

**CITY COUNCIL REGULAR MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA
Thursday, July 14, 2014, 7:00 P.M.**

PRESENT: Mayor Vern Rasmussen Jr., Councilors John Schulte V, Larry Baker, George Marin, Reid Olson, Larry Anderson and Al Brooks. Also, present were City Manager Chad Adams, City Attorney Lee Bjorndal, City Engineer Steven Jahnke and City Clerk Shirley Slater-Schulte.

CEREMONIAL ITEMS

PUBLIC FORUM

Mr. Leroy Schocker, 1521 W. Clark St., expressed concerns regarding:

- Requesting speed limit signage to be placed on Fountain and Clark Streets.
- Load Weight signage was never replaced on Clark Street.
- Motorcycles using excess speed on these streets.

Charlotte Nelson-Schocker, 1521 W. Clark St., concerned citizen regarding:

- Businesses on Broadway received a letter regarding extra costs for snow removal, flowers, Christmas decorations, etc., after being assessed for infrastructure improvements; stated that this is more of a burden on the downtown businesses.

Mr. Robert Arnold, 1309 Abbott Street, encouraged Council to keep working on solving the flooding on Abbott Street.

CONSENT AND APPROVAL OF AGENDA

City Manager Adams reviewed the agenda as follows:

- A. Approve Minutes of the June 23, 2014 Regular Council Meeting
- B. Approve Minutes of the June 19, 2014 Work Session
- C. Approve Minutes of the June 19, 2014 Joint City/County Workshop
- D. Licenses and Permits (See Attached List)
- E. Resolution 14-134 Accepting Donations Presented to the City of Albert Lea
- F. Resolution 14-135 Appointing Election Judges for August 12, 2014 Primary Election
- G. Resolution 14-136 Approving Interim Use Permit to Allow Gravel Parking Lot on Property Located at 2340 Crossroads Boulevard
- H. Resolution 14-137 Approving Conditional Use Permit for Semi-Detached Townhome Development in the R-1 Single Family Residential District
- I. Resolution 14-138 Approving Administrative Lot Survey for Property Located at the Southwest Corner of Keystone Drive and Crystal Drive
- J. Resolution 14-139 Approving Administrative Lot Survey for Property Located at 907 Ekko Avenue

- K. Resolution 14-140 Accepting Grant Agreement for FEMA Fighter's
- L. Approval to Remove Two Parking Stalls on College Street West of Freeborn County Government Center Parking Lot

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

(See Secretary's Original Resolution 14-134 -140
included with these minutes.)

PETITIONS, REQUESTS, AND COMMUNICATIONS

2015 BUDGET REQUESTS – PETITION TO ADD HOURS AT ALBERT LEA PUBLIC LIBRARY

Cynthia Fjermestad, 306 Giles Place, President of Friends of the Library spoke regarding the 2015 budget request to expand Library hours. A petition was offered to Council with 350 signatures. Fjermestad stated that many residents have expressed a desire for additional library hours.

No one else spoke on the 2015 budget.

UNFINISHED BUSINESS

NEW BUSINESS

PUBLIC HEARING AND RESOLUTION 14-141 ORDERING IMPROVEMENT AND PREPARATION OF PLANS FOR NORTHWEST SEWER AND WATER EXTENSION – ST. JOHNS LUTHERAN HOME EXTENSION PROJECT (JOB 9432)

City Manager Adams explained that a public hearing is being held to receive public input on the proposed improvement. The project involves the construction of a sanitary sewer lift station, water main, sanitary sewer, storm sewer, and bituminous and gravel street construction to service a proposed St. John's Lutheran Home Facility. The engineer's estimate is \$2.3 million and includes the cost for design and construction oversight. This project would also lay the groundwork for infrastructure to a subdivision called the Stables Area north of Edgewater Park and provide future service to properties along Country Club Road. The design also accommodates future extension of the sanitary sewer and watermain north along CSAH 20 to the west Plaza Street area. The above costs include the 16" sanitary sewer lift station forcemain that runs along Highway 13 that was installed in 2009. The forcemain was installed in order to service Manchester but was sized to service this area. This sanitary forcemain is considered part of the sanitary lift station and is included in the total project cost.

