

Pursuant to due call and notice thereof a regular meeting of the Council in and for the City of Albany, Stearns County, Minnesota, was called to order by Mayor Daron Gersch at 6:30 o'clock in the evening on Wednesday, August 20, 2014, in the Council Room at 400 Railroad Avenue for the said City.

Other Council members present were: Councilors Laurie Dingmann, Tom Kasner, John R. Harlander, and John Greer. None were absent. Also present were: Tom Schneider, Clerk/Adm., Joe Mergen, Public Works Supervisor, Ozzie Carbajal, Police Chief, Jeremy Mathiasen, City Engineer with Stantec, Inc., and Mike Kosik, Staff Writer, Albany Enterprise.

After due discussion, a motion was made by John Greer and seconded by Tom Kasner to authorize electronic payments, transfers, and the payment of the following bills: Check Numbers 64611 to 64648. All voted for the motion and it carried. The complete check register is on file at the office of the City Clerk/Adm. for public inspection during regular office hours.

Mayor Daron Gersch called for any corrections or additions to the minutes of the regular Council meeting held on August 6th and hearing none declared them approved.

John Hoefs, Administrator & C.E.O., Mother of Mercy Campus of Care, Dean McDevitt, Administrator & Assistant C.E.O., Mother of Mercy Campus of Care, Mark Knapp, President of the Board of Directors for Mother of Mercy Campus of Care, Fr. Cletus Connors OSB, Seven Dolors Catholic Church, Richard Schiller, resident Mother of Mercy Campus of Care, Mike Trossen, Architect, Trossen, Wright, Plutowski, Architects, Minneapolis, MN, and Traci Ryan, the City's Tax Increment Finance Consultant with the firm of David Drown Associates.

Pursuant to due notice, at 6:33 PM, Mayor Daron Gersch called the public hearing into session for the proposed modification No. 2 of Tax Increment Financing (TIF) District No. 14 and the proposed adoption of the modified Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes 469.174 through 469.1794, inclusive, as amended (the "Act"). Ms. Ryan informed the Council that the primary purpose of the aforesaid modification No. 2 is to add one additional parcel and expand the budget to allow for the provision of assistance to Mother of Mercy Development (MOM-D), LLC. Ms. Ryan noted that MOM-D is proposing to demolish a substandard structure on a newly subdivided parcel of property on their campus which was formerly a convent and construct a two-story walkout style building that would include 24 assisted living units and the lower level a child day-care center with project costs estimated to be \$3.45 million; whereas the tax increments are proposed to write down demolition and site improvement expenses. Mr. Hoefs informed the Council that an application has been submitted to the United States Department of Agriculture (USDA) for partial financing for the project and if approved, construction is expected to start thereafter. Ms. Ryan noted that the City's Economic Development Authority (EDA) held a meeting on August 7th to discuss MOM-D's request; whereby the Board recommended approving modification No. 2 of Tax Increment Financing Plan for Tax Increment Financing District No. 1-14 and twelve (12) to fifteen (15) years of pay-as-you-go TIF. Ms. Ryan informed the Council that after further discussion with Mr. Hoefs about project details, twelve (12) years of pay-as-you-go TIF would be acceptable and project details to be outlined in a development agreement. Mayor Daron Gersch closed the public hearing at 6:40 PM. After due discussion and upon the recommendation by the EDA, a motion was made by Tom Kasner who introduced the following Resolution and moved its adoption:

RESOLUTION 2014-20
APPROVING MODIFICATION NO. 2 OF TAX INCREMENT FINANCING
DISTRICT NO. 1-14
AND ADOPTION OF A MODIFIED TAX INCREMENT FINANCING PLAN RELATING
THERETO

The motion for the foregoing Resolution was seconded by Laurie Dingmann and after a full discussion thereon and upon a vote being taken thereon, the following voted in favor thereof: Mayor Daron Gersch, Councilors Tom Kasner, John R. Harlander, John Greer and Laurie Dingmann, and none voted

against the same whereupon the said Resolution was declared duly passed and adopted. The full text of the said Resolution is on file at the office of the City Clerk/Administrator for public inspection during regular office hours.

