

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, FEBRUARY 13, 2006**

The meeting was called to order by Mayor Alan E. Oberloh at 7:00 p.m., in the City Hall Council Chambers with the following Aldermen present: Roger E. Nelson, Bob Petrich, Lyle Ten Haken, Mike Woll and Honorary Council Person Mike Peil. Absent (Excused): Leland Hain.

City Staff present: Bob Filson, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Jim Laffrenzen, Public Works Superintendent; Rick Von Holdt, Fire Chief; and Karen Buchman, City Clerk.

Others present: Darrell Stitt, KWOA Radio; Ryan McGaughey, Daily Globe; Dan Greve and Mark Freese of Prairie Holdings - Integrity Aviation.

INTRODUCTION OF HONORARY COUNCIL PERSON

Mayor Oberloh introduced Mike Peil as the Honorary Council person for the months of January and February.

AGENDA APPROVED

The motion was made by Alderman Nelson, seconded by Alderman Petrich and unanimously carried to approve the agenda as presented with Case Item H-4 pulled from the agenda awaiting further information.

MINUTES APPROVED

The motion was made by Alderman Nelson, seconded by Alderman Petrich and unanimously carried to accept the Regular City Council minutes of January 23, 2006 as previously distributed.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to accept for review the Water and Light Commission minutes of February 6, 2006; Hospital Board minutes of January 23, 2006; and Planning Commission/Board of Appeals minutes of February 7, 2006.

APPROVED APPROPRIATION OF FUNDS FOR AIRPORT TERMINAL REMODEL

The main airport terminal building was constructed in 1970, and with no major renovations since that time the interior of the facility reflects that time period. With Integrity Aviation as Fixed Base Operator, they achieved a goal to revitalize the airport. With the merger of Integrity Aviation with Prairie Holdings Group discussions began with City staff about the possibility of doing a major renovation to the terminal building. With the increased usage by the business/general aviation community, the airport is redeveloping into a

regional facility and an important asset to the community. As such, it has become a first impression of the community. In December 2005, the Airport Advisory Board and Integrity Aviation representatives discussed renovation with staff presenting a remodeled concept and proposed cost. Upon recommendation of the Airport Advisory Board, the motion was made by Alderman Nelson, seconded by Alderman Petrich and unanimously carried to approve the project at an estimated cost of \$74,198.00, with available sources of revenue at \$31,613.00 and the additional \$42,585.00 in funding from the General Fund 409, City Hall remodeling reserves. The carpentry work will be accomplished by the Public Work's department personnel.

FIRST READING PROPOSED ORDINANCE - CHANGE OF ZONE

Matt Oleske requested to rezone the property located 1315 Burlington Avenue from its current zoning designation "R-3" Low Density Preservation Residential to "B-3" General Business to provide on-site parking for his existing business, which abuts the subject property. Upon recommendation of the Planning Commission who held a public hearing on this item at their February 7 meeting, the motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to give a first reading to the proposed ordinance approving the change of zone application contingent upon the following items:

1. Submission and approval of a site plan; and
2. Execution of a 60-day rule waiver by the applicant.

AUTHORIZED EXECUTION OF MCPP AGREEMENT

On February 1, the Minnesota Housing Finance Agency (MHFA) announced that it had awarded \$163,362 to the City of Worthington through its Minnesota City Participation Program (MCPP). The program, administered by MHFA, provides below market interest rate home mortgage loans for eligible low to moderate income (LMI) first-time home buyers who purchase a home within the corporate limits of Worthington. Loans are originated by an MHFA contracted lender (locally Bank of the West, Wells Fargo, First State Bank and United Prairie) and sold to the MHFA. In order to secure the grant monies, the City must enter into a MCPP Commitment Agreement with MHFA and submit the \$40.00 processing fee and a 1% refundable deposit that will be returned within a month of MHFA selling bonds to support the program (approx. April). Both the fee and deposit will be withdrawn from the \$50,000 in the Department's 2006 budget dedicated for grant writing purposes. Following a discussion the motion was made by Alderman Woll, seconded by Alderman Nelson and unanimously carried to authorize the Mayor to execute the Commitment Agreement as presented.

