

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, APRIL 23, 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: Ron Wood, Bob Petrich, Lyle Ten Haken, Mike Woll, Mike Kuhle, and Honorary Council Person Lyle Voss.

City Staff present: Joe Parker, City Administrator; Dwayne Haffield, Director of Engineering; Mike Cumiskey, Director of Public Safety; Brad Chapulis, Director of Community/Ec. Development; Janice Oberloh, City Clerk.

Others present: Darrell Stitt, KWOA Radio; Ryan McGaughey, Daily Globe; Rick Von Holdt, Fire Chief.

INTRODUCTION OF HONORARY COUNCIL PERSON

Mayor Oberloh introduced Lyle Voss as the Honorary Council Person selected for the months of March and April, 2007.

AGENDA APPROVED

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

MINUTES APPROVED

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to approve the Regular City Council Minutes of April 9, 2007 and the Special City Council Minutes of April 16, 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 Special Meeting held April 9, 2007 and Regular Meeting held April 16, 2007; Park Advisory Board Minutes of April 5, 2007; Airport Advisory Board Minutes of April 17, 2007; Worthington Housing and Redevelopment Authority Minutes of March 8, 2007; and Economic Development Authority Minutes of April 9, 2007.

FINANCIAL STATEMENTS

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to accept the Prairie View Golf Links Statement of Revenues vs. Expenditures for the period January 1, 2007 through March 31, 2007; the Municipal Liquor Store Income Statement for the period of January 1, 2007 through March 31, 2007; and General Fund Statement of Revenues and

Expenditures - Budget and Actual for the three months ended March 31, 2007.

**RESOLUTION NO. 3280 AND RESOLUTION NO. 3281 ADOPTED - ABATEMENT OF
PUBLIC NUISANCE AT PROPERTY LOCATED AT 706 TENTH AVENUE-NEW VISION
CO-OP ELEVATOR**

At their April 9, 2007 meeting, the City Council approved the financial offer to be submitted to New Vision Co-op for the purchase of the abandoned grain elevator at 706 Tenth Avenue in the amount of \$65,200. The offer was made with the following conditions: that it be accepted no later than noon local time on April 23, 2007, that the acceptance be made in writing, and that all delinquent real estate taxes, fees, or interest and penalties would be paid in full by New Vision at the time the offer is accepted. Demolition and removal of the grain elevator would have to be accomplished not later than June 30, 2007. Joe Parker, City Administrator, reported that the offer was delivered to the office of Bruce Kness, Attorney for New Vision, on April 6, 2007, and although Mr. Parker was assured that we would receive a response, none was forthcoming.

Mayor Oberloh noted that the offer is off the table, and added that, after consulting with the City Attorney, the next step would be to request that Council pass a resolution authorizing inquiry into and payment of the past due taxes in the amount necessary to avoid forfeiture of the property to the state. Council was also requested to pass a second resolution to move forward with legal proceedings against New Vision for the demolition and remediation of the site.

Mayor Oberloh clarified that allowing the property to revert to the state would basically insure the City would ultimately be responsible for the cleanup. Payment of the taxes keeps the property in New Vision's ownership and allows us time to start legal action. The estimated tax amount due is somewhere over \$7,000, however, it is not known at this time if the City could pay just one year of their delinquent taxes or if the entire amount would be required.

The motion was made by Alderman Petrich, seconded by Alderman Ten Haken and unanimously carried to adopt the following resolution authorizing payment of past due taxes in an amount required to avoid forfeiture of title:

RESOLUTION NO. 3280

**AUTHORIZING PAYMENT OF PAST DUE TAXES IN SUCH AN AMOUNT AS TO PREVENT
FORFEITURE OF TITLE TO THE PROPERTY LOCATED AT 706 TENTH AVENUE**

(Refer to Resolution file for complete copy of Resolution)

The motion was made by Alderman Kuhle and seconded by Alderman Woll to authorize the City Attorney to move forward with legal proceedings. Alderman Ten Haken asked if the City Attorney could see any other way around this. Mayor Oberloh responded that it would have been a good faith

