

**CITY COUNCIL REGULAR MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA
Monday, August 25, 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 Engineer Steven Jahnke, City Attorney Lee Bjorndal and City Clerk Shirley Slater-Schulte.

PROCLAMATION

Mayor Rasmussen Jr. read a proclamation declaring “Nation of Patriots Day.” The Albert Lea H.O.G. Chapter of Harley owners will honor military families by proudly recognizing the American Flag as it travels across the United States of American for 100 days.

PUBLIC FORUM

Mr. Thomas Newell, 405 Channel Road, raised questions and concerns about the sale of Interstate Power Company to Freeborn-Mower Cooperative and inquired as to who will represent residents in Minnesota.

CONSENT AND APPROVAL OF AGENDA

- A. Approve Minutes Of The August 11, 2014 Regular Council Meeting
- B. Approve Minutes Of The August 7, 2014 Work Session
- C. Approve Minutes Of The August 14, 2014 Canvass Board Meeting
- D. Licenses And Permits (See Attached List)
- E. Authorization To Purchase Equipment

Motion to approve the consent agenda as amended by adding 8a-Resolution Supporting Asset Purchase Agreement 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.

PETITIONS, REQUESTS, AND COMMUNICATIONS

COALITION OF GREATER MINNESOTA CITIES (CGMC) LEGISLATIVE UPDATE - ELIZABETH WEFEL

Elizabeth Wefel with the Coalition of Greater Minnesota Cities presented the 2014 Legislative Update to the Albert Lea City Council. Ms. Wefel presented the following updates:

- CGMC represents 85 cities
- Reform and increases to LGA
- Passed Greater MN Economic Development Programs
- Preliminary Levies review
- CGMC presses for LGA increase
- LGA Proposal Impacts for Albert Lea is about \$46,000
- Rural Broadband getting significant attention
- BDPI Grant Program
- Other Economic Development outcomes
- Key Transportation Outcomes
- Rulemaking Bill
- Upcoming Events

Mayor Rasmussen Jr. thanked the Coalition of Greater Minnesota Cities for all of their hard work and keeping Albert Lea involved.

RESOLUTION 14-171 APPROVING BROADWAY RIDGE GRANT - BOYERS RENTAL PROPERTIES LLC

City Manager Adams explained that Boyers Rental Properties LLC applied for a matching grant for façade restoration under the Broadway Ridge Renewal Grant Fund. Their buildings are located at 123 and 125 North Broadway Avenue in the City of Albert Lea. The project design has been approved by the Heritage Preservation Commission. The next step is to sign an Easement Agreement for the façade and Construction Award/Grant Agreement for use of the funds. The estimated total project cost for the two buildings is \$40,000.00, though the total amount which can be reimbursed will be one-half that amount, or approximately \$20,000.00. Staff recommends approval.

Motion 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 14-171
included with these minutes.)

UNFINISHED BUSINESS

RESOLUTION 14-172 APPROVING ASSESSMENT APPEAL SETTLEMENT – ATTIG

City Manager Adams explained that Aron Attig and Melanie Attig appealed the special assessment determination made for their property at 703 9th Street West. The case was timely appealed to district court. The unique characteristics of the parcel show the true benefit to the property is \$2,250.00 less costs and disbursements. Attigs have been shown to owe \$329.85

for the assessment, which has been paid to the City. Staff recommends a resolution resolving the litigation and changing the assessment roll.

Motion made by Councilor Marin, 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 14-172
included with these minutes.)

RESOLUTION 14-173 APPROVING ASSESSMENT APPEAL SETTLEMENT – WILDER

City Manager Adams explained that Charles Wilder and Karen Wilder appealed the special assessment determination made for their property at 1502 South Broadway as part of the 9th Street reconstruction project. The case was timely appealed to district court. The unique characteristics of the parcel show the true benefit to the property is \$2,400.00 less costs and disbursements. Wilders have been shown to owe \$644.82 for the assessment, which has been paid to the City. Staff recommends a resolution resolving the litigation and changing the assessment roll.

Motion made by Councilor Marin, 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 14-173
included with these minutes.)

NEW BUSINESS

PUBLIC HEARING AND RESOLUTION 14-174 EXTENDING ELECTRIC FRANCHISE WITH INTERSTATE POWER COMPANY

City Manager Adams explained that staff is requesting an extension of the current electric franchise with IPC that expires on December 31, 2014 to provide sufficient time to negotiate a new agreement upon transfer of the utility to Freeborn-Mower Cooperative Services. Representatives from Alliant Energy and Freeborn Mower were present to provide an update on the transfer and to answer any questions. Staff recommends approval.

Mr. Jim Krueger, President/CEO of Freeborn Mower Cooperative Services, 2501 Main Street East, Albert Lea, reviewed the Southern Minnesota Energy Cooperative status update.