WORTHINGTON REDISCOVERED GUIDELINES

In response to the Housing Plans's call for public investment in addressing blight and safety issues related

to substandard housing units, the City Council dedicated \$125,000 for each of the next four years to financially assist with the demolition of housing units that are dilapidated beyond repair (i.e., home with repairs greater than the market value of the unit). To accomplish the goals outlined in the Plan and identified by the City Council, staff drafted guidelines for the use of the \$125,000. "Worthington Rediscovered" is intended to primarily focus on financially assisting interested persons or parties with the demolition of housing units when an eligible redevelopment plan exists, which is defined as the construction of a structure(s) that will have a minimum of a 60% increase in the assessed valuation over the structure(s) removed. The program would also allow the City to acquire and demolish substandard units and offer the vacant lot for redevelopment through the RFP process.

A discussion followed. One question asked was about the two competitive bids for demolition, what if the low bidder was not available in a timely manner could the City pay the low bid and the person paying the difference if they want in order to move the project ahead faster? Also questioned, was the 60% minimum of increase in assessed valuation over the structure(s) removed. Do we want to get hung up on that strict percentage? Brad noted that these are guidelines for the committee and they will bring back recommendations to Council. Following the discussion the motion was made by Alderman Ten Haken, seconded by Alderman Petrich and unanimously carried to proceed with the "Worthington Rediscovered" program and approved the program guidelines as presented.

RESOLUTION NO. 3099 ADOPTED, RECEIVE REPORT AND ORDER HEARING ON PROPOSED IMPROVEMENT

A report on the improvement of three tracts of land located north of Oxford Street just west of Diagonal Road by extension of the municipal wastewater collection system has been prepared. It provides detailed information on the proposed improvement including its location and proposed financing.

Upon staff's recommendation, the motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to accept the feasibility report and order the improvement hearing to be held in the City Hall Council Chambers at 7:00 p.m., Monday, February 27, 2006 and adopt the following resolution:

RESOLUTION NO. 3099

RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT

(Refer to Resolution file for complete copy of Resolution)

RESOLUTION NO. 3100 ADOPTED, RECEIVE REPORT AND ORDER HEARING ON PROPOSED IMPROVEMENT

A report has been prepared on the improvement of a proposed street by street, sewer, water and storm sewer extensions. The petitioned improvements will establish a street and utility corridor west from Crailsheim Drive (C.S.A.H. 35) allowing for future development west of the tier of lots platted along Crailsheim Drive. The feasibility report provides detailed information on the proposed improvements including location and proposed financing.

Upon staff's recommendation, the motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to accept the feasibility report and order the improvement hearing to be held in the City Hall Council Chambers at 7:00 p.m., Monday, February 27, 2006 and adopt the following resolution:

RESOLUTION NO. 3100

RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT

(Refer to Resolution file for complete copy of Resolution)

APPROVED PLANS FOR BIOSCIENCE INDUSTRIAL PARK SANITARY SEWER AND WATER MAIN IMPROVEMENTS

The consulting firm of SEH completed the plans and specifications for the BioScience Industrial Park sanitary sewer and water main improvements. The City had contracted with SEH to prepare plans and specifications so as to initiate construction of the subsurface (sewer, water, storm sewer) improvements as soon as possible. At the time preparation was authorized, it was anticipated that a single contract would be awarded for completion of all of these subsurface improvements. Due to the uncertainty as to the availability of PVC materials it was determined to only proceed with the installation of the storm sewer system (concrete pipe) and pond construction in 2005. It is now proposed to proceed with bidding for the sanitary sewer and water main improvements. Local suppliers are stating that PVC materials are available at costs about 23% higher than last year at this time. The sanitary sewer and water main project will also include minor storm sewer work found best to complete following sewer and water main installation. The current estimate for the sanitary sewer and water main work, including engineering and contingencies, is \$497,421.41.

There continues to be concern as to what increase in cost may be revealed in the bids due to fuel costs, etc. This concern extends into the future phases of the project as well. The work on the segment extending to T.H. 59 will be bid as an add alternate to allow for elimination of improvements on this segment as budget dictates.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the plans and authorize an advertisement for bids to be received at 2:00 p.m., March 10, 2006

and considered at the March 13, 2006 Council meeting.

SECOND READING PROPOSED ORDINANCE - VACATE A PORTION OF ALLEY IN THE CITY OF WORTHINGTON

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to give a second reading to the proposed ordinance to vacate a portion of the public right-of-way (alley) located directly north of the Worthington High School Athletic Complex between Oslo Street and the north/south alley formerly known as 13th Street.

