

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JUNE 12, 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 members present: Leland Hain, Roger E. Nelson, Bob Petrich, Lyle Ten Haken, Mike Woll and Honorary Council Person Jim Von Holtum.

City Staff present: Bill Bassett, Interim City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Ec. Development; Brian Kolander, Director of Finance; Jim Laffrenzen, Supt. of Public Works; Mike Cumiskey, Public Safety Director; Brett Wilttrout, Police Officer; and Karen Buchman, City Clerk.

Others present: Darrell Stitt, KWOA Radio; Ryan McGaughey, Daily Globe; Wayne Drealan, Turbes Drealan Kvilhaug Mammen & Co, PA; and Steve Robinson, SEH.

INTRODUCTION OF HONORARY COUNCIL PERSON

Mayor Oberloh introduced Jim Von Holtum as the Honorary Council Person for the months of May and June. As Mr. Von Holtum will be unavailable for the last meeting in June, the Mayor presented him with a certificate of attendance and thanked him for participating in the program. Mr. Von Holtum thanked Council for the opportunity and stated it was a great experience.

AGENDA APPROVED

The motion was made by Alderman Hain, seconded by Alderman Nelson and unanimously carried to approve the agenda as presented with it being determined to move Auditor Wayne Drealan's presentation to the first item of discussion.

MINUTES APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to approve the regular City Council minutes of May 22, 2006 as previously distributed.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to accept for review the Water and Light Commission minutes of June 5, 2006; Traffic & Safety Committee minutes of May 31, 2006; Worthington HRA minutes of April 13, 2006; and the Worthington Area Convention & Visitors Bureau minutes of May 1, 2006.

FINANCIAL STATEMENTS

The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to accept the Municipal Liquor Store Income Statement for the period January 1, 2006 through May 31, 2006 and the Prairie View Golf Links Statement of Revenues vs. Expenditures for the period of January 1, 2006 through May 31, 2006.

2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Wayne Drealan, Auditor of Turbes Drealan Kvilhaug and Company, PA, presented the 2005 Audit and Comprehensive Annual Financial Report. He reviewed the transmittal letter, basic financial statements, and statistical data with the City Council. Mr. Drealan thanked the Mayor, City Council management and staff for their cooperation and courtesies.

The motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to accept the 2005 Comprehensive Annual Financial Report and authorize its publication in the official newspaper.

BIDS AWARDED FOR 2006 BITUMINOUS IMPROVEMENTS PROJECT

Staff received bids at 2:00 p.m. on Friday, June 9, 2006 for the following project which consists of the following schedules of work:

- Schedule 1 - Rowe Avenue Shoulder Paving
- Schedule 2 - Rowe Avenue Alternate Drainage Improvements
- Schedule 3 - Castlewood Drive Street Extension
- Schedule 4 - Cecilee St., Donavon Dr., Sterling Ave. And Sutherland Dr. Surfacing
- Schedule 5 - James Boulevard Street Reconstruction
- Schedule 6 - Lexington Avenue Street Reconstruction
- Schedule 7 - Moon Circle Street Reconstruction
- Schedule 8 - Southeast Neighborhood Street Reconstruction
- Schedule 9 - Tower Street Street Reconstruction
- Schedule 10 - Southeast Neighborhood Storm Sewer Improvements
- Schedule 11 - Unnamed Street Street Extension
- Schedule 12 - Unnamed Street Storm Sewer System Improvements

The following bids were received:

<u>Bidder</u>	<u>Amount</u>
Worthington Excavating, Inc.	\$ 985,477.01
Rupp Construction Co., Inc.	\$1,117,100.19

The motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to award the bid to the low qualified bidder of Worthington Excavating, Inc. in the amount of \$985,477.01.

