

**REGULAR COUNCIL MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA
March 9, 2026 – 7:00 P.M.**

PRESENT: Mayor Rich Murray, Councilors Rachel Christensen, Larry Baker, Reid Olson, Keith Van Beek, Brian Anderson, City Manager Ian Rigg, Public Works Director Steven Jahnke, City Attorney Joel Holstad of Lakes National Law LLP, and City Clerk Daphney Maras.

Councilor Ted Herman attended via Zoom

ADDITIONAL STAFF PRESENT: Chief of Police Darren Hanson, Planning/Zoning Official Wayne Sorensen.

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

Commendation Awards presented to Sergeant Alex Kunkel and Officer Josh Knudtson

Police Chief Hanson commended Sergeant Kunkel and Officer Knudtson for their superior performance on January 22, 2026 in response to an Amber Alert, which resulted in the safe recovery of a missing child and the apprehension of the suspect. He also acknowledged the valuable assistance provided by City of Albert Lea Sergeant Sy Vanthavong and Officer Greg Calbick, as well as Deputy Jarvis Burgett of the Sheriff's Department.

PUBLIC FORUM

Jerry Collins, an Albert Lea business owner, addressed the Council, urging the Council to adopt a resolution requesting that the State of Minnesota restore the municipal share of cannabis tax revenue. He stated that if local governments are responsible for regulating the industry and addressing its impacts, they should receive a share of the revenue it generates.

CONSENT AND APPROVAL OF AGENDA

- A. Approve Minutes of the February 23, 2026 Regular Council Meeting
- B. Approve Minutes of the February 23, 2026 Work Session
- C. License & Permits
- D. Resolution Approving Plans and Ordering Bids for the 2026 Neighborhood Improvement Project (Job 2601)
- E. Resolution Approving Plans and Ordering Bids for the 2026 State Aid Street Overlay Project (Job 2602)
- F. Resolution Approving Plans and Ordering Bids for the St. Mary Avenue & 14th Street

Reconstruction Project (Job 2603)

- G. Resolution Acknowledging Bids for the Eberhart Street Utility & Street Improvements for the Albert Lea Family Housing Project (Tapestry Project)
- H. Resolution Approving Application to the Minnesota Public Facilities Authority Clean Water Revolving Fund

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, Herman, Olson, Van Beek, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 26-044 through 26-048
(Included with these minutes)

PETITIONS, REQUESTS, AND COMMUNICATIONS - None

UNFINISHED BUSINESS - None

NEW BUSINESS

A. Resolution 26-049 Approving the Strategic Plan for the Albert Lea Public Library

The Albert Lea Public Library underwent a strategic planning process in 2025 to develop a strategic plan to guide library services that meet the needs of the community for the next three years. Facilitated by SELCO, our regional library system, the process included a public survey, a staff workshop, and a stakeholder workshop. In addition, feedback from the Library Advisory Board, informal feedback from the community, and data from SELCO's Community Needs Assessment, which was conducted in 2022, were taken into consideration when developing the plan. The result is the included three-year strategic plan for the Albert Lea Public Library for 2026-2028. The plan was approved by the Library Advisory Board at the November 19, 2025, meeting.

Library Director Annice Sevett provided a summary of the strategic planning process and outcomes with the slide presentation previously shown at the work session.

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

(See Secretary's Original Resolution 26-049
(Included with these minutes)

B. Ordinance 26-153 Amending Section 50.0052 Conditional Uses (1st Reading)

Attached is an ordinance amending the expiration of conditional use permits. Currently, conditional use permits expire if construction hasn't started within 12 months of city council approval. This has become problematic in a post-COVID construction era where the industry is

plagued by persistent labor shortages, higher costs, and supply chain disruptions. All of which leads to hesitant developers and project delays.

In order to streamline conditional use permits that may be delayed for any of the above-mentioned reasons, staff has proposed to amend the conditional use permit ordinance to allow an extension after the 12-month timeframe, provided that all aspects of the original conditional use permit remain the same.

The Planning Commission held a public hearing on March 3, 2026 in regard to this amendment and recommends approval.

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

(See Secretary's Original Ordinance 26-153
(Included with these minutes)

C. Resolution 26-050 Approving Broadway Ridge Grant at 216 S. Broadway

John and Adeline Rust submitted a Broadway Ridge Renewal Grant for reimbursement up to 50% of the costs associated with a complete roof replacement at 216 S Broadway. The total improvement cost is \$26,850, which will provide a matching grant of \$13,425.00. All improvements have been completed and reviewed by the City's Zoning and Building Official for compliance with application requirements.

