



**ALBERTVILLE CITY COUNCIL**  
**December 6, 2010**  
**MINUTES**

**ALBERTVILLE CITY HALL**

**7:00 PM**

**CALL TO ORDER – PLEDGE OF ALLEGIANCE**

The Mayor called the regular bi-monthly meeting of the Albertville City Council to order followed by the pledge.

**ROLL CALL**

**PRESENT:** Mayor Ron Klecker, Council members Dan Wagner, John Vetsch, Tom Fay, and Larry Sorensen

**STAFF MEMBERS PRESENT:** City Administrator Larry Kruse, City Attorney Mike Couri, City Engineer Adam Nafstad, City Clerk Bridget Miller, City Planner Alan Brixius, and Finance Director Tina Lannes

**ABSENT:** none

**RECOGNITIONS – PRESENTATIONS – INTRODUCTIONS**

none

**CITIZENS FORUM**

Samara Postuma introduced herself to the City Council. Postuma told the Council there is an on-line version of a newspaper. Postuma stated that she would be attending the Albertville City Council meetings in the future and placing information on the Patch.com website to let residents or other in the community be aware of what is happening.

Mayor Klecker and the Council welcomed her and will check out the website in the future.

### **AMENDMENTS TO THE AGENDA**

The Monday, December 6, 2010 agenda was amended as follows:

Council member Sorensen wanted to add item under City Council 8.G.3. Ice Arena Discussion  
City Attorney Couri added an item under Legal 8.J.2. Purchase Agreement for Lamar Ponding

CMs Wagner/Fay **motioned** to approve the Monday, December 6, 2010 agenda as amended;  
including the Ice Arena Discussion as 8.G.3. and Purchase Agreement for Lamar Ponding as  
8.J.2. Motion carried unanimously.

### **DEPARTMENT BUSINESS**

#### **BUILDING DEPARTMENT**

*Accept the October 2010 Building Report*

Mayor Klecker and Council members accepted the October 2010 Building Report.

#### **FINANCE DEPARTMENT**

*Authorize the Monday, December 6, 2010 Payment of Claims (bills)*

Wagner had a basic question about the bold items in the payment of claims, which Lannes stated  
this is how staff felt was the best way to distinguish between the City expenses and the STMA  
Ice Arena payments.

CMs Fay/Wagner **motioned** to authorize the Monday, December 6, 2010 Payment of Claims for  
check numbers **029117 to 029186** in the amount of \$138,438.15 as presented, that will be  
scanned with supporting documents; the electronically scanned version will be kept on file in the  
office of the Finance Director that will serve as the City's official record. Motion carried  
unanimously.

*Approve Wright-Hennepin Electric Franchise Agreement between the City of Albertville and  
Wright-Hennepin*

**And**

*Approve Xcel Energy Electric Franchise Agreement between the City of Albertville and Xcel  
Energy*

Finance Director Lannes reported that in 2010, the City budgeted \$83,000 for operating street  
lights. In recent years the City has incurred significant cost to relocate electric lines from above

ground to underground locations. It is very costly to relocated electric lines and is common practice for cities to collect revenue on the electric utilities bill via a franchise agreement to pay for both street light operational costs and relocation of electric lines.

Lannes went on to state that the City has a Franchise Agreement with both Wright-Hennepin and Xcel Energy regulating franchise fees. The City has the authority to adopt ordinances for implementation and collection of franchise fees. The franchise fee set out in this ordinance will require the approval of Wright-Hennepin and Xcel Energy since it is not an across-the-board fee based on a percentage of the utility bill as required by the City's franchise agreements with the electric utilities. The Ordinance that was passed in September 2009, allows the City to adopt a fee of a set amount.

Mayor Klecker wanted to lower the residential amount to \$2.00 or less instead of the proposed \$2.75. Council members discussed what the rate for residential should be. The \$2.75 seemed a little high yet \$2.00 or less was not enough. There was a compromise of \$2.50 amongst the majority of the members.

CMs Sorensen/Wagner **motioned** to approve Ordinance No. 2010-008 entitled an Ordinance Setting the Franchise Fee to be paid by Wright-Hennepin Electric Coop in Connection with the Provision of Electric Utilities in the City of Albertville amending the resident rate to \$2.50 from \$2.75. Council members Sorensen, Wagner, and Fay voted aye. Mayor Klecker and Council member Vetsch voted nay. Motion carried.