APPROVED PROFESSIONAL SERVICES FOR PREPARATION OF APPLICATION FOR MUNICIPAL STORM WATER SYSTEM NPDES PERMIT

The City has become a regulated city under phase II of the federal program to reduce pollution from Municipal Separate Storm Sewer Systems (MS4s). Enforcement of the Environmental Protection Agency's (EPA) MS4 regulations has been delegated to the Minnesota Pollution Control Agency (MPCA) as has other EPA regulations. Similar to the manner wastewater treatment facilities are regulated, the discharge of storm water will require a National Pollutant Discharge Elimination System (NPDES) permit. Unlike the regulation of the wastewater treatment facilities, Worthington's discharge would be covered under a statewide permit rather than a facility specific NPDES permit. Application for coverage under the statewide permit is due February 15, 2007. The application includes the need to submit a Storm Water Pollution Prevention Plan (SWPPP) for the community. It should be noted that the measures include enforcement responsibilities. The 2006 Storm Water Utility fund includes \$25,000 for preparation of the permit application/SWPPP. A proposal was presented from SEH for preparation of the documents. A lump sum fee of \$9,500 should cover all anticipated tasks for submitting the application and first annual report. Additional/optional tasks and services are also addressed. The need for any of the additional or continuing services will be evaluated as the SWPPP is developed and administered. The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to accept the proposal of SEH and authorize the execution by the Mayor.

APPROVED PROFESSIONAL SERVICES AND BUDGET FOR CITY HALL STEPS AND LANDSCAPING

Last year's efforts to re-landscape the front of City Hall raised questions about restoring the appearance closer to its original construction and/or the need to replace deteriorated portions of the steps and building stones. It was determined that there was a desire to re-landscape the area to an original look. Although the front building stones have not deteriorated, portions of the steps need to be replaced and it is proposed to reconstruct to best match the size and shape of original construction. To aid in obtaining quotes for replacing the steps and providing appropriate landscaping, staff solicited a proposal from the consulting firm of SEH. Following a discussion the motion was made by Alderman Hain, seconded by Alderman Nelson and unanimously carried to accept the proposal of SEH and to fund the \$3,500.00 in fees from the municipal building fund.

APPROVED SEWER USER AGREEMENT WITH D&H TRANSPORTATION SERVICES

The City's Sewer User Ordinance specifies that use of the Public Sewer by a Significant Industrial User (SIU) or a user having greater than Normal Domestic Strength Waste (NDSW) shall not be permitted

except as provided for by a Sewer User Agreement. Such a user agreement may allow for concentrations to exceed NDSW levels by allocating a portion of the treatment plant's capacity to the user. D & H Transportation Services, 1534 Joosten Road, cleans rail cars for various clients whose cars transport products such as vegetable or grain oils, and animal fats and oils. D&H had been directed to reduce its loadings to below NDSW levels, and hired consultants to develop a pretreatment system capable of reducing their loadings. The consultants have been unable to recommend a pretreatment system other than a relatively advanced system such as that using biological processes. This system is not practical due to cost and operational requirements. They then pursued an option to convey the wastes to outside the city limits for treatment by land application, but the inability to obtain approvals for construction of the force main across adjoining properties caused the company to abandon this alternative treatment option. Most recently they installed flow equalization storage and a conventional Dissolved Air Flotation (DAF) pretreatment system. Again, this pretreatment system has not been able to reduce loadings to NDSW levels. During the compliance process, an allocation of treatment capacity through a user agreement with D & H was discussed. The pollutant loading allocation proposed to be furnished is the same as that for 4x4 Truck Wash, and is equal to 1/3 of the industrial capacity remaining after the allocation previously provided for Campbell Soup Company is encumbered. The proposed flow allocation for D & H is to be less than 25,000 gallons per day. A user having in excess of 25,000 gallons per day would be defined as a Significant Industrial User. The user agreement specifies that the company must provide sampling facilities within six months and specifies the minimum sampling which will be conducted for compliance monitoring and billing. The termination date of the user agreement coincides with the termination date of the current NPDES discharge permit for the wastewater treatment plant.

The motion was made by Alderman Nelson, seconded by Alderman Hain and unanimously carried to approve the Sewer User Agreement between the City of Worthington and D&H Transportation as presented and authorize the Mayor and Clerk signatures. This was presented to the Water and Light Commission for consideration at their June 5, 2006 meeting where they concurred with the staff recommendation that the City Council approve the agreement.