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

(See Secretary's Original Resolution 26-050
(Included with these minutes)

D. Resolution 26-051 Approving Final Plat of Lutheran Third Subdivision

The Planning Commission held a public hearing on March 3, 2026 to review the Plat of Lutheran Third Subdivision for compliance with Chapter 38 Subdivisions.

The purpose of the plat is to subdivide or separate Knutson Place from Saint John's so that both properties are situated on two separate parcels.

The proposed plat also designates a 20ft wide utility easement on the North side of the Saint John's lot to accommodate existing utilities and to ensure utilities can be accessed between two roadways (Luther Place and State Highway No. 13) and accommodate any future watermain looping.

The Final Plat of Lutheran Third Subdivision meets all the requirements of Chapter 38-Subdivisions, and the Planning Commission recommends approval.

City Manager Rigg explained that during the Planning Commission's public hearing, concerns were raised about whether the subdivision could lead to changes in property ownership. He clarified that an existing easement and an ordinance in place require any such change to be approved by both property owners.

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

(See Secretary's Original Resolution 26-051
(Included with these minutes)

E. Resolution 26-052 Approving Land Surveyor's Certificate of Plat Correction – Blazing Star No. 2

The plat of Blazing Star No. 2 prepared by Steven J. Thompson, a licensed land surveyor, contained errors, omissions or defects. The attached resolution corrects those errors as described in Exhibit A and Exhibit B.

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

(See Secretary's Original Resolution 26-052
(Included with these minutes)

F. Resolution 26-053 Authorizing City Manager to Dispose of Property Through Request for Proposal

The City has acquired some property in the last year or was not presented to Council as an option to dispose last year. Given there is interest in City properties for redevelopment, it is recommended that the Council open up more parcels and continue its incentives for development.

This resolution allows the manager to seek proposals and negotiate the disposal and/or redevelopment of the listed properties. This resolution also authorizes the continuation of the previous action of offering \$5,000 for new housing development and the \$5,000 for new utility connection costs.

The new items in this resolution, compared to what was approved in spring of 2025 is first add a rebate of up to \$20,000 for demolition costs. This can reduce the time in which a lot sits empty, and the builder can align their demolition with their site work or foundation work. Furthermore, we can now be approached by a developer looking to buy land without City intervention, yet still have

the same impact and cost without City ownership. Last, this states this effort and spending is not a grant or right, rather a temporary incentive negotiated and approved on a case-by-case basis through a development agreement.

Creating a new grant process for housing should be looked at holistically with other incentives for housing, considering if the City has received certain state grants and the expiration of tax abatement policies on December 31, 2026.

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

(See Secretary's Original Resolution 26-053
(Included with these minutes)

G. Resolution 26-054 Authorizing Staff to Accept Donation of Property - 819 Garfield Ave.

The owner of the property at 819 Garfield Ave. has told City staff that he intends to give the property to the City. This property will be marketed for redevelopment first, with a reimbursement for demolition of the structure if authorized in the previous resolution. Otherwise, staff will seek competitive quotes for demolition and level the lot.

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

(See Secretary's Original Resolution 26-054
(Included with these minutes)

H(1) Resolution Accepting Bid, Awarding Contract and Approving Change Orders for Upper and Lower Remodeling of the City Center Building

City Manager Rigg explained that, following the previous council meeting, he was asked to bring the item back with additional options for consideration. He then presented all four options in detail before the council proceeded to vote.

To Councilor Baker's question, Rigg clarified that option #1 would have open space on the upper and lower levels, while option #2 would only open up the lower level.

Councilor Christensen noted that the options were being presented so soon after the previous meeting's vote because the bid is nearing expiration. She asked whether an extension had been considered. Rigg stated that he could request one if the council believed it would assist their deliberations, though it was unlikely to be granted. Building/Zoning Official Sorensen agreed, adding that this bid was the lowest one received.

Councilor Baker noted that one of his constituents expressed support for the project, provided the council secures the best possible bid. He added that he recognizes taxes are increasing for everyone and wants residents to know that the council is committed to acting in their best interest.

This resolution reduces the award amount and budget from \$1,932,600 to \$1,541,150. Of the \$1,541,150, there is about \$865,000 in eventual costs through upkeep and replacement within the building. This is the budget moving forward, leaving about \$45,000 in eventual CIP starting in 2027, as it is not included in this project. Total cost is \$1,586,150 over the next 5 years, with 97% completed in 2026.

Reductions include:

- South-Facing Windows
- 2nd ADA Ramp
- 2nd Public Meeting Space on the lower level
- Reduced Contingency
- Removal of Wellness and Break room on upper level
- Mid-Level pole and hose tower hole “fill in”.
- Reuse of existing cameras instead of full replacement
- Furniture reduction as a result of some reuse and no public meeting room on lower level.

