

**REGULAR COUNCIL MEETING  
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA  
November 12 - 7:00 P.M.**

**PRESENT:** Mayor Rich Murray, Councilors Rachel Christensen, Larry Baker, Jason Howland, Robert Rasmussen, Brian Anderson. Also present were City Manager Ian Rigg, Public Works Director Steven Jahnke, City Attorney Bryce Holstad of Lake National Law LLP, and City Clerk Daphney Maras.

**ABSENT:** Councilor Reid Olson

**ADDITIONAL STAFF PRESENT:** Sergeant-at-Arms-Public Safety Director JD Carlson, Finance Director Kristi Brutlag, City Planner Megan Boeck

**CALL TO ORDER AND ROLL CALL** - Mayor Murray called the meeting to order at 7:00 PM. City Clerk Maras administered roll call.

**PLEDGE OF ALLEGIANCE** - Mayor Murray asked all in attendance to stand and recite the Pledge of Allegiance.

**CEREMONIAL ITEMS** –

A. Mayor Murray read aloud a Proclamation Declaring November 30, 2024 as Small Business Saturday

**PUBLIC FORUM** - None

**CONSENT AND APPROVAL OF AGENDA**

- A. Approve Minutes of the October 28, 2024 Regular Council Meeting
- B. Approve Minutes of the October 28, 2024 Work Session
- C. Resolution Approving Application to Conduct Off-Site Gambling – Albert Lea Amateur Hockey Association

Motion made by Councilor Baker to approve the consent agenda as read, seconded by Councilor Anderson. On roll call vote the following councilors voted in favor of said motion: Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-198  
Included with these minutes)

**PETITIONS, REQUESTS AND COMMUNICATIONS** - None

**UNFINISHED BUSINESS** - None

**NEW BUSINESS**

A. Public Hearing on Proposed Assessments for the 2024 Neighborhood Improvement Project

(Job 2401)

Mayor Murray opened the public hearing. He called the first time and David Allen Brackey approached the podium to present his opposition to his street assessment on Fairlane Terrace. He also submitted a written appeal to the City Clerk. Mayor Murray called a second time and Robert Bastian is new to the community and asked why city taxes did not cover street assessments. Mayor Murray called a third time. Samantha Lien spoke of her confusion regarding how the street improvements were done this year and heard that more improvements would be done next year. She asked if she would be assessed twice. No one else spoke. Mayor Murray closed the public hearing.

City Manager Rigg described the assessment policy including the deferment process.

**A1. Resolution 24-199 Adopting Final Assessments for the 2024 Neighborhood Improvement Project (Job 2401)**

This resolution would adopt the final assessments for City Job No. 2401. This project involved overlays, curb & gutter, and water main replacement, in the following locations: Fairlane Terr, Crestview Rd, Spicer Rd, Foothills Blvd, Briarwood Dr, Kent Ave, Levison St, and Columbus Ave. Following the Assessment Policy, the assessments for the overlay area and Spicer Road will be over ten years and over fifteen years for the Hammer Road Reconstruction portion. The interest rate will be 5.71%.

Neighborhood Improvement Overlay and Curb & Gutter Replacement

This portion of the project involved the bituminous overlay of residential streets in the area surrounding Fairlane Terrace. The streets are as follows:

- Fairlane Terrace – Richway Drive to Crestview Road**
- Crestview Road – Fairlane Terrace to Levison Street**
- Spicer Road – Fairlane Terrace to Foothills Boulevard**
- Foothills Boulevard – Fairlane Terrace to Crestview Road**
- Briarwood Drive – Garfield Avenue to Fairlane Terrace**
- Kent Avenue – Fairlane Terrace to Levison Street**
- Levison Street – Garfield Avenue to Crestview Road**
- Columbus Avenue – Hawthorne Street to Crestview 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 matched the level of the concrete gutter. A 2-inch-thick layer of bituminous was laid over the entire width of the street. The project also involved miscellaneous curb & gutter replacement to address drainage problems and to correct severely deteriorated curb.

Bituminous Surface Construction & Watermain Replacement

The project involved replacing the watermain with plastic pipe including the residential services, and installing new curb & gutter and street pavement on Spicer Road from Fairlane Terrace to the cul-de-sac.

Bituminous Surface Reconstruction – Hammer Road East End

The pavement on the dead-end section at the east end of Hammer Road was in poor condition. The existing pavement was removed, the existing aggregate road base was reshaped and recompacted, and a new bituminous surface was installed.