SECOND READING PROPOSED ORDINANCE - REZONE PROPERTY FROM "TZ" TRANSITIONAL ZONE DISTRICT TO PLANNED UNIT DEVELOPMENT (PUD) NO. 7

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to give a second reading to the proposed ordinance to amend the Prairie Expo Planned Unit Development (PUD #7). The amendment would revise the master plan for the 90 acre development and rezone the northern 55 +/- acres from the current "TZ" designation to "PUD #7". Both amendments are necessary for the City to proceed with the establishment of Worthington Bio-Science Industrial Park Addition.

PAID TIME OFF (PTO) SHARING

The motion was made by Alderman Petrich, seconded by Alderman Nelson and unanimously carried to table this item for further information.

RESOLUTION ADOPTED - PREMISE PERMIT APPLICATION FOR LAWFUL GAMBLING ACTIVITY

A motion was made by Alderman Woll, seconded by Alderman Nelson and unanimously carried to adopt the following resolution:

RESOLUTION

REGARDING GAMBLING PERMIT

RESOLVED, the City of Worthington agrees to approve the gambling permit for the American Legion Post #5 to conduct lawful gambling at 1906 Oxford Street, Worthington, Minnesota, for the premise permit period of April 1, 2006 through March 31, 2008.

Council members Woll and Nelson moved the adoption of the foregoing resolution at the regular February 13, 2006 Council meeting and the same was adopted upon unanimously yea vote of all members present.

APPLICATION FOR EXEMPTION FROM LAWFUL GAMBLING APPROVED

The motion was made by Alderman Ten Haken, and seconded by Alderman Woll and unanimously carried to approve the following Application for Exemption from Lawful Gambling as requested as follows:

Organization:	Worthington Area YMCA
Chief Executive Officer	Andrew Johnson
Treasurer	Grant Sorenson
Types of Games	Raffles
Date of Activity	Saturday, April 22, 2006, Worthington Country Club, 851 Oxford Street, Worthington

APPLICATION FOR EXEMPTION FROM LAWFUL GAMBLING APPROVED

The motion was made by Alderman Petrich, and seconded by Alderman Woll and unanimously carried to approve the following Application for Exemption from Lawful Gambling as requested as follows:

Organization:	Nobles County Pheasants Forever Chapter #014
Chief Executive Officer	Scott Rall
Types of Games	Raffles
Date of Activity	April 7, 2006, Long Branch Saloon, Opry House & Ballroom, 206 10 th Street, Worthington

OFF-SALE BEER LICENSE APPROVED

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the following Off-Sale Beer License for the period February 14, 2006 through December 31, 2006:

No. 2006-17 El Horizonte Store, 100 East 12th Street, Maritza Socorro Arauz

FIRE DEPARTMENT EQUIPMENT

The Fire Department's breathing air - air compressor became inoperable (22 years old). In the short-term, the department is using Brewster and Round Lake to fill their tanks. The air compressor was not on the Equipment Revolving Schedule, but needs to be replaced. Three quotes were received to replace the compressor. The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to authorize appropriating \$21,750 for a new air-breathing air compressor with the department to seek a grant to defray the cost.

COUNCIL REPORTS

Mayor Oberloh reported on a meeting at the League of MN Cities on immigration with Bob, Mike Cumiskey and Kevin Flynn. It was a great meeting.

Alderman Petrich - Utilities in rankings for utility rates we were in the lower 4th - a very good rating overall. Don Habicht is back and on the mend. Memorial Auditorium - reminder of their Valentine's Day fund raiser. They have more than 30 calls to make.

Alderman Nelson - HRA met last week and a meeting has been scheduled for 1:00 p.m., Wednesday with Lisa Graphenteen of the SW MN Housing Partnership regarding grant opportunities for housing. This meeting also is a good opportunity to establish a relationship between the Worthington HRA and the Housing Partnership.

Alderman Woll - Report on the Housing Committee meetings - they are in the process of reviewing the draft housing ordinance. He also reported on the City's Health Insurance Board with another meeting scheduled for tomorrow.

Alderman Ten Haken - reported on the Chamber Government Affairs Committee he is on - discussed the legislature taking pot shots at Swift on immigration issues.

CITY ADMINISTRATOR REPORT

Bob Filson had nothing new to report other than the League Meeting that the Mayor discussed earlier and that he also thought it was a good meeting.

BILLS PAYABLE

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried that bills payable and totaling \$432,473.32 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to adjourn the meeting at 8:12 p.m.

Karen Buchman
City Clerk