The project would be paid for with assessments and City Funds which would most likely be tax increment financing. On November 15, 2013, the City of Albert Lea solicited proposals for engineering services for design and construction oversight for the project. JHS Engineering of Albert Lea was the firm chosen to perform the work. Because a Developer's Agreement was not in place, in December 2013, the Council approved \$13,420 for completion of the survey work and an income survey. This work is complete. In April 2014, without a Developers Agreement in place, the developer agreed to pay the costs up to the 75% complete plans and specifications or up to \$40,320 upon invoice from the City. This agreement is in place. The Development Agreement will ultimately determine the cost share of the work. The proposal is for \$195,225 less the work previously approved. The agreement with JHS is written so the work can be stopped if St. John's chooses not to move forward with the project. Staff recommends approval.

Mayor Rasmussen Jr. opened the Public Hearing.

Brian Burkard, 2124 West Edgewater Drive, spoke in favor of water and sewer in the neighborhood but objected to the cost of the assessments. He was also disappointed that the property owners were not contacted earlier on in the process. He noted that he recently installed a new well and upgraded his septic system at great personal cost.

Scot Spates, 21954 Indian Hills Road, Administrator and CEO of St. Johns talked about the project which has been five years in the making. The Board of Directors and staff have put considerable time and effort into organizing the project. They have funding for the entire project, bids will be going out this week and they hope to start construction in the fall. They are willing to pay their fair share of the infrastructure but do not feel that they should shoulder the cost of infrastructure related to other properties. He stated that it appears that St. Johns will be paying 100% of the cost of bringing the sewer to their property even though it would benefit the Stables area. Mayor Rasmussen explained what a TIF District is and how the taxes are refunded back to the project. The City proposed to use those taxes to pay for the project instead of having them go back to St. Johns. Negotiations are ongoing for the project.

Mayor Rasmussen Jr., called three times and then closed the Public Hearing.

Councilor Marin asked for clarification of the new jobs. Mr. Spates explained that assisted living apartments require additional staffing, management staffing, Director of Nursing, Housing Director, and CNA positions, etc. These jobs will be created over 12 to 18 months. Sixty-nine people are on the waiting list as they want to return to the community.

Motion to approve 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, Marin, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed.

(See Secretary's Original Resolution 14-141
included with these minutes.)

RESOLUTION 14-142 REQUESTING FEASIBILITY STUDY OF TH-65 FROM GARFIELD AVENUE TO NEWTON AVENUE

City Manager Adams explained that during the recent heavy rain events, TH-65 (East Main Street) from Garfield Avenue to Newton Avenue was closed from June 18th to June 30th due to the roadway being flooded. The flooding and roadway closure during heavy rainfall events has been occurring between one and four times per year for many years. TH-65 is one of the most traveled roadways in Albert Lea. Repeatedly closing TH-65 causes a hardship to City staff, the traveling community, citizens of Albert Lea, and area businesses, and should be corrected. The attached resolution requests that a feasibility report be prepared by the Minnesota Department of Transportation to evaluate options to eliminate future flooding of TH-65 from Garfield Avenue to Newton Avenue during heavy rain events. It should include the cost of raising the roadway over this short stretch. The City of Albert Lea is also requesting a presentation of the report outlining the costs of mitigating the roadway being flooded and potential options for MnDOT to fund these corrections. Staff recommends approval.

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

(See Secretary's Original Resolution 14-142
included with these minutes.)

RESOLUTION 14-143 APPROVING REVISED PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR REBIDDING OF FOUNTAIN STREET SANITARY SEWER LIFT STATION IMPROVEMENTS AND FORCEMAIN CONSTRUCTION (JOB 1254)

City Manager Adams explained that the attached resolution would authorize rebidding of the Fountain Street Sanitary Sewer Lift Station Improvements and Forcemain Construction. The project is being rebid after high bids were received on June 3, 2014. For rebidding, the project will be split into separate contracts so that major divisions of work will have their own project. This should increase the number of potential bidders and yield more favorable bids.

