

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, NOVEMBER 13, 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; Brad Chapulis, Director of Community/Ec. Development; Dwayne Haffield, Director of Engineering; Jim Laffrenzen, Public Works Superintendent; Myra Onnen, Neighborhood Services Officer; Janice Oberloh, City Clerk.

Others present: Dave Von Holtum, City Attorney; Darrell Stitt, KWOA; Justine Wettschreck, Daily Globe.

HONORARY COUNCIL PERSON

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

**RESOLUTION NO. 3309 ADOPTED DECLARING PUBLIC NUISANCE AT 525 AND 555
HIGHWAY 59/60 AND ORDERING ABATEMENT THEREOF**

Pursuant to notice, this was the time set for the public hearing to determine whether or not a public nuisance exists at the property located at 525 and 555 Highway 59/60, owned by Donald and Patricia Balk.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to open the hearing.

City Attorney Dave Von Holtum presented the case and called on Jim Laffrenzen, Superintendent of Public Works, for his testimony. Mr. Laffrenzen related that he had first communicated with the Balks regarding the condition of the property in July, and had been assured by them they would make the corrections to the bill of particulars prepared by Mr. Von Holtum by the 21st of September. However, by the time of second notice, mowing of the grass around the building was the only thing that had occurred. The bill of particulars is as follows:

- The gas pumps in the front area are in a state of disrepair. Those deficiencies being broken glass, rusted parts and missing and collapsed parts.
- Siding in the front of the store by the step is rotting.
- Paint is peeling around the entire building.
- The property has weeds grown to blooming in numerous locations.
- Siding is, and has, fallen off the back of the building.
- There are several locations that could be entered by birds and animals.
- Fuel storage tanks are still in the ground.
- The building is in a general state of neglect. There have been problems with the roof at one

time and it is not known if the necessary repairs were ever made.

The items listed on the bill of particulars drawn up in July still existed on the property when Mr. Laffrenzen inspected it on the 30th of October. Mr. Laffrenzen submitted 16 photographs of the property to enter into the record. He has not received any contact from the Balks since the notice of hearing was served by mail October 9, 2007. Mr. Von Holtum submitted a copy of the notice of hearing and an affidavit of service to be entered into the record.

Also noted was a letter that Rick Von Holdt, Fire Chief, had issued to the Balks regarding the underground fuel tanks that are still in place on the property, indicating the State of Minnesota Fire Code requirement 3404.2.13 states that after a period of unoccupied time underground fuel tanks must be disposed of. The tanks have been disconnected and are not electronically monitored which creates the violation. Chief Von Holdt fixed the time for disposal as two months from the time of the letter, which was dated November 4, 2007. The two month wait period for enforcement of the fuel tank violation, does not preclude us from enforcing the remaining violations listed on the bill of particulars. Mr. Von Holtum noted that the fuel tank issue will need to be taken into consideration when we get into abatement of the nuisance.

Mayor Oberloh opened the floor for testimony. There was none.

Alderman Woll asked if Council took action tonight could we secure the building. Mr. Von Holtum replied that if Council determined there was eminent danger, we could go in and secure the building.

The motion was made by Alderman Wood, seconded by Alderman Ten Haken and unanimously carried to close the hearing.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to declare the property at 525 and 555 Highway 59/60 a public nuisance and order abatement as presented by adopting the following resolution:

RESOLUTION NO. 3309

DECLARING PUBLIC NUISANCE ON THE PROPERTY LOCATED AT 525 AND 555 HIGHWAY 59/60 LEGALLY DESCRIBED AS "THE WEST 25 FEET OF OUTLOT 11 AND ALL OF OUTLOT 10, AUDITOR'S PLAT OF BUSS OUTLOTS, CITY OF WORTHINGTON" AND OWNED BY DONALD M. BALK AND PATRICIA A. BALK

(Refer to Resolution file for complete copy of Resolution)

NUISANCE HEARING CONTINUED FOR PROPERTY LOCATED AT 1105 EIGHTH AVENUE

Pursuant to notice, this was the time set for a public hearing to determine nuisance existence on the property located at 1105 Eighth Avenue and owned by Ceasar Barrios.

The motion was made by Alderman Ten Haken, seconded by Alderman Petrich and unanimously carried to open the hearing.

