

**REGULAR CITY COUNCIL MEETING MINUTES  
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA  
Monday, August 26, 2013, 7:00 P.M.**

PRESENT: Mayor Rasmussen Jr., Councilors John Schulte V, Larry Baker, George Marin, Reid Olson, Larry Anderson and Al Brooks. Also present was City Manager Chad Adams, City Engineer Steven Jahnke, Finance Director Terry Berg and City Clerk Shirley Slater-Schulte.

**REVIEW COUNCIL CONSENT AGENDA OF AUGUST 26, 2013**

- A. Approve Minutes of the August 12, 2013 Regular Council Meeting
- B. Approve Minutes of the August 8, 2013 Work Session
- C. Licenses and Permits (See Attached List)
- D. Resolution 13-153 Approving Lawful Gambling Premises Permit
- E. Resolution 13-154 Not Waiving Monetary Limits on Tort Liability
- F. Resolution 13-155 Accepting Donations Presented to the City of Albert Lea

Motion: I will move to approve the consent agenda as presented.

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.

**PUBLIC FORUM**

Mr. Bruce Manwarren, 410 Elizabeth Street, inquired about the improvements that were made on the corner of East Pearl Street, removal of the two small buildings, and if this improved the 100 year flood plain. City Engineer Jahnke stated that the buildings were removed due to the flooding but this did not improve the 100 year flood, just removed the buildings from the area.

**PETITIONS-REQUESTS-COMMUNICATIONS**

**COALITION OF GREATER MINNESOTA CITIES (CGMC) ANNUAL UPDATE**

Elizabeth Wefel with the Coalition of Greater Minnesota Cities was present, reviewing the 2013 Legislative Update to the Albert Lea City Council:

- Coalition represents 85 cities across the State
- LGA/Property Tax Relief
- Economic Development
- Annexation and Land Use

- Environmental Regulation
- Transportation

**CGMC GOALS:**

- Balanced state budget
- Reform and increase in LGA
- Pass CGMC economic development proposals
- Ensure fair share of dollars in transportation, economic development and bonding

**LGA:**

- Governor committed to reform
- Agreed on a formula
- Similar in concept to existing formula
- More stable and predictable
- New formula based on an individual city tax base and formula need
- \$80 million increase base in LGA, now \$507 million/yr.
- No one will love LGA in 2014
- Explained the new formula

**Greater MN Economic Development Partnership (GMRFP)****Membership includes:**

- 9 Chamber of Commerce's
- 19 EDAs
- Association of Development Organizations
- 6 Initiatives Foundations

Upcoming events – Annual Conference in Alexandria, November 13-15

Thanked the City of Albert Lea for all of their support.

Mayor Rasmussen Jr. and council members thanked Elizabeth Wefel for her presentation and the Coalition of Greater Minnesota Cities for working together with the city on all of these issues.

**REQUEST FROM ALBERT LEA HOUSING AND REDEVELOPMENT AUTHORITY TO ENACT PROPERTY TAX LEVY FOR FISCAL YEAR 2014**

Mr. Jon Ford, representing the HRA explained that in 2013, the Housing and Redevelopment Authority (HRA) requested a special property tax levy in the amount of \$50,000 that was approved which represented 36% of the maximum allowed. Minnesota Statutes 269.033, Subdivision 6 outlines the formula for the maximum special levy using taxable market value of the City. The maximum special levy for 2014 is \$162,928, which is the amount that the HRA is

requesting. The HRA special levy under Truth in Taxation is treated the same; the preliminary levy is set by September 15 and can be lowered but not increased for final adoption.

Mr. Ford reviewed the following:

- HRA Levy Proposed Budget for 2014
- Housing Study
- Residential Property Rehab Program
- City acquired substandard property demolition
- Section 8 Administration Fee Offset
- Public Housing Reserve
- Public Housing Subsidy

Mr. Ford stated that his agency would be contacting the Freeborn County Board of Commissioners for support and funding for these programs.

The proposed levy was discussed with questions from the council regarding the amount of levy that may be set for 2014. Mr. Ford stated that he appreciated the opportunity and ability to work with the council for redevelopment and rehab of properties within the City of Albert Lea.

### **UNFINISHED BUSINESS**

#### **CONTINUANCE OF PUBLIC HEARING AND RESOLUTION 13-156 APPROVING PUBLIC UTILITY EASEMENT VACATION - HYVEE, INC.**

City Manager Adams explained that Hy-Vee, Inc. requested a utility easement vacation, necessitated by the relocation of a stormwater pipe on the subject property at 2708 Bridge Avenue. A new easement was granted over the location of the new stormwater easement. This is a continuance of the open public hearing from the City Council meeting of August 12, 2013. Staff recommends approval to vacate the existing utility easement.

