

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, OCTOBER 22, 2007**

The meeting was called to order at 7:00 p.m. in the City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Lyle Ten Haken, Mike Woll, Ron Wood, Mike Kuhle, Bob Petrich. Honorary Council Person: Dale Ryen.

Staff present: Joseph Parker, City Administrator; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk.

Others present: Darrell Stitt, KWOA; Ryan McGaughey, Daily Globe; Dan Livdahl and Scott Rall, Nobles County Pheasants Forever.

HONORARY COUNCIL PERSON

Mayor Oberloh introduced Dale Ryen as the Honorary Council Person for the months of September, October, and November 2007.

AGENDA APPROVED

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

CITY COUNCIL MINUTES APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Kuhle and unanimously carried to approve the City Council Minutes of the regular meeting October 8, 2007.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to accept for review the Water and Light Commission Minutes of October 15, 2007 and the Prairie View Golf Advisory Board Minutes of October 17, 2007.

FINANCIAL STATEMENTS

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to accept the General Fund Statement of Revenue and Expenditures for the Period January 1, 2007 through September 30, 2007.

ORDINANCE NO. 1006 ADOPTED TO VACATE EASEMENT

Pursuant to published notice, this was the time set for the third reading of a proposed ordinance vacating a platted public utility easement in Lot 1, Block 1 Homewood Hills Eleventh Addition.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to give a third reading to and adopt the following ordinance:

ORDINANCE NO. 1006

AN ORDINANCE TO VACATE THE PLATTED PUBLIC UTILITY EASEMENT IN LOT 1, BLOCK 1, HOMEWOOD HILLS ELEVENTH ADDITION

(Refer to Ordinance File for complete copy of Ordinance)

SECOND READING PROPOSED ORDINANCE EXTENDING THE CORPORATE LIMITS OF THE CITY OF WORTHINGTON

Pursuant to published notice, this was the time set for the second reading of a proposed ordinance to extend the corporate limits of the city of Worthington to include 93.33 acres of unplatted land abutting the city of Worthington and owned by Joel and Julie Lorenz.

The motion was made by Alderman Wood, seconded by Alderman Ten Haken and unanimously carried to give a second reading to the proposed ordinance.

LAND PURCHASE IN PARTNERSHIP WITH PHEASANTS FOREVER APPROVED

The Pheasants Forever organization has initiated efforts, with the assistance of several parties, to purchase land located northeast of Lake Bella to be sold at auction October 23, 2007. The land would eventually be turned over to the Minnesota Department of Natural Resources, and will enhance wellhead protection of the City's Bella well field located to the south and west of the property by transforming critical areas of the property into natural prairie land, thereby reducing the potential for contaminants to seep into the city drinking water supplies. Pheasants Forever was requesting an amount of up to \$50,000 to assist with the land purchase, which would extend the contribution of up to \$75,000 made by the Water and Light Commission. Scott Rall, Nobles County Pheasants Forever, and Dan Livdahl, Nobles County Pheasants Forever and Okabena/Ocheda/Bella Watershed Board, were present at the meeting to discuss the request.

To open this item for discussion, the motion was made by Alderman Woll and seconded by Alderman Kuhle to approve the request. Alderman Woll pointed out that, according to the Water and Light Commission Minutes of their October 15, 2007 meeting, the land is located within the designated wellhead protection area but is not located in an area designated as highly vulnerable. Mayor Oberloh indicated he had visited with Scott Hain, General Manager of Worthington Public Utilities, and he noted there were hopes that there could be a swap of some land that does lie within a critical area. Mr. Livdahl responded that the water from the property in question does flow into the critical area, and they have looked at taking a portion of the better farm land in that area and