APPROVED AMENDING INDUSTRIAL WASTEWATER TREATMENT FUND BUDGET

At its February 27, 2006 meeting, Council authorized professional services of Pharmer Engineering to develop plans for pump station ventilation improvements at the Industrial Wastewater Treatment Facility. The improvements were necessary to manage the level of hydrogen sulfide developing in the wet well of the influent pumping station at the facility. The ventilation improvements were not included in the 2006 Industrial Wastewater Treatment Fund budget. At the time the services of Pharmer Engineering were authorized it was proposed that a budget amendment be made at the time plans for the improvements were completed. The current project estimate is \$34,750. This estimated total cost is about \$4,700 over the amount presented in February and is mainly attributable to the metering for hydrogen sulfide and controls. The Industrial Wastewater Treatment Fund budget will be amended to include \$34,750 for the project. The monthly billing to Swift would increase \$5,791.67. The motion was made by Alderman Woll,

seconded by Alderman Ten Haken and unanimously carried to amend the Industrial Wastewater Treatment Fund budget as proposed and authorize staff to solicit, receive, and award quotes for the work. Council also authorized acceptance of the proposal from Pharmer Engineering for providing construction phase professional services.

RESOLUTION ADOPTED, RESTRICTING PARKING ON SOUTH SHORE DRIVE AND FIRST AVENUE SOUTHWEST

The 2006 Capital Improvements Program includes the construction of a bikeway along South Shore Drive and First Avenue Southwest from 190' southwest of Schaap Drive to Lake Street utilizing Municipal State Aid (MSAS) funding. The project involves removal of a parking lane at two locations in order to accommodate the bikeway. As with any MSAS project parking restrictions must be established at any locations parking lanes are not being provided.

The motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to adopt the following resolution restricting parking at the locations parking lanes will be removed as part of the bikeway project:

**RESOLUTION
RELATING TO PARKING RESTRICTIONS**

S.A.P. 177-107-008 from 190 feet southwest of Schaap Drive to Lake Street in the City of Worthington, Minnesota

WHEREAS, THIS RESOLUTION was passed this 12th day of June, 2006, by the City of Worthington in Nobles County, Minnesota. The Municipal corporation shall hereinafter be called the "City",

WITNESSETH:

WHEREAS, the "City", has planned the improvement of South Shore Drive and First Avenue Southwest, State Aid Route No. 107 from 190 feet southwest of Schaap Drive to Lake Street in the City of Worthington, Minnesota; and

WHEREAS, the "City" will be expending Municipal Street Aid Funds on the improvements of this Street; and

WHEREAS, this improvement does not provide adequate width for parking on both sides of the street; and approval of the proposed construction as a Municipal State Aid Street project must therefore be conditioned upon certain parking restrictions.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

That the "City" shall ban the parking of motor vehicles at all times as follows:

On the northwesterly side of South Shore Drive from 730 feet southwest of Lake Street to Lake Street

On the southeasterly side of First Avenue Southwest from 190 feet southwest of Schaap Drive to 155 feet southwest of Pleasant Avenue.

RESOLUTION NO. 3111 ADOPTED, AUTHORIZING THE PURCHASE OF TAX-FORFEITED REAL ESTATE LOCATED WITHIN THE CITY LIMITS

On June 6, 2006, real estate located at 519 Humiston Avenue became property of the State of Minnesota due to tax forfeiture. MN State Statute 282.01 allows for a city, county or township to have the first option of acquiring tax forfeited property prior to public sale (auction). A government entity may acquire the real estate free of charge provided the real estate is utilized for public use or by payment equal to the real estate's assessed value. Staff is seeking a determination if the elimination of blighted property or the potential redevelopment opportunities constitute a "public use". Staff is of the opinion that the structure is a strong candidate for demolition. Acquisition will allow the City to raze the dilapidated building and offer the real estate for redevelopment under the Worthington Rediscovered program. Should the City have to pay assessed value for the real estate, the expense, or a portion thereof, should be reflected in the sale price for redevelopment.

Following discussion the motion was made by Alderman Nelson, seconded by Alderman Woll to exercise the option and adopt the following resolution; the following Aldermen voted in favor of the motion: Nelson, Petrich, Ten Haken and Woll; and the following Alderman voted against the same: Hain; whereby the Mayor declared the motion carried:

RESOLUTION NO. 3111

RESOLUTION AUTHORIZING THE PURCHASE OF TAX-FORFEITED REAL ESTATE LOCATED WITHIN THE CITY LIMITS

(Refer to Resolution file for complete copy of Resolution)

FIRST READING PROPOSED ORDINANCE TEXT CHANGE AMENDMENT - SUBDIVISION ORDINANCE

On May 9, 2006 the Planning Commission reviewed the proposed revisions to the City's subdivision

regulations recommended by the Zoning Task Force. The proposed revisions provide a subdivider with a clear understanding of the subdivision process while providing the individual an opportunity to expedite the review/approval process. Upon recommendation of the Planning Commission who unanimously recommended approval of the proposed revisions, the motion was made by Alderman Woll, seconded by Alderman Nelson and unanimously carried to give a first reading of the proposed Ordinance.

