

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, FEBRUARY 27, 2017**

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: Larry Janssen, Alan Oberloh, Chad Cummings, Mike Harmon. Honorary Council Member: Chris Kielblock. Council Members absent: Amy Ernst, excused.

Staff present: Steve Robinson, City Administrator; Brad Chapulis, Director of Community/Economic Development; Todd Wietzema, Public Works Director; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk; Kevin Black, Sgt. Brett Wiltrout.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hallstrom, Daily Globe; Lisa Graphenteen, Andy Johnson, CJ Nelson.

The Pledge of Allegiance was recited.

**HONORARY COUNCIL MEMBER**

Mayor Kuhle welcomed Chris Kielblock as the Honorary Council Member for the months of February, March and April, 2017.

**AGENDA CLOSED/APPROVED**

The motion was made by Council Member Harmon, seconded by Council Member Cummings and unanimously carried to close/approve the agenda as presented.

**CONSENT AGENDA APPROVED**

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

- City Council Minutes of Regular Meeting February 13, 2017 and Special Meeting-Work Session February 22, 2107
- Minutes of Boards and Commissions - Worthington Area Convention and Visitors Bureau Minutes of January 25, 2017; Worthington Economic Development Authority Minutes of February 13, 2017
- 2017 Beach Nook Contract
- Girls Softball Association Agreement
- Bills payable and totaling \$659,183.12 be ordered paid

**RESOLUTION NO. 2017-02-03 ADOPTED PROVIDING LOCAL APPROVAL OF OFF-SITE GAMBLING PERMIT - WORTHINGTON HOCKEY ASSOCIATION**

The Worthington Hockey Association submitted an application for off-site gambling permit that

would allow them to conduct a raffle at the Worthington Hockey Arena on March 16, 2017. The Association currently holds an Exemption from Lawful Gambling Permit from the State of Minnesota for two premise locations in the city, but which does not include the Hockey Arena. Approval of the Off-Site Permit application must be obtained from the local unit of government by resolution prior to its submission to the state for approval.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to adopt the following resolution approving the application for an off-site gambling permit for the Worthington Hockey Association:

RESOLUTION NO. 2017-02-03

REGARDING OFF-SITE GAMBLING PERMIT

(Refer to Resolution File for complete copy of Resolution)

**2017 YMCA PROGRAM FEES APPROVED**

Todd Wietzema, Public Works Director, presented the proposed YMCA/City of Worthington fees for 2017, which include the YMCA's day camp and summer sports programs, as follows:

<u>Day Camp</u>	<u>2017 Proposed</u>	
	<u>June/July/August</u>	<u>June 5- Aug 25</u>
9 to 3 M-F	\$204.00	\$583
9 to 12 MWF	\$ 79.00	\$227
9 to 12 M-F	\$125.00	\$356
12 to 3 M-F	\$125.00	\$356
Early Drop	\$ 46.00	\$132
Late Pick Up	\$ 46.00	\$132
	<u>August 28-Sept 1</u>	
9 to 3 M-F	\$51	
9 to 12 MWF	\$20	
9 to 12 M-F	\$31	
12 to 3 M-F	\$31	
7 to 9 Early	\$12	
3 to 5 Late	\$12	
	<u>One Week</u>	<u>Two Weeks</u>

9 to 3	M-F	\$70	\$124
9 to 12	MWF	\$22	\$ 37
9 to 12	M-F	\$35	\$ 62
12 to 3	M-F	\$35	\$ 62
7 to 9	Early	\$12	\$ 26
3 to 5	Late	\$12	\$ 26

<u>Summer Sports Fees</u>	<u>2017 Proposed</u>
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Softball League	\$54/44
Track	\$44/34
Tennis	\$44/34
Volleyball Camp	\$60/50
Basketball Camp	\$60/50

The proposed fees represent an approximate 3% increase over the prior year. Andy Johnson and CJ Nelson from the YMCA were present at the meeting and provided information on participation numbers.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the 2017 YMCA Program Fees.

#### **TERMINATION OF AGREEMENT FOR JOINT USE OF EQUIPMENT APPROVED**

With the decommissioning of Prairie View Golf Course, Todd Wietzema, Public Works Director, was requesting Council authorization to terminate the cooperative agreement between the City of Worthington and Worthington Country Club that provided for sharing of some golf course maintenance equipment. Great Life Worthington, new owners of the Worthington Country Club, has agreed to the termination. Mr. Wietzema said the current value of the equipment is \$35,000, and Great Life has agreed to purchase the City's share for \$17,500. The funds would come back into the Parks and Recreation budget, as is required by the City's property disposal policy.

The motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to approve the termination of the agreement for joint use of equipment and authorize the transfer of complete ownership of the shared equipment to Great Life Worthington upon receipt of the agreed amount of \$17,500.