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

Mayor Rasmussen Jr. closed the public hearing after calling three times.

Motion made by Councilor Schulte V to adopt this resolution, 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 13-156  
included with these minutes)

**NEW BUSINESS****PUBLIC HEARING AND RESOLUTION 13-157 ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 5; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 5-23 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR**

City Manager Adams explained that the public hearing was scheduled for August 26 to consider the establishment of tax increment financing district 5-23 for Pro Advantage, which would provide tax increment financing assistance for the construction of a new building on East Main Street. The project would be eligible for an economic development tax increment district that has nine years of tax increment beginning 2015. Rebecca Kurtz of Ehlers, Inc. is in attendance. The tax increment plan, modification to development district and summary are attached for your reference. Staff recommends approval of this resolution.

Rebecca Kurtz, CIPFA from Ehlers, gave an overview of the proposed Tax Increment Financing District No. 5-23 to include the following:

- Modification to the Development Program for Development District No. 5 includes the expansion of the boundaries to be coterminous with the corporate boundaries of the City of Albert.
- Adoption of the Tax Increment Plan District No. 5-23
- This is an economic development district
- Maximum of 9 years of increment
- District is containing one parcel for Pro Advantage parcel
- Expansion to this facility of about 10,300 feet
- Maximum budget of \$180,066
- Project is proposed to be financed by a pay-as-you-go note
- Amount of assistance to the developer in an amount not to exceed \$124,945 for eligible costs
- 10% of annual increment for administrative fee

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

Mayor Rasmussen Jr. closed the public hearing after calling three times.

Councilor Anderson moved to approve this resolution, 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 resolution passed.

(See Secretary's Original Resolution 13-157  
Included with these minutes)

**RESOLUTION 13-158 APPROVING CONTRACT FOR PRIVATE DEVELOPMENT**

City Manager Adams explained that with the adoption of the tax increment plan for District 5-23, the Contract for Private Development between the City of Albert Lea and D & S Holdings, Inc. and Pro Manufacturing, Inc. should be approved. The development agreement establishes the expectations for the amount of tax increment financing assistance, the construction development, number of jobs retained and created. The agreement will involve a “pay as you go note” and will retain three jobs and create three jobs in the community. Staff has been working with Julie Eddington of Kennedy & Graven on the contract with the developer. Staff recommends approval of this resolution.

Councilor Baker moved to approve this resolution, 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 resolution passed.

(See Secretary's Original Resolution 13-158  
Included with these minutes)

**RESOLUTION 13-159 AWARDED SALE OF GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND BONDS, SERIES 2013A**

City Manager Adams explained that the proposed sale of bonds for the City of Albert Lea was held at 10:00 a.m., Monday, August 26, 2013. Rebecca Kurtz from Ehlers, Inc. is present at the meeting to review the bids received and their recommendation with the council. The attached resolution would award the sale of the General Obligation Permanent Improvement Revolving Fund Bonds in the amount of \$5,440,000 and provide for the payment of these bonds. Staff recommends approval.

Rebecca Kurtz, CIPFA from Ehlers, gave an overview of the Bond Sale to include the following:

- Presented plaque to Mayor Rasmussen, stating that this Bond is hereby given to the City of Albert Lea in recognition of Standard & Poor's Rating Services assignment of an “AA” long-term credit rating and stable outlook to the City's General Obligation Bonds, Series 2013A.
- Rating reflects role as a regional economic center and stable local economy.
- Maintenance of a very strong reserve.
- Moderate overall net debt burden.

Rebecca Kurtz continued to provide information on the results of the Bond Sale:

- Received nine bids.
- Raymond James & Associates, Inc., Memphis, TN was the lowest bid at 2.2425%.
- Bond size was reduced by \$105,000.
- Recommend adopting the resolution awarding this sale.

Councilor Anderson moved to approve this resolution, 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 resolution passed.

(See Secretary's Original Resolution 13-159  
Included with these minutes)

**RESOLUTION 13-160 APPROVING PLANS AND SPECIFICATIONS FOR CITY CENTER HEATING, VENTING, AND AIR CONDITIONING SYSTEM AND ORDERING ADVERTISEMENT FOR BIDS**

City Manager Adams explained that the attached resolution would approve the plans and specifications and authorize bidding of the project. Allman and Associates, Inc. were hired to do a study of the heating, venting and air conditioning system at City Hall. The study has been completed and recommendations were proposed for the replacement and improvement of the HVAC system. The Plans and Specifications are available for review in the City Manager's office. Staff recommends approval.