Mr. Krueger reviewed the following:

- SMEC was formed by 12 electric cooperatives serving southern Minnesota to purchase Alliant Energy assets.
- Reviewed a map and explained why this is a good fit for this area.
- Explained the impact on Alliant Energy Customers

- Reviewed the regulatory timeline
- Franchise Extension
- Continued use of Downtown Building
- Explained employee status
- Reviewed 7 cooperative principles
- SMEC is self-regulated with a Board of Directors

Mayor Rasmussen Jr. opened the Public Hearing.

Mr. Henry Savelkoul, 1634 Oakhurst Rd, stated concerns about lack of representation from Albert Lea on the decisions that have already been decided. Mr. Savelkoul further stated that energy costs have a huge impact on businesses and where they locate. He encouraged staff and council to extend the Franchise Agreement, get representation on these boards and review all contracts prior to adoption.

Mr. Jim Krueger, CPA of Freeborn Mower addressed some of the questions of the Council.

Mayor Rasmussen called three times for public comment.

Mayor Rasmussen closed the Public Hearing.

Motion made by Councilor Schulte V to extend the electric franchise with Interstate Power Company, seconded by Councilor Anderson. 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 14-174
included with these minutes.)

RESOLUTION 14-175 SUPPORTING ASSET PURCHASE AGREEMENT (TABLED)

City Manager Adams explained that this is a resolution of support for Freeborn-Mower Cooperative Services and it discusses how the city is supportive of Freeborn-Mower, its employees, its Board of Director's and also believes that Freeborn-Mower Cooperative Services will provide excellent electric service at reasonable rates to the residents of the City and to the City of Albert Lea. Staff supports the resolution for this asset sale.

MOTION: Move to table this item until we have more information.

Motion made by Councilor Baker, 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, and Brooks. Mayor Rasmussen Jr. voted nay. Mayor Rasmussen Jr. declared the motion passed.

MOTION: Move to table this item until the September 8th, 2014.

Motion made by Councilor Baker, 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 14-175
included with these minutes. TABLED)

PUBLIC HEARING AND RESOLUTION 14-176 EXTENDING GAS FRANCHISE WITH INTERSTATE POWER COMPANY

City Manager Adams explained that staff is requesting an extension of the current electric franchise with IPC that expires on December 31, 2014, to provide sufficient time to negotiate a new agreement upon transfer of the utility to Minnesota Energy Resources. Representatives from Alliant Energy were present to provide an update on the transfer and to answer any questions. Staff recommends approval.

Mayor Rasmussen Jr. opened the Public Hearing.

Mayor Rasmussen Jr. called three times for public comment.

Mayor Rasmussen Jr. closed the Public Hearing.

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

Mr. Keith Sherman, with Alliant Energy, Centerville, IA, stated that he encouraged the council to grant the extension that has been requested by Alliant Energy.

Mr. Rory Lentil, Minnesota Energy Resources, Rochester, MN, stated that Minnesota Energy Resources supported the extension of the franchise.

(See Secretary's Original Resolution 14-176
included with these minutes.)

PUBLIC HEARING AND RESOLUTION [14-177](#) EXTENDING ELECTRIC FRANCHISE WITH FREEBORN-MOWER COOPERATIVE SERVICES

City Manager Adams explained that staff is requesting an extension of the current electric franchise with Freeborn-Mower Cooperative Services that expires at the end of September to provide sufficient time to negotiate a new agreement upon transfer of the IPC Electric utility to Freeborn-Mower Cooperative Services. Representatives from Alliant Energy and Freeborn Mower will be present to provide an update on the transfer and to answer any questions. Staff recommends approval.

Mayor Rasmussen Jr. opened the Public Hearing.

Mayor Rasmussen Jr. called three times for public comment.

Mayor Rasmussen Jr. closed the Public Hearing.

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

(See Secretary's Original Resolution 14-177
included with these minutes.)

RESOLUTION 14-178 ACCEPTING BID AND AWARDING CONTRACT FOR 2014-2017 BIOSOLIDS REMOVAL (JOB 1466)

City Manager Adams explained that the attached resolution would accept the bids opened August 13, 2014 for the 2014 Biosolids Removal (Job 1466). The project involves the removal of biosolids (or sludge) from the storage tanks at the Wastewater Treatment Plant and land applied on approved land near the treatment plant. The contract runs for three cropping years. Three bids were received and reviewed. Engineering recommends the low bid of \$204,000 as submitted by Oyer Trucking of Hayward, MN. The Engineer's estimate was \$204,000.

Motion made by Councilor Marin, 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 14-178
included with these minutes.)