City Attorney Dave Von Holtum reported there is an agreement in place regarding this property that states the issue will be taken care of by the first of December, and noted a second agreement in place on the property. Jim Laffrenzen, Public Works Superintendent, stated there was another agreement in place and deferred to Brad Chapulis, Director of Community/Economic Development. Mr. Chapulis stated this was a rental property that was not registered under the Rental Housing Ordinance. They have finally been able to make contact with the absent property owner and came to an agreement to remedy the public nuisance and to have the property registered immediately. Mr. Von Holtum requested that Council continue the hearing to the first meeting in December based on the agreements.

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to close the hearing.

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to continue the hearing to the first regular meeting of the City Council in December, 2007.

AGENDA APPROVED WITH ADDITION

Mayor Oberloh requested the addition of *One Year Evaluation-City Administrator* to the agenda. The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the agenda with the requested addition.

CITY COUNCIL MINUTES

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to approve the City Council Minutes of the regular meeting October 22, 2007.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Petrich, seconded by Alderman Kuhle and unanimously carried to accept for review the Water and Light Commission Minutes of October 1, 2007 and the Traffic and Safety Committee Minutes of October 31, 2007.

FINANCIAL STATEMENTS

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to accept the Municipal Liquor Store Income Statement for the period of January 1, 2007 through October 31, 2007.

RESOLUTION NO. 3310 ADOPTED AUTHORIZING PROCEEDINGS TO ABATE NUISANCE AT THE 10th AVENUE GRAIN FACILITY, 706 TENTH AVENUE

At their September 10, 2007 meeting, Council passed Resolution No. 3293 declaring a public nuisance at the 10th Avenue Grain Facility, 706 Tenth Avenue, and ordering abatement thereof. The resolution allowed 60 days for abatement or for development and presentation of a plan to the City Administrator for abatement the nuisance. The 60 days have lapsed and no plan has been forthcoming nor has the nuisance been abated. City Attorney Dave Von Holtum requested that Council authorize the City Attorney's office to proceed with necessary action to force abatement of the nuisance by adopting the following resolution:

RESOLUTION NO. 3310

AUTHORIZING WORTHINGTON CITY ATTORNEY OR AUTHORIZED REPRESENTATIVE TO PROCEED WITH ACTION NECESSARY TO FORCE ABATEMENT OF PUBLIC NUISANCE AT THE 10TH AVENUE GRAIN FACILITY

(Refer to Resolution file for complete copy of Resolution)

ORDINANCE NO. 1007 ADOPTED EXTENDING THE CORPORATE CITY LIMITS OF THE CITY OF WORTHINGTON

Pursuant to published notice, this was the time set for the third reading of a proposed ordinance extending the corporate city 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 Kuhle and unanimously carried to give a third reading to and adopt the following ordinance:

ORDINANCE NO. 1007

AN ORDINANCE EXTENDING THE CORPORATE CITY 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

(Refer to Ordinance file for complete copy of Ordinance)

RESOLUTION NO. 3311 ADOPTED ACCEPTING IMPROVEMENTS TO FREEDOM SHORE PARK FROM FREEDOM VETERANS MEMORIAL, INC.

At their March 13, 2006 meeting, Council gave approval to Freedom Veterans Memorial, Inc. for a veterans memorial project at Freedom Shore Park. The Memorial was dedicated on Memorial Day, 2007, and City Attorney Mark Shepherd was recommending that the City formally accept the improvements to Freedom Shore Park from Freedom Veterans Memorial, Inc.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to adopt the following resolution accepting the improvements to Freedom Shore Park:

RESOLUTION NO. 3311

A RESOLUTION ACCEPTING IMPROVEMENTS TO FREEDOM SHORE PARK FROM FREEDOM VETERANS MEMORIAL, INC.

(Refer to Resolution file for complete copy of Resolution)

APPLICATIONS FOR RENEWAL OF ON-SALE BEER LICENSES APPROVED

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the following applications for renewal of On-Sale Beer Licenses for the license period January 1, 2008 through December 31, 2008:

On-Sale Beer

- 2008-1 Stephanie's Restaurant & Lounge - 2015 Humiston Avenue
- 2008-2 Panda House - 913 Fourth Avenue
- 2008-3 The Ground Round Grill & Bar - 1290 Ryan's Road
- 2008-4 Eagles Aerie 3282 - 205 Oxford Street
- 2008-5 Worthington Country Club - 851 W. Oxford Street

Off-Sale Beer

- 2008-1 Bob & Steve's Shell - 1408 Oxford Street
- 2008-2 Casey's General Store #2166 - 1007 Oxford Street
- 2008-3 Casey's General Store #1686 - 1704 Oxford Street
- 2008-4 Top Asian Food - 312 Tenth Street

WINE LICENSE APPROVED

Worthington Country Club had submitted an application for a Wine License, which, in conjunction

with their On-Sale Liquor License and their On-Sale Beer License would allow them to sell strong beer and wine on Sundays.