Motion made by Councilor Christensen, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-199  
Included with these minutes)

B. Public Hearing on Proposed Assessments for the 2024 State Aid Street Overlay Project (Job 2402).

Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray closed the public hearing.

**B1. Resolution 24-200 Adopting Final Assessments for the 2024 State Aid Street Overlay Project (Job 2402)**

Rigg said this resolution would adopt the final assessments for City Job No. 2402. This project involved the installation of new curb & gutter, sidewalks and bituminous overlay of Greenwood Drive. Following the Assessment Policy, the assessments will be over ten years with an interest rate of 5.71%. Staff recommends approval.

Work included:

- Relocation of the curb & gutter on the west side of the road to accommodate a new sidewalk
- Installation of new sidewalk along the west side of the road
- Complete replacement of the bituminous surface of approximately 200 feet of road near the Green Lea Lane intersection
- Mill bituminous 2" deep along the edges
- Place a new 2" bituminous overlay over the entire street
- Designate the east side of Greenwood Drive as "No Parking"

Motion made by Councilor Baker, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-200  
Included with these minutes)

C. Public Hearing on Proposed Assessments for the Marshall Street & Sibley Avenue Reconstruction Project (Job 2403).

Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray closed the public hearing.

**C1. Resolution 24-201 Adopting Final Assessments for the Marshall Street & Sibley Avenue Reconstruction Project (Job 2403)**

This resolution would adopt the final assessments for City Job No. 2403, the Marshall Street & Sibley Avenue Reconstruction Project. Work included the complete removal and replacement of the pavement, curb & gutter, sidewalk, sanitary sewer, storm sewer, and watermain. Following the Assessment Policy, the assessments will be over fifteen years with an interest rate of 5.71%.

Motion made by Councilor Anderson, seconded by Councilor Rasmussen. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-201  
Included with these minutes)

D. Public Hearing on Proposed Assessments for the 7th Street & Winter Avenue Reconstruction Project (Job 2404).

Mayor Murray opened the public hearing. Tereasa Alsadi spoke of her opposition regarding the assessment on her deceased mother's property. She explained she has attempted to donate the home at her mother's request to no avail. She submitted a letter appealing the assessment charges. Mayor Murray called a second time. Virgil Loge asked why the assessments are adopted when the job is not complete, as well as how are the assessment charges determined. He also commented on the lack of sod and parking signs that have not yet been replaced. Additionally, he requests a "Children at Play" sign be installed. He submitted an appeal letter to the City Clerk. Mayor Murray called a third time. No one spoke. Mayor Murray closed the public hearing.

To Councilor Anderson's questions, Jahnke explained the sod was not seeded due to the preferred processes on behalf of the contractor. The sod will be completed by next spring. Additionally, Jahnke responded that the reason for waiting to apply the second layer of bituminous material is to ensure proper settling before applying the second layer in the spring. Jahnke confirmed for Councilor Baker that there is a 30-day warranty on the newly placed sod.

**D1. Resolution 24-202 Adopting Final Assessments for the 7th Street & Winter Avenue Reconstruction Project (Job 2404)**

This resolution would adopt the final assessments on November 12, 2024 for City Job No. 2404, the 7<sup>th</sup> Street & Winter Avenue Reconstruction Project. Following the Assessment Policy, the assessments will be over 15 years with an interest rate of 5.71%. Staff recommends approval.

This project involved complete reconstruction of the following streets:

7th Street – SE Broadway Avenue (TH-65) to James Avenue  
Winter Avenue – Fountain Street to Abbott Street

Work included the complete removal and replacement of the pavement, curb & gutter, sidewalk, sanitary sewer, storm sewer, and watermain.

7th Street was narrowed to accommodate a new sidewalk on the north side of the road.

Motion made by Councilor Baker, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-202  
Included with these minutes)

E. Public Hearing on Proposed Assessments for the 2024 Alley Reconstruction Project (Job 2405).

Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray closed the public hearing.

**E1. Resolution 24-203 Adopting Final Assessments for the 2024 Alley Reconstruction Project (Job 2405)**

This resolution would adopt the final assessments for City Job No. 2405, the 2024 Alley Reconstruction Project. This project involved the complete removal and replacement of the concrete alley pavement in the alleys between Elizabeth Avenue and Newton Avenue from Clark Street to College Street. The sanitary sewer manholes within the alleys were repaired and lined. Following the Assessment Policy, the assessments will be over ten years with an interest rate of 5.71%.

Motion made by Councilor Anderson, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-203  
Included with these minutes)

F. Public Hearing on Proposed Assessments for Delinquent Water/Sewer Accounts and Miscellaneous Accounts Receivables.

Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray

closed the public hearing.