#### **DECLARATION OF SURPLUS PROPERTY AND AUTHORIZATION FOR SALE OF GOLF COURSE EQUIPMENT**

Staff was requesting Council authorization to declare the City-owned golf course equipment as surplus property and to place it for sale. The equipment is no longer needed following the decommissioning of Prairie View Golf Course. Todd Wietzema, Public Works Director, said the equipment would be placed on the 16<sup>th</sup> Annual Upper Midwest Commercial Turf Golf Course & Landscape Equipment Consignment Auction on March 25, 2017. Council Member Cummings suggested it would be better to just post the equipment for sale and not go through an auction as they will charge a fee. Kevin Black, former Prairie View Superintendent, said the auction sale will be made up of only golf course equipment - they thought it would provide more exposure than if the City sold it themselves. Some of the markers and benches have already been sold.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to declare the golf course equipment as surplus, and to authorize listing of the equipment on the March 25<sup>th</sup> consignment auction.

#### **AMENDMENT TO ENGINEERING BUDGET APPROVED WITH AUTHORIZATION FOR CONTRACT FOR AERIAL MAPPING UPDATE**

Dwayne Haffield, Director of Engineering, said the Engineering Department, along with Planning and Zoning personnel, routinely use aerial photography for projects, mapping, GIS applications, and development and construction activities. This generally requires the photography to be completed to mapping standards. The Engineering ERS schedule includes replacement of the aerial photography every ten years, which would be again in 2018.

Nobles County also uses aerial photography, but does not demand the precision that the City's Engineering Department must have. The County is under contract for an aerial photography update in 2017. County and City staff have collaborated together so the City may obtain the more accurate aerial photography at an additional cost to the City, rather than having the City obtain its update as stand alone work in 2018. The total cost of the accuracy upgrade is \$10,500, which is less than one half of the what the cost would be for the stand alone project, and would require an amendment to the 2017 budget. Funds would come from the Engineering ERS reserve.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the amendment to the 2017 Engineering Budget to include the \$10,500 for the accuracy upgrade, and to authorize the contract for the Aerial Mapping update.

#### **AIRPORT CONSULTANT WORK ORDER 6 FOR DESIGN OF RUNWAYS 11-29 AND 18-36 MAINTENANCE PROJECT APPROVED**

Dwayne Haffield, Director of Engineering, said the 2017 Airport Capital Improvements budget includes Federal Aviation Administration, Minnesota Department of Transportation and local funding for maintenance of Runways 18-36 and 11-29. The maintenance project consists of crack

and joint repairs and applying a seal coat for pavement preservation. Estimated project cost is \$979,000. The project is eligible for 90% FAA funding, or \$881,100, which would include \$200,000 of guaranteed entitlement funds, but the remaining funding would be discretionary. Mr. Haffield said a grant offer from the FAA is not available until after bids are received for the project. Additional 5% state funding (\$48,950) of the project costs is also expected to be available this year. With the state funding, the City's share of the project would be \$48,950. The project estimate includes engineering costs. In order for professional services to be eligible for FAA funding, the firms must be secured through an open solicitation and qualification based selection process. Procurement is only for identified projects, and for no more than five years. The latest selection process was completed in April of 2014 when Council approved a master agreement with Bolton and Menk for consulting services. Fees of \$124,375 for Work Order 6 (this project) to the Master Agreement are proposed on an "actual cost" basis, and include design and construction phases. Mr. Haffield noted that if the grant does not come through we would not proceed with the construction phase. Staff was recommending proceeding with the design of the project.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the Airport Consultant Work Order 6 for the design of the Runways 11-29 and 18-36 Maintenance project

**RESOLUTION NO. 2017-02-04 ADOPTED EXECUTING PETITION TO IMPOUND  
COUNTY DITCH 12 DRAINAGE SYSTEM WATERS**

In order to proceed with creation of a retention area south of I-90 as part of the County Ditch 12 Flood Mitigation Project, the Heron Lake Watershed District has determined that the City of worthington will need to use provisions of Minnesota Statutes, which outlines a petition, report, and hearing process. The Watershed's attorney also advised that the petition must be authorized by the City Council. Dwayne Haffield, Director of Engineering, noted that the package was uploaded to FEMA today to determine if it was eligible for Phase II, the construction portion of the project. Funding would only be at 75% of project costs. The local share of the project costs has gone up significantly, because FEMA's side was only 75% but they only had so much money, and as the design work was being done it was discovered that costs had increased significantly from earthwork that was done to get us to this point, and a culvert had been added. The increase would put the funding at about 60% of project costs. Mr Haffield said the City share would need to be done with use of reserves and bonding. If FEMA funding is awarded the process would go quickly and we would need to start construction this year.