The motion was made by Alderman Wood, seconded by Alderman Petrich and unanimously carried to approve the following Wine License for the period December 1, 2007 through June 30, 2008:

2007-7 Worthington Country Club, Inc. - 851 W. Oxford Street

MEMORANDUM OF UNDERSTANDING TO ESTABLISH A LONG-TERM SITE FOR THE CITY OF WORTHINGTON SENIOR COMMUNITY CENTER APPROVED

The YMCA was requesting Council approval of a Memorandum of Understanding to establish a long-term site for the City of Worthington Senior Community Center. The document is a non-binding agreement between the City of Worthington and the Young Men's Christian Association (YMCA) with the intent to sublease, or other relationship, so as to locate the Senior Community Center within the new YMCA facility on the Minnesota West Campus. The estimated cost of the facility would be about \$350,000. Approval of the document is needed so architectural work may proceed to include a Senior Center site.

ONE YEAR EVALUATION - CITY ADMINISTRATOR

Mayor Oberloh requested this item to be added to the agenda. Evaluation forms had previously been issued to Council members, and Mayor Oberloh was requesting that a subcommittee of himself, Lyle Ten Haken, and City Attorney, Mark Shepherd, be appointed to review the evaluations with Mr. Parker.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to appoint a subcommittee of Mayor Oberloh, Alderman Ten Haken, and Mark Shepherd to review the one-year evaluations for Joe Parker, City Administrator.

AREA TRANSPORTATION PARTNERSHIP INFORMATION

Council discussed information they had received earlier regarding an application for funding for community/enhancement projects as the application deadline is nearing. Dwayne Haffield, Director of Engineering, noted he had contacted Steve Schneider, Nobles County Engineer, as the City and the County will be working together on the bikeway concept approved by Council at their regular meeting on July 23, 2007. Mr. Schneider will be taking the lead on getting a package together to submit.

BIO-SCIENCE PARK ADDITION LAND QUOTES APPROVED

Staff solicited quotes for the Bio-Science Park addition from the same people who had submitted

quotes for the airport hay ground. The following quotes were received:

<u>Quoter</u>	<u>Dollars/Acre based upon 55 acres</u>	<u>Gross Amount</u>
David Dieter	\$145.46	\$8,000.00
Freking Haying	\$140.00	\$7,700.00
Heritage Farms	\$ -0-	\$ -0-

Based on staff's recommendation, the motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to award the quote to David and Justin Dieter at an annual amount of \$8,000, and authorize the Mayor and Clerk to execute the lease agreement.

RESOLUTION NO. 3312 ADOPTED - ADOPTING 2008 SEWER CHARGES

The proposed 2008 Sewer Service Charge System was developed by staff and approved by the Water and Light Commission at November 5, 2007 meeting. Dwayne Haffield, Director of Engineering, told Council that increases will be very minimal, with an increase of about .5% or less for all non-industrial users. The rate changes result from a minor cost increase in the operation and maintenance budgets, a decrease in the amount of revenue required to compensate for interest earnings below that needed for the equipment replacement reserve, and a slight decrease in projected usage.

The motion was made by Alderman Ten Haken, seconded by Alderman Petrich and unanimously carried to adopt the following resolution approving the 2008 Sewer Service Charges:

RESOLUTION NO. 3312

APPROVING CHANGES IN THE SEWER RATE SCHEDULE

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION ADOPTED REAPPORTIONING SPECIAL ASSESSMENTS FOR WATERMAIN IMPROVEMENT NO. 96 AND PAVING IMPROVEMENT NO. 83

The Church of Latter-day Saints is purchasing the south portion of Block 1, Country Village Apartment Subdivision and a portion of unplatted property immediately south of that subdivision from Independent School District 518. As a result of that sale, it is necessary to reapportion the balance of special assessments for Water Main Improvement No. 96 (First Avenue Southwest Extension) and Paving Improvement No. 83 (Pleasant Avenue) levied against the ISD 518 property.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to adopt the following resolution:

