

**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 City Clerk Shirley Slater- Schulte.

**CONSENT AGENDA**

- A. Approve Minutes of the October 22, 2012 Regular Council Meeting
- B. Approve Minutes of the October 18, 2012 Work Session
- C. Approve Minutes of the October 25, 2012 City, County, Watershed Work Session
- D. Licenses and Permits (See attached list)
- E. Resolution Accepting Donations
- F. Approve Amendment to Employee Recognition Policy
- G. Approve Employee Handbook
- H. Approve Participation in Shared Services Grant Application for Fire Delivery Services in Freeborn County
- I. Resolution Declaring Surplus and Abandoned Property
- J. Resolution Approving Amendment to AZ-1, Inc. for Extension of Broadway Ridge Grant Agreement
- K. Call A Public Hearing for December 10, 2012 on the Proposed Adoption of the Albert Lea Municipal Airport Zoning Ordinance

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

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

(See Secretary's Original Resolutions 12-219-12-221  
included with these minutes.)

**PUBLIC FORUM**

**PETITIONS-REQUESTS-COMMUNICATIONS**

**NEW BUSINESS**

**PUBLIC HEARING TO REVIEW ZUMBRO RIVER BRAND GRANT AGREEMENT**

City Manager Adams explained that the City entered into an agreement with the State of Minnesota on October 24, 2006 for a \$300,000 grant to be loaned to Zumbro River Brand to conduct activities listed in Grant Agreement CDAP-06-0011-FY07. The source of State funding was the Department of Housing and Urban Development Federal Funds. Funds were loaned to Zumbro River Brand for a seven (7) year term at 3% interest for the term of the loan. The loan closed on December 19, 2006 and all loan proceeds were disbursed. As of October 25, 2012, the loan is current with a balance of \$60,412.75.

The company achieved the objectives of the loan including a 10,000 sq. ft. addition, purchase of equipment, and the addition of 30 full-time equivalent new jobs of which 51% were given to applicants that had low or moderate family income at the time of employment. The total investment by the company subject to review under this grant was \$3,050,367.31 which exceeds a 1:10 ratio of public funds to private funds. The company continues to grow and operate successfully within the city.

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

**RESOLUTION 12-222 AUTHORIZING INTERNAL LOAN IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 5-22**

City Manager Adams explained that the City Council on April 9, 2012 adopted Resolution 12-64 approving Tax Increment Financing District No. 5-22 for Mrs. Gerry's Kitchen, Inc. At that time, the tax increment plan was for a pay-as-you-go tax increment financing. Since Council approval, the financing has changed from a pay-as-you-go to paying up front with the City financing the \$135,000 with an interfund loan. The loan terms match the anticipated tax increment revenue outlined in the Tax Increment Financing Plan with a 4% interest rate. The Development Agreement has been executed as of November 1, 2012. An interfund loan must be approved by Council adopting a resolution before any interfund loan transaction takes place. The attached resolution is prepared for a \$135,000.00 interfund loan from the Insurance Fund to pay eligible expenses for the economic development project. The developer must submit proof of payment and paid invoices for certification before the funds would be released. Eligible expense documentation is required by the State and will be kept as permanent records for the tax increment district. Staff recommended approval.

Motion was introduced by Councilor Olson and 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 12-222  
included with these minutes.)

**RESOLUTION 12-223 AUTHORIZING STAFF TO SUBMIT APPLICATION FOR  
BRIDGE AVENUE CORRIDOR FUNDING**

City Manager Adams explained that the City Council and Freeborn County Board discussed the Bridge Avenue Corridor segment from I-90 to Hammer Road at their concurrent work session on October 25<sup>th</sup>. At the meeting, both parties reached a consensus to apply for Federal Funding for that segment of the corridor, which would essentially involve an overlay of the existing design. The approximate cost for the project is about \$750,000 and a 20% local match would be required if the 80% federal funding is received. The deadline for the funding application is February 2013. Federal funding would likely not be received until 2017. Staff recommended approval.

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 12-223  
included with these minutes.)