**F1. Resolution 24-204 Adopting Final Assessments for Delinquent Water/Sewer Accounts and Miscellaneous Accounts Receivables**

This resolution would adopt the final assessments for delinquent water/sewer accounts and delinquent accounts receivable per the Code of Ordinances. These assessments are payable with terms of one year at 5.71% interest.

Motion made by Councilor Christensen, seconded by Councilor Howland. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-204  
Included with these minutes)

G. Public Hearing Related to Proposed Development Agreement and Business Subsidy to be Granted to Ivy & Karma, Inc. dba Green Acres Milling for Construction of an Oat Mill Processing Facility.

Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray closed the public hearing.

Councilor Baker commented on the positivity of the new business development in the community.

Mayor Murray spoke of his support of this development noting the addition will help grow the city's tax base. He also stated this is a big investment this firm is making in the community while adding jobs and more people while adding this a good agricultural project supporting local farmers.

**G1. Resolution 24-205 Authorizing Execution of a Development Agreement and Approval of Business Subsidy**

Requires the developer to pay \$20,000 The attached Resolution authorizes the City to enter into a Development Agreement with Ivy & Karma, Inc DBA Green Acres Milling to assist with financing for certain costs incurred in connection with the construction of an oat mill processing facility. The City of Albert Lea held a public hearing in regard to the TIF plan in June of this year but because the full terms of the subsidy and subsequent agreement were not completed an additional public hearing has to be held.

City Manager Rigg said the attached agreement outlines:

- A total TIF incentive of \$741,600 payable starting on August 1, 2027
- The creation of 12 jobs within two years at a yearly wage of \$100,000 inclusive of benefits
- Agreement for ALEDA to sell the property at a reduced price of \$300,000 which is a land write down of \$300,000

- Requires the developer to pay \$20,000 in a TIF deposit for costs incurred in the creation of the district

Motion made by Councilor Baker, seconded by Councilor Christensen. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-205  
Included with these minutes)

#### **H. Resolution 24-206 Accepting Bid and Awarding Contract for the Blazing Star Landing NE Corner 6 Acre Site Remediation (Job 2416)**

Engineering and Braun Intertec have reviewed the bids opened Friday, November 1, 2024 for the Blazing Star NE Corner Site Remediation Project. The project involves excavation and disposal of contaminated soil, and import and placement of clean soil throughout the site to prepare the site for building. Engineering received 8 bids, recommending the low bid of \$326,060.00 as submitted by Jensen Excavating & Trucking LLC of Albert Lea, Minnesota. The bid abstract is attached. The Engineer's estimate was \$385,500. This project is partially funded with a DEED grant of approximately \$130,527.00.

Motion made by Councilor Howland, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Resolution 24-206  
Included with these minutes)

#### **I. Ordinance 24-130 Amending Chapter 4 – Alcohol (1<sup>st</sup> Reading)**

The amendments to this ordinance include setting the limit of annual Consumption and Display permits issued as well as the number of off-sale liquor store licenses. The City Manager and City Clerk recommend the number of consumption and display annual permits be limited to a total of two (2) and the number of off-sale liquor licenses be limited to a total of eight (8). Additionally, Article VII. related to Social Hosts and Underage Drinking has been removed from Chapter 4 and added to Chapter 22 – Health.

It has also been noted that an off-sale business that is currently licensed will be permitted to sell to a new owner and continue operating as an off-sale liquor store in the same location.

Councilor Christensen asked staff to reiterate what was explained at the work session regarding how these limitations were determined. City Manager Rigg expounded on previous discussions with council and staff during the recent moratorium related to creating parity in the limit of cannabis businesses and off-sale businesses as well as the commonality in many cities where limits are enforced and consumption and display permits are not allowed. Councilor Christensen relayed that she has had constituents contact her in opposition of setting these limits. She encourages

residents to contact council members and provide input. Council Anderson echoed Christensen's remarks.

Motion made by Councilor Howland, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Ordinance 24-130  
Included with these minutes)

**J. Ordinance 24-131 Amending Chapter 12 – Businesses and Business Regulations (1<sup>st</sup> Reading)**

The changes to Chapter 12, as recommended by the City Clerk, are as follows:

**Article VII. Plumbers** is repealed in its entirety as State licensing laws specifically prohibit local licensing of plumbing contractors and are currently regulated under the City's standard building code.

**Article VIII. Sexually Oriented Businesses (SOB)** include limiting the number to no more than one (1) SOB in City limits. It is also noted that a currently licensed SOB may be sold to another owner and continue operating in the same location. The definition of Adult Entertainment Establishments has also been added.