RESOLUTION

REAPPORTIONING THE SPECIAL ASSESSMENTS FOR PAVING IMPROVEMENT NO. 83
AND WATER MAIN IMPROVEMENT NO. 96

WHEREAS, On October 30, 2007, the unpaid balances of the special assessments for Paving Improvement No. 83 and Water Main Improvement No. 96, heretofore levied upon the following described property, as shown on the assessment records of the City of Worthington, are as follows:

Paving Improvement No. 83 (#31148)

Part of Gov't Lot 3 and part of the S $\frac{1}{2}$ of the SE $\frac{1}{4}$, Section 27-T102-R40 lying north of the railroad, containing 34.35 acres; also described as that part of the SE $\frac{1}{4}$ of Section 27-T102N-R40W described as "Remainder Tract" in the survey in Document #260885

35 feet	\$63.66
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Water Main Improvement No. 96

That part of the SE $\frac{1}{4}$ of Section 27-T102N-R40W, generally lying north of First Avenue SW and east of Knollwood Drive, described in Document #282629

Trunk (#31457)	48 acres	\$39,701.40
Lateral (#31458)	1551.75 feet	\$13,100.91

and

WHEREAS, The aforementioned property has been rearranged; and

WHEREAS, By petition filed with the City on November 5, 2007, the owners of said property now petition that said special assessments levied upon said real property be reapportioned among the following described properties pursuant to the rearrangement in the approved realignment of lot lines in Section 27, Township 102 North, Range 40 West, and Block 1 Country Village Apartments Subdivision, in the City of Worthington, Nobles County, Minnesota; and

WHEREAS, The reapportionment of the special assessment will not materially impair collection of the unpaid balance of the assessment against said property.

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

1. That the special assessments for Paving Improvement No. 83 and Water Main Improvement No. 96, heretofore levied upon said property as noted above, be reapportioned and spread among the following described properties in the following manner and amounts; viz:

That part of the SE¼ of Section 27-T102N-R40W, generally lying north of First Avenue SW and east of Knollwood Drive, described in Document #282629, EXCEPT that portion thereof lying south of Block 1 Country Village Apartments Subdivision

Paving Improvement No. 83 (#31148)	35 feet	\$63.66
Water Main Improvement No. 96		
Trunk (#31457)	47.308 acres	\$39,129.04
Lateral (#31458)	1312.78 feet	\$11,083.36

The south 166.27 feet of Block 1, Country Village Apartments Subdivision; and that part of the SW¼ of the SE¼ in Section 27-T102N-R40W lying south of Block 1 Country Village Apartments Subdivision and north of First Avenue SW.

Paving Improvement No. 83 (#31148)	0 feet	\$0.00
Water Main Improvement No. 96		
Trunk (#31457)	0.692 acres	\$572.36
Lateral (#31458)	238.97 feet	\$2,017.55

2. That a copy of this resolution be filed in the Office of the City Clerk with the assessment roll pertaining to the assessment.

Adopted by the City Council of the City of Worthington, Minnesota, this the 13th day of November, 2007.

FIRST READING PROPOSED ORDINANCE VACATING PLATTED UTILITY EASEMENT IN BLOCK "1", COUNTRY VILLAGE APARTMENTS SUBDIVISION

Staff presented a proposed ordinance that would vacate a platted utility easement in Block "1", Country Village Apartments Subdivision. The Church of Latter-day Saints intends to construct a church on the most southwesterly south portion of the Prairie Elementary School site they are purchasing from ISD 518. A ten foot easement was platted along the east and south lines of the block. Although the initial church will not be constructed on the easement, shrubbery and a future building addition are planned that will extend onto that part of the easement along the south line of the block. A utility locate conducted in early August for soil borings verified that no utilities are installed in that portion of the easement. There are no planned uses for the subject portion of the easement nor is its location through a building site appropriate for any utility corridor needs that might arise in the future. The Water and Light Commission concurred with Staff's recommendation at their November 5, 2007 meeting.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to give a first reading to the proposed ordinance vacating a platted utility easement in Block "1",

Country Village Apartments Subdivision.