effort on the part of New Vision to have responded to the offer submitted by the City, and during a conversation earlier today, the City Attorney noted it is approaching five years that the City has been dealing with this issue. Alderman Kuhle asked if Honorary Councilman Lyle Voss had any comments on the issue. Mr. Voss stated that he agreed with Mayor Oberloh, that it has been five years and there just is not a good solution to the problem. Alderman Woll noted that no one at the table had any real desire to see the City Attorney do anything there, and hoped that it would have been handled but he was disappointed to hear there was no response from New Vision. He also noted that it was unfortunate Council did not have a chance to visit with the New Vision Board directly, that everything had gone strictly through their attorney, and he did not see any other way to find common ground on the matter. Alderman Petrich stated if they did not want to communicate with us what can we do. Alderman Kuhle noted that New Vision had made money on the structure for over fifty years, and now it's a structure they need to take care of. Alderman Petrich noted they owe it to the city to get the thing out of there as it's a public eyesore. They've made their money off of it and now they want us to take care of it when it's in disrepair. Lyle Voss stated the Board of Directors at New Vision are for the most part good people; they are our neighbors, farmers in the community. They are not the kind of people to shirk their obligations, and he is very surprised at this. Alderman Ten Haken noted he is going to vote yes on the motion but with reluctance for some of the very reasons stated by Mr. Voss. Mayor Oberloh agreed the New Vision People are good people, but the issue has become time sensitive, and if we do nothing you know where the burden will be. Alderman Ten Haken noted time really has run out, and Alderman Woll agreed noting we have been painted into a corner. Mayor Oberloh indicated there are also other communities very interested in the outcome of this situation as they could potentially have the same issue in their communities. We immediately go after a home owner who suffers a fire at their residence to clean it up, we've got to treat corporate the same way. Council consensus was that the City made a fair offer to New Vision. The motion was unanimously carried to adopt the following resolution authorizing the City Attorney to move forward with legal proceedings necessary to abate the nuisance at 706 Tenth Avenue:

RESOLUTION NO. 3281

AUTHORIZING THE CITY ATTORNEY TO EMPLOY SUCH LEGAL PROCEEDINGS AS MAY BE NECESSARY TO CAUSE NEW VISION CO-OP TO ABATE THE PUBLIC NUISANCE AT THE PROPERTY LOCATED AT 706 TENTH AVENUE

(Refer to Resolution file for complete copy of Resolution)

REQUEST FOR CONSIDERATION OF NEED FOR LARGER FIRE STATION

Fire Chief Rick Von Holdt was present at the meeting to discuss the serious lack of space at the current City Fire Station located at 1215 Third Avenue. Mr. Von Holdt noted that over the years the Fire Department has acquired modernized equipment and vehicles, including an \$80,000 piece of equipment which now sits outside because of the lack of space, and which allows little room for

training needs. The other primary concern is that the current Fire Hall is in a residential neighborhood, which is sometimes prohibitive to response time. Adding on to the current fire hall is not an option due to it being landlocked by alleys and easements. Mr. Von Holdt has been in contact with Steve Robinson of SEH, regarding a new fire hall at the location of the former Campbell Soup parking lot. That location would give the fire trucks a quicker "truck out" time.

Mr. Von Holdt was seeking Council support to move forward with the project, with Council involvement, by establishing a research committee. Mayor Oberloh thanked Mr. Von Holdt for his time and noted that a committee with members from both the Fire Department and the City Council will be established for the project.

APPLICATION TO BLOCK STREETS FOR INTERNATIONAL FESTIVAL APPROVED

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to approve the blocking of streets for the International Festival for the period beginning at 4:00 p.m. on July 13, 2007 and ending at 8:30 p.m. on July 14, 2007. They are working with the Public Works and Public Safety Departments.

NOMINATING COMMITTEE RECOMMENDATION APPROVED

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the following reappointment:

Water and Light Commission

Randy Thompson reappointed to a three-year term expiring April, 2010

RESOLUTION NO. 3282 ADOPTED, APPROVING PLANS AND SPECIFICATIONS FOR THE 2007 BITUMINOUS PAVEMENT IMPROVEMENTS PROJECT

Plans and specifications for the 2007 Bituminous Pavement Improvement project were presented including the following schedules:

- Schedule 1 - Sterling Avenue, Sutherland Drive, and Unnamed Street surfacing
- Schedule 2 - Block 21 Alley
- Schedule 3 - Third Avenue - 13th Street to Okabena Street Reconstruction
- Schedule 4 - Okabena Street - 14th Street through Second Avenue
- Schedule 5 - Okabena Street Storm Sewer Repairs
- Schedule 6 - Multi Plane Hangar Apron and Taxiway Widening

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the plans and specifications for the 2007 Bituminous Improvements Project and adopt the following resolution authorizing the advertisement for bids to be received on May 24, 2007 and

considered for award at the May 29, 2007 Council meeting.

RESOLUTION NO. 3282

APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

(Refer to Resolution file for complete copy of Resolution)

RESOLUTION NO. 3283, PERTAINING TO INTENT TO BOND FOR COSTS INCURRED IN MAKING PUBLIC IMPROVEMENT

Federal tax regulations require that local governments declare the intent to reimburse themselves for costs incurred in making public improvements with proceeds from bonds. In other words, the City must state the intent to sell bonds for a project before significant costs have already been incurred for the project. It is typical for the City to temporarily finance improvements with construction fund reserves until an adequate amount of costs from various projects have been incurred to warrant the issuance of a bond. The following improvements were approved at the April 9, 2007 Council meetings:

<u>Project</u>	<u>Maximum Amount of Bonds Expected to be Issued for Project</u>
Okabena Street - Street Improvement	\$459,400
Third Avenue - Street Improvement	\$294,800
Indian Hill Road - Street Improvement	\$198,800
Block 21 Alley - Street Improvement	\$49,950

The maximum amount listed in the resolution is approximately 10% higher than the project estimates included in the applicable projects.

