

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, FEBRUARY 9, 2015**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Scott Nelson, Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey. Honorary Council Member: Steve Forrest.

Staff present: Dwayne Haffield, Director of Engineering; Steve Robinson, Public Works Director; Brad Chapulis, Director of Community/Economic Development; Troy Appel, Public Safety Director; Janice Oberloh, City Clerk.

Others present: Erin Trester, Daily Globe; Justine Wettschreck, KWOA; Randy Thompson, Housing and Redevelopment Authority; Bob Tims.

The Pledge of Allegiance was recited.

AGENDA APPROVED/CLOSED WITH ADDITION

Staff requested the addition of item E.4 *Resolution in Support of Appointment as First Congressional District Representative to Board of Regents-University of Minnesota*

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to approve/close the agenda with the requested addition.

CONSENT AGENDA APPROVED

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting January 26, 2015
- Minutes of Boards and Commissions - Water and Light Commission Minutes of Regular Meeting January 20, 2015; Traffic and Safety Committee Minutes of January 28, 2015; Housing and Redevelopment Authority Minutes of Regular Board Meeting December 18, 2014
- Application for one-day temporary on-sale liquor license for Avera Medical Group Worthington for their 2015 Women's Expo at Minnesota West Community and Technical College on March 28, 2015
- Bills payable and totaling \$323,262.50 be ordered paid

APPROVAL OF NOMINATING COMMITTEE RECOMMENDATIONS FOR APPOINTMENTS/REAPPOINTMENTS TO COMMITTEES

The Nominating Committee met on Monday, February 2, 2015 to review membership openings on various City committees, and determined to make the following recommendations to City Council for appointment/reappointment to the committees:

<u>Airport Advisory Board.-</u>	Keith Wilson - reappoint for a five-year term, which term will expire September 30, 2019 Appoint Chad Jaycox to fill unexpired term of Rolf Carlson (resigned), which term will expire September 30, 2016
<u>Cable 3 Joint Powers Board -</u>	Appoint Amanda Waljasper to replace Arnold Sexe as the community representative to the committee. This appointment is for an indefinite term.
<u>Center for Active Living -</u>	Reappoint Simon Koster for a second term, which term will expire December 31, 2017 Appoint Jeff McNichol to replace Dale Carlson for a three-year term, which term will expire December 31, 2017
<u>Ec. Dev./Revolving Loan Fund -</u>	Appoint Dan Greve for two year term to replace Royce Boehrs - which term will expire December 31, 2016 Appoint Doug Tate for a two-year term to replace Kenton Meier, which terms will expire December 31, 2016
<u>Housing & Redevel. Authority -</u>	Appoint Lori Bristow to fill the unexpired term of Mike Kuhle (who resigned his position), term to expire December 31, 2016 Appoint Bridget Huber to fill the unexpired term of Heidi Ricard who resigned her position, which term will expire October 31, 2015. Ms. Huber is an HRA resident as is required for this seat.
<u>Nominating Committee -</u>	Appoint Beth Rickers for a five-year term to replace Steve Berning (not eligible for another term), which term will expire November 30, 2019.
<u>Planning Commission -</u>	Reappoint Ken Moser for a second three-year term, which term will expire March 31, 2017
<u>Police Civil Service Commission -</u>	Reappoint Paul Karelis for his first full three-year term, which term will expire December 31, 2017
<u>Public Arts Commission -</u>	Reappoint Mary Thompson for a second three-year term, which term will expire October 31, 2017

Appoint Stacy Nagel for a three-year term to replace Scott Kraft who declined a second term, which term will expire October 31, 2017

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to approve the committee appointments/reappointments as recommended by the Nominating Committee.

AUTHORIZATION OF PTO SHARING FOR EMPLOYEE

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to authorize City employees to donate a portion of their accumulated PTO hours to a City Employee who is fighting an illness, subject to the City's PTO Sharing Policy.

APPOINTMENT OF INTERIM ADMINISTRATOR AND APPROVAL OF TERMS AND UNDERSTANDING

Based on a recommendation from the Interim Administrator Committee, Council had previously appointed the seven department heads as co-Interim Administrators until such time that a full time Administrator could be hired for the City. Council had since requested that the Committee re-evaluate the appointment and make a recommendation for single Interim Administrator who could better act as a single point and contact person for the City. The Committee met and was recommending Brad Chapulis, Director of Community/Economic Development, be appointed as Interim City Administrator until a full-time Administrator can be hired, subject to the Terms and Understanding of the Appointment as follows:

