

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JANUARY 14, 2008**

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: Lyle Ten Haken, Mike Woll, Ron Wood, Mike Kuhle, Bob Petrich.

Staff members present: Joseph Parker, City Administrator; Brad Chapulis, Director of Community/Ec. Development; Dwayne Haffield, Director of Engineering; Jim Laffrenzen, Superintendent of Public Works; Janice Oberloh, City Clerk.

Others present: Darrell Stitt, KWOA; Ryan McGaughey, Daily Globe; Mark Johnson and Kenneth Larsen, Peer Engineering; David Copperud, Andy Johnson, Grant Sorensen.

AGENDA APPROVED

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

CITY COUNCIL MINUTES APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Ten Haken and unanimously carried to approve the City Council Minutes of the Special Meeting December 7, 2007, the Regular Meeting December 10, 2007, the Special Meeting December 17, 2007 and the City Council Minutes of Special Meeting January 7, 2008.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to accept for review the Water and Light Commission Minutes of December 17, 2007, the Water and Light Commission Minutes of January 7, 2008, the Airport Advisory Board Minutes of January 8, 2008, the Golf Advisory Board Minutes of January 9, 2008, the Traffic and Safety Committee Minutes of January 10, 2008, and the Planning Commission Minutes of January 2, 2008.

ANNUAL APPOINTMENTS

Mayor Oberloh noted the term for Bob Petrich as the Council representative to the Water and Light Commission officially ended in April 2007, which does not coincide with the Annual Council Committee appointments.

The motion was made by Alderman Petrich, seconded by Alderman Wood and unanimously carried to move the term of Council representative to the Water and Light Commission to run with the calendar year as do the rest of the committee appointments.

The motion was made by Alderman Petrich, seconded by Alderman Ten Haken and unanimously

carried that the 2008 Council Committee appointments remain the same as the 2007 Council Committee appointments as follows:

Bob Petrich	Water and Light Commission Downtown Parking Advisory Board Memorial Auditorium Advisory Board Employee Advisory Committee WGTV-TV3 Public Access Channel Joint Powers Board Prairie Justice Center (City/County Joint Building)
Mike Woll	Worthington Regional Hospital Board Heron Lake Watershed District Employee Insurance Board of Trustees Convention & Visitors Bureau Park and Recreation Advisory Committee
Mike Kuhle	Planning Commission Airport Advisory Board Traffic and Safety Advisory Board Ocheda Bella Clean Water Partnership Joint Powers Board Lake Improvement Committee
Ron Wood	Housing & Redevelopment Authority Economic Development Revolving Loan Fund Golf Advisory Board Transit Board - Joint Powers Board Joint Planning & Zoning Board
Lyle Ten Haken	Economic Development Revolving Loan Fund Transit Board - Joint Powers Board Prairie Justice Center (City/County Joint Building) Joint City/County/School Board Southwest Regional Development Commission Joint Planning & Zoning Board
Alan Oberloh	Nominating Committee Okabena/Ocheda/Bella Clean Water Partnership Joint Powers Board Liquor/Gambling Committee Joint City/County/School Board E.O. Olson Trust Fund Committee

ELECTION OF MAYOR PRO TEM

An election of the Mayor Pro Tem to preside in the absence of the Mayor was completed by paper ballot with Alderman Ten Haken unanimously elected as Mayor Pro Tem.

SET CITY COUNCIL MEETING DATES AND TIME

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to set City Council meeting dates and time as 7:00 p.m., the second and fourth Mondays of each month. In the event that a legal holiday falls on the second or fourth Monday, the Regular City Council meeting will be held on the following day (Tuesday).

OFFICIAL NEWSPAPER DESIGNATION

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to designate the Daily Globe as the official newspaper for 2008.

ANNUAL APPOINTMENT

State Statute and Section 2.03 of the City Charter states that, effective January 1 of each year, the City Council shall appoint a City Clerk, which appointment shall be for a one-year term. The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to appoint Janice Oberloh as City Clerk for a one-year term.

YMCA CONTRACT PROVISION EXTENSION APPROVED

The YMCA had submitted a request for an extension of 180 days to the provision in our agreement with them regarding the construction start date for the new facility.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and with Alderman Wood abstaining from the vote, was unanimously carried.

ORDINANCE 1008 ADOPTED VACATING PART OF A PUBLIC UTILITY EASEMENT IN BLOCK "1", COUNTRY VILLAGE APARTMENTS SUBDIVISION

Pursuant to published notice, this was the time set for the third reading of a propose ordinance to vacate part of a public utility easement in Block "1", Country Village Apartments Subdivision.