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

RESOLUTION NO. 3283

RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENTS BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

(Refer to Resolution file for complete copy of Resolution)

CHANGE ORDER NO. 1 FOR THE 2006 BITUMINOUS IMPROVEMENT PROJECT APPROVED

The 2006 Bituminous Pavement Improvements project included the extension of Castlewood Drive east of Spring Avenue. The contract included providing only the initial 1.5" of pavement surfacing with the final surfacing to be completed this year. Due to poor subgrade conditions reflecting into the aggregate (gravel) base layer, the initial layer of surfacing was not able to be placed in 2006. The contractor agreed to maintain last year's pricing of the bituminous mixture material into this construction season. Because the cost for tack oil can be eliminated if the full three inches of surfacing is placed at one time, it was proposed to increase the bituminous mixture quantity to allow for the full depth of the surfacing to be placed. The change order increases the quantity of bituminous mixture to reflect placement of the additional surfacing and extends the contract date until August 3, 2007. The estimated increase in contract cost is less than 1% of the total contract, and does not address the additional work required of the contractor to repair damage to the aggregate base resulting from the use of the street, with indifference to the poor subgrade and base conditions, for adjacent housing constructing. The additional work will need to be addressed in a supplemental agreement to the contract.

The motion was made by Alderman Woll and seconded by Alderman Wood to approve Change Order No. 1 for the 2006 Bituminous Improvement project. In response to a question from Mayor Oberloh, Mr. Haffield explained the City would incur the approximate \$3,500 for the extra excavation costs. Discussion was held on contributing factors to the poor subgrade conditions. Making the developer responsible for the street during construction is more advantageous in that they would have a common interest to be careful causing any damage, which in this case was pretty much from housing related loads. There being no further discussion, the motion was unanimously carried.

APPLICATIONS FOR DOCK PERMITS APPROVED

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to approve the following applications for permits to install docks on public property in accordance with requirements:

<u>Applicant</u>	<u>Location</u>
Clarence Kremer	Across the street from 916 West Lake Avenue
Dave Holinka	Across the street from 200 Lake Street
Roger Nelson	Across the street from 602 West Lake Avenue
Evelyn Lambert	Across the street from 610 West Lake Avenue

RESOLUTION NO. 3284 ADOPTED FOR THE SUPPORT AND COMMITMENT OF A HOUSING DEVELOPMENT PROJECT - ACCESSIBLE SPACE, INC.

Brad Chapulis, Director of Community/Economic Development presented the case. Accessible Space, Inc., (ASI) a Minnesota 501c (3) nonprofit organization, was requesting a commitment of \$50,000 from the City of Worthington for its proposed 19 unit income restricted senior apartment building in Worthington. The commitment would be used to obtain the maximum points within the community support section of the applications ASI will submit for state and federal funding to finance the proposed project. If ASI receives the necessary state and federal funding to proceed, the project would commence in Fall 2008 or Spring 2009. Should ASI not receive its funding the City of Worthington would not be obligated to provide the local contribution.

The motion was made by Alderman Wood and seconded by Alderman Ten Haken to authorize the Mayor to execute the following Resolution and Letter of Support and Commitment; after discussion of the project, it's time line and funding, the motion was unanimously carried:

RESOLUTION NO. 3284

A RESOLUTION OF THE WORTHINGTON CITY COUNCIL FOR THE SUPPORT AND COMMITMENT OF A HOUSING DEVELOPMENT PROJECT

(Refer to Resolution file for the complete copy of Resolution)

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Economic Development meeting with Brad Chapulis, Jorge Lopez and Lisa Graphentine to discuss housing needs, as Swift is currently bussing people from Sioux Falls, SD to work here in Worthington. Is there anything that we can do to increase our housing stock?

Lyle Ten Haken - Reported on a Transportation meeting he attended - they're looking at options for transportation to out of county locations for field trips, casino runs, and other things the current contract does not cover. Any offer would need to be submitted to the current provider first. Also reported on a joint meeting of the City/County/School Board meeting he attended.

Mike Woll - nothing to report.

Ron Wood - Attended a Golf Advisory Board meeting; they're looking at promoting the recreation aspect of golf, youth programs etc., also want to increase the number of paid rounds. Trying a pilot program working with youth at a reduced rate. Looking at improving the cart paths. Also looking at some package programs.

Mike Kuhle - Airport Board meeting - not a lot going on but they are planning for the fly-in in September, gave a brief update on the hangar construction.

Bob Petrich - Reported on Water and Light Commission meeting. Well #27 had been unusable as it was vertically impaired by six inches, but now submersible pumps may be able to be used. If so, Worthington Public Utilities will need to remit a portion of the previously unpaid drilling fee to the well driller. Alderman Petrich also noted they are close to getting the funding done for the Lewis and Clark prepayment.

CITY ADMINISTRATOR

Nothing to report.

BILLS PAYABLE

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried that bills payable and totaling \$514,027.34 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to adjourn the meeting at 8:27 p.m.

Janice Oberloh
City Clerk