RESOLUTION ADOPTED VACATING AN EASEMENT ON LOT 2, BLOCK 5, DRAKE'S ADDITION

The owners of 1519 Second Avenue propose to build a new home and garage on their property. The proposed detached garage will extend onto a portion of an electric easement obtained in 1973 over the northeasterly ten feet of the lot. A utility locate was conducted to verify that there are no current uses of the easement. There are also no planned uses for the easement. The Water and Light Commission concurred with staff's recommendation to adopt the Resolution at their November 5, 2007 meeting.

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

RESOLUTION

VACATING AN EASEMENT IN LOT 2, BLOCK 5, DRAKE'S ADDITION

WHEREAS, The owner of Lot 2, Block 5, Drake's Addition, desires to construct a building upon a certain easement over a portion of such property, and

WHEREAS, The easement is not required by the City.

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

1. That the following easement, described in Document No. 188148, recorded in the office of the County Recorder, Nobles County Minnesota, be hereby vacated and released:

The northeasterly 10 feet of Lot 2, Block 5, Drake's Addition to the City of Worthington, Nobles County, Minnesota

2. That the City Clerk is hereby directed to file a copy of this resolution in the office of the Recorder in and of the County of Nobles, State of Minnesota.

Adopted by the City Council of the City of Worthington, Minnesota, this the 13th day of November, 2007.

CHANGE ORDER NO. 1 FOR THE 2007 BITUMINOUS OVERLAYS PROJECT APPROVED

At its July 23, 2007 meeting, Council awarded the bids for the 2007 Bituminous Overlays Project and preauthorized a change order to increase the contract up to 10% to include additional street segments due to the favorable bids received on the original project. The change order adds the overlay of Third Avenue from Ninth Street to near Lake Street to the project, resulting in an estimated increase in project costs of \$20,794.12 or 8.4%. The total estimated cost for the work on non State Aid streets remains well below the budget allocated for such work.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to execute Change Order No. 1 for the 2007 Bituminous Overlays Project.

FIRST READING PROPOSED ORDINANCE AMENDING STORM WATER UTILITY RATES

At its December 8, 2003 meeting, Council adopted an ordinance establishing the City's Storm Water System as a utility, and set the annual storm water fee or rate for residential use. The annual rate is adjusted by a multiplier based on land use, multiplied by the property area, and billed in 12 monthly payments. The proposed 2008 storm sewer fund budget requires \$36,885 more in revenue than the 2007 budget (8.7% increase) primarily due to the increase in the fund's storm drainage operations budget and the acquisition of a regenerative sweeper through a lease to purchase. The proposed ordinance establishes the annual fee per acre for residential at \$192.48. The current annual residential rate is \$177.00 per acre. The area of a residential lot is defined as .24 acres yielding a 2008 monthly residential charge of \$3.85, or \$.31 more than the current rate of \$3.37. The per acre rates for land uses other than residential (1 through 3 units) are as follows:

<u>Land Use</u>	<u>Rate/Acre</u>
Commercial	\$32.24
Industrial	\$26.79
Multi Family	\$23.74
Institutional	\$32.24

The motion was made by Alderman Ten Haken, seconded by Alderman Petrich and unanimously carried to give a first reading to the proposed Ordinance Amending Storm Water Utility Rates.

STORM WATER UTILITY CREDIT ADJUSTMENT APPROVED

At its February 23, 2004 meeting, the City Council adopted policies for adjustment of the Storm Water Utility Fees as provided for in the ordinance establishing the storm water utility and approved several credits. The ordinance also established that credits be reviewed regularly by City staff and recommendations be provided to Council for final action. As a result of additional development and subdivision of the property, the credit for Lot 1, Block 1, Prairie Expo First Addition (Prairie Holdings site) needs to be adjusted and redistributed to two parcels. The existing credit as to all of Lot 1 was for 21.8 acres of vacant property yielding 8.08 acres of billable property. The following

are the proposed credits:

<u>PIN</u>	<u>Credit Type</u>	<u>Credit</u>	<u>Billable Area</u>
31-3281-040	Green Space	4.64 acres	5.68 acres
31-3281-041	Green Space	4.66 acres	2.85 acres
TOTAL		9.30 acres	8.53 acres

The total change in the billable area due to development is .45 acres.

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried to approve the Storm Water Utility credit adjustment.