CMs Sorensen/Wagner **motioned** to approve Ordinance No. 2010-009 entitled an Ordinance Setting the Franchise Fee to be paid by Xcel Energy in Connection with the Provision of Electric Utilities in the City of Albertville amending the resident rate to \$2.50 from \$2.75. Council members Sorensen, Wagner, and Fay voted aye. Mayor Klecker and Council member Vetsch voted nay. Motion carried.

*Approve **Resolution No. 2010-030** setting the 2011 Final Levy; and, Approve **Resolution No. 2010-031** setting the 2011 Final Budget*

Finance Director Lannes began with the comment that over the summer the Council held Budget workshop session to review the proposed 2011 Tax Levy amount and the 2011 Budget. As part of the process there was discussion about removing the street lighting portion from the levy and setting an electric franchise fee. The Council approved the adoption of the Electric Franchise Fee to be paid by Wright-Hennepin Coop and Xcel Energy. Lannes continued with the statement that it is the Council decision whether to leave the \$83,000 in the Tax Levy or to reduce the Preliminary Levy amount.

Council member Vetsch reminded the other Council members that the KDV Auditors recommended re-paying or replenishing the General Reserves that we have been borrowing from for the past couple of years. Vetsch recommended leaving the \$83,000 in the levy to be applied

towards the General Reserves. Council member Sorensen was in agreement with leaving the \$83,000 in the levy; however, he wanted it put in Capital Reserve.

There was basic discussion amongst the Council where to designate the funds. As an outcome of the discussion the two (2) motions were made approving the Resolutions setting the 2010 Tax Levy collectible in 2011 and the 2011 Final Budget.

CMs Wagner/Sorensen **motioned** to approve Resolution No. 2010-030 entitled a Resolution Adopting the Final 2010 Tax Levy Collectible in 2011 as presented. Mayor Klecker, Council members Wagner, Sorensen, and Fay voted aye. Council member Vetsch voted nay. Motion carried.

CMs Sorensen/Wagner **motioned** to approve Resolution No. 2010-031 entitled a Resolution Adopting the 2011 Final Budget with the \$83,000 designated to street lighting is placed into a Capital Reserve Account. Mayor Klecker, Council members Sorensen, Wagner, and Fay voted aye. Council member Vetsch voted nay. Motion carried.

#### **CITY CLERK**

*Approve November 15, 2010 regular City Council minutes*

CMs Wagner/Fay **motioned** to approve the Monday, November 15, 2010 regular Council minutes as presented; the signed copy will be scanned and retained as the official City record. Motion carried unanimously.

*Approve **Resolution No. 2010-032** setting 2011 Official Holidays observed*

City Clerk Miller commented these are the generally observed holidays within the Albertville City Offices. There are two (2) schedules to accommodate when the Public Works and Utilities Department employees who follow a five (5) 8-hour workweek and a four (4) 10-hour workweek during seasonal times throughout the year.

CMs Fay/Wagner **motioned** to approve Resolution No. 2010-032 setting the 2011 Official Holidays observed as presented. Motion carried unanimously.

*Approve the Transfer of an Off-Sale Intoxicating Liquor License (cont'd from 11-15-2010)*

City Clerk Miller began by informing the Council this application is continued from the November 15, 2010 regular City Council meeting. Rob Nelson submitted a letter from Ed Hackenmeuller regarding the transfer of the liquor license. Mr. Nelson stated it is contingent upon the purchase agreement closing successfully.

City Attorney Couri recommended the Council approving contingent upon the Purchase Agreement closing successfully.

CMs Wagner/Sorensen **motioned** to approve the Off-sale Intoxicating Liquor License from Hackenmueller to All G, Inc. for the term of December 7, 2010 to April 15, 2011 contingent upon the successful execution of the purchase agreement. Motion carried unanimously.

*Approve the Transfer of an On-Sale Intoxicating and Sunday Liquor Licenses*

City Clerk Miller noted the next application being transferred is the Cosmic Foods license for Space Aliens to LGM, Inc. for the Space Aliens establishment. The restaurant name will remain the same; it is the Trade or Licensee name that will change.

CMs Fay/Wagner **motioned** to approve the On-sale Intoxicating Liquor License and Sunday Liquor License from Cosmic Foods license for Space Aliens to LGM, Inc. for the Space Aliens for the term of December 7, 2010 to April 15, 2011. Motion carried unanimously.