Assuming Options 2 will have \$250,000 in bonding while Options 3 and 4 will trigger approximately \$20K increase in levy due to Fund 406 depletion, roughly this project costs \$7,000 more annually in levy than all three. This project also brings forward the greatest operational savings compared to Options 2 - 4.

This resolution also amends the Capital Improvement Plan by removing \$535,000 in the 2026 budget and leaves room to process an estimated \$45,000 in future costs over the next 4 years through the 2027 Budget process.

Councilor Anderson moved to approve option H(1); however, the motion failed for lack of a second. Mayor Murray declared the resolution failed.

(See Secretary's Original Resolution FAILED
(Included with these minutes)

H(2) Resolution Accepting Bid, Awarding Contract and Approving Change Orders for Lower Remodeling of the City Center Building; Amending 2026-2030 Capital Improvement Plan

This resolution reduces the award amount and budget from \$1,201,600 to \$886,500. With this approval, there is an immediate change to the 2026 CIP of \$111,750 and eventual costs through upkeep and replacement within the building, totaling \$355,000 more. Total cost is \$1,353,250 over the next 5 years, with 74% completed in 2026.

Reductions include:

- South-Facing Windows
- 2nd ADA Ramp
- 2nd Public Meeting Space on the lower level
- Reduced Contingency
- Reuse of existing cameras instead of full replacement
- Furniture reduction as a result of no public meeting room on lower level.

Assuming Options 2 will have \$250,000 in bonding while Options 3 and 4 will trigger approximately \$20K increase in levy due to Fund 406 depletion, roughly this project costs \$7,000 less than Option 1 or the same as Options 3 and 4 annually. This project alleviates staff crowding in the lower level and adds some minor security upgrades at the same annual cost of doing basic upkeep in Options 3 and 4.

Motion made by Councilor Baker to accept option H(2), seconded by Councilor Olson.

Councilor Christensen stated that she is very torn on the decision. She noted that the public entrusts the council to evaluate all available information and acknowledged that Option H(1) is the most cost-effective plan for managing City Hall. She also recognized that the community remains uneasy following last year's significant tax increases, as well as concerns about the national economy and global events.

Councilor Christensen emphasized that the City Manager and Mayor provide strong leadership and that the city is in a solid financial position. She stated that, because she believes certain components of the project are necessary, she will support Option H(2). Although it is not the most cost-effective option, she said it reflects the preference expressed by the public.

In response to Councilor Anderson's request, City Manager Rigg reviewed the expense figures associated with Option H(2). He noted that although Option H(2) does not provide the same financial advantages as Option H(1), it would improve functionality and efficiency by reducing staff crowding.

Councilor Van Beek stated that he has voted against this remodel in the past and will not support this resolution. He reported touring the lower floor last week and believes it is most prudent to utilize the existing space in that area. He reiterated his position that government employees are most effective when working in the office. He also noted that he has not received any positive comments from the public in support of a remodel.

Councilor Herman also reported he has not received any positive comments and his constituents thanked him for voting against the remodel in the past.

Rigg responded to Van Beek and Christensen's comments about potentially waiting to see whether the library expansion moves forward and coordinating portions of the City Hall remodel with that project. He said that if the Council chooses that approach, he recommends skipping

options H(1), H(2), and H(3) and proceeding directly to option H(4), which focuses on minimal repairs.

Mayor Murray explained that he has gone back and forth on the remodel project. He shared that he spoke with hundreds of residents over the weekend, and not one expressed support for moving forward. He emphasized that regardless of how the project is financed, it will still have an impact on taxes, and there is no simple solution.

He stated that if the motion passes, the community can count on him to closely monitor the finances, work with the City Manager, and ensure that no money is spent beyond what is necessary, just as is done every day. If the motion does not pass, he said the council and staff will need to return to the drawing board to determine what repairs are essential and how to address them. He supports doing something with the lower level to alleviate the crowded workspace.

Councilor Christensen asked for clarification on which option best aligns with the council's comments this evening. Rigg explained that if the long-term plan is to return later for a full remodel, Option H(3) would be a poor investment because it requires repairs that would later need to be undone. Option H(4) is minimal and does not include any remodeling. Option H(1) remains the most cost-effective choice, despite public concerns about a potentially large tax impact. Option H(2) offers significant operational improvements, but without the same level of cost savings.

The following councilors voted in favor of said motion: Baker, Olson, and Christensen. And the following voted nay: Councilors Christensen, Herman, Van Beek, Anderson, and Mayor Murray. Mayor Murray declared the motion failed.

