

**REGULAR COUNCIL MEETING MINUTES  
CITY COUNCIL CHAMBER, CITY OF ALBERT LEA  
Tuesday, December 9, 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 and City Clerk Shirley Slater-Schulte.

**CEREMONIAL**

**INTRODUCTION OF POLICE PERSONNEL AND OATH OF OFFICE**

Director of Public Safety Dwaine Winkels introduced Sy Vanthavong as the newest member of the Albert Lea Police Department. Officer Vanthavong was the top candidate in the latest round of applicants for the job. He is a graduate of St. Cloud State University and has been a member of the Minnetonka Police Department for the past 12 years. His last assignment was as a retail investigator. Officer Vanthavong brings a wealth of knowledge and experience to the department.

City Clerk Slater-Schulte administered the Oath of Office to Officer Sy Vanthavong.

Mayor Rasmussen Jr. and members of the council welcomed Officer Vanthavong and his family to Albert Lea.

**APPROVAL OF AGENDA**

- A. Approve Minutes of November 25, 2013 Regular Council Meeting
- B. Approve Minutes of November 21, 2013 Work Session
- C. Licenses and Permits (See Attached List)
- D. Resolution 13-252-Approving Contract With AFSCME Local 1018
- E. Resolution 13-253- Approving Non-Union Employee Salaries For 2014
- F. Resolution 13-254-Correcting Clerical Error In Amendment to Albert Lea City Charter, Chapter 3, Section 3.09 – When Ordinances and Resolutions Take Effect

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

(See Secretary's Original Resolution 13-252-254  
included with these minutes)

## **PUBLIC FORUM**

### **PETITIONS-REQUESTS-COMMUNICATIONS**

#### **PRESENTATION OF ALLIANT ENERGY REBATE CHECKS - REBECCA GISEL**

Rebecca Gisel, Account Manager with Alliant Energy presented Alliant Energy Rebate checks to the City of Albert Lea totaling \$9,915.96. There was a \$5,000 rebate for improvements made to the R-value of the City Hall roof. A second rebate in the amount of \$4,915.96 was from a project completed in 2012 for lighting upgrades at City Hall which included T-5 fluorescent lighting and occupancy sensors in the building. Ms. Gisel provided an overview of the projects that led to these rebates for the City.

### **UNFINISHED BUSINESS**

### **NEW BUSINESS**

#### **PUBLIC HEARING AND RESOLUTION 13-255 FOR ALLOCATION OF POLICE AND FIRE PENSION FUND INTEREST EARNINGS FOR 2013**

City Manager Adams explained that annually, a public hearing is held to receive input regarding the proposed allocation of police and fire pension interest earnings. Interest earnings are estimated at \$64,000 in 2013 from investments of the approximate ten million dollars in principal funds. Due to the economy, interest rates and earnings have declined due to the market in recent years. Intended use of the funds includes the replacement of Police Department squad computer and difference in costs for replacing Police Department squad cars. The attached resolution allocates the interest earnings. Staff recommends approval of this resolution.

Mayor Rasmussen Jr. opened the Public Hearing.

Mr. Harold Kamrath, 326 Glenn Road, questioned the amount of interest for the current year and the plan for expenditure of these dollars; and also asked about the Take Home Policy on Police Cars, stating that it is a waste of taxpayer money.

After calling three times, Mayor Rasmussen Jr. closed the Public Hearing.

Motion made by Councilor Anderson to adopt 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 motion passed.

(See Secretary's Original Resolution 13-255  
included with these minutes)

#### **PUBLIC HEARING AND RESOLUTION 13-256 FOR ALLOCATION OF POLICE AND FIRE PENSION FUND INTEREST EARNINGS FOR 2014**

City Manager Adams stated that historically, the City has held a public hearing annually near year-end to receive input regarding the proposed allocation of police and fire pension interest earnings. It is the City's intention to change the practice to conduct the public hearing prior to the budget year when funds would be expended for more transparency. Intended uses of interest earnings for 2014 include a Facility Master Plan that would include facility needs for the Fire Department in the amount of \$25,000, AVL and Mobile Mapping for the Police Department for \$7,200, and the remaining balance for expenses of small and large equipment replacement in both the Police and Fire Department. Interest earnings are estimated at \$64,000 in 2014. The attached resolution allocates the interest earnings. Staff recommends approval of this resolution following the public hearing.

Mayor Rasmussen Jr. opened the Public Hearing.

After calling three times, Mayor Rasmussen Jr. closed the Public Hearing.

Motion made by Councilor Brooks to adopt this 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 motion passed.