trading it for some wetland area. Alderman Ten Haken suggested that since the issue is water protection, the dollars to help purchase should come from Worthington Public Utilities Water Department and not general tax dollars. Alderman Petrich disagreed, noting we all drink the water. Alderman Kuhle stated this was a great opportunity to partner with the Okabena/Ocheda/Bella Watershed Board and the Pheasants Forever, and sees this as a win-win situation for everybody. Mr. Rall noted the land would be open for public use as it would ultimately be turned over to the Department of Natural Resources, normally within 12 months to 2 years. Mayor Oberloh said he agreed with Alderman Ten Haken, and that he would be more comfortable if the funds were given in the form of a loan. Alderman Wood suggested a no interest loan. Mayor Oberloh noted the amount requested would be the two points to the levy leeway we allowed ourselves, and that the levy has already been certified. He also noted the Public Utilities is part of the City, and therefore the total impact could be \$125,000. Mr. Rall responded if the land came in at a rate where the City's contribution is not required, the money won't be asked for, as the City has the first option of backing out. If the land sale price is even more favorable, Worthington Public Utilities will be the second party with the option of backing out. Mayor Oberloh asked what the chances were for Worthington Public Utilities to drill for water on that land should they desire to do so. Mr. Livdahl responded that anything they wanted to do while Pheasants Forever retained the land could be done.

Mayor Oberloh called for a vote on the motion on the floor with the following Aldermen voting in favor of the motion: Kuhle, Petrich; and the following Aldermen voting against the motion: Ten Haken, Woll, Wood. Motion failed.

The motion was made by Alderman Woll and seconded by Alderman Kuhle to authorize up to \$25,000 versus \$50,000 from a budget standpoint. The following Aldermen voted in favor of the motion: Woll, Kuhle, Petrich; with the following Aldermen voting against the motion: Ten Haken, Wood. Motion passed.

RESOLUTION ADOPTED FOR STATE AID FOR AIRPORT MAINTENANCE AND OPERATIONS

The agreement with the Minnesota Department of Transportation, Office of Aeronautics, allows for reimbursement from the State of 2/3 of the documented, routine maintenance costs, not to exceed the base amount of state aid as set forth in the agreement for the cost of snow plowing, mowing, fertilizing, reseeding, rehabilitation of runway lights, landing strip markers, drainage systems and general maintenance of the runways, taxiways and apron areas. The not to exceed amount for the renewal period of 2008 and 2009 for Worthington is \$75,570. Reimbursement is based on actual time and cost records kept by the municipality.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to adopt the following resolution and authorize the Mayor and Clerk to execute the agreement:

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR AIRPORT MAINTENANCE AND OPERATION

It is resolved by the City of Worthington as follows:

1. That the state of Minnesota Agreement No. 91494, "Grant Agreement for Airport Maintenance and Operation," at the Worthington Municipal Airport is accepted.
2. That the Mayor and Clerk are authorized to execute this Agreement and any amendments on behalf of the City of Worthington.

**NEGOTIATIONS WITH SEH FOR PROFESSIONAL SERVICES FOR DEVELOPMENT
OF TH59 BACKAGE ROAD PLANS AUTHORIZED**

The Minnesota Department of Transportation (MnDOT) is programming funding for 2009 construction (FY2010) to implement the main components of the preferred alternative for improvements at the Ryan's Road and TH 59 intersection. The improvements include replacing the existing frontage road with a backage road, median changes on TH 59, and signal installation. MnDOT desires that the City undertake the project as the lead agency with MnDOT being a financial partner rather than the contracting agency. The fact that the backage road will be a city street, is assumed to require local drainage facilities, and may require local utility modifications is justification for the project to be the City's. MnDOT is programming in the 2008 to 2011 State Transportation Improvement Program (STIP), subject to final state approval, federal safety dollars, a MnDOT contribution to match the federal funds (90/10), and a local City share. Based on only local planning level estimates, the \$1,000,000 of state and federal funding proposed in the STIP represents a majority of a \$1,145,000 project. The actual costs will not be determined until further design work is completed. City costs will ultimately include those for distribution of Ryan's Road intersection improvements, right-of-way, most, if not all, storm water management, and utility improvements/relocations regardless of total project cost. Local share will also be costs in excess of available federal and state funding. Before any costs are incurred, an agreement will be established as to basis for distribution of costs. Again, the agreement will not be able to identify all local costs.