(See Secretary's Original Resolution FAILED
(Included with these minutes)

H(3) Resolution Amending 2026-2030 Capital Improvement Plan

This project is removing the City Center Renovation Project from the 2026 CIP and changing it to piecemeal, more immediate needs without improvements to the structure or the electrical system. The total 5-year cost is estimated at \$865,000, with \$483,750 in 2026 and the rest over the next 4 years. The advantage of this Option over Option 4 is the operational costs and logistics of moving the lower-level office once instead of multiple times.

No motion was made to support this resolution. Mayor Murray declared the resolution failed due to a lack of a motion.

(See Secretary's Original Resolution FAILED
(Included with these minutes)

H(4) Resolution 26-055 Amending 2026-2030 Capital Improvement Plan for Limited Preservation and Security

This project is the same eventual cost as Option 3 over 5 years, only spending \$206,750 in 2026 and adding unknown costs of multiple office rearrangements and moves.

City Manager Rigg requested authorization to at least proceed with Option H(4) that includes replacing certain door locks and installing additional security monitors.

Councilor Anderson said he feels this is kicking the can down the road and believes there will be looming problems on the horizon, and repairs will hit the levy hard in the future.

Motion made by Councilor Olson to approve the City Manager's request with Option H(4) for \$166,750. Seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen, Baker, Herman, Olson, Van Beek, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 26-055
(Included with these minutes)

MAYOR AND COUNCIL REPORTS

First Ward, Councilor Christensen reported:

- Ward Items – None
- Committee Update – Attended the Planning Commission meeting last week regarding the Lutheran Place Condos. The Senior Center Advisory Board is planning an upcoming Health Fair on March 26th. The Blue Zones is staying active, and the YMCA has opened its walking track to the public during lunch hour. Age Friendly Freeborn County will be presenting a program on March 19th at the Fire Station, titled "Preventing Fraud and Scams." The Budget Committee has started the budget meetings.

Second Ward, Councilor Baker reported:

- Ward Items – None
- Committee Update – He said regarding the HRA Duplex project. He said the core drilling has been completed and expects a complete report next week.

Third Ward, Councilor Herman reported:

- Ward Items – None
- Committee Update – None

Fourth Ward, Councilor Olson reported:

- Ward Items – None
- Committee Update – Reported that as a continuation of the dead deer he spoke of at the last council meeting was caused by over eating and not related to Chronic Wasting disease.

Fifth Ward, Councilor Van Beek reported:

- Ward Items – Staff has assisted him with his ward items.

- Committee Update – Will be attending the Human Rights Commission meeting on Thursday.

Sixth Ward, Councilor Anderson reported:

- Ward Items – None
- Committee Update – Attended the Budget Meeting, where they focused on the CIP. Attended the HRA Board meeting and was disappointed that the study revealed the two homes could not be built on the empty lots as planned.

MAYOR REPORT:

Reported the following and provided details of each:

- Toured the home that Robert Modderman built and is ready to put on the market for sale. The lot is one that the city sold him for \$5000, and he made good use of it.
- Visited Green Acres-Old Mill for a tour. He reported he was very impressed with the progress
- Attended the Historical Society fundraiser at the Moose Lodge. He commended the Moose Lodge for always being willing to support the community
- Attended the High School Choir Concert
- On March 3rd met with DRC and Vortex and discussed ways to utilize energy
- Attended the AL Boys Basketball tournament
- Attended the Orrie Jirele Fundraiser
- Attended the AL High School Inspirational Wall Tribute
- Gave a shout-out to the ALHS Robotics team who participated in the State tournament and to Mock Trial
- 2026 MMBL E-Sports State Tournament
- Congratulated Landon Utke of Albert Lea for making the US Paralympic Sled Hockey Team

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

CITY MANAGER REPORT

- Will be attending Legislative Day at the Capitol on Wednesday, along with Councilors Christensen, Baker, and Anderson. They will primarily be discussing key items such as the WWTP and the Sales Tax.
- Supports the public comment made earlier regarding restoring the cannabis tax to local government.
- Submitted a request for \$5 million to Finseth's office for the WWTP facility
- Met with the Budget committee
- He and the Human Resource Director has finalized some personnel policy items
- Will be working on some arrangements at City Hall regarding cubicles.

APPROVAL OF CLAIMS

A. Resolution 26-056 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 Baker to approve as read, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen, Baker, Herman, Olson, Van Beek, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Ordinance 26-056
(Included with these minutes)

Councilor Christensen motioned for adjournment; Councilor Van Beek seconded. That there being no further business, the Council meeting adjourns until the next regular meeting of the Albert Lea City Council at 7:00 p.m. on Monday, March 23, 2026. On a voice call vote, all councilors voted in favor of said motion.

Mayor Murray declared the motion passed, and the meeting adjourned.

ADJOURNMENT: 8:45 PM

Mayor Rich Murray

Daphney Maras
Secretary of the Council