STOP SIGN ON SKYLINE DRIVE AUTHORIZED

At its October 31, 2007 meeting, the Traffic and Safety Committee considered a request for placement of stop signs at the intersection of Cecilee Street and Skyline Drive. The request was in the form of a petition from several of the neighborhood residents. The Committee had elected in the past to monitor traffic growth in the area, recognizing the potential need to stop Skyline Drive for Cecilee Street as Cecilee Street began to accommodate more traffic. The Committee determined the control of Skyline Drive traffic was now appropriate and was unanimously recommending that Council authorize placement of stop signs on both legs of Skyline Drive at its intersection with Cecilee Street.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to authorize placement of stop signs on both legs of Skyline Drive at its intersection with Cecilee Street.

PAYMENT TO ACCESSIBLE SPACE, INC. AUTHORIZED

At their April 23, 2007 meeting, Council adopted a resolution supporting Accessible Space Inc.'s (ASI) application for HUD 202 funding for a proposed 19 unit Senior Supportive Housing Development. The resolution included a financial commitment of \$50,000 only if the project was awarded in the 2007 application cycle. HUD recently announced that ASI's Worthington project was one of four HUD 202 projects awarded funding in Minnesota. Earlier this month ASI entered into a contractual agreement with HUD for its appropriation on the Worthington project, which obligates the company to commence construction within 18 months. ASI is anticipating starting construction immediately after completing its due diligence, which is expected in summer/fall 2008. Alderman Ten Haken asked, if ASI spent the \$50,000 and due diligence showed they shouldn't proceed with the project, would the City get that money back. Brad Chapulis, Director of Community/Economic Development, replied we would not, however, he added that ADI's agreement with HUD is pretty binding. Staff was recommending the payment could be made from

the newly created Economic Development Reserve Fund.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve payment to ASI in the amount of \$50,000.

AMENDMENT TO SMALL CITIES APPLICATION APPROVED

In October, the Southwest Minnesota Housing Partnership submitted a Small Cities Development Program pre-application on behalf of Worthington for owner/rental rehabilitation in Cherry Point Park and East Addition neighborhoods. The cities of Round Lake and Wilmont have also submitted pre-applications. When the Department of Employment and Economic Development (DEED) reviewed the applications they noticed the number of applications received and the competitiveness between them, and encouraged neighboring communities to submit joint applications to strengthen their odds of funding. The Housing Partnership is recommending that Worthington, Round Lake, and Wilmont agree to merge SCDP applications, with the following parameters:

- The City of Worthington be the lead applicant. Lead applicant would be responsible for the financial administration and contractual obligations for the grant.
- Funding would be requested for 6 owner occupied rehabs in both Wilmont and Round Lake and 21 owner rehabs, 9 rental rehabs and 2 demolition projects in Worthington.
- Funds not allocated within 12 months will be made available to the other communities. Funds not allocated after 15 months will be made available to any eligible property in the City of Worthington and townships surrounding the other two communities. Staff met with the Partnership and representatives from Wilmont and Round Lake on November, and it was determined that a joint application will have a greater opportunity for funding approval. It was agreed that if all three communities agree to merge into one application a cooperative agreement will be drafted for each of the communities approval.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve merging the Small Cities Development Program application and agree to serve as lead applicant.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Housing continues to be a challenge. Brad will be presenting a forum on Thursday, November 15 from 3 to 5 p.m. in the Farmers Room. Had a chance to visit with Senator Norm Coleman this past weekend. Was asked by the Chamber of Commerce to attend the next meeting of their Hispanic subcommittee. Representative Rod Hamilton will be holding a townhall meeting in Jackson on the 14th and here at Prairie Holdings on the 16th.

Alderman Ten Haken - Nothing to report.

Alderman Woll - Nothing to report.

Alderman Wood - Nothing to report.

Alderman Kuhle - Sidewalk Committee meetings, would like to schedule another meeting; met with

Kiwanis for their input on the issue. Also attended a Traffic and Safety Committee meeting. Alderman Petrich - Will be a minor adjustment in the water rates next year, and the Water and Light Commission is still concerned about purchase power rates next year. Estimates for the new tower are coming in.

CITY ADMINISTRATOR REPORT

Joe Parker, City Administrator, reported that the League of Minnesota Cities has scheduled a Municipal Contracting Seminar November 27th which he plans to attend.

BILLS PAYABLE

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried that bills payable and totaling \$616,373.55 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to adjourn the meeting at 8:51 p.m.

Janice Oberloh
City Clerk