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. 1008

AN ORDINANCE TO VACATE PART OF PLATTED PUBLIC UTILITY EASEMENT IN
BLOCK "1", COUNTRY VILLAGE APARTMENTS SUBDIVISION

(Refer to Ordinance File for complete copy of the Ordinance)

ORDINANCE 1009 ADOPTED RELATING TO STORM WATER UTILITY RATES

Pursuant to published notice this was the time set for the third reading of a proposed ordinance relating to storm water utility rates.

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

ORDINANCE NO. 1009

AN ORDINANCE RELATING TO STORM WATER UTILITY RATES

(Refer to Ordinance File for complete copy of Ordinance)

LAWFUL GAMBLING LICENSE RENEWAL APPROVED - WORTHINGTON HOCKEY ASSOCIATION

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the Lawful Gambling Renewal Application from the Worthington Hockey Association for the period April 1, 2008 through March 31, 2010, and adopt the following resolution:

RESOLUTION

REGARDING GAMBLING PERMIT

RESOLVED, the City of Worthington agrees to approve the gambling permit for the Worthington Hockey Association, to conduct lawful gambling at the A & T Tap, 107 12th Street, Worthington, Minnesota, for the premise permit period of April 1, 2008 through March 31, 2010.

Council Members Woll and Petrich moved the approval of the foregoing gambling permit at the regular January 14, 2008 Council meeting and the same was approved upon unanimously yea vote of all members present.

ON-SALE BEER LICENSE RENEWAL APPLICATIONS APPROVED

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to approve the following On-Sale Beer License renewals:

2008-12	Long Branch Dance Hall, 206 Tenth Street
2008-13	Queen Sheba Restaurant, 304 Tenth Street

CITY ATTORNEY CONTRACT APPROVED

Malters Shepherd and Von Holtum Law Office submitted a proposal for services to the City of Worthington for a one-year period from and after January 1, 2008 at a proposed rate of \$138 per hour plus expenses. The proposed rate would be an effective annual increase of 3%. Alderman Ten Haken questioned if we had ever compared these rates to what other cities pay to see if they're in line. Alderman Kuhle agreed that it would be helpful to compare, perhaps in the future present the information at one meeting and gather additional information, then make the decision at the following meeting.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the proposal from Malters Shepherd and Von Holtum Law Office for services to the City for a one-year period from and after January 1, 2008.

2008 INDUSTRIAL WASTEWATER TREATMENT FUND BUDGET APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Kuhle and unanimously carried to approve the 2008 Industrial Wastewater Treatment Fund Budget.

Dwayne Haffield, Director of Engineering, confirmed that the 2008 budget was less than the 2007 budget due to repairs made in 2007.

NOMINATING COMMITTEE RECOMMENDATIONS APPROVED

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the following Nominating Committee recommendation for a committee appointment:

Golf Advisory Board -	Appoint Dale Carlson for a three-year term to expire March, 2010
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RESOLUTION NO. 3320 ADOPTED RECORDING RESTRICTIONS TO WATLAND PARK DEED

The City was awarded a \$25,000 matching grant from the Minnesota Department of Natural Resources (DNR) in August of 2005 for the replacement and relocation of existing playground

equipment at Watland Park and the construction of a small parking lot and connecting sidewalk to provide disability accessibility to the playground and existing shelter. For the grant to be finalized, the City is required to record certain conditions to the park land deed, which can be accomplished by a resolution. The required conditions will not affect the current or long term use of the property.

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to adopt the following resolution recording restrictions to the Watland Park deed:

RESOLUTION NO. 3320

A RESOLUTION TO RECORD RESTRICTION TO WATLAND PARK DEED

(Refer to Resolution File for complete copy of Resolution)

INSTALLATION OF HISTORICAL DISTRICT SIGNS APPROVED

The Worthington Historic District Association has submitted a request for approval to install six 18” x 24” signs on existing street light poles designating what they have determined to be a historic district in Worthington. While there has not been an official designation of a historic area in Worthington by the state Historical Society, the Worthington Historic District Association has determined the historic district in the city is essentially the original townsite. The Traffic and Safety Committee was asked to consider placement of the signs at their January 10, 2008 meeting, where it was determined that City Council would first have to determine the signs served some sort of public purpose. Jim Laffrenzen, Superintendent of Public Works, noted that, should Council determine the signs would serve a public purpose, Dave Copperud of the Worthington Historic District Association was present at the meeting and would make an additional request to Council for assistance in the purchase of the signs. Mr. Laffrenzen added that staff had received a quote for signs that would meet with the Uniform Traffic Control Manual for size, color, and location, at an approximate cost of \$241.