**Article XII. Tobacco:** The amendments related to tobacco include the definition of a Smoke Shop/Tobacco Store and setting the limit to no more than two (2) of this type of business, while once again, noting that a currently licensed Smoke Shop/Tobacco Store will be permitted to sell the business to a new owner and continue operating in the same location.

**Article XIII. Transient Merchant** applicants will be required to undergo a background check at time of application, and pay the investigation fee as found in the City's annual fee schedule.

**Article XIV. Water Softener and Water Filtering Equipment Installers** is repealed in its entirety. These are currently regulated under the City's standard building code.

Councilor Howland commented that with the legalization of cannabis and more and more people using electronic cigarette devices/vapes, there is opportunity for growth for local businesses and therefore, believes increasing the limit to four (4) Smoke Shop/Tobacco Stores will support these types of businesses. In response to Councilor Anderson's question, Rigg said he will provide the zoning information related to these types of businesses at the next council meeting prior to the second reading on November 25<sup>th</sup>.

Motion made by Councilor Howland to amend the first reading of this ordinance by changing the limit of Smoke Shop/Tobacco Stores to four (4), seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Ordinance 24-131)



Included with these minutes)

**K. Ordinance 24-132 Amending Chapter 22 – Health (1<sup>st</sup> Reading)**

Article VII. related to Social Hosts and Underage Drinking is being removed from Chapter 4 and added to Chapter 22. Additionally, language has been added to include “Cannabis” where alcohol is noted, as well as adding the definition of Cannabis. Approval is recommended.

Motion made by Councilor Baker, seconded by Councilor Rasmussen. On roll call vote, the following councilors voted in favor of said motion: Councilor Christensen, Baker, Howland, Rasmussen, Anderson, and Mayor Murray.

(See Secretary's Original Ordinance 24-132  
Included with these minutes)

**MAYOR AND COUNCIL REPORTS:**

First Ward, Councilor Christensen reported:

- Ward Items – Thanked Ward 1 constituents for re-electing her to serve the next four years. Working on ward items.
- Committee Update – Budget committee continues discussions.

Second Ward, Councilor Baker reported:

- Ward Items – None
- Committee Update – Attended ALEDA meeting last week and a special ALEDA meeting this morning. Also attended a special HRA meeting at 5:30 today to approve a resolution for \$2M plus in grant money to be used toward the façade project.

Third Ward, Councilor Howland reported:

- Ward Items – Appreciated city staff following up on his ward items. Thanked all Veterans for their service to our country
- Committee Update – None

Fourth Ward, Councilor Olson reported: ABSENT

- Ward Items –
- Committee Update –

Fifth Ward, Councilor Rasmussen reported:

- Ward Items – None
- Committee Update – None

Sixth Ward, Councilor Anderson reported:

- Ward Items – Working on a couple of ward items.
- Committee Update – Commented on the successful Halloween event downtown.

**MAYOR REPORT:** Extended condolences to Councilor Olson and his family on the loss of his brother-in-law.

Attended the following:

- Chamber of Commerce Annual meeting
- ALEDA Board Meeting and Special Meeting
- Green Energy
- Farmers at Edgewater Pavilion regarding the new Oat Mill Development
- American Legion Veteran Day get together
- Chamber of Commerce round table
- YMCA Youth and Government program

Mentioned the upcoming events and said the events are also listed on the City's website.

**CITY MANAGER REPORT:**

- Staff has been working on preparation for the Council Retreat scheduled tomorrow evening
- Continues working on the budget
- Will present at the Chamber's Leadership Program next week
- Preparing for Lobbying

**APPROVAL OF CLAIMS**

**A. Resolution 24-207 Approving Claims**

**(1). Presentation of Claims Over \$25,000**

The attached resolution directs the Mayor and City Treasurer to issue the payment of claims as presented in the Detail of Claims report. In addition, Maras displayed a list of claims over \$25,000 for the public's viewing, transparency and education.

Motion made by Councilor Anderson to approve the claims, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Christensen, Baker, Howland, S. Rasmussen, R. Rasmussen, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-207  
Included with these minutes)

Councilor Howland motioned for adjournment; Councilor Anderson seconded. 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, November 25, 2024. On roll call vote, all councilors voted in favor of said motion.

Mayor Murray declared the motion passed and the meeting adjourned.

**ADJOURNMENT: 8:17 P.M.**

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Mayor Rich Murray

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Daphney Maras  
Secretary of the Council