RESOLUTION 14-179 ACCEPTING BID AND AWARDING CONTRACT FOR 2014 SANITARY SEWER CONTRACT NO. 2 FORCEMAIN CONSTRUCTION - FOUNTAIN STREET LIFT STATION TO HAYEK FIELD LIFT STATION (JOB 1468)

City Manager Adams explained that the attached resolution would accept the two bids received for the 2014 Sanitary Sewer Contract No. 2 Forcemain Construction - Fountain Street Lift Station to Hayek Field Lift Station. The project was originally bid in May of 2014, however only one bid was received and was higher than expected. Engineering predicted lower bids could be received if the project was split into separate contracts to divide the major divisions of work. This project includes construction of a new forcemain from the Fountain Street Lift Station to the Hayek Field Lift Station. The Lift Station remodel, Sanitary Sewer Contract No. 1 (Job No. 1254) is a separate contract and bids have been received for that project as well. Engineering recommends the low bid of \$316,138.95 as submitted by Ellingson Drainage, Inc. West Concord, Minnesota. The Engineer's estimate was \$254,813.89.

Motion 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 14-179
included with these minutes.)

RESOLUTION 14-180 ACCEPTING BID AND AWARDING CONTRACT FOR 2014 SANITARY SEWER CONTRACT NO. 1 LIFT STATION IMPROVEMENTS - FOUNTAIN STREET AND NORTH 5TH AVENUE SANITARY SEWER LIFT STATION (JOB 1254)

City Manager Adams explained that this project was originally bid in May of 2014. Bids received were higher than expected and only one bid was received. As with Job 1468, Engineering predicted that lower bids could be received if the project was split into separate contracts to divide the major divisions of work. The project includes new pumps, valves, piping, electrical service, and controls for the existing Fountain Street Lift Station. The new pumps will discharge to the new forcemain being installed under Sanitary sewer Contract No. 2. A total of two bids were received. The attached resolution would accept the bids for the 2014 Sanitary Sewer Contract No. 1 – Fountain Street Lift Station Improvements. Engineering recommends the low bid of \$239,500.00 as submitted by CCS Contracting, Inc. of New Brighton, Minnesota. The Engineer's estimate was \$274,312.50.

Motion made by Councilor Baker, 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 14-180
included with these minutes.)

RESOLUTION 14-181 ACCEPTING FEASIBILITY REPORT AND CALLING A PUBLIC HEARING FOR 2015 STATE PROJECT 2404-41 PAVEMENT RESURFACING, MN HIGHWAY 65 AND TH-13 INCLUDING SIDEWALK AND STREETScape ELEMENTS (JOB 1464)

City Manager Adams explained that the attached resolution would accept the feasibility report and call a public improvement hearing for September 22, 2014 at 7:00 P.M. for City Job No. 1464, the 2015 State Project 2404-41 Pavement Resurfacing MN Highway 65 and TH-13 including sidewalk and streetscape elements. The estimated project cost is \$5,865,258.93.

A Summary of improvements is as follows:

- The resurfacing project consists of a bituminous pavement mill and overlay on Hwy. 65 and Hwy. 13.
- The project will also include replacement of the sidewalk and driveway approaches within the project limits.

- The project will include guardrail replacements, storm sewer and culvert repairs, within the project limits.
- From Front Street to Main Street the sidewalk improvements will include brick pavers, trees and tree grates and decorative street lighting.
- Traffic Signal Replacements – Margaretha Avenue, Main and Broadway, Newton and Main
- The City of Albert Lea will also be preparing a plan for litter receptacles, benches and flowers along the corridor from Main Street to Front Street. MNDOT will need to approve these locations and these will be 100 percent funded by the City.

Design Changes from Phase I to Phase II

Because this phase of Broadway is on MNDOT right of way, some changes were made to the design layout of the project. Some of these changes are:

- No brick pavers in the crosswalks.
- The brick pavers were moved to the curb vs. walking path. This was because of concerns about the brick being bumpy for wheelchairs.
- Less flower pots, benches, and receptacles. MNDOT must approve the placement of these on the right of way and will not be participating in the costs.

MNDOT had held two public meetings on June 26th for the public to comment on the project.

The project is a MNDOT project and MNDOT is responsible for the overlay portion of the project. MNDOT is cost sharing the sidewalk and other items as outlined in the draft agreement. The proposed assessments for the property owners are for 20 percent of the first six feet of width of the sidewalk and 50 percent for any width greater than 6 feet. There is also a parking lane which it is proposed that 40 percent of the cost be assessed to the property owners. There have been two vaults identified under the sidewalk. Filling of these vaults is proposed to be assessed to these property owners.

It is proposed that the City be responsible for the City portion of the signals and lighting and decorative items.

The average assessment is less than \$2,500. Therefore, it is proposed that the assessments would be paid over a 5 year period per the assessment policy.