Professional services will be required from a consulting firm to undertake the scope of preliminary and final design required to pursue 2009 construction. Services will include extensive time devoted to working with adjacent property owners regarding individual concerns, assisting in right-of-way acquisition, readdressing the potential for the east side access, and signal design. A full scope of services to be procured will need to be developed with MnDOT.

Two options for selecting a consultant have been identified. The first is to negotiate a contract with

SEH, on the basis that they completed the traffic study and developed the preferred alternative leading to the project, would be able to maintain continuity in contacts with affected businesses and property owners, has local contact which offers particular value for local communications in this project, and has qualified resources to address the various aspects of the project. The MnDOT District Traffic Engineer prefers that the project continue with SEH to perpetuate the understanding of issues developed in the traffic study and alternative evaluation.

The alternative option for selecting professional services would be through a request for proposals (RFP). Staff or a committee, with or without Council involvement, would recommend a consultant based on qualifications, ability to meet the required schedule, ability to satisfy MnDOT design requirements, familiarity with local conditions, etc. Lowest fees should not be the basis for selection, and may indicate a lack of understanding of project requirements or dedication of proper resources. Dwayne Haffield, Director of Engineering, noted that a contract would not be entered into unless we also have a contract with MnDOT.

Alderman Wood stated his discomfort with automatically going with SEH for these projects over using an RFP, however, since he was not seated on Council during the initial phase and therefore not familiar with the work SEH did previously, he would go along with using them for this project. Alderman Ten Haken responded that going with the RFP could result in higher costs as SEH already has a file full of information that would otherwise need to be reaccomplished by another firm, and we would do ourselves well to take MnDot's suggestion to go with SEH.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to authorize staff to negotiate with SEH for professional services for the development of TH 59 Backage Road plans.

UNNAMED STREET DESIGNATED AS RAY DRIVE

At its July 23, 2007 meeting, Council approved a cooperative construction agreement with McDonald's USA for construction of a street extending west from TH 59 (Humiston Avenue) through the McDonald's driveway. Construction of the street and the restaurant has commenced and the street needs to be named. The street right-of-way is being provided to the City and the street construction costs are being financed by the developer similar to the manner streets are established in new subdivisions. As part of the platting process, street names are proposed by the developer and accepted by Council in its approval of the plat. The developer is proposing the street be named "Ray Road".

Alderman Woll stated, to avoid confusion (Ray Road would sound like Railroad), he would make a motion to name the street Ray Drive. The motion was seconded by Alderman Wood and unanimously carried.

PROPOSAL FOR PROFESSIONAL SERVICES FOR CONTINUING COUNTY DITCH 12 STUDY APPROVED

Barr Engineering has been utilized to model the flooding conditions along County Ditch 12 (CD 12) with contemporary watershed hydrology and ditch hydraulics. The first of two purposes of their work was to determine if the flood plain as currently mapped for flood management was in error enough to warrant proceeding with the remapping process. The other purpose is to evaluate possible means of reducing the flooding along CD 12 and improve its function as an outlet for storm sewer systems such as that to serve the drainage district which includes the northerly end of Tenth Street and Tenth Avenue. The modeling update is complete and is available to serve as a useful tool to identify improvements which will improve the capacity of CD 12. Barr had submitted a proposal to continue with the CD 12 work, which includes a re-evaluation of the storm sewer system proposed in the existing master drainage plan for the drainage district lying southwest of CD 12 (includes 10th Street and 8th Avenue) to determine if a better alternative may exist. The work to be completed will focus on the necessary culvert and channel improvements needed, the changes those improvements will produce, and the storage needed to mitigate downstream impacts. Mr. Haffield noted the proposed fee of \$28,000 is \$3,000 over the amount included in the Storm Water Utility Fund budget for the work, but the update provided by Barr was considerably under budget so we are still okay.