Councilor Olson moved to approve the resolution, 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 resolution passed.

(See Secretary's Original Resolution 13-160  
included with these minutes)

**ORDINANCE 173,4D AMENDING THE PD PLANNED DEVELOPMENT DISTRICT FOR NELSONS MARKET PLACE (1<sup>ST</sup> READING)**

City Manager Adams explained that the City has received a request from Chris Nelson to amend the PD-Planned Development Ordinance to allow for the use of a small used car lot on the property. The Planning Commission held a public hearing on August 7, 2013 and recommended approval of the ordinance amendment, subject to the conditions listed in the attached staff report. Staff recommends introduction of the first reading.

Councilor Marin moved to approve this ordinance, 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 first reading of this ordinance passed.

(See Secretary's Original Ordinance 173,4d  
included with these minutes)

**RESOLUTION 13-161 ADOPTING PRELIMINARY ENGINEERING REPORT/FACILITIES PLAN**

City Manager Adams explained that the City of Albert Lea has had a preliminary Engineering Report and Facilities Plan prepared for the Stables area. On August 13, 2013 a public hearing was held at the Bancroft Township meeting. The meeting was to receive comments on the various treatment alternatives and discuss the reasons why City sewer was chosen as the most feasible alternative for the area. At the meeting, the Township passed a resolution adopting the facilities plan. Engineering is asking the City of Albert Lea to also pass a resolution adopting the facilities plan. Staff recommends approval.

Councilor Schulte V moved to approve this resolution, 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 resolution passed.

(See Secretary's Original Resolution 13-161  
included with these minutes)

**MAYOR & CITY COUNCIL REPORTS**

First Ward, Councilor Schulte V. reported:

- Ward Items – received calls regarding concerns about street work not getting completed.
- Attended Bancroft Township meeting – Stables Area report
- Attended the doggie dip at the city pool

Second Ward, Councilor Baker reported:

- Ward Items – none
- Committee Updates – Planning Commission, reviewed the St. John's Project
- Attended Wind Down Wednesday in Central Park
- Attended Stables meeting
- Attended City/Freeborn County Collaboration meeting

Third Ward, Councilor Marin reported

- Ward Items - none
- Thanked Nelson's Marketplace for their business
- Committee Updates – Human Rights Commission – World Suicide Prevention Event is September 10, 2013 with Candle Lighting Ceremony at Central Park at 6 p.m. Public is invited to attend this event.
- Thanked the Wind Down Wednesday Committee.
- Thanked each city department, City Manager and staff, Fire, Street and Police Departments.

Fourth Ward, Councilor Olson reported:

- Ward Items - Park & Recreation meeting updates, horses back on one of his properties
- Committee Updates - Tiger Hills Park now open
- Asked the public to drive carefully with school starting.

Fifth Ward, Councilor Anderson reported:

- Ward Items – none
- Committee Updates - none
- Appreciate working together on the City/County Collaboration
- Visiting with pilots on airport improvement and thanked Council for voting for these improvements

Sixth Ward, Councilor Brooks

- Ward Item – Complaints of truck/semi traffic on Margaretha
- Safety concerns on 18<sup>th</sup> Street
- Committee Updates – none

Mayor Rasmussen Jr. reported:

- Received a resignation on the Planning Commission, encouraged anyone interested in serving on this commission to apply at City Hall

### **CITY MANAGER REPORT**

City Manager Adams reported on the following:

- Announced a Community Forum and Open House to be held at the Freeborn Bank Building on Tuesday, September 10. There will be tours of the building starting at 6:00 p.m. and a brief presentation at 7:00 p.m. The public is invited to attend and share their thoughts and ideas on the development of the building.

### **RESOLUTION 13-162 APPROVAL OF CLAIMS**

City Manager Adams noted in the Staff report 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 Anderson to approve payment of claims as presented for checks #49983 through #50130 in the amount of \$671,929.64; 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 13-162  
included with these minutes.)

**ADJOURNMENT 8:10 P.M**

Councilor Baker moved and Councilor Marin 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 PM on Monday, September 9, 2013. On roll call vote, all councilors voted in favor of said motion. Mayor Rasmussen Jr. declared the motion passed and the meeting adjourned.

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Mayor Vern Rasmussen, Jr.

Filed and attested this 26<sup>th</sup> day of August, 2013

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Secretary to the Council