

**REGULAR COUNCIL MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT
Monday, September 8, 2014, 7:30 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 and City Clerk Shirley Slater-Schulte.

CEREMONIAL ITEMS

APPOINTMENT TO HRA BOARD

Mayor Rasmussen requested that Amanda Irvine, 1429 Circle Drive be appointed to the HRA Board.

MOTION: Move to appoint Amanda Irvine, 1429 Circle Drive to the HRA Board.

Motion made by Councilor Schulte V, 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.

PROCLAMATION OF CHILD CANCER AWARENESS WEEK

Mayor Rasmussen hereby proclaims September 28th – October 4th as “Childhood Cancer Awareness Week” in the City of Albert Lea.

PUBLIC FORUM

Mr. Thomas Newell, 405 Channel Road, stated he had concerns regarding the switch from Alliant Energy to Freeborn Coop and has met with the utility companies and it should be in our best interest to move forward with this proposal.

Mr. Miles Pechacek, 524 E. 4th Street, questions regarding the repair of South Broadway, Fifth Street, Academy and Virginia Place and when would these projects and street repair begin.

CONSENT AND APPROVAL OF AGENDA

- A. Approve Minutes of the August 25, 2014 Regular Council Meeting
- B. Approve Minutes of the Augusts 21, 2014 Special Council Meeting
- C. Approve Minutes of the August 21, 2014 Work Session
- D. Licenses and Permits (See Attached List)
- E. Resolution 14-185 Supporting Shell Rock River Watershed District (SRRWD) Habitat Restoration Program Funding Request
- F. Resolution 14-186 Authorizing the Sale of City Property to Independent School District #241

Motion to approve the consent agenda as amended by adding 6B-Donation presented to the City of Albert Lea – Pickleball and 8E- Public Hearing and Resolution Consenting to the Issuance by the City of Hayward, Minnesota of Revenue Bonds on behalf of St. John's Lutheran Home of Albert Lea 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 Resolutions 14 -185-186
included with these minutes.)

PETITIONS, REQUESTS, AND COMMUNICATIONS

PRESENTATION OF 2014 PORT AUTHORITY BUDGET – RYAN NOLANDER

Mr. Ryan Nolander, 409 Crescent Drive, Executive Director of the Albert Lea Economic Development Agency gave a brief presentation of the Albert Lea Port Authority 2015 Proposed Budget. Mr. Nolander reviewed the General and the Real Estate Fund. The Port Authority is not requesting any additional levy for 2015. No action was needed.

RESOLUTION 14-187 ACCEPTING DONATION PRESENTED TO THE CITY OF ALBERT LEA – PICKLEBALL

Mr. Terry Adams, 1905 Brookside Circle, stated that the Pickleball Club was presenting a check in the amount of \$5,905.00 as a donation to the City of Albert Lea for the Pickleball courts. Mr. Adams reviewed the costs of the courts and Mayor Rasmussen thanked Mr. Adams for the donation.

Motion made by Councilor Olson to accept this donation, 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 14-187
included with these minutes.)

UNFINISHED BUSINESS

RESOLUTION 14-188 SUPPORTING ASSET PURCHASE AGREEMENT

City Manager Adams explained that the attached resolution would support the transfer of utilities from Interstate Power Company to Freeborn Mower Cooperative Services as part of their submittal to the Minnesota Public Utilities Commission. Mr. Jim Krueger, CEO of Freeborn Mower, explained the impact on Alliant Energy Customers, provided comparison of projected revenue increases, provided updates and reviewed the rate structure. Mr. Krueger reviewed the presentation of the board. Thanked Mr. Tom Newell and Mr. Henry Savelkoul for their questions and concerns.

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

(See Secretary's Original Resolution 14-188
included with these minutes.)

**ORDINANCE 183,5D APPROVING ZONING AMENDMENT FOR TSB OF JANESVILLE, LLC
(2ND READING)**

City Manager Adams explained that the first reading of this ordinance was held at the August 25th Council meeting. The City received a request from TSB Janesville, LLC to rezone property located at Viking Drive and 11th Avenue from R-1 Single Family to PD-Planned Unit Development to allow construction of market rate rental townhomes. Staff recommends approval to amend the zoning.

Mr. Ryan Nolander, Executive Director of the Albert Lea Port Authority, stated that he does not have a problem with the zoning as long as it is not rezoned in the future to another zoning classification. There were questions by the council.

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

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

NEW BUSINESS

**PUBLIC HEARING AND RESOLUTION ADOPTING A MODIFICATION TO THE
DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 5: AND ESTABLISHING
TAX INCREMENT FINANCING DISTRICT NO. 5-24 THEREIN AND ADOPTING A TAX
INCREMENT FINANCING PLAN THEREFORE**

City Manager Adams explained that a public hearing is being conducted on September 8th to consider the establishment of Tax Increment Financing District 5-24 for St. John's Lutheran Home of Albert Lea. St. John's has applied for tax increment financing assistance for the construction of a continuing care retirement community. The project would be eligible for a housing tax increment district that has 26 years of tax increment beginning 2015. Bruce Kimmel of Ehlers, Inc. will be in attendance. The tax increment plan, modification to development district and summary are attached for your reference. Staff recommends continuation of the public hearing to the September 22nd City Council meeting.

Mayor Rasmussen Jr. opened the Public Hearing.

Mayor Rasmussen Jr. called three times for public comment.

Mayor Rasmussen Jr. continued the Public Hearing until September 22, 2014.

