

**REGULAR COUNCIL MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA
Monday, November 20, 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, Assistant City Manager Sack Thongvanh, City Attorney Lee Bjorndal, City Engineer Steven Jahnke, and City Clerk Shirley Slater-Schulte.

PROCLAMATION

Mayor Rasmussen Jr. proclaimed November 29, 2014 as Small Business Saturday and urged the community and communities across the nation to support small businesses and merchants throughout the year.

PUBLIC FORUM

Tim Donahue, 727 Belmont Street, former city employee stated that he believed reorganization to be wrong, noting that attrition is a better way. City is way too heavy on the top and taxes keep increasing and services are less for lack of help.

Gary Hagen, 501 Albert Lea Street, stated that he was speaking for the city employees and the silent majority of taxpayers who have given up trying to have their voice heard because it falls on deaf ears. He noted he would like each councilmember to state why they are for or against the restructuring proposal and if their vote will reflect what the majority of taxpayers that elected them want. Hagen believes this is a bad idea that has not been thoroughly thought out; there are too many red flags and not enough facts and figures to prove it beneficial and if the vote is in favor of the proposal, employees are going to suffer and taxpayers will face long term financial consequences of council's decisions.

Jackie Williamson, 1014 Garfield, stated that she is not for the restructuring program either. On November 21st, the newspaper article by the City Manager stated that one of the benefits of this restructuring plan would be the savings of \$120,000 a year through future attrition. She does not believe there would be a savings due to restructuring; that can be a savings due to the future attrition. There is also a statement that there is a chance to better the Recreation Program by collaborating with the Y and Community Ed, but there is no set plan as to how to do that. She stated she has not heard of any plan as to the Y will do this and Community Ed will do that and we will work with them with our recreation people. She does not see a plan there so there is also a chance that the Recreation Program will suffer because of the restructure. She also has concerns with having duplication of managers at the top. She has raised a question about the severance policy and if it would be equitable to existing and former employees.

Mr. Orrion Roisen, 1010 Foothills Circle, served the City of Albert Lea for 37 year, was Assistant/Fire Chief for 27 years, and does not support the restructuring plan. He does not see any benefit in having more supervisory staff at the Management level and having less staff

doing the work. He does not believe that community education or the YMCA could collaborate on recreation programs. He does not see a savings in the plan and believes it is a mistake. He also questions top managers working in the City, but not living here.

Greg Moen, 1891 Paradise Road, stated that he believes the restructuring is a horrible plan and does not see the benefit. The number one focus in this town should be growth and asked how we grow the town from 20,000 to 40,000 people. He stated that every single new construction home that happens is a new cash register for the city. Every time you add more cash registers, it solves a lot of problems. He believes the City is not friendly to developers. He is from Albert Lea, grew up here, went to school here. He stated that Tiger Hills has added \$6 million to the tax base. He loves this community and wants it to do well. He further stated that we need to work together and this is no way to grow the city. Mr. Moen provided information as follows – population since 1990 has decreased 1.96%, the city is in competition every day for business and housing with communities that are this size; he looked at Austin, Owatonna and Faribault. Austin has gone up by 14%, Owatonna by 31.9% and Faribault by 37.4%. In Albert Lea, since 2010, under the current City Manager, the tax levy has gone up 17.6%, compared to Austin 5.6%, Owatonna 2.7% and Faribault 7.7%. Albert Lea has more than doubled. He stated there is declining population and increasing taxes; this is not going to draw people to the town – need to look at this differently. Mr. Moen stated that he went back to January 2012 and pulled the residential housing permits for new construction. In 2012, there was a total of 11, in 2013 there was a total of 12, and in 2014 there were a total of 8 through October. The city averages about 1 new construction permit per month, there are two full-time city inspectors and a full-time staff person. There are other areas to look at to save money. He noted the City Manager compared the new plan to 11 other communities with population between 10,000 and 30,000. He compared Albert Lea to Waseca who has a population 9,365. He also stated that he hears that the City Manager has all this history of development and great wealth of knowledge and development noting that from 1999-2002, the City Manager worked in a town of Onawa, Iowa, population 3,091, then Medina from 2003-2011, population in 2003 of 4,271 and today at 5,309. He believes there is a theme from the City Manager's past experience. All of these cities have a Community Development Director except for Marshall. Mr. Moen stated that none of these cities have an Asst. City Manager except for Red Wing, but every other city has a Finance Director. Medina has an Assistant City Manager/Deputy Clerk, consultant Finance Director and county run library. Tax levies are up and population is down. This affects everything including the school district. Mr. Moen said we need something to change and this is not the change; he encouraged voting no to the plan.