*Approve the Transfer of an Off-Sale Intoxicating Liquor License*

City Clerk Miller continued by explaining this is the last liquor license transfer on the agenda. Westside Liquor is selling the business to S & D Liquor, Inc. S & D Liquor, Inc. is based out of Willmar, Minnesota.

Steven Wright, partner of the S & D Liquor, Inc. introduced himself to the City Council. Informed the Council that S & D Liquor, Inc. has been in the business for approximately 13 years. They are transferring the licenses from the store located in Willmar, Sauk Rapids, and Albertville. The partner is located in Sauk Rapids and he is located in Willmar, Minnesota. As a final comment, Mr. Wright thanked Mayor Klecker for moving the items up as he had another meeting to attend.

CMs Sorensen/Vetsch **motioned** to approve the Off-sale Intoxicating Liquor License from Westside Liquor, Inc. to S & D Liquor, Inc. for the term of December 7, 2010 to April 15, 2011 contingent upon the successful execution of the purchase agreement. Motion carried unanimously.

**CITY COUNCIL**

Update on the Joint Powers Water Board meeting was given by Mayor Klecker who noted there was nothing of too much urgency to report. Well No. 9 is up and running, staff has been taking samples and running tests.

City Council commented that the joint meeting with St. Michael City Council was well attended. St. Michael members gave a tour of the St. Michael City Center that included the City Offices, Library, and the Senior Center.

Council member Sorensen brought up the STMA Ice Arena as an added item on the agenda. Sorensen wants to get the numbers out there for the general public on the second sheet of ice. Keeping the public aware of the cost and letting them know this is still an active item on Albertville's project list. Sorensen served as a Council liaison to the STMA Ice Arena Board, which the members have not forgotten about the future of a second sheet of ice.

#### **PLANNING**

None

#### **ENGINEERING**

##### *Approve Letter of Credit Reduction for LaBeaux Station*

City Engineer Nafstad reported that the majority of items are completed in the LaBeaux Station Development; therefore, staff is recommending reducing the letter of credit from \$39,000 to \$3,000 with the condition that the Development is current with all fees and obligations owed to the City.

CMs Fay/Sorensen **motioned** to authorize reducing Letter of Credit No. 636 from \$39,000 to no less than \$3,000 with the following condition that the Development is current with all fees and obligations owed to the City. Motion carried unanimously.

#### **LEGAL**

##### *Accept the City Attorney's Written Report*

City Attorney Couri noted that he would be bringing information regarding the TIF No. 9 to the next meeting.

*Purchase Agreement for Lamar Pondering*

City Attorney Couri informed the Council that staff has been negotiating with Lamar for the pondering to complete the I-94 Ramp Project. The one area Couri brought to Council's attention was:

10. Ownership of Signs Buyer is fully aware and agrees that Seller will maintain ownership of the advertising sign(s) and accompanying structures located on the Real Property and that all revenues generated by such advertising signs shall belong exclusively to Seller.

11. Reservation of Easement Buyer acknowledges and agrees that said Real Property is sold by Seller and accepted by Buyer subject to the reservation by Seller of a perpetual easement for the location and construction of the outdoor advertising structure or structures (the "Sign Location Easement"), which Sign Location Easement is described on Exhibit "B", together with a maintenance, utility, access, and visibility easement (the "Maintenance, Utility, Access, and Visibility Easement"), and all necessary or desirable appurtenances on, over, and upon the following described Real Property (collectively, the Sign Location Easement and the Maintenance, Utility, Access, and Visibility Easement are referred to herein as the "Easements"), the property subject to the foregoing Easements is described on Exhibit "A" (the "Property").

Review the Real Estate Property Agreement to obtain the entire language for item no. 11.

13. Voluntary Sale Seller acknowledges that the purchase of the Real Property by the Buyer is a voluntary transaction not made under the threat of condemnation, that the Buyer originally offered to purchase a portion of the Real Property that did not include the property under the advertising signs, that Seller requested the City purchase the entire Real Property with Seller reserving the easements described in this document, and that there is no possibility of Seller's reserving the Property under the advertising signs back in the event Seller or Seller's assigns fail to pay the taxes attributable to the advertising signs.

Review the Real Estate Property Agreement to obtain the entire language for item no. 13.

17. Real Estate Taxes there was a fair amount of language that Couri went over in item 17. For additional details it is recommended to review the Real Estate Property Purchase Agreement.