1. Mr. Chapulis will serve as Interim Administrator until the start date of a full-time Administrator.
2. It is anticipated that Interim position will require approximately 10 hours per week over and above the time spent on his usual duties.
3. Mr. Chapulis will lead the regular City staff meetings and will present Administrative Case Items at Council meetings.
4. Mr. Chapulis will serve as the primary contact between the City Council and City staff and will be the primary contact for outside persons and representatives of entities that ordinarily would communicate with the City Administrator.
5. Mr. Chapulis will attend some, but not all, meetings which have been attended in the past by the full-time Administrator.
6. Mr. Chapulis will continue the former Administrator's "Friday at Five" Memo.
7. Mr. Chapulis will otherwise report regularly to the Mayor.
8. The Interim Administrator Committee will meet from time-to-time to monitor the workload of Mr. Chapulis and to address any significant issues or questions which may arise during the interim period.

9. Mr. Chapulis will be paid an additional \$1,500.00 per month in compensation for the additional responsibility and for the additional time he will devote to the Interim Administrator position. Such compensation will be pro-rated for any partial month of service as Interim Administrator.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to appoint Brad Chapulis, Director of Community/Economic Development as Interim Administrator until a full-time Administrator can be hired, and to approve the Terms and Understanding of the appointment.

RESOLUTION NO. 3579 ADOPTED SUPPORTING APPOINTMENT OF DR. RANDY SIMONSON AS FIRST CONGRESSIONAL REPRESENTATIVE TO THE BOARD OF REGENTS FOR THE UNIVERSITY OF MINNESOTA

The City received notification that the Regent Candidate Advisory Council had submitted Dr. Randy Simonson's name as one of two candidates for consideration by the Joint Legislative Committee for recommendation of appointment to the open seat of the first congressional district representative to the Board of Regents for the University of Minnesota. Council was supportive of the appointment of Dr. Simonson to bring awareness of education needs in southern Minnesota and in representing southwest Minnesota to that Board.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to adopt the following resolution of support:

RESOLUTION NO. 3579

RESOLUTION IN SUPPORT OF APPOINTING RANDY SIMONSON AS FIRST CONGRESSIONAL DISTRICT REPRESENTATIVE TO BOARD OF REGENTS - UNIVERSITY OF MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

LAW ENFORCEMENT LABOR SERVICES (LELS) 4 BARGAINING AGREEMENT FOR 2015-2017 APPROVED

Troy Appel, Public Safety Director, presented the proposed LELS 4 Bargaining Agreement or 2015-2017 for Council approval. Chief Appel highlighted the changes to the agreement from the past agreement, which expired at the end of 2014:

- Cost of living increases of 2% in 2015; 2.5 % in 2016; and 2.5% in 2017
- An increase in language pay from \$225/month to \$240/month (with new annual proficiency

- requirement)
- An increase of \$25/per year in boot allowance
 - A transition to merit pay
 - Elimination of the health care board of Trustees
 - Accommodation of the new health care plan structure
 - Other technical and simplification provisions
 - Article 16 (Reporting Time) and Article 24 (Safety) were eliminated as they are either outdated or covered under other statutory provisions or the employee personnel policy.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to approve the Law Enforcement Labor Services (LELS) 4 Bargaining Agreement for 2015-2017.

RESOLUTION NO. 3580 ADOPTED RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT OF CRAILSHEIM ROAD BY EXTENSION OF SANITARY SEWER

Council reviewed a feasibility report on the improvement of South Crailsheim Road from the north line of Lot 7, Park View Acres extended easterly to the south line of the north 55 feet of Lot 5, Park View Acres extended easterly by extension of the municipal wastewater collection system. Total estimated cost of the project is \$96,250. The preliminary assessment roll for the project was also provided to Council. Dwayne Haffield, Director of Engineering, said staff was requesting that Council receive the report and pass the resolution receiving the report and calling for hearing on the improvement to be set for 7:00 p.m. on February 23, 2015 at the regular City Council meeting.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to receive the report and adopt the following resolution receiving the report and ordering hearing for the improvement of Crailsheim Road by extension of sanitary sewer:

RESOLUTION NO. 3580

RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3581 ADOPTED RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED PROJECT - IMPROVEMENT OF CSAH 35 EAST OF CSAH 5 BY WATER MAIN EXTENSION

Council was presented with a feasibility report on the improvement of C.S.A.H. 35 from C.S.A.H. 5 to 1400 feet east by extension of water main. The preliminary assessment roll was also included.

