

PRESENT: Mayor Rasmussen Jr., Councilors John Schulte V, Larry Baker, Ellen Kehr, Reid Olson, Larry Anderson and Al Brooks. Also present was City Manager Chad Adams, City Engineer Steven Jahnke, and Council Secretary Pro Tem Wendy Flugum.

CONSENT AGENDA

- A. Approve Minutes of the October 8, 2012 Regular Council Meeting
- B. Approve Minutes of the October 4, 2012 Work Session
- C. Licenses and Permits (See attached list)
- D. Resolution Accepting Donations
- E. Resolution Declaring Surplus and Abandoned Property
- F. Resolution Acknowledging Municipal Boundary Adjustment - 1311 Crossroads Boulevard
- G. Resolution Acknowledging Municipal Boundary Adjustment - 77893 209th Street
- H. Resolution Acknowledging Municipal Boundary Adjustment - Hills Garden Area
- I. Resolution Acknowledging Municipal Boundary Adjustment - West 9th Street
- J. Resolution Reinstating Assessments On A Certain Property
- K. Reschedule November 12, 2012 Council Meeting to November 13, 2012
- L. Reschedule November 22, 2012 Work Session to November 20, 2012

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

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

(See Secretary's Original Resolutions 12-202 - 12-208
included with these minutes.)

PUBLIC FORUM

Mr. Tim Penny and Ms. Linda Lares presented the annual report of the Southern Minnesota Initiative Foundation. Mr. Penny stated that the Foundation has promoted economic growth in southern Minnesota since 1986. The focus of their resources is on early childhood development and assistance to entrepreneurs through start-up loans and grants. They have recently provided loans to Six Two Graphics, J.A. Expressions, and SAR Manufacturing in Albert Lea. Albert Lea residents, Stephen Waldhoff and Linda Lares currently serve on the Board of Directors.

Mr. Harold Kamrath, 326 Glenn Rd., commented that the City should make greater use of its television equipment. He suggested televising a broader range of topics and events and also using it to introduce new employees to the community.

PETITIONS-REQUESTS-COMMUNICATIONS - None

NEW BUSINESS**A. PUBLIC HEARING AND RESOLUTION 12-209 ADOPTING ASSESSMENTS FOR 2011 MYERS ROAD IMPROVEMENT PROJECT (JOB 0208)**

City Manager Adams explained that the resolution would adopt final assessments for Job 0208. The project involved the complete removal and replacement of the existing concrete pavement, sanitary sewer, storm sewer, and watermain; installation of a new under drain system; construction of new concrete aprons at driveways; installation of pavement markings; restoration of existing bituminous pavement at tie-in locations on side streets; construction of a storm sewer system including a storm water pond and associated piping; restoration of existing lawn areas by seeding and/or sodding; and installation of sidewalk on the south and west side of the roadway. The project was completed with City funds, State Aid Funds, Federal Funds and assessments. The final costs were \$2,847,588 which was significantly lower than the original estimate. The Federal share was \$1,465,916.44, State Aid funds used were \$753,676.59, and City funds were \$51,973.22. The assessable funds were \$576,021.75 to be payable over 15 years at 4.10 percent interest. Staff recommended approval.

Mayor Rasmussen opened the public hearing and called three times. No one spoke to the issue. Mayor Rasmussen closed the public hearing.

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

(See Secretary's Original Resolutions 12-209
included with these minutes.)

B. PUBLIC HEARING AND RESOLUTION 12-210 ADOPTING ASSESSMENTS FOR 2012 BITUMINOUS CONTRACT NO. 2 STATE AID NEIGHBORHOOD IMPROVEMENT PROJECT (JOB 1251)

City Manager Adams explained that the resolution would adopt final assessments for Job 1251. The project involved the bituminous overlay of several State-Aid and local streets throughout the City including Clark Street, from TH 13 to 1st Avenue, Prospect Avenue - East Main Street to SE Marshall Street, and SE Marshall St – Morningside Rd. to Prospect Avenue. New sections of sidewalk were installed on Clark Street where there were none - TH 13 to South 6th Avenue. Work completed on SE Marshall Street, from St. Peter Avenue to Morningside Road, and on St. Peter Avenue, from East Main Street to SE Marshall Street included removal and replacement of the existing bituminous surface as well as miscellaneous curb and gutter that had settled and was causing drainage problems. It also included replacement of the watermain. The project also allowed the opportunity to relieve an area of St. Peter Avenue where the sanitary sewer

had potential for backups. A new sanitary sewer line was installed between two manholes where there currently was no sanitary sewer line.