The motion was made by Alderman Wood and seconded by Alderman Ten Haken to accept the proposal from Barr Engineering to continue with the CD 12 work. Council discussed the flooding problems that have repeatedly occurred at 8th Avenue and 10th Street. Mayor Oberloh asked if it would be possible for Council to visit with a representative from Barr, to have them tell us what we need to do to fix it, so Council can then determine if we can afford to fix the problem. Mr. Haffield told Council they have to look at County Ditch 12 property damage flooding compared to intersection flooding. Alderman Ten Haken expressed his thought that we have been remiss in this issue; we need to get to where we can articulate the plan and can get some kind of numbers and a time line. Mr. Haffield replied, that is the intention of this. The storm sewer system master plan is in place, but it stops at CD 12, which is a flaw that we wanted to bring out and make it more of a comprehensive picture. We're telling Barr that we need a master plan of the CD 12 area. Alderman Kuhle asked if FEMA had completed their remapping of the flood plain, to which Mr. Haffield replied no. Discussion continued and included the possibility of a levy certification problem with Whiskey Ditch.

The motion was unanimously carried.

MINNESOTA DEPARTMENT OF TRANSPORTATION PARTNERSHIP CONTRACT APPROVED

In June of 2003, the City entered into a partnership agreement with the Minnesota Department of Transportation (MnDOT) for providing various services including professional services pertaining

to bridge inspection and design, certain types of surveying and other land management support, roadway maintenance, and materials testing. The most common services used by the City are those for material testing, especially those related to pavement mix designs. The five-year agreement terminates in mid 2008 but MnDOT is requesting that the new agreement be executed by local units of government this year. The format of the contract has changed to include a master agreement establishing the basic terms of the arrangement and individual work orders defining conditions relevant to certain services. The contract has been sent to the City Attorney for review.

The motion was made by Alderman Kuhle, seconded by Alderman Petrich and unanimously carried to authorize the Mayor and Clerk to execute the Minnesota Department of Transportation Partnership contract.

RESOLUTION NO. 3308 ADOPTED AMENDING INTEREST RATES ON EXISTING ASSESSMENTS

At its April 9, 2007 meeting, Council authorized the sale of a PIR bond which provided funding of certain improvements that were completed in 2005 and assessed in 2006. At the hearing in 2006, interest rates were set based on a projected bond rate, at 5.5%. The bonds came in better at 3.9%, and, based on that number, we would normally have set the interest rate at 4.9% instead of the 5.5%. The 2007 bond also provided for refunding two existing PIR bonds. Assessment balances remain to be paid to the City on certain improvements financed by these two bonds. The interest rates due on these assessments reflect the interest rates of the original bonds.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following resolution amending the interest rate on the assessments effective with the installment to be certified this year:

RESOLUTION NO. 3308

RE-ESTABLISHING THE INTEREST RATE ON THE PAYBACK TERMS SET FORTH IN RESOLUTIONS ADOPTING THE SPECIAL ASSESSMENTS FOR CERTAIN IMPROVEMENTS

(Refer to Resolution File for complete copy of Resolution)

PROPOSAL FOR PROFESSIONAL SERVICES FOR EVALUATION OF WASTEWATER TREATMENT FACILITIES APPROVED

The Total Daily Maximum Load (TMDL) study for Heron Lake is being completed. Minnesota Pollution Control Agency (MPCA) Staff has shared the results of that study with the towns that discharge into that lake. Based on their work, the proposed phosphorus TMDL would result in a .4

mg/l limit for the City's two treatment facilities for the months of February through September. The facilities will also be subject to a maximum daily mass that may be discharged, which would reduce the allowable concentration limit if flow is expanded beyond current capacity. Both facilities are looking at this. They have the ability to trade between the plants, and between other communities, however, trades between communities would not be likely. The storm water system would also be able to trade if they come up with tough requirements for our storm water permit. Swift is also pondering how they can look at increased production when they are already running the existing plant at capacity.