The motion was made by Alderman Wood, and seconded by Alderman Woll to find that the signs would serve a public purpose, and to fund the purchase of the signs at a cost of \$240.96. David Copperud explained how the Worthington Historic District Association arrived at the designation of the historic district and the type of sign. Alderman Woll noted that the City has passed a preservation ordinance but never took the step to create the board that would deal with that. Brad Chapulis confirmed that typically a historic district is determined by a local historic preservation commission, which in this case was never appointed, or you have a state or federal agency determine that public space. It was agreed that Council needs to begin thinking about laying out the requirements for establishing that board. The motion was unanimously carried.

BID AWARDED FOR PRE-DEMOLITION ABATEMENT WORK AT FORMER

CAMPBELL SOUP COMPANY SITE

Dwayne Haffield, Director of Engineering, noted that bids had been received on Thursday, January 10th for the pre-demolition abatement work at the former Campbell Soup site. A recommendation was received from Peer Engineering to award the bid to Envirotech as the low qualified bid at \$119,055, which was below the Engineer's estimate.

The motion was made by Alderman Ten Haken and seconded by Alderman Wood to award the bid to Envirotech. Alderman Ten Haken noted the substantial range of bids for the project and wondered what the cause could be. Mark Johnson, Peer Engineering, Inc., replied that if you threw out the high bid and took the average of the remaining bids they would be at approximately what the Engineer's estimate was. He thought it was pretty good results overall and we would be getting a good contractor. Mr. Johnson said the contractors were responsible for looking at the bidding documents, confirming site conditions and, based on what they saw in the specs and the testing data that's been to date, come up with their bid. Alderman Ten Haken asked that by taking the low bid, we're not going to find ourselves in a position where we don't meet MPCA requirements and having to spend money to make corrections? Mr. Johnson responded that we will hold the contractor to his bid. Discussion continued on scope of work and licensing. Alderman Kuhle asked what the significance of the acknowledgment of receipt of addendum one was. Mr. Johnson explained that the addendum involved less scope of work so the fact that the contractor didn't acknowledge receipt of the addendum was less of a concern. They contacted him and he did acknowledge by email receipt after the fact. The time line would be completion in 45 days from execution of the contract. The motion was unanimously carried.

PRE-DEMOLITION SPECIFICATIONS FOR FORMER CAMPBELL SOUP COMPANY FACILITY APPROVED AND AUTHORIZATION GIVEN TO ADVERTISE FOR BIDS AND TO EXECUTE AMENDMENT NO. 4 WITH PEER ENGINEERING, INC.

Peer Engineering completed the specifications for the work necessary to demolish the primary structure and certain accessory structures at the former Campbell Soup Company site. Most of the accessory structures on the site that are currently under lease by Smith Trucking are not included in the demolition plans. On site crushing of material was recommended but it was not recommended that the crushed material be allowed as fill. The recommendation for fill material was clay. The specifications call for the contractor's use of Ninth Street from First Avenue to Second Avenue and a portion of Second Avenue along the demolition site as a work area. Two way traffic will be maintained on Second Avenue with no parking allowed. In addition, the southwesterly one half of the Tenth Street parking lot will be used for storage and staging. To increase the potential for attracting bidders, the time of completion extends to October 1, 2008.

The total estimated cost of the demolition work is \$867,300, including professional services and a 20% contingency. Peer Engineering submitted a proposed amendment to their contract to include

the professional services required during the demolition work, not to exceed \$105,980, which were included in the project cost estimates. The fees are based on providing services on site for 90 of the 120 days allowed for completion. Should the demolition require less time of Peer, actual fees will be less. The only source of funding identified thus far for the project is the redevelopment grant, with the remaining funds needing to come from the undesignated unreserved fund balance.

Alderman Kuhle asked if there were specifications for the on-site crushing regarding noise and dust. Mr. Johnson replied they would be complying with City Ordinances. In response to an additional question from Alderman Kuhle, Mr. Johnson replied that any salvage value would be part of the contractor's bid, and there is substantial overall salvage in the building. Alderman Ten Haken inquired then if we could take separate bids for that part of it and give it to the high bidder. Mayor Oberloh responded that if he were a contractor and we did that at this stage of the game he wouldn't bid on the project. Alderman Woll noted he would be concerned that removing salvage from the building could create a hazard to the contractors coming in afterwards. Discussion continued on the salvage issue.