Motion made by Councilor Olson to continue this Public Hearing until September 22, 2014, 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.

RESOLUTION 14-189 AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 5-24

City Manager Adams stated that in the event the City would need to advance funds to the project for the public improvement, the Sanitary Sewer fund would be the designated source for financing. Staff recommends approval of the resolution.

Motion 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 14-189
included with these minutes.)

RESOLUTION 14-190 ADOPTING ALBERT LEA HOUSING AND REDEVELOPMENT AUTHORITY PRELIMINARY PROPERTY TAX LEVY FOR FISCAL YEAR 2015

City Manager Adams explained that the attached resolution proposes a property tax levy for the Housing and Redevelopment Authority in 2015. The maximum special levy as provided by Minnesota Statute 469.033 is \$141,234 but Staff is recommending \$109,000 or 77% of the maximum. City Manager Adams reviewed the 2015 Budget process and highlights, reviewed goals, tax capacity history, net property tax levy per capita, 2015 recommended General Fund budget, reviewed the revenues and expenditures proposed for 2015, recommended levy is \$6,006,135, General Levy is \$4,806,038, Debt Levy is \$1,200,097, tax levy and LGA history, impact on property owners. Adams reviewed the schedule for the adoption of the preliminary and final levy and budget. Staff recommends approval of the resolution.

Motion made by Councilor Schulte V, 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 14-190
included with these minutes.)

RESOLUTION 14-191 ADOPTING 2015 PRELIMINARY BUDGET AND PROPERTY TAX LEVY

City Manager Adams explained that Minnesota municipalities are required to establish a proposed tax levy and preliminary budget for the following year by September 30th of each year. The attached resolution would establish the proposed tax levy for 2015 at \$6,006,135 and approve the preliminary budget. This levy would include expenses to operate the General Fund, and Public Improvement Revolving (PIR) Bond Debt Service Fund. The resolution also establishes the budget public comment meeting for December 8, 2014 at 7:00 p.m. After receiving public input on the 2015 proposed budget in December, the City Council may choose to lower the levy but they may not raise it higher than the proposed levy. The total levy increase is proposed at 3% which includes operating and debt service. Adams provided a budget review on the proposed 2015 budget. 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 14-191
included with these minutes.)

PUBLIC HEARING AND RESOLUTION CONSENTING TO THE ISSUANCE BY THE CITY OF HAYWARD, MINNESOTA, OF REVENUE BONDS ON BEHALF OF ST. JOHN'S LUTHERAN HOME OF ALBERT LEA

City Manager Adams explained that the City of Albert Lea is holding the Public Hearing for the issuance of revenue bonds by the City of Hayward, Minnesota, on behalf of St. John's Lutheran Home of Albert Lea.

Mayor Rasmussen Jr. opened the Public Hearing.

Mayor Rasmussen Jr. called three times for public comment.

Mayor Rasmussen Jr. continued this Public Hearing until September 22, 2014

Motion made by Councilor Marin, 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.

MAYOR AND COUNCIL REPORTS

First Ward, Councilor Schulte V reported:

- Ward Items – none
- Committee update – Attended Library Board meeting, update on the HRA meeting and housing study

Second Ward, Councilor Baker reported:

- Ward Items – Referred to staff
- Committee Update – participated in the Walking Audit and session following at Wedgewood Cove for the Blue Zones project

Third Ward, Councilor Marin reported:

- Ward Items – none
- Committee Update – Human Rights Commission Meeting has been rescheduled
- Project in Ward 3 is progressing
- Attended the Walking Audit
- Residents encourage the city to increase tax base
- National Suicide Prevention and Memorial Service hosted by the Human Rights Commission of Albert Lea, to be held Wednesday, September 10th at Central Park

Fourth Ward, Councilor Olson reported

- Ward Items – Referred to staff
- Committee updates – No updates

Fifth Ward, Councilor Anderson reported:

- Ward Items –none
- Committee updates- reported on ATV trail in Southern Minnesota
- Reminded people to drive safely

Sixth Ward, Councilor Brooks reported:

- Ward Items – Reviewed poor signage for semi traffic on Margaretha, update on 8th Street.
- Committee updates – Attended the Port Authority Meeting.
- Thanked the councilmembers for supporting the infrastructure on the south side of town

REPORT OF THE MAYOR

Mayor Rasmussen Jr. reported the following:

- Encouraged residents to attend Suicide Event scheduled for September 10, 2014 at Central Park
- Celebrate Albert Lea scheduled for Saturday, September 13, 2014
- 5 day Color Dash scheduled for 10 a.m. on Saturday, September 13, 2014
- Fountain Lake Power Drag Race, Saturday, September 20, 2014
- Participated in the Bike Ride Tour and thanked Scott Martin from Martin's Cycling and Fitness for donating bikes for this event
- Met with Mrs. Gerry's staff and discussed their proposed expansion

CITY MANAGER REPORT

City Manager Adams gave the following updates:

- Attended the Bike Tour, Walking Audit with Blue Zones
- Attended Port Authority meeting and discussed the entrepreneur program

APPROVAL OF CLAIMS

RESOLUTION 14-192 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 #53580 through #53681 in the amount of \$6,496,483.12, 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 14-192
included with these minutes.)

ADJOURNMENT 8:20 P.M.

Motion made by Councilor Brooks, 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, September 22, 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 8th day of September, 2014

Shirley Slater-Schulte, Council Secretary