

On Thursday, December 22, 2011 a special meeting of the Albert Lea City Council was called to order at 5:30 p.m. in the City Center Council Chambers by Mayor Vern Rasmussen, Jr.

PRESENT: Mayor Rasmussen, Jr., Councilors Schulte V (arrived at 6:40 p.m.) Baker, Kehr, Olson, Anderson and Brooks; City Manager Chad Adams, City Clerk Shirley Slater-Schulte, City Engineer Steven Jahnke, City Attorney Lee Bjorndal and Representative from the Albert Lea Tribune.

CONSENT & APPROVAL OF AGENDA

- A. Approve Minutes of the December 12, 2011 Regular Council Meeting
- B. Approve Minutes of the December 8, 2011 Work Session
- C. Licenses and Permits (See attached list)
- D. Resolution 11-205 Approving Non-Union Employees Salaries for 2012
- E. Resolution 11-206 Approving Labor Agreement with Minnesota Public Employees Association Representing Police Officers
- F. Resolution 11-207 Approving Contract with AFSCME Local 1018
- G. Approve Amendment to Snow Removal Policy
- H. Resolution 11-208 Establishing the Blue Zones Walkway and Authorizing Licensing Agreement
- I. Resolution 11-209 Authorizing Agreement with Clarks Grove for Inspections
- J. Resolution 11-210 Authorizing Use of Tax Increment Financing Receipts

MOTION: Move to accept the agenda as presented.

Motion made by Councilor Kehr, seconded by Councilor Brooks. 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. Councilor Schulte V was absent.

PETITIONS-REQUESTS-COMMUNICATIONS

UNFINISHED BUSINESS

NEW BUSINESS

RESOLUTION 11-211 AUTHORIZING AGREEMENT WITH RANDALL CIRKSENA, 324 EAST WILLIAM STREET

City Manager Adams explained that Mr. Randall Cirksena owns a building at 324 William Street East. He received special permission from the City to place his building as it is set on the parcel. Due to that, he has agreed to pay any city costs associated with removing concrete to install a curb, widen the street or work on utilities of any kind within the right of way in front of the structure. Mr. Cirksena has signed an

Agreement which would be recorded at the office of the Freeborn County Recorder. Staff recommends entering into the Agreement.

Councilor Anderson moved the adoption of this resolution, 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. Councilor Schulte V was absent.

(See Secretary's Original Resolution 11-211
included with these minutes)

PUBLIC HEARING AND RESOLUTION 11-212 APPROVING 2012 WATER AND SEWER RATES

City Engineer Jahnke explained that in 2009 the City of Albert Lea hired TKDA to perform a rate study and the new rate structure was put into place in January of 2010. Because the new fixed rates for 3", 4" and 6" meters increased significantly over the previous rate structure, it was proposed that the rates be increased 50% in 2010, 25% in 2011, and the final 25% in 2012. This involved both fixed water and fixed sewer charges. The proposed rates for 2012 are consistent with the study:

Sanitary Sewer Rates: There is no proposed rate increase with the exception of the 3", 4", and 6" meters. These large meters will have a 25% fixed charge increase as proposed in 2009. These rates now fully reflect the rate structure.

Water Rates: The water fund fixed charges will increase approximately 2.35 percent and approximately 3% for variable charges. The 3", 4", and 6" meter size will have approximately a 25% fixed charge increase as proposed in 2009. These rates now fully reflect the rate structure.

The attached resolution would approve the 2012 Water and Sewer rates. Staff recommends approval.

Councilor Schulte V arrived at 6:40 p.m.

Mayor Rasmussen Jr. opened the public hearing.

Letter from Dan Dorman, Albert Lea Economic Development Agency was received and noted in the minutes stating concerns about the proposed water rate structure for 2012.

Mr. Harold Kamrath, 326 Glenn Road,

- Questions regarding the increase of water and the difference between residential and commercial.
- The city could save money by shutting down part of the Waste Water Treatment Plant.
- How many seniors do not pay for water based on income?

- Questions regarding the number of sewer system inspections that were completed and the repair of Lincoln Avenue.

Mayor Rasmussen Jr. called three times and then closed the public hearing.