APPROVED MAINTENANCE TERMINAL AGREEMENT WITH INTEGRITY AVIATION

The current agreement with Integrity Aviation requires Integrity to maintain the grounds surrounding the building site, the main terminal building and the maintenance terminal building. They are also required to perform daily inspections of the ramp area, taxi-ways and runways and fueling facilities. It is Integrity's desire to base the maintenance person assigned to oversee the maintenance at the airport, at the airport. It is also their desire to store maintenance equipment within the maintenance building in space not utilized for storage of the City's equipment. Their equipment is utilized in addition to the City's equipment. A maintenance person based at the airport will also provide City staff with a direct contact person. Integrity agrees to work cooperatively with the Civil Air Patrol which is based at the airport in the sharing of common space. The lease was reviewed by City Attorney Mark Shepherd and Integrity Aviation. Following discussion the motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to approve the Maintenance Terminal Lease Agreement with Integrity Aviation and authorize the Mayor and Clerk's signatures.

APPROVED ARCHITECTURAL SERVICES FOR PREPARATION OF CONCEPT PLANS FOR COMMUNITY CENTER AND MEMORIAL AUDITORIUM

The City has been authorized to establish a ½ cent sales tax subject to a local referendum. The authorization calls for the revenues received from the sales tax to be used by the city to pay for the costs of a community center complex and to make renovations to the Memorial Auditorium. In order to best refine and illustrate the concepts for development of a community center and for the Memorial Auditorium renovations it is recommended that the services of a qualified architectural firm be utilized. The firm of SEH previously provided a concept plan for a multi purpose building at the Campbell Soup site and provided a preliminary cost estimate for the auditorium improvements. Although there are changes to the previously provided concept, the firm has a background understanding of the issues involved in the improvements. The firm was requested to submit a proposal for providing architectural services to develop conceptual plans for the community center and Memorial Auditorium projects. The conceptual plan development process will allow an opportunity for city representatives to form ideas and goals into a workable concept plan. The concept drawings will provide the public with a tangible representation of the proposed community improvements. The proposal submitted sets a fixed fee of \$9,000 for the services needed to develop the concept plans for the community center to be located at the Campbell Soup site and the Memorial Auditorium renovations. The proposal also includes additional services (estimated fee of \$2,000 - \$3,000) to incorporate environmental considerations into the community center concept plan. Following

discussion the motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to authorize acceptance of the services of SEH to develop the concept plans and accept the alternate services to integrate environmental considerations into the site plan process with funding of the fees from the general fund undesignated unreserved fund balance.

APPROVED THE SELECTION OF THE BRIMEYER GROUP, INC. JOB SEARCH FIRM

Letters were sent to six firms requesting proposals to assist the Mayor and City Council with the recruitment and selection of a City Administrator. A worksession was held prior to the City Council meeting to review the following five proposals received:

The Brimeyer Group, Inc., Hopkins, MN
Springsted Incorporated, St. Paul, MN
Personnel Decisions International, Minneapolis, MN
The Mercer Group, Inc., Atlanta, GA
Slavin Management Consultants, Norcross GA

Following discussion the motion by Alderman Nelson, seconded by Alderman Hain and unanimously carried to select the firm of The Brimeyer Group, Inc., Hopkins, MN.

AMENDED RESOLUTION NO. 3103 ADOPTED, SHARE AND DESIGNATE POLLING PLACE LOCATIONS IN THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA

On March 13, 2006 Council adopted a resolution that allowed us to share and designate polling place locations in the City. Due to concerns with Prairie Lakes closing and moving some of their offices/programming to West Elementary we were concerned about parking issues at the site. Therefore, we amended the resolution to show using the American Lutheran Church for the former West Elementary School site and Nobles County Public Works site. We will then move the former Prairie Lakes polling location to the Nobles County Administration Building rather than the First Baptist Church. The motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to adopt the following resolution:

AMENDED RESOLUTION 3101

RESOLUTION TO SHARE & DESIGNATE POLLING PLACE LOCATIONS IN THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA

(Refer to Resolution file for complete copy of Resolution)

APPROVED VOTING SYSTEM PLAN

At the November 10, 2005 City Council meeting, Council approved a Nobles County Election Equipment Plan which was to cover all cities, schools, and townships in Nobles County. Now the State is saying that cities over 10,000 in population need to adopt their own plan and submit. The plan presented is basically the same approved earlier for the County. The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to approve the voting system plan as presented and submit to the Secretary of State.