Carol Bertelson, 2215 Rowe Lane, commented that there has been a lot of rhetoric regarding the proposed reorganization. No matter how much has been talked about and how logical and good it all sounds, it really is not the answer to the city's problems. She believes long-term employees will not have an opportunity to be promoted, or cut. It has already been stated that when the library director retires, the next person hired will be at a lower salary as a manager. She had questions on the next Library manager position and cross-training. She suggested that a top management position be cut and wait for one more attrition and then have the \$120,000 savings that the plan is supposed to save. The new position which the plan is proposing will

cost the city money so leave new hiring out for the time being. Ms. Bertelson commented that there are employees who are currently capable of supervising the work that needs to be done and will continue to be done without new hires. She also asked when the Christmas decorations would be put up.

Mr. Bob Knutson, 1323 Lakeview Blvd., stated that he agreed with everyone that has spoken here tonight. He stated he was born and raised in Albert Lea, worked 31 years in law enforcement and State Patrol, has worked in a lot of cities, known a lot of City Managers, council, county officials and never seen anything like this. He noted that 25 years ago, Albert Lea was 18,000 people and is still 18,000; he said kids graduate and leave the community. He believes the plan is wrong. The people of Albert Lea hire and are at the top; then it's the Mayor, Council, and Manager. He stated that an Assistant City Manager was not needed and believes other positions should be eliminated through attrition. Mr. Knutson further stated that the room should be packed tonight; he loves Albert Lea and so does everyone in the room and that's why they are here. He does not support managers living out of town running City operations. He stated that council is hired by the people and they should be listening to the people; they are the ones they represent.

Dennis Dieser, 1002 Wood Park Lane, wanted to thank everyone for having the Youth in Government students this evening as it was a great opportunity for them to take over the chair. Also, want to thank the city for the collaboration that has been done with Youth in Government and Parks and Rec and the help given with the volleyball courts this year. Mr. Dieser stated that collaboration and working together is so very important and if that had not happened in this community he would not be here. The "Y" is over 100 years old because of the ability to work together. He looks forward to doing things as shared leadership – the ability to share and work together to accomplish what is best for the community. He further commented that Albert Lea has a huge place in the state, a huge growth potential and great opportunities ahead, nothing that if we do not work together and figure things out, where are we going to go? It will still be that same community as it is today. Mr. Dieser stated that whatever decision is made, it's going to be happy for some, bad for others but it has to be looked at in the big picture, asking "where do we want this community to go and how will it work there?" If this decision will make progress in the right direction then you need to seriously look at it. If it is not, then look at other options to do that. Mr. Dieser said there is a wealth of potential out there for as we look forward, lots of groups working together, looking at different ideas, looking at opportunities to work with Senior Resources, even the Senior Center, to combine some activities. This is an aging community and asked if we are going to embrace that, or throw seniors to the side. He asked the best way to move forward and if the Blazing Star Landing is a potential for more and more entities to work together. He noted that we can build some taxable income base and trade off spaces and work together. This is the big visioning that needs to happen and need to get through this point today and then that will determine where we are going to go. Mr. Dieser also said we have to work respectfully together; people are not always going to agree but need to agree to disagree, have a positive attitude and work together; we can't attack people - look at the issues at hand and how to best affect it. If we can affect that change in a positive way, look at the issues at hand and not individuals, then we can head on the right road.

Annette Peterson, 2005 Wilby Circle, would like to address the idea of collaboration and cooperation. Ms. Peterson stated that she understands that the restructuring is to have the intent to develop better communication within the departments and streamline efficiency. Functions of the Park and Rec Department are not going to go away; they will just be incorporated elsewhere in the City management. She also noted that the proposal is in line with the collaborations that are forming in Albert Lea and thinks it is important that city government makes the best use of cooperation within its departments; this could serve as a great example of collaboration throughout the community. She explained that she does not see this restructuring as the elimination of anything but rather a reorganizing of what already exists; noting that the City Manager had made it very clear that there is no elimination of services offered in the past by the Parks and Rec Department. This appears to be a step in creating a better Albert Lea by creating a better framework to do business and develop better communications.

Harold Kamrath, 326 Glenn Road, stated that he is 125% behind the reorganization and should make managers out of everyone. He also noted that he has questions on the 2015 proposed budget and proposed increases in the levy; he would like to see a lower levy, no cost of living increase or step increase for employees. Mr. Kamrath requested a report from City Manager Adams on the ICMA conference.

Jill Marin, 1311 South 4th Avenue, stated she has concerns and does not see the substance of the package. The elected officials should require more substance on a package as grand as this. This plan would change the whole community system. Ms. Marin noted her second concern is the process and the level of care, stating that this is an organization of people and those people are serving people. They are our community and need to have a level of care that this process has not entailed.

CONSENT AGENDA

- A. Approve Minutes of the November 10, 2014 Regular Council Meeting
- B. Approve Minutes of the November 10, 2014 Canvass Board Meeting
- C. Approve Minutes of the November 6, 2014 Work Session
- D. Licenses and Permits (See attached list.)
- E. Resolution 14-252-Accepting Donations Presented to the City of Albert Lea
- F. Resolution 14-253-Acknowledging Termination of Lease Agreement for Restoration of the Cottage by Cloverleaf Lions Club of Albert Lea
- G. Resolution 14-254-Approving Amendment #1 to Service Agreement with WSB & Associates for 2015 Lakeview Boulevard Reconstruction Project.
- H. Resolution 14-255-Approving Minnesota Teamsters Public and Law enforcement Employees' Union, Local No. 320 Severance Agreement

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

(See Secretary's Original Resolution 14-252-255
included with these minutes.)