Pharmer Engineering, LLC, a consulting firm consisting of the individuals involved with the most recent upgrade of the Industrial Wastewater Facility, was asked to submit a proposal for professional services. The costs attributable to the municipal wastewater treatment facility, \$10,240, will be paid from the Municipal Wastewater Treatment Facility Fund, with the remaining portion, \$17,120, needing to be paid from the Industrial Wastewater Treatment Facility Fund. Although it is a cost not budgeted for in the 2007 budget, with reconciliation at the end of the year it becomes Swift's cost.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the proposal for professional services from Pharmer Engineering, LLC.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Attended a Golden K (Kiwanis) meeting and received their input for Senior Center ideas. Mostly good comments, a couple of negative ones. Thinks the Event Center Committee should attend a Golden K meeting also. Met with Matt Entenza regarding his new project, Minnesota 20-20, which is \$20,000,000 of economic development money made available for use throughout the state.

Alderman Ten Haken - also attended the Golden K meeting, senior demographics will probably double by 2030. Need to identify current and future needs. Also attended a Joint Powers Transit Authority meeting, the taxi service is supported through a \$50,000 transit grant, and we subsidize \$2/ride. Usage is exceeding the subsidy amount and they want to go to MnDOT to ask for additional funds. Service from 10:00 p.m. to 2:00 a.m. will probably be discontinued at the end of the year as the usage is too low to justify it.

Alderman Woll - Thanked Mayor Oberloh for the chance to represent Worthington at Turkeyfest in Cuero, Texas. It was a great opportunity. Also attended an Event Center meeting and a Hospital Board meeting.

Alderman Wood - Reported no findings in a Housing and Redevelopment Authority audit. Had the HUD required public hearing for subsidized housing. Attended two Golf Advisory Board meetings, one with the Friends of Prairie View which had a very good turn out with about 47 citizens attending. Four tournaments already set up for next year. They are working on landscaping, building front, etc. Looking at a 5% increase in rates for next year except in youth rates. Joint Powers Transit Authority meeting, if there is no more money we may end up using the subsidy, then go to regular

rates.

Alderman Kuhle - nothing to report.

Alderman Petrich - Noted there will be a Pancake Feed fund raiser at the Elks for Memorial Auditorium. There is also a Joint Law Enforcement meeting coming up.

CITY ADMINISTRATOR'S REPORT

Joe Parker, City Administrator, reported that he and some other staff members have met a couple of times with Nobles County regarding the prosecution costs issue. Mr. Parker said what we have agreed to tentatively is the proposal to hire the transcriptionist but not the additional attorney. The cost increase would be approximately \$18,000 to \$20,000, which would maintain the current 25% level of funding from the City for that office. There is \$132,000 in the budget for next year, which will lag. Also mentioned the consent agenda included in the Council packet this time for Council's review to see if there is interest in going to this type of agenda. Consent agendas will be included with the regular agendas for the next few meetings to give Council a further chance to review them. Mr. Parker has visited with both Duane and Gerald Butcher regarding the nuisance at their property. Both insisted they will get the property cleaned up, which they are in the process of doing. The nuisance hearing had been postponed for 60 days. Mentioned a letter he had received from Community Connectors indicating that organization is running out of money so they may approach the City for some funding. Also mentioned the NIMS training that various City employees, including himself, are currently doing. The training would be fundamental in obtaining FEMA money should the area suffer a disaster.

BILLS PAYABLE

The motion was made by Alderman Petrich, seconded by Alderman Wood and unanimously carried that bills payable and totaling \$603,019.87 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adjourn the meeting at 8:44 p.m.

Janice Oberloh
City Clerk