**ORDINANCE 154, 4d AUTHORIZING CITY OF ALBERT LEA TO PERFORM  
BACKGROUND CHECKS (1ST READING)**

City Manager Adams explained that the City would like to use the Albert Lea Police Department to run background checks that include criminal histories. The ordinance would give the police department the authority to provide this service. Currently, city police departments can have access to the state's database of criminal justice information maintained by the Bureau of Criminal Apprehension (BCA) only to perform duties that are required by law (MN 299C.46) and generally means performing law enforcement duties. However, an ordinance can be adopted to allow the use of this data for non-criminal purposes such as employment background checks, liquor license applications and peddler licenses. Staff recommends that Council adopt the ordinance.

Motion to adopt the 1<sup>st</sup> reading of Ordinance 154,4d as presented was made by Councilor Schulte V 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.

### **MAYOR & CITY COUNCIL REPORTS**

First Ward, Councilor Schulte V. reported:

- Committee Updates – None
- Ward Items – All items have been addressed.

Second Ward, Councilor Baker reported:

- Committee Updates – Heritage Preservation, Planning Commission Meeting and Downtown Association Meeting
- Ward Items – All items have been addressed.

Third Ward, Councilor Kehr reported:

- Committee Updates – Human Rights Commission
- Ward Items – All items have been addressed.

Fourth Ward, Councilor Olson reported:

- Committee Updates – None
- Ward Items – All items have been addressed.

Fifth Ward, Councilor Anderson reported:

- Committee Updates – None
- Ward Items – All items have been addressed.
- Attended the Veterans Day Parade and event honoring the older veterans.
- August 10 & 11, 2013 – Boat Races

Sixth Ward, Councilor Brooks reported:

- Committee Updates – Report on Port Authority
- Ward Items – All items have been addressed.

Mayor Rasmussen Jr. reported the following:

- Keep the Fires Burning – United Way Fundraiser
- Feed My Starving Children Donation Day - Jacob Jensen, organizer
- Thank you to the Veterans within our community.
- Continued need for people to apply for serving on our Boards and Commissions.

### **CITY MANAGER'S REPORT**

- Public meeting for the Broadway Streetscape to be held on November 19, 2012 from 5:30-7:30 p.m. in the Council Chambers.

### **RESOLUTION 12-224 APPROVING CONTRACT WITH COUNCILMEMBER SCHULTE V.**

City Manager Adams explained that the resolution directs the Mayor and City Clerk to make payment 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, John Schulte V.

Councilor Anderson moved that the resolution be approved for payment of claims in the amount of \$160.00 to Jones, Haugh & Smith Inc., seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors: Baker, Kehr, Olson, Anderson, Brooks and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Council Schulte V abstained.

(See Secretary's Original Resolution 12- 224  
included with these minutes.)

### **RESOLUTION 12-225 APPROVING CONTRACT WITH COUNCILMEMBER BROOKS**

City Manager Adams explained that the resolution directs the Mayor and City Clerk to make payment on behalf of the City for a claim from Brooks Safety Equipment and to issue payment for filing the affidavit of official interest by the interested official, Al D. Brooks.

Councilor Anderson moved that the resolution be approved for payment of claims in the amount of \$62.56 to Brooks Safety Equipment, seconded by Councilor Baker. On roll

call vote, the following councilors voted in favor of said motion: Councilors: Schulte V, Baker, Kehr, Olson, Anderson and Mayor Rasmussen Jr. Mayor Rasmussen Jr. declared the motion passed. Councilor Brooks abstained.

(See Secretary's Original Resolution 12-225  
included with these minutes.)

### **RESOLUTION 12-226 APPROVING CLAIMS**

Councilor Anderson moved that the resolution be approved for payment of claims as presented for checks #46435 through #46625 in the amount of \$1,061,503.26, 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 Resolution 12-226  
included with these minutes.)

### **ADJOURNMENT**

Councilor Brooks moved and Councilor Schulte V seconded that there being no further business, the council meeting be adjourned at 7:22 p.m., until the next regular meeting of the Albert Lea City Council at 7:00 p.m. on Monday, November 26, 2012. 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 November 14, 2012

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Secretary to the Council