The Council took notice of a letter prepared by Ms. Ryan that outlined the general structure for project assistance to Mother of Mercy Development (MOM-D) for the construction of a two-story walkout style building that would include 24 assisted living units and the lower level a child day-care center. Ms. Ryan noted that if acceptable, the information can be forwarded to the City Attorney for preparation of a development agreement between the City and MOM-D. After due discussion, a motion was made by John Greer and seconded by John R. Harlander to direct the City Attorney to draft a development agreement. All voted for the motion and it carried.

The Council also took notice of a proposed administrative amendment to the City's criteria for business subsidies. Ms. Ryan informed the Council that the original criteria was approved by the City in the year 2000 and the only change to the criteria is that the specific minimum hourly wage be removed and replaced with a general statement that businesses pay at least the State minimum wages as adjusted periodically. After due discussion, and upon the recommendation of the EDA, a motion was made by Tom Kasner who introduced the following Resolution and moved its adoption:

RESOLUTION 2014-21
APPROVING THE ADMINISTRATIVE AMENDMENT TO
BUSINESS SUBSIDY CRITERIA TO UPDATE THE
WAGE FLOOR FOR BUSINESS SUBSIDIES

The motion for the foregoing Resolution was seconded by John R. Harlander and after a full discussion thereon and upon a vote being taken thereon, the following voted in favor thereof: Mayor Daron Gersch, Councilors John R. Harlander, Tom Kasner, John Greer and Laurie Dingmann and none voted against the same whereupon the said Resolution was declared duly passed and adopted. The full text of the said Resolution is on file at the office of the City Clerk/Administrator for public inspection during regular office hours.

Ms. Ryan presented to the Council a proposed draft Revolving Loan Fund Policy replacing an older (1999) policy. Ms. Ryan noted that the most notable change is that the fund provides for three different levels/types of loan funding as follows: 1) Large loans for larger/manufacturing/higher wage paying projects; 2) Small loans for business startup or commercial projects; and, 3) Commercial Rehabilitation or storefront projects. Mr. Schneider informed the Council that there is nearly \$125,000 in the City's Revolving Loan Fund. Mayor Daron Gersch questioned how hourly wage requirements affect each level of loan programs. Councilor John R. Harlander noted that requests for the commercial rehabilitation projects should be limited each year and only considered depending on the fund balance of the revolving loan fund. Mr. Schneider recommended that the EDA Board after review of each application for commercial rehabilitation projects and small loans less than \$10,000, the EDA Board act as the final decision, but for all others the final decision to be made by the City Council. After due discussion and upon the recommendation from the EDA, a motion was made by Mayor Daron Gersch and seconded by John R. Harlander to approve the 2014 Revolving Loan Fund Policy with the noted changes to the text and to authorize Ms. Ryan to draft the final text of the said Policy. Voting for the motion were Mayor Daron Gersch, Councilors Laurie Dingmann, Tom Kasner and John R. Harlander. Councilor John Greer voted against and the motion carried.

Ms. Ryan appeared before the Board to provide a brief review and summary of the City's TIF Districts fund balance comparison between 2012 and 2013. The complete 2013 TIF Report submitted to the State of Minnesota is on file at the office of the City Clerk/Adm. and can be inspected by the public during regular office hours.

Mr. Mathiasen updated the Council on the final progress for the completion of the 2013 Railroad Avenue (TH #238) Improvements, Phase II. Mr. Mathiasen informed the Council that discussions have continued but nothing has been agreed upon between R.L. Larson Excavating, Inc., the General Contractor,

and the Minnesota Department of Transportation (MnDOT) regarding the percentage of payment to each party for the removal and replacement of the concrete curb/gutter and grinding the concrete surface of the roadway. Mr. Mathiasen noted that neither party can come to an agreement on who will pay what percentage of the repairs because the concrete analysis prepared by the American Engineering Testing, Inc. (AET) reported the primary cause of scaling was cyclic freeze-thaw action on critically saturated concrete surface which was generally good quality but put into service prematurely. Councilor John Greer noted that if the repairs do not begin shortly, the work can be done in the year 2015. Councilor John R. Harlander questioned if the Performance Bond submitted by the general contractor would be an option to fund the repairs. Councilor Tom Kasner noted that the curb/gutter was poured several weeks prior to the street being poured and should not have been affected by any salt or chemicals deposited in these areas during the winter months and had been told by a MnDOT representative that other MnDOT projects had similar concrete failures to the surface. Mayor Daron Gersch, with the consensus of the Council, directed Mr. Mathiasen to draft a letter to R.L. Larson Excavating, Inc., informing them that the City will only pay up to \$10,000 for the said repairs, consider the repairs in 2015, and if necessary, contact a representative associated with the Performance Bond submitted for the project.

