to make payment on behalf of the City for a claim from Brooks Safety Equipment and to issue payment for filing the affidavit of official interest by the interested official, Al D. Brooks.

Motion made by Councilor Anderson, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent. Councilor Brooks abstained.

(See Secretary's Original Resolution 12-132
included with these minutes)

RESOLUTION 12-133 APPROVING CLAIMS

Councilor Anderson moved that the resolution be approved for payment of claims in the amount of \$762,998.90, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, and Mayor Rasmussen Jr. Councilor Brooks abstained. Mayor Rasmussen Jr. declared the motion passed. Councilor Kehr was absent.

(See Secretary's Original Resolution 12-133
included with these minutes)

ADJOURNMENT

Councilor Anderson moved and Councilor Baker seconded that there being no further business, the council meeting be adjourned at 8:10 p.m., until the next regular meeting of the Albert Lea City Council at 7:00 p.m. on Monday, July 9, 2012. On roll call vote, all councilors voted in favor of said motion. Mayor Rasmussen Jr. declared the motion passed and the meeting adjourned.

Mayor Vern Rasmussen, Jr.

Filed and attested June 26, 2012

Secretary to the Council