The project involves the replacement of the current pumps, valves, and piping in the existing lift station and the construction of a new forcemain from the Fountain Street Sanitary Sewer Lift Station to the Hayek Park Sanitary Sewer Lift Station. The forcemain is proposed to be installed by Horizontal Directional Drilling (HDD) to minimize impacts to the existing streets. The project will require street cuts at intersections to make connections. The estimated project costs are \$450,000-\$550,000. The Fountain Street Lift Station was constructed in the early 1960's. When it was first constructed it served a much smaller area of town than what is currently connected. The lift station currently outlets through less than 20 feet of forcemain to a sanitary manhole just north of the lift station. The sewage then flows by gravity to the Hayek Park Sanitary Lift Station. This is an area that has been identified as having sanitary sewer backups during heavy rain events. The project is being proposed to reduce the likelihood of this

occurring in the future. Staff recommends approval. If Council approves moving forward with the project, the proposed timeline is as follows:

| | |
|--|-------------------|
| Council Accepts Revised Feasibility Study | July 14, 2014 |
| Start Advertisement | July 25, 2014 |
| Open Bids | August 19, 2014 |
| Council Awards Bid | August 25, 2014 |
| Earliest Start of Construction - Forcemain Project | September 8, 2014 |
| Completion Date - Forcemain Project | October 24, 2014 |
| Earliest Start Date - Lift Station Project | November 1, 2014 |
| Completion Date - Lift Station Project | June 1, 2015 |

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

(See Secretary's Original Resolution 14-143
included with these minutes.)

**RESOLUTION 14-144 AUTHORIZING DISPATCH SERVICES TO FREEBORN COUNTY
EFFECTIVE DECEMBER 28, 2014**

City Manager Adams explained that following the City/County Joint Work Session on June 19, 2014, City and County staff met to discuss a joint resolution that clarified the terms of the transition. Effective December 28, 2014, City dispatch employees would become County employees. Staff has outlined a cost-share for the transition over a three year period with the City also responsible for existing accrued leave balances per the City's policy. The County Board will consider the resolution on July 15th. Staff recommends approval.

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

(See Secretary's Original Resolution 14-144
included with these minutes.)

**RESOLUTION 14-145 PROVIDING FOR THE SALE OF \$2,050,000 GENERAL OBLIGATION
BONDS, SERIES 2014B**

City Manager Adams explained that per the City Charter, the City has the authority to issue Permanent Improvement Revolving Fund (PIR) bonds to provide financing for assessable public improvement projects undertaken by the City. Staff recommends the sizing of the bond to be \$2,050,000 to finance City improvement projects, including the 2014 Neighborhood Improvement Overlay Project, the 2015 State Aid Overlay Project, the alley project between First and Second Avenues; and to fund the City's equipment needs in 2014. The proposed bond would have a term of ten years and be sold competitively. Bruce Kimmel of Ehlers & Associates gave a brief overview of the bond issue as proposed. Staff recommends approval.

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

(See Secretary's Original Resolution 14-145
included with these minutes.)

RESOLUTION 14-146 PROVIDING FOR THE SALE OF \$1,905,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014C

City Manager Adams explained that per the City Charter, the City has the authority to issue General Obligation Refunding Bonds. Bruce Kimmel of Ehlers & Associates explained that the bonds are being issued to provide for current refunding of the City's \$3,715,000 General Obligation Improvement Bonds, Series 2005A for interest savings. The refunding is expected to reduce interest expense by approximately \$80,522 over the next seven years. The bonds are being issued for a seven term. Staff recommends approval.

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

(See Secretary's Original Resolution 14-146
included with these minutes.)

MAYOR AND COUNCIL REPORTS

First Ward, Councilor Schulte V reported:

- Ward Items – Attended the HRA Meeting, reported on Housing Study, HRA has a vacancy on their board, encouraged residents to apply.
- Committee update – none

Second Ward, Councilor Baker reported:

- Ward Items – Referred to staff
- Committee update – Attended Planning Commission meeting and the July 16th Wind Down Wednesday event.