Councilors had discussion regarding the proposed rates as follows:

- The rates must be increased due to the projects that are needed within our community.
- The large businesses have had three years to adapt to the rates, as they were reduced 25% for three years, and could they support a 10% increase.
- The Enterprise Funds must be paid for and the city will have to raise the revenue within these funds to get the funding in place and that is why the city hired the firm to complete the study and provide a plan for all users.
- City has a lot of food processing/wet businesses and they are large users of the water and sewer; it comes down to job security and keeping the businesses in our community.
- The city needs to maintain the full revenue that this study recommended so that the systems are sustainable for the future.

Mayor Rasmussen Jr. stated that the entire city would see substantial increases if we should lose one of our users. Businesses would like to see a consistent plan. Mandated items from the State of Minnesota are causing problems for the city.

City Staff was directed to meet with the large industrial users to discuss a proposed 10% increase for water and sewer rates.

MOTION: I will move to approve the rates as proposed, with the following declining block structure to go up 5% and the balance of the loss of revenue to be redistributed to the lower block and residential.

Motion made by Councilor Schulte V, seconded by Councilor Kehr. On roll call vote, the following councilors voted in favor of said motion: Councilor Schulte V and Mayor Rasmussen Jr. Those voting against this motion were Councilors Baker, Kehr, Olson, Anderson and Brooks. Mayor Rasmussen Jr. declared the motion failed.

MOTION: I will move to approve the resolution accepting the proposed rate structure other than the 30% on the upper two blocks.

Councilor Brooks moved the adoption of this resolution, 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 11-212
included with these minutes)

PUBLIC HEARING AND RESOLUTION 11-213 APPROVING 2011 POLICE & FIRE PENSION INTEREST EARNINGS

City Manager Adams explained that a public hearing is being held to receive input regarding the proposed allocations of police and fire pension interest earnings for 2011. Interest earnings totaled approximately \$400,000 in 2011 from investments of the approximate ten million dollars in principal funds. In past years, investments on this fund were paying approximately 5-6%, but earned less in 2011 due to the market. The attached resolution allocates the interest earnings to be applied to general police and fire expenditures. Staff recommends approval.

Mayor Rasmussen Jr. opened the public hearing.

Mr. Harold Kamrath, 326 Glenn Road, suggested that \$47,000 in Parking Maintenance Fees be paid for with these funds.

Mayor Rasmussen Jr. called three times and then closed the public hearing.

Councilor Brooks moved the adoption of this resolution, 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 11-213
included with these minutes)

MAYOR & CITY COUNCIL REPORTS

First Ward, Councilor Schulte V reported:

- Committee Updates
- No Ward Items

Second Ward, Councilor Baker reported:

- Committee updates
- No Ward Items
- Thank you to the Police Department for the emergency service provided for his relative
- Merry Christmas to all

Third Ward, Councilor Kehr reported:

- Committee Updates

- No Ward Items
- Merry Christmas to everyone

Fourth Ward, Councilor Olson reported:

- No Committee Updates
- No Ward Items
- Happy New Year to everyone

Fifth Ward, Councilor Anderson reported:

- No Committee updates
- No Ward Items
- Merry Christmas and enjoy your loves ones

Sixth Ward, Councilor Brooks reported:

- No Committee updates
- No Ward Items
- Merry Christmas to everyone

Mayor Rasmussen Jr. reported:

- Invitation to the public to join the Task Force to review services provided by Freeborn County Senior Resources and the Senior Center
- Merry Christmas and Happy New Year to everyone, Thank you to City Staff

CITY MANAGER'S REPORT:

City Manager Adams reported on the following:

- First reading of the Special Events Ordinance will be January 9, 2012
- Stakeholders meeting regarding the Special Events Ordinance will be held on January 4, 2012; most Special Events will be approved by administration vs. council approval.
- Fee Schedule may include user fees for Special Events; there may be questions and concerns regarding the services which government may provide – relax fees or have no fees.
- Fire Services Delivery review – Received nine RFP's for this request and will be reviewing those in the next couple of weeks with the Fire Committee to narrow down a few for interviews. This matter will be on the January 9th or 23rd Council agenda for action.
- Merry Christmas and Happy Holidays.

RESOLUTION 11-214 APPROVAL OF CLAIMS

Councilor Anderson moved that the resolution be approved for payment of claims in the amount of \$377,067.35, 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 11-214
included with these minutes)

ADJOURNMENT

Councilor Olson moved and Councilor Anderson seconded that there being no further business, the council meeting be adjourned at 6:47 p.m., until the next regular meeting of the Albert Lea City Council at 7:00 p.m. on Monday, January 9, 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 December 23, 2011

Secretary to the Council