The motion was made by Alderman Wood and seconded by Alderman Petrich to approve the predemolition specifications, authorize an advertisement for bids to be received February 20, 2008 and considered at the February 25, 2008 Council meeting, and authorize execution of Amendment No. 4 with Peer Engineering, Inc. Alderman Wood stated his agreement that the building needed to come down but added we still need to have a discussion on where the matching funds are coming from. Mr. Haffield responded that, as mentioned at prior meetings, it is coming from reserves. City Administrator Joseph Parker said the reserves were there, or borrowing it was another option. Mr. Haffield noted the premise of using reserves has been accepted to this date. Alderman Woll stated we need to keep moving forward on this. Also discussed at length was the crushed material from the demolition, where it would be taken to and whether we could stock pile it for future use. Footings from the existing structure would need to be removed to six feet below grade. Any fill that we would put in would need to be taken out for any future building foundation and replaced with engineered fill. Alderman Ten Haken asked if there was any way around that because this was beginning to sound silly. Mr. Haffield replied the only way to get around it, and the additional costs, would be to have a project in mind at the time of demolition. Alderman Ten Haken asked if this could be done as a line item that could come in or come out. Ken Larsen responded the fill is included as a separate line item, and if it was decided to not bring in fill that item would not be triggered. Mr. Johnson noted we would need to have a footprint for a project in the next few weeks to do this, or we could negotiate with the contractor down the road but it may give him more leverage. Discussion continued on other options that may be available. Joe Parker, City Administrator, suggested that once the bids come in he can review them with Dwayne Haffield and determine how much of this project can go back against the \$800,000 grant, and then he and Brian Kolander could possibly make some suggestions on financing whatever is left. Alderman Wood noted that the next time we have a project like this he wouldn't mind having both the budget side and the bid side as he is not comfortable with four hundred to six hundred thousand dollars that

suddenly is not accounted for. Alderman Kuhle questioned the amendment to the Peer Engineering contract that takes the cost from \$139,250 to \$245,230. Mr. Haffield responded the \$139,250 was previously approved and in the contract, and included the pre-demo construction phase work and the spec preparation along with phase II up front, it's not a new charge. The following Aldermen voted in favor of the motion: Woll, Wood, Kuhle, Petrich, with the following Alderman voting against the same: Ten Haken.

SUPPLEMENTAL AGREEMENT NO. 1 TO THE 2006 BITUMINOUS PAVEMENT IMPROVEMENTS PROJECT APPROVED

Staff was requesting Council approval of Supplemental Agreement No. 1 to the 2006 Bituminous Pavement Improvements Project which included the following:

Item 1 extends the completion time for the Rowe Avenue ditch modifications to allow turf establishment to occur during the optimum spring/early growing season. This change is without adjustment in compensation.

Item 2 provides compensation to the contractor for additional excavation and aggregate (gravel) base replacement to repair damage to the Castlewood Drive base and subgrade. The damage resulted from the use of the street, with indifference to the poor subgrade and base conditions, for adjacent housing construction. The \$3,212.37 in compensation was developed on a time and materials basis.

Item 3 of the agreement extends the completion time for the Castlewood Drive street work through the 2007 construction season. The extension was needed to allow the subgrade conditions to stabilize before surfacing. The item provides for no adjustment in compensation. This item is also compatible with the change order previously approved by Council to include final surfacing in the contract.

Items 4 and 5 provide compensation for removal of a buried stump on Moon Circle and abandoned conduit on Tower Street at a total compensation of \$258.50.

Item 6 provides \$97.70 in compensation in material costs for use of high early concrete to expedite the restoration of the Clary Street and Tower Street intersection.

Item 7 requires the contractor to furnish and place top soil along the south side of Dayton Drive. Inadequate topsoil was available on site to provide for proper turf growth. Compensation is \$8.80 per cubic yard for a total cost of \$528.00.

Item 8 provides \$330.00 in compensation for connection of a relocated tile into the storm sewer outfall at the Dayton Drive storm water retention pond. The connection into the storm sewer allows easier verification that the tile is operational and was possible because the tile was at a location and

depth different than anticipated.

The supplemental agreement results in a change in the contract value of \$4,426.57, or approximately .45%.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to authorize the Mayor to execute Supplemental Agreement No. 1 to the 2006 Bituminous Pavement Improvements project.

FIRST READING PROPOSED ORDINANCE - TEXT AMENDMENT

Brad Chapulis, Director of Community/Economic Development, presented a proposed ordinance that would amend Worthington City Code, Title XV, Section 155.0175 (H) as follows:

(H) Square footage. In any residential district, the cumulative square footage of accessory structures on a lot shall be a maximum of 1,400 square feet.