The project was petitioned for, and the petition was executed by owners of more than 35% of the property abutting on the proposed improvement. Total estimated cost of the project is \$183,250. Staff was requesting that Council receive the report and pass the resolution receiving the report and calling for hearing on the improvement to be set as 7:00 p.m. on February 23, 2015 at the regular City Council meeting.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to adopt the following resolution receiving the report and ordering the hearing for the improvement of C.S.A.H. 35 east of C.S.A.H. 5 by water main extension:

RESOLUTION NO. 3581

RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

**AIRPORT CONSULTANT WORK ORDER 3 FOR DESIGN OF TAXIWAY C EXTENSION
PROJECT APPROVED**

Dwayne Haffield, Director of Engineering, stated the 2015 airport capital improvements budget includes Federal Aviation Administration (FAA) and local funding for extending Taxiway C to the north end of Runway 18-36, to improve airport safety. The taxiway currently ends 1,100 feet short of the north end of the runway, so pilots utilizing the full length of the 4,200 foot runway need to taxi in the opposite direction that any aircraft utilizing the runway for take off or landing would be traveling. Current estimated project cost is \$1,104,067, which is less than the 2015 airport capital improvements budget of \$1,320,843. FAA share of the project is anticipated to be 90% or \$993,660 - leaving about \$55,000 each for state and City. Grant funding is not available until after bids are received - bids would not be awarded however, if there was no grant from the FAA. Mr. Haffield said while they are anticipating state funding it is not guaranteed. The potential for loss for the City is with administrative and advertising costs, which could be about \$95,000.

The motion was made by Council Member Janssen, seconded by Council Member Sankey and unanimously carried to approve the Airport Consultant Work Order 3 for Design of Taxiway C Extension project.

**PROFESSIONAL SERVICES APPROVED FOR PLANNING, PRELIMINARY DESIGN
AND PLATTING OF TH 59 NORTH COMMERCIAL INDUSTRIAL PARK**

Based on direction from Council at their January 21, 2015 meeting, staff has worked with Bolton and Menk to provide professional services needed to proceed towards development of the North TH 59 Commercial/Industrial park. Services will include those needed for finalizing a layout for all of

the contiguous city owned property and preliminary design and platting of the first stage of development. The first stage may be completed in two (or more) phases, with the first consisting of the area of the first stage lying east of County Ditch (CD) 12, with any subsequent phases being west of CD 12. The proposal does not include final design, bidding or construction phase services. The proposal from Bolton and Menk is at a fee of \$55,976 on a "not to exceed" basis. Dwayne Haffield, Director of Engineering, said that storm water permitting requirements have changed regarding how we move water through the ponds. It is proposed to fund the services required at this time from the hospital sale proceeds that have previously been allocated for economic development. Mr. Haffield said the balance of that allocation is just under \$3 million. He also noted there are still some land use issues that need to be resolved in the industrial park. Council Member Graber expressed concern over what was put into the economic development budget line item for use of the allocation, and said she would like to see a more detailed explanation.

Following discussion, the motion was made by Council Member Nelson, seconded by Council Member Harmon and unanimously carried to approve the proposal from Bolton and Menk for professional services for planning, preliminary design and platting of TH 59 North commercial industrial park, and to authorize the Mayor and Clerk to execute the contract, as acceptable to the City Attorney, and to amend the 2015 Fund 401 (construction Fund) and Fund 211 (WRH Fund) budgets to include the proposed preliminary design and platting services with revenue from the hospital sale proceeds allocated for economic development.

AMENDMENT TO HRA LOAN FOR RISING SUN ESTATES APPROVED

In June of 2014 Council approved a \$1,600,000 loan to the Worthington HRA for their Rising Sun Estates project. The 1.5% 30 year loan was structured to defer interest or payments until January 1, 2015, which was the original substantial completion date for the project. Brad Chapulis, Director of Community/Economic Development, told Council that weather and production delays are two of the primary reasons the project is not completed to date. The HRA has established a new completion date of July 1, 2015, and with no revenue to cover the payments, the HRA was formally requesting the City to extend the deferment period for both the interest and principal payment to September 1, 2015. Council Member Nelson said some of the other lenders have made some concessions but are still charging interest - he would just as soon not charge interest and just move the date. Mr. Chapulis said the interest and principal payment has been deferred from June 26th, when it was executed, to January 1st.

Council Member Janssen asked if the contract included penalties to be assessed for the delay. Randy Thompson, HRA Executive Director, speaking on behalf of the HRA, said the issue had not been bridged - that will be looked at down the road. There are some things in the contract between the HRA and Highland Manufacturing that will require interpretation by an attorney. Council Member Nelson cited several reasons for the delay. Council Member Janssen responded that every construction project he's been involved in had a deadline and the contractor understood that it would

cost them out of their pocket if that deadline was not met.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to delay the payment until September 1st including the interest.

