

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, NOVEMBER 28, 2005**

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: Leland Hain, Roger E. Nelson, Bob Petrich, Lyle Ten Haken, Mike Woll and Honorary Council Person Ron Wood.

City Staff present: Bob Filson, City Administrator; Dwayne Haffield, Director of Engineering and Karen Buchman, City Clerk.

Others present: Ryan McGaughey, Daily Globe, and Jerry Vogt, EMC.

AGENDA APPROVED

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to accept the agenda as presented.

MINUTES APPROVED

The motion was made by Alderman Nelson, seconded by Alderman Hain and unanimously carried to accept the Regular City Council minutes of November 14, 2005 as previously distributed.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to accept for review the Water and Light Commission minutes of November 21, 2005; and Nobles County Joint Powers Transit Authority Meeting minutes of October 17, 2005.

APPROVED AMENDING SERVICE CONTRACT WITH EMC FOR OPERATION OF INDUSTRIAL WASTEWATER TREATMENT FACILITY

In May 2002, Council approved two contracts with Environmental Management Corporation (EMC). One of the contracts was for program management services pertaining to the Industrial Wastewater Treatment Facility and the other was for operations of the facility which replaced the contract with PeopleService. The operations contract establishes the compensation (fees) paid monthly to EMC for operation and maintenance (O & M) of the facility. The original contract reflected the treatment facility and its O&M costs as they were prior to the major facility improvements. In 2004 Council approved an amendment establishing a new fee structure reflecting the change in costs associated with the facility improvements. On March 14 of this year Council approved a second amendment to address matters pertaining to power cost adjustments and a change in facility monitoring requirements. EMC fees are established with fixed and variable rates. The variable rates are per pound of phosphorus discharged to the facility and per pound of Chemical Oxygen Demand (COD) discharged from the anaerobic lagoons. The variable rate was

devised as a fair means of compensating EMC for those costs which would vary significantly with changes in the volume of pollutants needing to be treated. The single most significant of these variable costs is that for the chemicals needed to remove phosphorus.

The method requested by EMC is built upon the derivation of the initial variable rates. The percent of the initial rate attributable to each of the cost components (three chemicals used and sludge disposal) is defined as base component costs. Each of the cost components is to be adjusted to its current cost yielding the adjusted variable rate. The variable rates will also be adjusted quarterly rather than annually. EMC is to furnish documentation as to actual chemical and sludge disposal costs as requested by the City. The increase in rates projected for the next year (including the change in the fixed rate as per the existing contract) will increase operation costs by over \$100,000. Swift and Company management has been fully involved in the negotiation of the amendment.

The motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to approve Amendment No. 3 to the EMC operations contract with an effective date of September 1, 2005 and to authorize the Mayor and Clerk to execute the contract amendment.

RESOLUTION NO. 3090 ADOPTED, APPROVING CHANGES IN THE SEWER RATE SCHEDULE

The proposed 2006 Sewer Service Charge System (Sewer Rates) was developed by staff and approved by the Water and Light Commission at its November 21st meeting. Rates will increase about 3.4% to 3.5% for all non-industrial users. The total revenue to be generated by the 2006 rates is 4.3% or \$73,275 more than that budgeted to be generated from the 2005 rates. The rate changes also reflect a slight overall increase in projected usage units and a minor increase in connection units. The sewer fund cost excludes \$15,000 for sewer line maintenance work, and \$26,000 for collection system capital improvements. These costs are to be funded through use of reserves.

A motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to adopt the 2006 Sewer Service Charge System by passing the following resolution:

RESOLUTION NO. 3090

APPROVING CHANGES IN THE SEWER RATE SCHEDULE

(Refer to Resolution file for complete copy of Resolution)

SUPPLEMENTAL AGREEMENT NO. 1 TO WEST-NORTH INTERCEPTOR PHASE VI SANITARY SEWER EXTENSION PROJECT APPROVED

The proposed Supplemental Agreement No. 1 for the 2005 West-North Interceptor Phase VI Sanitary Sewer Extension project as presented addresses one extra work item and one change in use of seed mixture.

Item 1 addresses the need to furnish and use 3"-6" rock to stabilize the trench bottom due to extremely wet conditions encountered at this location. The unit price for the oversized rock is \$2.00 less than the contract unit price for the granular foundation.

Item 2 establishes a unit price for an alternate seed mix to be used in the road ditch along Olson Park. This is more compatible with the routine mowing performed along the park. Use of the alternate seed mix reduced the quantity of the planned seed mix. The net seeding price difference is \$56 per acre or \$139.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve and authorize the Mayor to execute the agreement.

SUPPLEMENTAL AGREEMENT NO. 1 TO 2003 INDUSTRIAL SANITARY SEWER RECONSTRUCTION PROJECT APPROVED

The proposed Supplemental Agreement No. 1 for the 2003 Industrial Sanitary Sewer Reconstruction project addresses the following three work items warranting additional compensation for the contractor:

Item 1 requires the contractor to place a PVC cap rather than a concrete plug in the segment of existing sewer to be abandoned at an active manhole. The additional compensation of \$200.00 includes the costs for the additional excavation required to place the cap.

Item 2 addresses the need to modify a precast diversion structure to be placed at the location a 12" field tile conflicts with the sewer main. The item requires the contractor to change the location of the structure openings for the field tile and provides \$92.99 in compensation for the modification.

Item 3 required the contractor to remove and relocate 24 feet of drain line needed to accommodate construction of the manhole. The proposed compensation to the contractor for this extra work is a lump sum of \$442.80.

