

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JUNE 14, 2010**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll. (Alderman Ten Haken stepped out of the room prior to call to order.)

Staff present: Craig Clark, City Administrator; Jim Laffrenzen, Public Works Superintendent; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Andy Johnson, Worthington YMCA; Laura Grevis, Daily Globe.

AGENDA APPROVED WITH CHANGES

The motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to approve the agenda with the following changes:

- Addition of a rain location to the Temporary On-Sale Beer License application from the Freedom Veterans Memorial Inc.
- Alderman Woll requested the Freedom Veterans Memorial Inc. application for Temporary On-Sale Beer license be pulled from the consent agenda as he had a few comments.

CONSENT AGENDA APPROVED

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the consent agenda as follows:

- City Council Minutes - Regular Meeting May 24, 2010; Special Meeting May 26, 2010; Special Meeting June 7, 2010.
- Minutes of Boards and Commissions - Airport Board Minutes of May 1, 2010; Traffic and Safety Committee Minutes of May 26, 2010; Fire Hall Building Committee Minutes of June 1, 2010.
- Municipal Liquor Store Income Statement for the Period January 1, 2010 through May 31, 2010.

(Alderman Ten Haken returned to the meeting)

- 2010 On-Sale Liquor, 2010 Club On-Sale Liquor, 2010 Wine License Renewal Applications as presented.
- Appointment of the Mayor and City Administrator as the Municipal Trustees to the Worthington Fire Department Relief Association.
- Approved the Local 49 Memorandum of Understanding for Summer hours for Public Works Employees.
- Approved the fire agreement between the City of Worthington and Worthington Township

- through December 31, 2012 at the following rates: 2010 \$9,327; 2011 \$9,607; 2012 \$9,895.
- Approved an annual lease agreement between the City and Beck Schilling to operate a concession business located at Centennial beach for approximately June 17 thru August 15, 2010.
 - Approved a loading zone request from Iowa Lakes Orthopaedics for their property at 426 Tenth Street, with the loading zone designated stall as the first stall on Fifth Avenue at the intersection of Fifth Avenue and Tenth, as recommended by the Traffic and Safety Advisory Board.
 - Approved the changing of the yield sign to a stop sign on Fox Farm Road at the intersection of Fox Farm Road and West Shore Drive, as recommended by the Traffic and Safety Advisory Board.
 - Bills payable and totaling \$1,076,812.47 be ordered paid.

APPLICATION FOR TEMPORARY ON-SALE BEER LICENSE APPROVED - FREEDOM VETERANS MEMORIAL INC.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to approve the temporary on-sale beer license for Freedom Veterans Memorial, Inc. for their fund raiser at Centennial Park, for the licence period of July 2, 2010 from 3:00 p.m. to 11:00 p.m., with the band to play until 10:00 p.m. Alternate rain location for the event will be Pioneer Village or the Hockey Arena.

ONE-YEAR TIME LINE STIPULATION AGREEMENT APPROVED WITH RUBY DEVELOPMENT FOR DEMOLITION OF THE 10TH AVENUE GRAIN ELEVATOR

The motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to approve the stipulation agreement with Ruby Development for a one-year time line for demolition of the 10th Avenue grain elevator.

CITY OF WORTHINGTON AQUATIC CENTER NON-RESIDENT SUMMER AND ANNUAL POOL PASS RATES APPROVED

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to set and approve the rate for the non resident annual pool pass and the non-resident seasonal pool pass the same as the annual and seasonal resident rates as follows: seasonal - \$75/adult only, \$125/family; annual - \$275/adult only, \$485 family.

AMENDED JOB DESCRIPTION AND REASSIGNMENT OF POSITION APPROVE FOR NEIGHBORHOOD SERVICES OFFICER

Following an evaluation of the relationship the Neighborhood Services Officer (NSO) has with the

Public Safety Department, along with the continuing concern over safety issues, staff was recommending approval of an amended job description for the NSO and reassignment of the position to the Public Safety Department. The position currently is part of the Public Works Department.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to approve the amended job description for the NSO and the reassignment of the position to the Public Safety Department.

ACTION TABLED ON WORK PLANS THAT WERE IDENTIFIED AS STRATEGIC PLAN PRIORITIES

Staff presented several work plans for projects identified as priorities during the strategic planning session completed by staff and Council in the fall of 2009.

Following discussion, the motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to table action on the work plans until work plans for all those identified priorities could be presented and discussed together. Council also requested a tour of the City owned facilities.

PUBLIC MEETING FOR REVIEW OF STORM WATER POLLUTION PREVENTION PLAN

Dwayne Haffield, Director of Engineering, noted this was the time and date set for a public meeting for review of the City's Storm Water Pollution Prevention Plan, as is required under our National Pollutant Discharge Elimination System (NPDES)/Storm Water Pollution Prevention Plan (SWPPP). Mr. Haffield gave a Power Point presentation explaining the permitting process and noting the City's SWPPP consists of the required Best Management Practices (BMP's) established by the Minnesota Pollution Control Agency.

No public comment was offered on the City's SWPP.