AMENDMENT TO DISBURSEMENT AGREEMENT RISING SUN ESTATES APPROVED

In addition to requesting that the City extend the deferment of the loan repayment for the Rising Sun Estates project, the HRA also requested/received loan deferments from other lenders on the project, which requires the disbursing agreement between the HRA, the lenders, and the disbursing agent to be amended to reflect the amended terms of the loans/bond. The proposed amendment was drafted by Kennedy & Graven, the HRA's Bond Counsel, and has no effect on the loan the City has with the HRA or the amendment to the loan.

The motion was made by Council Member Harmon, seconded by Council Member Sankey and unanimously carried to approve the amendment to the disbursement agreement or Rising Sun Estates.

WORKFORCE HOUSING PROGRAM APPLICATION APPROVED - LUIS RUIZ MAGANA AND ALEJANDRA LOPEZ SOLORIO

Luis Ruiz Magana and Alejandra Lopez Solorio had submitted an application for a forgivable loan through the City's Workforce Housing program for the eligible developer installed infrastructure improvements installed for the newly constructed house they are purchasing at 2243 Castlewood Drive. Brad Chapulis, Director of Community/Economic Development, noted the public infrastructure for Morning View 2nd Addition was developer installed, meeting one of the three eligible purposes. Staff determined the value of the eligible expenditures as \$18,664.01. Based on the policy, the forgivable loan would be structured for 5 years and at an interest rate of 5%. For each year the applicants own and reside in the home, the annual mortgage payment would be forgiven - after 5 years, the loan is fully forgiven. Should the applicants move or sell the house during the loan period, they would be responsible for the outstanding balance of the loan. Staff determined the applicants met the criteria are eligible for the loan.

The motion was made by Council Member Harmon, seconded by Council Member Graber and unanimously carried to approve the workforce housing program application form Luis Ruiz Magana and Alejandra Lopez Solorio in the amount of \$18,664.01, and to authorize the Mayor to execute all related loan documents.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Rod and he attended the CGMC Legislative Day last week - met with Representative

Pat Torkelson, the head of the joint committee on bonding, regarding the Lewis and Clark project - it was a good meeting. Also met with Senator Weber, Representatives Hamilton and Schomacker and brought up Lewis and Clark at all of the meetings. Regarding the letters Council had received from the 7th grade civics class, encouraged Council to respond to as many as possible.

Council Member Nelson - He did respond to the students but wrote one long letter.

Council Member Graber - An employee at the Auditorium broke their arm. The Planning Commission met and viewed an educational web cast from Brad - was well received. The Chamber of Commerce Convention and Visitors Bureau met - Karen DeBoer reviewed the transit system for Worthington and what the operations are. The Prairie View Long Range Planning Committee has met several times. Also attended a Southwest Initiative Foundation Coffee for the new director. Nothing else other than the work sessions.

Council Member Janssen - Traffic and Safety met on the 28th of January. Annette Larson was here from south central Minnesota representing "TZD - Towards Zero Deaths". They decided to establish a coalition committee and are currently looking for people for that committee. Also talked about signage for Oxford Street, possible yield signs in Homewood Hills and talked about a crossing by the nursing home on South Shore Drive to Freedom Park.

Council Member Harmon - Water and Light Commission met February 2nd. They reviewed a 15-city comparison that Owatonna does every year regarding rates - our residential water rate was the second lowest of the 15 and third lowest for our commercial and industrial water rate, and third lowest for electricity in all three categories. Well levels are the best they've been for two years - we're above the no watering line. The Chamber requested to start putting banners on some of the City's poles - Water and Light requested additional information regarding strength of the poles, etc. Scott Hain and Troy Larson testified at hearings for Lewis and Clark on Tuesday and met with the Governor's budget director and other staff members. Scott and some members of the Water and Light Commission traveled to MMUA conference Wednesday, Thursday and Friday and met with Weber and Schomacker. Their concerns were mostly with the EPA and PCA and their additional restrictions. Met this morning with the CAL group - there are 140 paid memberships - 9 not paid yet - 43 did not renew from last year. The theme will be "Live your Adventure" for Active Aging Week September 27-October 3rd.

Council Member Sankey - On January 27th had a three hour meeting of the Blandin Broadband group. March 3rd is the next meeting at 6 p.m. at Minnesota West Commons. Attended Legislative Action Day with Mayor Kuhle. Also attended the WREDC Annual Meeting and heard about the mall plans. Attended the League of Minnesota Cities conference January 30th and 31st - very informative.

ADJOURNMENT

The motion was made by Council Member Janssen, seconded by Council Member Sankey and unanimously carried to adjourn the meeting at 8:25 p.m.

Worthington City Council
Regular Meeting, February 9, 2015
Page 10

Janice Oberloh, MCMC
City Clerk