The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to approve and authorize the Mayor to execute the agreement.

RESOLUTION NO. 3091 ADOPTED, DECLARING ADEQUACY OF PETITION AND ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

A petition received was presented for the improvement of portions of Sterling Avenue and Sutherland

Drive. These street segments are the residential streets being installed by the developer in the second phase of Glenwood Heights First Addition pursuant to the subdivision requirements of the City and the provisions of the development contract. Final surfacing of these streets is allowed to be completed as a public improvement upon petition by the benefitted property owner(s). The improvement petitioned for is the bituminous surfacing of the aggregate (gravel) base to be installed by the developer. The improvement also includes any grading and supplemental aggregate base placement necessary as preparation for bituminous surfacing. The motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to accept the petition and pass the following resolution:

RESOLUTION NO. 3091

DECLARING ADEQUACY OF PETITION AND ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

(Refer to Resolution file for complete copy of Resolution)

SECOND READING PROPOSED ORDINANCE RELATING TO STORM WATER UTILITY RATES

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to give a second reading to the proposed ordinance relating to storm water utility rates revising the annual fee per acre for residential.

AUDIT ENGAGEMENT LETTER APPROVED

The motion was made by Alderman Hain, seconded by Alderman Petrich and unanimously carried to accept the proposal from Turbes Drealan Kvilhaug Mammen & Co., P.A. for the 2005 year end audit services with a maximum amount \$14,300 excluding word processing. This is an increase of \$400 over 2004.

ON-SALE BEER LICENSE APPLICATION APPROVED

The motion was made by Alderman Hain, seconded by Alderman Petrich and unanimously carried to approve the following On-Sale Beer License for the period November 29, 2005 through December 31, 2006:

No. 2006-1 El Torito, 1719 East Avenue, Raul Godinez

ON-SALE BEER LICENSE RENEWALS APPROVED

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the following On-Sale Beer License renewals for the period January 1, 2006 through December 31, 2006:

No.	2006-2	Pizza Hut, 1551 N. Humiston Avenue
	2006-3	Long Branch Saloon, 206 Tenth Street
	2006-4	Perkins Restaurant & Bakery, 1445 Darling Drive
	2006-5	Panda House, 913 Fourth Avenue
	2006-6	Omehari, Inc. - Stephanie's Restaurant & Lounge, 2015 No. Humiston Ave.
	2006-7	American Legion Post No. 5, 1906 Oxford Street

OFF-SALE BEER LICENSE RENEWALS APPROVED

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the following Off-Sale Beer License renewals for the period January 1, 2006 through December 31, 2006:

No.	2006-1	Hy Vee Food Store, 1635 Oxford Street
	2006-2	Casey's General Store #1686, 1704 Oxford Street
	2006-3	Casey's General Store #2166, 1007 Oxford Street
	2006-4	Worthington Travel Plaza, 2411 Hwy. 60 NE
	2006-5	Bob & Steve's Shell, 1408 Oxford Street
	2006-6	Travel Express, 221 Highway 59 North
	2006-7	Long Branch Saloon, 206 Tenth Street

NOMINATING COMMITTEE RECOMMENDATION APPROVED

Upon recommendation of the Nominating Committee, the motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to approve the following:

Memorial Auditorium Advisory Board	Appoint Mary Luke to a three-year term expiring August 2008
------------------------------------	---

COUNCIL REPORTS

Mayor Oberloh and Alderman Hain reported on their trip to Bayou LaBatre, Alabama with the hurricane relief donations collected for people in that area. They felt they received a warm reception at best from the City, but the minister of the church was very appreciative of everything that was sent by our community and noted that the items would be handed out to those most in need not as a free for all.

Alderman Petrich - discussed adopted budget information from the Water and Light Commission meeting.

Alderman Nelson - discussed Nobles County Joint Powers Transit - in 2006 they will be seeking request for proposals for taxi service. He would like to have a short Council Worksession to discuss taxicab ordinance revision or repeal. It was determined to tack this discussion onto the budget worksession scheduled for Wednesday.

Alderman Woll brought in the Mpls. Tribune which discussed property tax increases across the state being double digit and mentioned Worthington as having one of the lowest increases at 5.91%. He discussed the Chamber/CVB Planning Session and Hospital issues.

Alderman Ten Haken - Transportation funding for out state rural Minnesota. The Southwest Regional Development Commission is having a meeting of cities and counties in an effort to get them together to fight for issues on a united front - not proposing this to be an easy process.

While on the transportation subject Council discussed the 12th Street railroad crossing and how tied up it gets with railroad switching. The Mayor discussed condemnation to open up Nobles Street again if it doesn't get better. Alderman Nelson said it is one of the worst mistakes made during his years on Council. It was noted to the City Administrator, that we need to get the railroad officials back to revisit this issue.

CITY ADMINISTRATOR REPORT

Bob Filson discussed Rei Tech and where we were at - he has informed Brad Chapulis to contact Mark Shepherd Wednesday morning if he has not had a satisfactory response by 5:00 p.m. Wednesday.

Discussed budget worksessions - dates and times, League of MN Cities annual meeting the end of this week in Rochester, and LELS negotiations on November 30.

BILLS PAYABLE

The motion was made by Alderman Petrich, seconded by Alderman Hain and unanimously carried that the bills payable and totaling \$669,612.56 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 7:50 p.m.

Karen Buchman
City Clerk