Mr. Mathiasen informed the Council that a preconstruction meeting was held at 10:00 o'clock in the morning on August 20th at City Hall for the 2014 Church Avenue (5th -8th Street) Improvements. Mr. Mathiasen noted that the project is tentatively scheduled to begin on September 2nd beginning at the 5th Street and Church Avenue intersection. Mr. Mathiasen also noted that a newsletter will be prepared and mailed to each property owner affected by the improvement.

Mr. Mergen presented to the Council a proposed Water Supply Contingency Plan as required by the City's Wellhead Protection Plan. Mr. Mergen noted that the said plan outlines alternative water supply, notification procedures, and public water supply characteristics. After due discussion, a motion was made by Laurie Dingmann and seconded by Tom Kasner to approve the said Plan. All voted for the motion and it carried.

Mr. Mergen also presented to the Council the results of a Lead/Copper Tap Water Monitoring Report that is required by the Safe Drinking Water Act administered by the Minnesota Department of Health (MDH). Mr. Mergen noted that the results did not exceed the action level for lead and copper. Mr. Mergen also noted that each property owner who participated in the test will be notified of the results for that address and the next round of testing will be in July 2017.

Mr. Carbajal informed the Council that Patrol Officer Aaron Baros successfully completed his one-year probationary period and recommended that he be approved as full-time status. After due discussion, a motion was made by John Greer and seconded by John R. Harlander to approve Mr. Baros to full-time status and an increase in pay effective September 18th as follows: Group VIII, Step 1, \$20.86, an increase of \$1.42 per hour pursuant to the City's Pay Equity Compensation Program. All voted for the motion and it carried.

Mr. Carbajal informed the Council that two individuals completed employment applications for the position of Patrol Officer and recommended to the Council that each be hired for position of part-time Patrol Officer. After due discussion, a motion was made by John R. Harlander and seconded by John Greer to hire Morgan Zirbes-Novak and JoAnna Bigler as part-time Patrol Officers contingent upon the successful completion of a background check, physical examination, and drug/alcohol test. All voted for the motion and it carried.

Mr. Schneider informed the Council that the State Primary Election held at City Hall on Tuesday, August 12th resulted in the following: 127 votes were cast, 1,303 individuals were registered to vote, and 2 new registrants on Election Day. Mr. Schneider presented to the Council an election judge wage survey prepared by the Stearns County Auditor's Office. Mr. Schneider noted that there has not been an election judge wage increase for many years and recommended an increase. After due discussion, a motion was made by Laurie Dingmann and seconded by Tom Kasner to set the hourly wage for an election judge at \$10 and the head election judge at \$12. All voted for the motion and it carried.

The Council took notice of a Minnesota Lawful Gambling Exempt Permit submitted by the Albany Sportsman Club, Inc., to conduct a raffle on January 2, 2015 at Paul's Par-A-Dice, 461 Railroad Avenue. After due discussion, a motion was made by Mayor Daron Gersch and seconded by John Greer to approve the said permit. All voted for the motion and it carried.

Mr. Schneider presented to the Council a proposed 2015 budget which included the following departments: Police, Fire, Street, Park, Library, Administration, Water and Sewer which included a capital equipment plan for the Police and Public Works Department. Councilor John Greer recommended that a capital equipment plan be prepared for the Water and Sewer Department. Mr. Schneider also noted that the Council must certify the proposed 2015 levy to the Stearns County Auditor on or before September 15th.

Mayor Daron Gersch announced the next regular Council meeting for 6:30 o'clock in the evening on Wednesday, September 3, 2014 and adjourned the meeting at 8:30 PM.

Tom Schneider
Clerk/Adm.