Final costs were approximately 10% lower than the original estimate. The final costs for the project were \$896,091.76 with the city cost of \$507,580.16. The assessable cost was \$376,674.78 and held for future cost was \$11,936.82. As per the City's assessment policy, the assessments shall be payable over ten years at the current assessment interest rate of 3.59%. City Manager Adams noted that some notices were mailed in error indicating assessments to be payable over five years; it was clarified to be ten years. The Manager also noted that two letters objecting to assessments were received; Church of Christ, 1705 SE Marshall Street, and Steven Oman, 1706 SE Marshall Street. Staff recommended approval.

Mayor Rasmussen opened the public hearing.

Mr. Harold Kamrath, 326 Glenn Rd., inquired if residents pay more for curb replacement, and stated there is still a section of curb with standing water.

Ms. Charlotte Nelson, 1521 W. Clark, asked if the City could consider assessments being paid monthly. Finance Officer Terry Berg explained that assessments are paid on an annual basis through the property tax system and installments are already in place for those payments.

Mr. Tom Hovland, Hovland Property Development, Mason City, IA stated that he owns property at 1710 East Main Street and received a letter stating assessments were amortized over five years. He indicated he was told from the beginning that it would be a ten year amortization. He also commented that the interest rate of 3.59% is high compared to many other states.

Mr. Kent Erlandson, 321 Willamor Rd., asked how the City determines the percentage of assessments paid by the City and percentage paid by the property owner. City Engineer Jahnke explained that 33 feet is assessed to each owner and the City pays for all intersections and any parkland or vacant land. Mr. Erlandson also commented that downtown owners do not have to pay the same percentage as other property owners. It was explained that the downtown has a higher cost at \$170 per lineal foot compared to Job 1250 which is \$55 per lineal foot.

Mayor Ramussen apologized on behalf of the City for letters mailed with an error in payment terms.

Mayor Rasmussen closed the public hearing.

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

(See Secretary's Original Resolutions 12-210
included with these minutes.)

**C. PUBLIC HEARING AND RESOLUTION 12-211 AND RESOLUTION 12-212 ADOPTING
ASSESSMENTS FOR 2012 BITUMINOUS CONTRACT NO. 1 (JOB 1250)**

City Manager Adams explained the final assessments for Job 1250. The project involved the bituminous mill and overlay of residential streets in the east central area of the City as follows: Eberhart Street – Garfield Avenue to St Peter Avenue; St Thomas Avenue – East Main Street to Eberhart Street; St Peter Avenue – SE Marshall Street to Eberhart Street; David Avenue – SE Marshall Street to Eberhart Street; Fenton Avenue – E Main Street to the south end; Bimelich Lane – East end to Morningside Road (including the loop); Eberhart Street – David Avenue to Charlotte Avenue; Columbus Avenue – East Main Street to the south end; Ulstad Avenue – East Main Street to SE Marshall Street; Charlotte Avenue – SE Marshall Street to the south end; Morningside Road – East Main Street to Neale Street; Neale Street – East end to Morningside Road.

The project involved milling the existing bituminous street surfacing for a 6-foot width along each concrete gutter line so the new bituminous layer would match with the level of the concrete gutter. A 2-inch thick layer of bituminous was laid over the entire width of the street. Damaged or settled sections of existing curb and gutter were replaced. The project also included the complete reconstruction of bituminous surfaces at the Edgewater Park lower parking lot and the Sondergaard Park parking lot. The final costs for the project were \$411,351.85 with the assessable portion being \$205,394.33. The final costs for all portions of the project came in lower than the original estimate due primarily to the bids coming in lower than the estimate. The assessments were reduced proportionally (approximately 23%). As per the assessment policy, the assessments will be over five years at 3.59% interest. Staff recommended approval.

Mayor Rasmussen opened the public hearing.

Mr. John Butler, 610 Krikava, stated that he owns five parcels of property known as EZ Rentals on SE Marshall Street with five different entrances/exits. He explained that he wants to combine the five parcels into one before it reaches the County Auditor in order to have just one parcel assessed for Job 1250. Mr. Butler also requested that an exception be made to his five year payment schedule by changing it to a ten year payment schedule.