LICENSE APPLICATION RENEWALS APPROVED

The motion was made by Alderman Hain, seconded by Alderman Petrich and unanimously carried to approve the following license renewals for the period July 1, 2006 through June 30, 2007:

Club Liquor

- 2006-1 American Legion Post #5, 1906 Oxford Street
- 2006-2 Elks Lodge #2287, 1105 Second Avenue
- 2006-3 Worthington Eagles Club #3282, 205 Oxford Street

On-Sale Liquor

- 2006-2 La Azteca Restaurant, 223 Tenth Street
- 2006-3 Stephanie's Restaurant and Lounge, 2015 Humiston Avenue

Wine

- 2006-1 Stephanie's Restaurant and Lounge, 2015 Humiston Avenue
- 2006-2 La Azteca Restaurant, 223 Tenth Street

APPLICATION FOR 2:00 A.M. CLOSING TABLED

The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to table this item until the liquor license renewal is presented for renewal and the Liquor Liability insurance is in place.

REQUEST TO SELL STRONG BEER ON SUNDAY APPROVED

The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to approve the request of Stephanie's Restaurant and Lounge to sell strong beer on Sunday. They met the

criteria by submitting a statement of sales showing 60% of their sales are food, they have an On-Sale Liquor License, Wine License, and On-Sale Beer license.

APPROVED CITY OF WORTHINGTON AND SCHOOL DISTRICT #518 MEMORIAL AUDITORIUM RENTAL AGREEMENT

The motion was made by Alderman Woll, seconded by Alderman Nelson and unanimously carried to approve the Memorial Auditorium Rental Agreement with the School District for the period July 1, 2006 through June 30, 2007 and authorize the Mayor and Clerk signatures. The agreement outlines the role and responsibility of each entity along with the association insurance requirements and fees required for the School District. This agreement is basically the same as last year with a 2% increase in fees.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Liquor Committee meeting discussed a couple of items. Reminder of the Nobles County Electric 70th Anniversary on Wednesday afternoon.

Alderman Petrich - Plans in the works for a retirement gathering for Don Habicht. Discussed a committee to work with SEH on forum environment and pull information together to projects.

Alderman Nelson - Fly/Drive In Breakfast at the airport on Saturday morning was quite well attended (300 people) despite the bad weather. They are working with the Snow Birds from Canada to attend Turkey Day 2007.

Alderman Woll - Hospital meeting, attended a Heron Lake Watershed quarterly meeting, Housing Task Force meeting - moving forward, he and Bill Bassett visited with the Senior's Group - time is running short, and Worthington Rediscover is starting up - Mike, Bob Petrich and Gary Hoffman will be working with Brad on this program.

Alderman Ten Haken - Discussed the referendum on ballot, if we go ahead with sales tax we cannot use City funds to advertise. Set up a committee to receive funds to solicit. Blue Ribbon Committee - Brad/Wayne Smith working with two County Commissioners, two City Council representatives (Lyle and Lee), and two township representatives on community building code, zoning, and land use issues.

INTERIM CITY ADMINISTRATOR REPORT

Bill Bassett discussed a meeting he had with MN West representative Ron Wood, Nobles County Engineer Steve Schneider and City Engineer Dwayne Haffield pertaining to drainage problems at the college. This has been a long term concern. Bill also reported on a meeting with Andy Johnson of the YMCA and will distribute a workable document. He also noted the \$800,000 that was approved - right now the way it is worded we have to match funds. Rep. Hamilton and Senator Vickerman are trying to get the language clarified.

BILLS PAYABLE

The motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried that bills payable and totaling \$1,048,955.87 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Nelson and unanimously carried to adjourn the meeting at 9:02 p.m.

Karen Buchman
City Clerk