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to adopt the following resolution to impound County Ditch 12 drainage system waters

RESOLUTION NO. 2017-02-04

[RESOLUTION TO IMPOUND DRAINAGE]

(Refer to Resolution File for complete copy of Resolution)

**CONTRACT FOR PROFESSIONAL SERVICES AND MEMORANDUM OF UNDERSTANDING RELATED TO DESIGN STANDARDS PROJECT APPROVED**

Brad Chapulis, Director of Community/Economic Development, said the City solicited proposals from three firms for professional services to complete the Design Standards project, which is part of the Oxford Street Redevelopment Plan adopted by Council in 2016. Two proposals were received, and after review of the proposals, staff elected to go with The Cunningham Group due to their familiarity of the community, along with financial considerations. The Southwest Minnesota Housing Partnership (SMHP) proposed incorporating ArtPlace into the public engagement components of the project, through the use of its Art Based Community Development (ABCD) approach.

As a result of the collaboration, staff presented a Professional Services Contract with the Cunningham Group that outlined their responsibilities, deliverables, time line (6 months), and professional fees (\$40,000 + reimbursable expenses) for the project. The fee includes up to \$10,000 for additional administrative expenses related to ArtPlace's involvement.

Also presented was a Memorandum of Understanding which outlines the SMHP's commitment to award \$50,000 to the project - \$40,000 that the Partnership will spend themselves in hiring an artist to assist on the project and up to \$10,000 to reimburse the City for additional administration expenditures.

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the proposal from Cunningham Group for professional services for design standards of the Oxford Street project, and the memorandum of understanding related to the design standards project and to authorize the Mayor to execute the documents.

**GRANT CONTRACT AND DEVELOPMENT AGREEMENT APPROVED - NORTH DEVELOPMENT GROUP - WORTHINGTON MANOR PROJECT**

In 2016, the City sponsored a Workforce Housing Grant Application to the Minnesota Department of Employment and Economic Development (DEED) on behalf of the North Development Group for its 72 unit market rate development known as Worthington Manor. DEED announced its award of \$868,000 in late December of 2016 for the project, which will be located directly east of the intersection of Darling Drive and Grand Avenue, with an estimated project cost of over \$6 million. Due to the origin of the funds, the State of Minnesota is prohibited from granting the funds directly to a non-governmental agency - sponsorship on this project requires the City to act as the fiscal agent

of the grant, which should not cause financial exposure for the City. As the fiscal agent, the City must execute a grant contract with DEED that obligates the City to comply with all the terms and conditions of the grant. Brad Chapulis, Director of Community/Economic Development, said the proposed development agreement between the City and North Development Group, also being submitted for approval, would pass on the costs or penalties of any violations of the DEED grant to be the responsibility of North Development Group.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the Grant Contract between the State of Minnesota and the City of Worthington, and the Development Agreement between the City of Worthington and North Development Group, LLC. for Worthington Manor Apartments.

### **COUNCIL COMMITTEE REPORTS**

Mayor Kuhle - reported on an Area Transportation Committee Meeting - Dwayne Haffield was there and presented a project for consideration by the State - they will fund up to the 3 top projects, and our project was ranked #2 after the presentation.

Council Member Janssen - Noted he had attended the Council work session on February 22nd.

Council Member Oberloh - Nothing to report.

Council Member Cummings - Reported on a Chamber/CVB meeting - there is a legislative breakfast coming up, they also discussed the proposed Concierge Program. Attended a YMCA meeting today - lots of new and exciting things in the works.

Council Member Harmon - Water and Light meeting was cancelled last week. Noted he had attended the Council work session on February 22nd.

### **CITY ADMINISTRATOR'S REPORT**

Steve Robinson, City Administrator, reminded Council of the Legislative Breakfast scheduled for 8:00 a.m. at the Fire Hall on Saturday. In addition, at 1:00 at the BAC, Congressman Tim Walz will host a Town Hall meeting. The Super Bowl Host Committee has announced that Worthington was the recipient of a Super Bowl grant, which staff learned of back in December but were sworn to secrecy. The Committee contacted a Sioux Falls tv station about the award, however the use of the grant funds is still secret and will be announced at a ceremony with the Super Bowl Committee on March 21<sup>st</sup>. Nobles County Community Health and Wellness Partners discovered and applied for the grant and deserve the credit. Mr. Robinson noted he would be in Mankato for an Minnesota Pollution Control Agency subcommittee meeting on Tuesday, then on to St. Paul through Wednesday morning.

### **ADJOURNMENT**

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and

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unanimously carried to adjourn the meeting at 7:57 p.m

Janice Oberloh, MCMC  
City Clerk