PETITIONS, REQUESTS, AND COMMUNICATIONS

UNFINISHED BUSINESS

ORDINANCE 184,5D AMENDING CITY CODE TO RESTRUCTURE CITY DEPARTMENTS (2ND READING) - FAILED

City Manager Adams stated that the first reading of the ordinance was held at the October 13th Council meeting. The ordinance includes the proposed restructure of departments as recommended by the City Manager. The primary changes to the restructure include the elimination of the Parks and Recreation Department and the Library Department. However, parks services will be maintained similarly, but restructured underneath Public Works. Recreation services will be maintained or enhanced through increased collaboration with Community Education, the YMCA, or other private associations. The Library Department would be restructured under the Administrative Department and again would not see any impact on services, with the exception of proposed re-opening and sustainability of Friday hours at the Library beginning sometime after the first quarter of 2015. Staff recommends approval to amend the ordinance.

There was discussion by the councilors on the proposed ordinance.

Motion made by Councilor Brooks not to approve the proposed ordinance, seconded by Councilor Marin. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Marin, Anderson and Brooks. Mayor Rasmussen Jr. and Councilor Reid voted nay. Mayor Rasmussen Jr. declared the motion passed.

APPROVE SEVERANCE POLICY

City Manager Adams stated that this policy is being established to identify job elimination or layoff separation circumstances and to provide the guidelines under which severance pay may be granted. A draft of the policy is attached for Council review. Staff recommends approval.

Motion made by Councilor Brooks to approve the Severance Policy, 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 V voted nay. Mayor Rasmussen Jr. declared the motion passed.

NEW BUSINESS

**APPROVE APPOINTMENT OF ASSISTANT CITY MANAGER SACK THONGVANH AS
DEPARTMENT HEAD OF ADMINISTRATION – No Action Taken**

MAYOR AND COUNCIL REPORTS

First Ward, Councilor Schulte V reported:

- Ward Items – Updates on the Library Board Meeting, received more calls regarding the reorganization
- Committee update – None

Second Ward, Councilor Baker reported:

- Ward Items –none
- Committee Update – none

Third Ward, Councilor Marin reported:

- Ward Items – Thank you to everyone that contacted me on the proposed reorganization. Stated that when the recession happened, corporate America begin to eliminate mid-level management positions. There is concern in the public as to why the city is adding mid-level management positions, the city should be eliminating those mid-level management positions and putting more boots on the ground. Reason why is for cost saving and for functionality, to get the information faster from the bottom level to the top level. City needs to look at these internal levels of our organizations and seek to follow suit. Primary role of government is for the safety and welfare of its residents.
- Committee Update – none

Fourth Ward, Councilor Olson reported

- Ward Items – Updates on the Park and Recreation meeting
- Committee update – Concerns regarding the traffic on Hawthorne Street. Thanked everyone who called regarding the reorganization.

Fifth Ward, Councilor Anderson reported:

- Ward Items – Encouraged residents to keep the snow on their property during snow removal
- Committee update - Attended the Veterans Day event and thanked all Veterans for their hard work and service to the community.
- Warned residents to be careful on the ice

Sixth Ward, Councilor Brooks reported:

- Ward Items – none
- Committee updates –Updates on CVB Meeting
- Thanked management for their hard work on the reorganization

REPORT OF THE MAYOR

Mayor Rasmussen Jr. reported the following:

- Worked with the “Youth in Government” class
- Worked with the “Leadership” class
- Reorganization – Council requested the Council to work on this, council must look at ourselves and come up with another plan.

City Manager Adams reported:

- Thanked council, public, and employees for all of their questions and comments on the reorganization.
- Responded to questions from the public regarding improvement at city hall noting that we need to maintain our facilities routinely, and will further do so through the Facilities Master Plan report.
- Participated in the “Youth in Government” class
- Will be attending the National Vitality Center meeting scheduled for tomorrow

APPROVAL OF CLAIMS

RESOLUTION 14-256-APPROVING CLAIM WITH A COUNCILMEMBER

City Manager Adams explained that the attached resolution directs the Mayor and City Clerk to make payment in the amount of \$750.00 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 John 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 14-256
included with these minutes.)

RESOLUTION 14-257-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 Brooks to approve payment of claims as presented for checks #54157 through #54304 in the amount of \$466,906.68, 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 14-257
included with these minutes.)

ADJOURNMENT 8:54 P.M.

Motion made by Councilor Anderson, 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, December 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 24th day of November, 2014

Council Secretary