(See Secretary's Original Resolution 13-256  
included with these minutes)

#### **PUBLIC HEARING AND RESOLUTION 13-257 ADOPTING FEE SCHEDULE FOR 2014**

City Manager Adams explained that prior to acting on this public hearing and resolution adopting the Fee Schedule, he has included a master presentation of this and the

remaining items regarding Truth and Taxation, at which time we will have public comment on all of these items. The presentation included the following review of the:

- 2014 Budget Process
- 2014 Budget Background
- Sales Tax Exemption relief related to General Fund estimated at \$105,962; additional savings being used to create a balanced budget.
- Review of LGA for the past years
- 2014 Preliminary Budget
- 2014 Budget Recommendation of \$14,506,748 for both Revenues and Expenditures
- Reviewed Revenue Sources
- 2014 Recommended Tax Levy of \$5,831,370, General Levy is \$4,758,453, Capital Improvement Bond Levy is \$84,633 and PIR Bond Levy is \$988,284
- Tax Levy Comparison
- City Levy History
- Levy and LGA History
- General Fund Expenditures
- “What do your taxes buy you?” slide
- Special Levy – Housing and Redevelopment Authority
- Water and Sewer Rates
- Cash as a Percent of Expenses
- Water and Sewer Rates Impact on Residential Users
- Fee Schedule – Public Hearing needed as the city is proposing some Zoning and Land Use changes
- Recommended postponing action on Fire Call fees for additional discussion and possible ordinance creation in 2014
- CIP change to reflect Parks and Recreation Department Equipment Request for 2014

Staff recommends the approval of this resolution with the striking of Fire Call Fees at this time.

Mayor Rasmussen Jr. opened the Public Hearing.

Mr. Harold Kamrath, 426 Glenn Road, voiced questions regarding the following:

- \$5.00 for Hanger Rental increase should be more
- What cities have a Fire Fee?
- How many fires does the city have in one year's time?

After calling three times, Mayor Rasmussen Jr. closed the Public Hearing.

Motion made by Councilor Schulte V to adopt this resolution with the Fire Fees to be stricken, 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 13-257  
included with these minutes)

### **RESOLUTION 13-258 TRUTH IN TAXATION ESTABLISHING THE TAX LEVY FOR 2014**

City Manager Adams stated that this is the more formal Truth in Taxation component of the Budget for 2014, where the city will receive public comment. In September, 2014, the City Council approved a preliminary levy of \$5,831,370 which included \$4,758,453 for General Fund Operating Levy and \$1,072,917 for Debt Service. Levy recommended for final adoption has no changes and staff recommends approval of the resolution.

Public comments were as follows:

Mr. Harold Kamrath, 326 Glenn Road, stated the following comments:

- General Levy – County pays \$262,000 to the City for the use of the library for county residents. Mr. Kamrath asked how this amount is determined and collected.
- Questions regarding the Book Club, rental of Cd's, etc. Also commented that the City budget should be presented on the Government Channel.
- City should fix the old Vacuum Truck and not purchase new truck for \$400,000.
- County pays for the Library, they should also participate in the Fire and Police Department.
- Public Parking Lot maintenance should be placed in the city budget not just the Downtown Businesses.
- Increase of 6.7% for the Debt Service Levy and what is the reserve fund?
- Budget has no breakdown for salaries, etc.

Motion made by Councilor Anderson to adopt this resolution, seconded by Councilor Schulte V. On roll call vote, the following councilors voted in favor of said motion: Councilors Schulte V, Baker, Olson, Anderson, and Mayor Rasmussen Jr. Councilors Brooks and Marin voted nay. Mayor Rasmussen Jr., declared the motion passed.

(See Secretary's Original Resolution 13-258  
included with these minutes)

**RESOLUTION 13-259 APPROVING ALBERT LEA HOUSING AND REDEVELOPMENT AUTHORITY FINAL PROPERTY TAX LEVY FOR FISCAL YEAR 2014**

City Manager Adams explained that the Housing and Redevelopment Authority requested a special levy for 2014 which is permitted by Minnesota Statutes 469.033, Subdivision 6. The maximum special levy allowed is \$162,928 with \$109,000 recommended by staff and approved as the preliminary levy in September. The attached resolution recommends the \$109,000 special levy for the Housing and Redevelopment Authority. Staff recommends approval of the resolution.

Mr. Harold Kamrath, 326 Glenn Road, had the following questions and comments:

- What will this increase levy be used for?
- Stated that he does not agree with the HRA taking down good buildings and remodeling certain buildings, etc.

Motion made by Councilor Schulte V to adopt this 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 motion passed.

(See Secretary's Original Resolution 13-259  
included with these minutes)

**RESOLUTION 13-260 ADOPTING 2014-2018 CAPITAL IMPROVEMENT PLAN**

City Manager Adams explained that each year, Staff develops a five-year Capital Improvement Plan for the City of Albert Lea. The attached resolution would adopt the proposed 2014 – 2018 Capital Improvement Plan. One of the best approaches to this decision making process is to use long-range planning as a means of identifying needs, available resources and the significance of the impact. The five-year Capital Improvement Plan is a long-range planning tool the City can successfully use in setting priorities for the community's infrastructure improvement. Projects submitted for 2014 total \$13,475,000 and include downtown parking lot improvements, Virginia Place reconstruction, Northwest Water and Sewer Extension, street overlay and reconstruction projects and utility system improvements, to name a few. The final CIP will reflect the Parks and Recreation Department Equipment Request for 2014. Staff recommends approval.