Third Ward, Councilor Marin reported:

- Ward Items – Private citizens have been maintaining the ditch at Canary and Hwy. 69; MnDOT should be contacted about mowing this area.
- St. Johns Project – Formally requested that a workshop be held between their board and City Council to discuss this item.
- Committee updates - none

Fourth Ward, Councilor Olson reported

- Ward Items – Received a storm damage request; a complaint regarding noise at the Freeborn County Fairgrounds; issues on boulevard trees.
- Committee updates – none

Fifth Ward, Councilor Anderson reported:

- Ward Items – Housing issues
- Committee updates - none

Sixth Ward, Councilor Brooks reported:

- Ward Items – Received high praise for the customer service shown to residents during a property clean-up by the new CSO employee.
- Committee updates – none

REPORT OF THE MAYOR

Mayor Rasmussen Jr. reported the following:

- **Buckets On Broadway** – Friday, July 18th - the Humane Society of Freeborn County is holding a fundraising event at the corner of Broadway and Main. The event runs from 7AM to 6PM. They appreciate any donation to help with local pets in need.
- **ShineFest Tractor Ride** - Saturday, July 19th at 7:30 AM - tractors will ride through the northwest part of Freeborn County. They also travel past nursing homes in Albert Lea. The event begins and ends at the Fairgrounds.
- **Color Dash – Bubble Bash** – Saturday, July 19th – the Children’s Center, 605 James Avenue, is hosting a carnival and “fun run” which is open to the public. The event runs from 8 a.m. to 1:00 p.m. Those interested in the Color Dash should contact the

Children's Center to register. At the close of this event, there will be a community swim starting at 1:00 at the Aquatic Center.

- **Party In The Park** – Saturday, July 19th – Crossroads Church is sponsoring a carnival at Memorial Park (near Health Reach on South Broadway). There will be bouncies, games, music and free food. Hours are from 3:00 to 8:00 PM.
- Star Craft Campers are at the Freeborn County Fairgrounds.
- Congratulated Melissa Roche who was named the winner of the HGTV Brother vs. Brother Competition.
- Attended Port Authority meeting.

CITY MANAGER REPORT

- City is being more assertive on code enforcement; commended the CSO Officers, Inspection, Zoning and Police Department for all of their hard work.
- Tax Abatement Policy discussion scheduled for July 28, 2014.
- Encouraged residents to contact Council or staff regarding the proposed 2015 budget.
- Staff has invited St. John's staff to the July 24th Work Session.

APPROVAL OF CLAIMS

RESOLUTION 14-147 APPROVING CONTRACT WITH COUNCILMEMBER SCHULTE V.

City Manager Adams explained that the attached resolution directs the Mayor and City Clerk to make payment in the amount of \$5,862.50 on behalf of the City for a claim from Jones, Haugh & Smith, Inc. and to issue payment for filing the affidavit of official interest by the interested official, Councilmember John Schulte V.

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

(See Secretary's Original Resolution 14-147
included with these minutes.)

RESOLUTION 14-148 APPROVING CLAIMS

City Manager Adams explained that the attached resolution directs the Mayor and City Clerk to issue the payment of Claims as presented in the Detail of Claims report.

Motion made by Councilor Baker to approve payment of claims as presented for checks #52966 through #53152 in the amount of \$952,334.03, seconded by Councilor Marin. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Marin, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed.

(See Secretary's Original Resolution 14-148
included with these minutes.)

CLOSED SESSION TO DISCUSS PENDING LITIGATION

Mayor Rasmussen Jr. explained that a closed session was held to discuss pending litigation. The litigation is in regards to the West Ninth Street assessments involving two properties.

MOTION: Move to accept the settlement offer.

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

ADJOURNMENT 8:22 P.M.

Motion made by Councilor Marin, seconded by Councilor Baker, that there being no further business, the Council meeting adjourn until the next regular meeting of the Albert Lea City Council at 7:00 p.m., on Monday, July 28, 2014. 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.

Dated this 14th day of July, 2014

Shirley Slater-Schulte, Council Secretary