Mayor Rasmussen closed the public hearing.

A motion was introduced by Councilor Anderson to modify the resolution to include the consolidation of Mr. Butler's parcels and change in payment to a five year term. The motion was seconded by Councilor Olson. The assessment policy was discussed by Council. Finance Officer Berg explained that one parcel cannot be singled out for a change in the term; the entire roll would have to be changed to the same term. Ms. Berg noted that the bonds sold for 2012 improvements were for a 10 year term and calculations were made at the time the payment was established for the bonds.

Councilor Anderson withdrew the motion and Councilor Olson seconded the withdrawal.

A motion was re-entered by Councilor Anderson stating that assessments for the entire project should be payable on a ten year term. Councilor Olson seconded the motion. Mr. Butler was reminded that he could object to the assessment in writing before the end of the public hearing in order to have the right to appeal the assessment in district court. On roll call vote, the following councilors voted in favor of said motion: Councilors Olson and Anderson. Councilors Schulte V, Baker, Kehr, Brooks and Mayor Rasmussen Jr. opposed. Motion failed.

A motion was introduced by Councilor Schulte to adopt assessments for Bituminous Contract No. 1, Job 1250 as originally submitted. Councilor Brooks seconded the motion. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Kehr, Brooks and Mayor Rasmussen Jr. Councilors Olson and Anderson opposed. Mayor Rasmussen Jr. declared the motion passed.

(See Secretary's Original Resolutions 12-211 and 12-212
included with these minutes.)

D. PUBLIC HEARING AND RESOLUTION 12-213 ADOPTING ASSESSMENTS FOR 2012 BITUMINOUS CONTRACT, PROSPECT AVENUE (JOB 1258)

City Manager Adams explained that the resolution would adopt the final assessments for Job 1258. The project involved removing and replacing the bituminous surface on Prospect Avenue from Stevens Road to East Main Street. The final costs for the project were \$39,650.46 with the assessable portion being \$24,365.68. City costs were 15,284.78. The final costs came in lower than the original estimate due to the bids coming in lower. The assessments were reduced proportionally (approximately 23%). As per the assessment policy, the assessments will be over 15 years at 3.59% interest. Staff recommended approval.

Mayor Rasmussen opened the public hearing and called three times. No one spoke to the issue. Mayor Rasmussen closed the public hearing.

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

(See Secretary's Original Resolutions 12-213
included with these minutes.)

E. PUBLIC HEARING AND RESOLUTION 12-214 ADOPTING PARKING MAINTENANCE DISTRICT ASSESSMENT

City Manager Adams explained that a Parking Maintenance District is for maintaining, staffing, financing and such other functions as would be necessary for providing proper maintenance of downtown parking improvements and public facilities. Assessments shall be on a per square foot basis for each lot as a general benefit, minus \$50 per stall for privately-owned and improved off-street parking stalls open during normal core area business hours for customer parking. Assessments for this year include costs of the district from August 1, 2011 through July 31, 2012. Total assessable costs for 2012 are \$38,412.71 compared to \$46,594.52 for the previous year. The resolution would adopt final assessments for payable 2013 at an interest rate of 3.59% for one year. Staff recommended approval.

Mayor Rasmussen opened the public hearing.

Mr. Harold Kamrath, 326 Glenn, requested that his assessment be based on square footage of the building and not based on lineal feet of the lot.

Mr. Mark Sanderson, 72278 Wineglass Rd., stated that he has owned properties on College Street since 1991 and has diligently paid parking assessments since that time. He noted that he is assessed the same for his empty lot as he is for the lots that do commerce. Mr. Sanderson requested that Council review the downtown parking assessment policy as it has been the same since 1976. He also recommended that condominium/apartment properties be assessed more for parking space.

Mayor Rasmussen closed the public hearing.

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

(See Secretary's Original Resolutions 12-214
included with these minutes.)

F. PUBLIC HEARING AND RESOLUTION 12-215 LEVYING SPECIAL ASSESSMENTS

City Manager Adams explained that two assessment rolls were prepared for Council consideration, with Roll 100 in the amount of \$9,819.27 and Roll 101 in the amount of \$4,625.22, totaling \$14,444.49. The assessments are for delinquent water and sewer accounts, S&S inspection fees, mowing, frozen water meters, and refuse. The resolution would adopt Miscellaneous Assessments Roll 100 and 101 and place the assessments on the tax roll for payable 2013 for one year at an interest rate of 3.59%. Staff recommended approval.