Mr. Harold Kamrath, 326 Glenn Road, had the following questions and comments:

- Inquired if the cost of the Streetscape Project and Fountain Lake Park improvements are included in the current budget or future Debt Service.
- Is the levy for Capital Improvement Plan levy for principal and interest payments?
- What is the current cost for the street lights?

Motion made by Councilor Baker to adopt this resolution to include the park changes as noted by City Manager Adams, 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 13-260  
included with these minutes)

#### **RESOLUTION 13-261 ADOPTING THE 2014 BUDGET AND ESTABLISHING FUND APPROPRIATIONS**

City Manager Adams explained that the proposed 2014 General Fund budget being recommended for approval is \$14,506,748, which is slightly larger than 2013 by \$9,309. The budget includes transfers of \$52,000 to the Airport Fund for operational costs and hangar overhang improvements, \$25,000 to the Broadway Ridge Renewal Grant fund, and \$55,000 to the Solid Waste Management Fund for the acquisition of a compactor. The budget includes an increase in Local Government Aid due to legislative change resulting in \$434,103 more aid. Local Government Aid is received in two payments, July and December. Another legislative change is the sales tax exemption as of January 1, 2014 which is an estimated savings of \$105,962. The 2013 budget used reserves while the 2014 budget is balanced. Staff recommends approval of the resolution.

Motion made by Councilor Schulte V to adopt 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 and Mayor Rasmussen Jr. Councilor Brooks voted nay. Mayor Rasmussen Jr., declared the motion passed.

(See Secretary's Original Resolution 13-261  
included with these minutes)

**ORDINANCE 177,4D AMENDING CHAPTER 74 TO ADD SECTION 74-60 INTERIM USE PERMITS TO CITY CODE (1<sup>ST</sup> READING)**

City Manager Adams explained that the Interim Use Permit (IUP) ordinance provides greater flexibility in allowing for uses that may be appropriate in a particular district but are not specifically mentioned in the zoning ordinance. Currently, any uses not specifically stated as a permitted or conditional use are considered restricted. Interim use permits generally follow a similar process and application requirements as conditional use permits, with the primary difference being that an interim use permit does not run with the land in perpetuity, but follows with the applicant for a specified amount of time. Staff recommends approval of the draft ordinance.

Councilor Baker had questions regarding the Interim Use Permit Fee. City Manager Adams stated that he had misquoted the Interim Use Permit Fee is \$500.00 plus the \$700.00 escrow is listed in the Fee Schedule not \$200.00.

Councilor Baker moved to approve (1st) reading of this ordinance, 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 1st reading of this ordinance passed.

(See Secretary's Original Ordinance 177,4d  
included with these minutes)

**MAYOR & CITY COUNCIL REPORTS**

First Ward, Councilor Schulte V. reported:

- Ward Items- None
- Committee updates-None

Second Ward, Councilor Baker reported:

- Ward Items- None
- Committee updates – Councilor Baker noted that he recently spent 3 days in the hospital and is currently in physical therapy. Mr. Baker thanked everyone for their care and help during recovery.

Third Ward, Councilor Marin reported:

- Ward Items – None
- Committee updates- None

- Congratulated Captain Jim Brickson for the many hours of bell-ringing and in representing Albert Lea and Freeborn County.

Fourth Ward, Councilor Olson reported:

- Ward Items- None
- Committee updates-None
- It was a pleasure to volunteer at the Bell-Ringing event with the Salvation Army

Fifth Ward, Councilor Anderson reported:

- Ward Items-None
- Committee updates-None
- Presented an article from the Minnesota Flyer's Magazine regarding the real value of an airport to a community
- Cautioned residents to be careful on the ice.

Sixth Ward, Councilor Brooks reported:

- Ward Items-None
- Committee updates-.Clean-up items

Mayor Rasmussen Jr. reported the following:

- Albert Lea Port Authority meeting
- Meets regularly with the representative of the owner of North bBridge Mall and stated they are wonderful promoters of the City of Albert Lea.
- One man can make a difference in the community such as Captain Brickson

### **CITY MANAGER REPORT**

- No updates

### **APPROVAL OF CLAIMS**

### **RESOLUTION 13-262 APPROVING 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 #50994 through #51107 in the amount of \$1,172,358.03; 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 13-262  
included with these minutes)

### **ADJOURNMENT**

Councilor Marin moved and Councilor Baker seconded that there being no further business, the council meeting be adjourned at 8:15 p.m., until the next regular meeting of the Albert Lea City Council at 7:00 p.m., on Monday, December 23, 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 9<sup>th</sup> day of December, 2013

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Secretary to the Council