PROPOSED PROJECT SCHEDULE

- August 11, 2014 – Council orders preparation of a feasibility report
- August 25, 2014 Acceptance of Feasibility Report and calling a public hearing for September 22, 2014

- September 22, 2014 Council Holds Public Improvement Hearing and authorizes design.
- September, 2014 – Neighborhood Meeting (date to be determined)
- October 13, 2014 Authorization of MNDOT Agreement and authorizing bidding of the project.
- November 2014 – MNDOT Bid project
- July 2015 – Construction Start date.
- October 2015 – Complete Construction

Staff recommends approval.

Motion made by Councilor Anderson, 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 14-181
included with these minutes.)

**ORDINANCE 183,5D APPROVING ZONING AMENDMENT FOR TSB OF JANESVILLE, LLC
(1ST READING)**

City Manager Adams explained that TSB of Janesville has made a request to rezone their property from R-1 Single Family to PD-Planned Unit Development to allow the construction of twenty-four market rate rental townhomes. At the Council meeting of September 8th, staff will bring forward approval of the conditional use permit, and the preliminary and final plats during the second reading of the Zoning amendment. 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, Marin, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed.

(See Secretary's Original Ordinance 183,5d
included with these minutes.)

**RESOLUTION 14-182 AMENDING COMPREHENSIVE PLAN TO ADDEND
REDEVELOPMENT PLAN**

City Manager Adams explained that the Albert Lea Planning Commission and City staff has been working with a variety of different stakeholder groups on identifying areas of the city that could be targeted for redevelopment. The redevelopment plan would identify those areas where grants could be applied for redevelopment and land acquisitions could be targeted. Staff recommends approval of the resolution to add this plan to the Comprehensive Plan.

Motion made by Councilor, 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 14-182
included with these minutes.)

MAYOR AND COUNCIL REPORTS

First Ward, Councilor Schulte V reported:

- Ward Items – none
- Committee update – Attended Neighborhood Picnic at Lakeview Park

Second Ward, Councilor Baker reported:

- Ward Items – Referred to staff
- Committee Update – Attended Golden Point Launch Ceremony with Mayor Rasmussen, the Albert Lea Floats event, all three community picnics, and Wind Down Wednesday. He thanked everyone who worked on these events.

Third Ward, Councilor Marin reported:

- Ward Items – none
- Committee Update – Human Rights Commission will be sponsoring the 2nd Annual World Suicide Prevention and Memorial Service on September 10th at Central Park at 6 PM. Attended picnic in 3rd Ward, complimented and thanked staff for working at these events. Sunset Street extension needs grading. Overlay in Ward 3 is going along fine.

Fourth Ward, Councilor Olson reported

- Ward Items – None
- Committee updates – Park and Recreation meeting updates and update on the cottage.
- Watch out for children and buses as school is starting.

Fifth Ward, Councilor Anderson reported:

- Ward Items –none
- Committee updates-none
- 25th year of the Glider Event held at the Airport
- Be careful during this busy weekend

Sixth Ward, Councilor Brooks reported:

- Ward Items – Grass complaint, 7th street by Hardees, water in the street.
- Committee updates – Attended Golden Point Launch, thanked everyone for their commitment during this event.

REPORT OF THE MAYOR

Mayor Rasmussen Jr. reported the following:

- Attended the Golden Point Launch event at Frank Hall Park
- Visited with a developer interested in Market Rate Housing
- Visited with Watershed Board
- Encouraged support of “Tiger” events
- Congratulated Doug Johnson who was voted “Employee of the Quarter”

CITY MANAGER REPORT

City Manager Adams gave the following updates:

- Staff continues to work with St John’s Lutheran Home Development Project
- Staff reviewing Tax Abatement requests
- Staff continues to work with Mrs. Gerry’s on their expansion project

APPROVAL OF CLAIMS

RESOLUTION 14-183 APPROVING CONTRACT WITH COUNCILMEMBER

City Manager Adams explained that the attached resolution directs the Mayor and City Clerk to make payment in the amount \$16,482.00 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 Schulte V.

Motion to approve made by Councilor Brooks, 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 abstained. Mayor Rasmussen Jr. declared the motion passed.

(See Secretary's Original Resolution 14-183
included with these minutes.)

RESOLUTION 14-184 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 #53440 through #53579 in the amount of \$1,099,764.42, 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 14-184
included with these minutes.)

CLOSED SESSION: DISCUSSION OF LAND ACQUISITION – 8:35 P.M.

City Manager Adams announced that this parcel of land is adjacent to the City's Public Works Garage, PID 34.021.0501.

Mayor Rasmussen Jr. announced the reopening of the Council Meeting and stated that discussion was held with council regarding the possibility of land acquisition and gave direction to the City Manager to move forward with the acquisition.

ADJOURNMENT 8:47 P.M.

Motion made by Councilor Marin, seconded by Councilor Brooks, 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, September 8, 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 25th day of August, 2014

Shirley Slater-Schulte, Council Secretary