RESOLUTION ADOPTED VACATING PORTION OF UTILITY EASEMENT - 2020 CIRCLE DRIVE

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following resolution vacating a portion of an easement in the SW 1/4 of SE 1/4 of Section 24, T102N, R40W:

RESOLUTION

VACATING A PORTION OF AN EASEMENT IN THE SW 1/4 OF SE 14 OF SECTION 24,

T102N, R40W

WHEREAS, It has been determined that all except the south 10.00 feet of a certain easement over property in the Southwest Quarter of the Southeast Quarter of Section 24, Township 102 North, Range 40 West, Nobles County, Minnesota is no longer required by the Public.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WORTHINGTON, MINNESOTA:

1. That the easement described in Document No. 283967, recorded in the office of the County Recorder, Nobles County, Minnesota, except the south 10.00 feet thereof, be hereby vacated and released.
2. That the City Clerk is hereby directed to file a certified copy of this resolution in the office of the Recorder in and for the County of Nobles, State of Minnesota.

BEDFORD TECHNOLOGY LLC LOAN AND JOBZ AMENDMENTS APPROVED

In 2008, the City lent B & R Ventures \$295,420 for construction of a manufacturing facility on 27th Street that is leased by Bedford Technology LLC. Bedford is now bringing an investment partner in to grow the business, and will form a new company (New Bedford Technology, LLC) that will continue to do business as Bedford Technology. Brad Chapulis, Director of Community/Economic Development, told Council that in order for the company to finalize the transaction, certain items in place needed to be addressed by the City:

Collateral: the City was in a shared third lien position on the real estate and a lien against certain equipment owned by Bedford Tech. With the completion of the transaction, B & R Ventures will pay off the SBA and Nobles County loans, resulting in the City moving to a second lien position on the real estate behind First State Bank Southwest. With that, the company is requesting the termination of the UCC financing statement and Security agreement.

Subordination and Non-Disturbance Agreement (SNDA): The new company is requesting the lenders of the 27th Street property to execute a SNDA so that if the property is sold, foreclosed, or transferred for any reason, the company will be permitted to operate in accordance with the terms and conditions of the lease. The monetary value of the lease will cover the annual debt service for both lenders (First State Bank Southwest and the City).

JOBZ Amendment: needs to be executed by the company and the City stating that the new company agrees to assume the terms and conditions of the JOBZ agreement and the City agrees to the assumption of the JOBZ agreement.

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and with Alderman Nelson abstaining from the vote, was unanimously carried to approve the SNDA and JOBZ Amendment, and the termination of the UCC financing statement and Security Agreement for the lien equipment contingent on the submission of proper documentation proving the SBA and

County loans have been paid off.

FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION GRANT ACCEPTED

On May 27, 2010, the Federal Economic Development Administration announced that it had awarded \$779,886 to the City of Worthington for the construction of the Bio-Science Testing and Training Center. Staff was requesting Council authorization for the Mayor to execute the grant award documentation, which include the following conditions of award:

- Project must be constructed in accordance with the submitted site/floor plan. Any variation must be approved by the EDA.
- Any project cost overruns shall be the responsibility of the City.
- EDA must concur that all architectural/engineering agreements/contracts meet the requirements of US Department of Commerce Regulations.
- EDA must maintain an unsubordinated first lien on the real estate for 20 years from the date of the project's completion.
- EDA must maintain a lien position on all equipment purchased with EDA funds for the useful life of the said equipment.
- All leases of the facility or property will require approval of the EDA to assure all lease arrangements are consistent with the authorized purpose of the grant award.

The project will also be subject to the Women/Minorities in Construction and Davis-Bacon laws.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to authorize the Mayor to execute the EDA grant award documentation.

AUTHORIZATION GIVEN TO PROCEED WITH ARCHITECTURAL CONTRACT - SEH

On February 9, 2010, Council entered into an agreement with SEH for architectural services for the Bio-Science Testing and Training Center, that included pre-design, construction documentation, and construction administration, however, authorization was given to move forward with the pre-design phase only. Based on acceptance of the EDA grant for the Testing and Training Center, the motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to authorize SEH to proceed with the remainder of the scope of work (construction documentation and construction administration) as outlined in the February 2009 agreement.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - had a meeting with Craig and Dwayne at JBS Swift on some of their projects. Also wanted to congratulate the Worthington Trojans Track Team on their efforts at the state meet.
Alderman Ten Haken - Attended a Transportation meeting for the SRDC. MnDOT District Engineer

Jim Swanson also attended and talked about the Highway 60 project - bids will be opened July 9th. Alderman Ten Haken noted to the MnDOT rep that Council would like an update from them on the project continuing and pedestrian crossing on the southeast corner of town. Mr. Swanson indicated there were some funding opportunities available for the crossing if it was looked at as an enhancement. They are also pleased with the relocation of families. Also noted the SRDC Annual Meeting is July 8th here in Worthington at Minnesota West but he is unable to attend.

Alderman Kuhle - nothing to report.

Aldrman Nelson - nothing to report.

Alderman Wood - wanted to offer congratulations on the Regatta event.

Alderman Woll - nothing to report.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, noted he had nothing additional to report.

ADJOURNMENT

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 8:20 p.m.

Janice Oberloh
City Clerk