Couri concluded with the fact that staff is recommending approval of the agreement contingent upon the approval from the State of Minnesota to use Federal Funds. There is a small amount of funds available from the \$800,000 Federal Funds to purchase the land.

Council had concerns with the billboard and changing the signage. Couri reassured the Council there is no problem with Lamar with access to the site to change out the signage on the billboard.

CMs Wagner/Sorensen **motioned** to approved the Real Estate Purchase Agreement between the City of Albertville and OCI(N) Corp. contingent upon the approval from the State of Minnesota to use a portion of the \$800,000 Federal Funds to purchase the land for the I-94 Ramp Project. Mayor Klecker, Council members Wagner, Sorensen, and Fay voted aye. Council member Vetsch voted nay.

#### **ADMINISTRATION**

*Approve **Resolution No. 2010-035** amending the Albertville Meadows Apartment Project Resolution No. 2010-025*

City Administrator Kruse reported that the prior resolution that was pasted earlier this year had an estimated amount for the Albertville Meadows Apartment Project. The management company has obtained a more realistic amount; therefore, an amendment to the resolution is required to reflect the actual amount of the Revenue Bonds.

CMs Sorensen/Wagner **motioned** to approved Resolution No. 2010-035 entitled a Resolution Amending Resolution No. 2010-025 Regarding Authorizing the Issuance, Sale, and Delivery of Revenue Bonds and Subordinate Notes (Albertville Meadows Apartments Project), Series 2010; and Approving the form of and Authorizing the Execution and Delivery of Certain Documents Relating to the Revenue Bonds and Subordinate Notes. Mayor Klecker, Council members Sorensen, Wagner, and Fay voted aye. Council member Vetsch voted nay. Motion carried.

*Approve the Lease Agreement between the City of Albertville and Liv Music*

City Administrator Kruse noted that Liv Music was looking for another location to house his business. Kruse and Mr. Perisian negotiated on a reduced lease amount to present to the Council. Staff is recommending amending the amount to \$850 per month. It is a good location for Liv Music. Amending amount would be beneficial to both parties as Mr. Perisian would be able to continue offering music lessons and the City would have a tenant in the facility versus the building sitting empty.

CMs Vetsch/Fay **motioned** to approve the Lease Agreement between the City of Albertville and Liv Music Lease Agreement from \$1,000 per month to \$850 per month effective December 1, 2010. Motion carried unanimously.

*Set date for Employee Performance Evaluations (Administrator, Planner, Engineer, and Attorney)*

Mayor Klecker set Monday, December 20, 2010 following the regular City Council meeting for the purpose of Employee Performance Evaluations for the City Administrator, City Planner, City Engineer, and City Attorney.

Council member Wagner informed the Council that he will not be able to make the December 20 meeting; therefore, will submit his comments prior to the reviews.

**ANNOUNCEMENTS and or UPCOMING MEETINGS**

**December 2010**

- 8 6:00 p.m. Ron-Tom gathering**
- 13 6:00 p.m. STMA Ice Arena Board meeting**
- 14 7:00 p.m. Planning and Zoning Commission meeting**
- 20 7:00 p.m. City Council meeting**
- 27 6:00 p.m. Joint Powers Water Board meeting**

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**January 2011**

- 3 6:30 p.m. Swear in newly Elected Officials**
- 3 7:00 p.m. City Council meeting**
- 10 6:00 p.m. STMA Ice Arena Board meeting**
- 11 7:00 p.m. Planning and Zoning Commission meeting**
- 17 all day Martin Luther King, Jr. Day observed – City offices closed**
- 18 7:00 p.m. City Council meeting - TUESDAY**
- 24 6:00 p.m. Joint Powers Water Board meeting**
- 31 6:00 p.m. Trio-joint meeting (Albertville, St. Michael, School)  
to be held at the STMA School Board Room**

**February 2011**

- 3 7:00 p.m. City Council meeting**
- 10 6:00 p.m. STMA Ice Arena Board meeting**
- 11 7:00 p.m. Planning and Zoning Commission meeting**
- 17 all day Presidents Day observed – City offices closed**
- 18 7:00 p.m. City Council meeting - TUESDAY**
- 24 6:00 p.m. Joint Powers Water Board meeting**

**ADJOURN**

CMs Sorensen/Fay **motioned** to adjourn the Monday, December 6, 2010 regular City Council meeting at 8:49 p.m. Motion carried unanimously.

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Bridget Miller, City Clerk (recording secretary)