Mayor Rasmussen opened the public hearing and called three times. No one spoke to the issue. Mayor Rasmussen closed the public hearing.

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

(See Secretary's Original Resolutions 12-215
included with these minutes.)

G. RESOLUTION 12-216 AUTHORIZING INTERFUND LOAN FOR ADVANCE OF CERTAIN BUILDING IMPROVEMENT COSTS IN CONNECTION WITH PUBLIC BUILDING PROJECT

City Manager Adams explained that on May 14, 2012 the City Council authorized an internal loan from the Building Services Fund to the Vitality Center fund in the amount of \$10,000.00 for building improvements. An interfund loan must be approved by Council adopting a resolution before any interfund loan transaction takes place. The resolution prepared is for a \$10,000 interfund loan from the Building Services Fund to the Vitality Center Fund at zero percent interest. The repayment schedule will be \$300.00 from the lease payment from Prairie Wind Coffee. The balance of the lease payment will be recorded in the Vitality Center fund. Staff recommended approval.

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

(See Secretary's Original Resolutions 12-216
included with these minutes.)

MAYOR & CITY COUNCIL REPORTS

First Ward, Councilor Schulte V. reported:

- Committee Updates – Attended the Renewable Energy Group (REG) groundbreaking for an addition to the bio-diesel plant. Also met with the City Manager, Senator Sparks, Rep. Murray, and other city and county officials regarding the St. John's project and its impact to City/County infrastructure.
- Ward Items – none

Second Ward, Councilor Baker reported:

- Committee Updates – none
- Ward Items – Items have been addressed.

Third Ward, Councilor Kehr reported:

- Committee Updates – none
- Ward Items – Items have been addressed.

Fourth Ward, Councilor Olson reported:

- Committee Updates – Attended the Parks & Recreation Advisory Board meeting. The board discussed the Edgewater Cottage project and the smoking ordinance and Councilor Olson reported that the board favors smoke free City campuses, parks and recreational areas. The Fountain Lake Park improvements proposed in the Broadway Avenue Streetscape project were also reviewed. Councilor Olson asked the public to be aware of kids out on Halloween.
- Ward Items – none

Fifth Ward, Councilor Anderson reported:

- Committee Updates – None
- Ward Items – Items have been addressed. Councilor Anderson noted there is a company in town working with Alliant to check for gas lines running through sanitary sewer lines. Also cautioned residents that wet leaves are slippery.

Sixth Ward, Councilor Brooks reported:

- Committee Updates – Attended CVB meeting and reviewed the budget for the next three months. Council Brooks extended thanks from the CVB to the City for helping with the Back Door campaign. He also noted that the Metropolitan Opera had 81 people at its very first event.
- Ward Items – Council Brooks expressed concern about cars speeding on 14th Street between Margaretha and South Broadway and asked the City Engineer to look into speed signs. Also asked for clarification as to why the sidewalk was torn up and trees cut down related to overhanging branches in the Newton Avenue / 7th Street area.

Mayor Rasmussen Jr. reported the following:

SPECIAL EVENTS

- \$5 Felines, Oct 26 at the Humane Society
- All Creatures Great & Small, Nov 3
- Haunted Walk, Oct 26
- Metropolitan Opera at Marion Ross Performing Arts Center, Oct 27
- Rockin the Lighthouse Concert, Oct 27

Mayor Rasmussen noted there are positions open for 2013 Boards and Commissions and encouraged interested parties to pick up an application at City Center.

CITY MANAGER REPORT

- No updates

RESOLUTION 12-217 APPROVING CLAIMS

Councilor Schulte moved that the resolution be approved for payment of claims as presented for checks #46273 through #46432 in the amount of \$683,015.50; seconded by Councilor Brooks. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V., Baker, Kehr, Olson, Anderson, Brooks, and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed.

(See Secretary's Original Resolution 12-217
included with these minutes.)

ADJOURNMENT

Councilor Brooks moved and Councilor Anderson seconded that there being no further business, the council meeting be adjourned at 8:14 p.m., until the next regular meeting of the Albert Lea City Council at 7:00 p.m. on Tuesday, November 13, 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 October 23, 2012

Council Secretary Pro Tem