Currently, the code permits residential properties to have a cumulative square footage of all accessory structures that does not exceed the square footage of the principal structure or 1,150 square feet, whichever is greater, which seems to be less fair to those with detached garages. At their January 2, 2008 meeting, the Planning Commission held a public hearing on the proposed amendment, and subsequently voted unanimously to forward a recommendation of approval to the City Council.

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

PAYMENT FOR SITE PREPARATION WORK AT 1909 OXFORD STREET APPROVED

On February 12, 2007, Council approved an application from Jaycox Implement for Site Preparation Assistance for a commercial redevelopment project located at 1909 Oxford Street. Approval of the application allocated a maximum of \$71,213 to offset the costs affiliated with the demolition of the Oxford Motel and the removal of unsuitable soils underneath the proposed addition. Since that approval, Jaycox Implement chose not to proceed with acquisition/demolition of the Oxford Motel. Without the demolition, the allocation was reduced to \$48,271. As of December 31, 2007, Jaycox has completed all of the obligations necessary to obtain the Site Preparation funds. The total cost of the eligible site work was \$36,197.90.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the Site Preparation Assistance payment to Jaycox Implement in the amount of \$36,197.90.

**PAYMENT FOR SITE PREPARATION WORK AT 1595 McMILLAN STREET
APPROVED**

On September 11, 2007, Council approved an application from Johnson Builders / M & S Properties for Site Preparation Assistance for a commercial redevelopment project at 1595 McMillan Street. Approval of the application allocated a maximum of \$10,080 to offset the costs affiliated with the removal of asbestos and demolition of the single family dwelling. As of December 31, 2007, M & S Properties has completed all of the obligations necessary to obtain the Site Preparation funds. The total cost of the eligible site work was \$10,915.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the Site Preparation Assistance payment to Johnson Builders / M & S Properties in the amount of \$10,915.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Met with the Hispanic Chamber group, was an interesting meeting. They talked about the Honorary Council Person program, and also expressed their concern over wagon vendors who have been visiting Sungold Heights and other areas with "pirated" goods. Wondered who they should call after 5:00 p.m. Suggested that perhaps the City Clerk or City Administrator could visit with that group on what's required to sell, regarding permits, etc.

Alderman Ten Haken - Attended a Joint Powers Transportation Committee meeting. Still talking about not enough ridership after 10:00 p.m. and looking at ways to assist providing that service. Will be meeting with the Police Department and Hagen Distributing for information. Gave a "hats off" to Hagen Distributing as the biggest supporter of the "free ride" program.

Alderman Woll - Will meet tomorrow morning with the Seniors at MC Fitness. It is a good group that meets - they're very supportive of the YMCA discussions.

Alderman Wood - Golf Advisory Board is working on hiring a new Clubhouse Manager. Also attended the transportation meeting, and a Planning and Zoning Joint Task Force meeting. They are looking at changing the much layered process of appointing a task force for the two mile area around the city limits.

Alderman Kuhle - Attended a Planning Commission meeting where they discussed the retail overlay district and talked about having a preliminary discussion to see if any updates are needed. The 2008 Airport Show is scheduled for September 8th, theme is Wings and Wheels.

Alderman Petrich - The Memorial Auditorium Annual meeting will be held at the Dayton House. They are looking at weekly informational meetings. Reported Worthington Public Utilities is in the process of hiring a Wastewater Operator to replace a retiring employee. They had a dozen applicants. Also noted he had received a letter asking Council to consider the old McDonald's building as a site for the Senior Center.

Mayor Oberloh - forgot to mention the report from Scott Hain, Utility Manager, where he talked about facilities need. Mayor wants Council and the Water and Light Commission to get together to

discuss this before anything is done. It would be a good subject for the planning discussions.

CITY ADMINISTRATOR'S REPORT

The WGTV-TV3 is looking at obtaining an intern from the college. Also discussed the legislative platform put together by the School. CGMC report - LGA is being discussed again.

The next planning session will be January 23rd at 6:30 p.m.

BILLS PAYABLE

Council questioned the payment to Nobles County for Truth in Taxation charges when the City did not hold a Truth in Taxation hearing, and requested that the payment be pulled until it could be looked into.

The motion was made by Alderman Petrich, seconded by Alderman Woll and unanimously carried that, with the exception of the payment to Nobles County for the Truth in Taxation charges in the amount of \$1,079.32, bills payable and totaling \$2,156,891.90 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to adjourn the meeting at 8:42 p.m.

Janice Oberloh
City Clerk