

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MARCH 23, 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, Larry Janssen, Mike Harmon, Rod Sankey. Honorary Council Member: Steve Forrest. Council Members absent: Diane Graber (excused).

Staff present: Brad Chapulis, Director of Community/Econ. Development/Interim Administrator; Dwayne Haffield, Director of Engineering; Steve Robinson, Public Works Director; Janice Oberloh, City Clerk.

Others present: Justine Wettschreck, KWOA; Erin Trester and Kristin Kirtz, Daily Globe; Chris Heinrichs, Alan Drost.

The Pledge of Allegiance was recited.

AGENDA APPROVED/CLOSED WITH CHANGES/ADDITIONS

Council Member Sankey requested a correction to the March 9, 2015 Council Minutes under the Public Hearing on the Sale of Lots 13, 14, 15, & 16, Worthington Bio Science Industrial Park Addition - to correct that the number of acres under consideration is 5.497 and not 5,497 as in the minutes.

Staff also requested the addition of item J.2. to the agenda, *Request for Consent to Proposed Assignment and Subordination - Prairie Holdings Group*.

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Special Meeting March 6, 2015 and reconvened Minutes of March 7, 2015; City Council Minutes of Regular Meeting March 9, 2015; City Council Minutes of Special Meeting-Work Session March 18, 2015
- Minutes of Boards and Commissions - Airport Advisory Board Minutes of March 5, 2015; Heron Lake Watershed Board Minutes of January 22, 2015; NEON Committee Minutes of February 12, 2015
- Municipal Liquor Store Income Statement for the Period of January 1, 2015 through February 28, 2015
- Bills payable and totaling \$354,803.01 be ordered paid

THIRD READING AND ORDINANCE NO. 1083 ADOPTED AMENDING TITLE V, CHAPTER 54, SECTION 54.10 OF THE WORTHINGTON CITY CODE - STORM WATER REGULATIONS

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance amending Title V, Chapter 54, Section 54.10 of the Worthington City Code - Storm water Regulations as follows:

The ordinance adopted by the Council regulates all storm water discharged into the municipal storm water system as well as all non-storm water discharges into the system. The ordinance prohibits certain activities and items of personal property in areas susceptible to draining into the municipal system. The ordinance establishes erosion and sediment controls upon certain sites and establishes control over privately owned storm water management systems.

Adoption of the ordinance will bring the City into compliance with changes in requirements of the Minnesota Pollution Control Agency.

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to give a third reading to, and subsequently adopt, the following ordinance:

ORDINANCE NO. 1083

AN ORDINANCE RELATING TO STORM WATER PROTECTION

(Refer to Ordinance File for complete copy of Ordinance)

SECOND READING PROPOSED ORDINANCE - CHANGE OF ZONE - WEST 304' OF GOV'T LOT 4 (SW 1/4 SW 1/4) NORTH OF CSAH 35

Pursuant to published notice, this was the time and date set for the second reading of a proposed ordinance that would rezone the west 304' of Gov't Lot 4 (SW 1/4 of SW 1/4) north of CSAH 35 from its current "TZ" Transitional Zone to "M-1"-Light Industrial as follows:

Section I.

In order to better protect and enhance public health, safety and general welfare, the Worthington City Council hereby finds that it is necessary to modify the zoning district designation of certain areas of the City of Worthington from "TZ" - Transitional Zone to "M-1" - Light Industrial.

Section II.

The following legally described area, presently included in the "TZ" district, shall henceforth be

included in the "M-1" district:

That part of Government Lot 3 of Section 19, Township 102 North, Range 39 West, City of Worthington, Nobles County, Minnesota, described as follows:

Commencing at the West Quarter corner of said Section 19; thence on an assumed bearing of South 0 degrees 04 minutes 08 seconds West, along the west line of said section, a distance of 1142.35 feet to the north line of the South 185 feet of Government Lot 3 of said section and the point of beginning of the tract to be described; thence continuing South 0 degrees 04 minutes 08 seconds West, along said west line, a distance of 176.00 feet; thence North 89 degrees 51 minutes 32 seconds East a distance of 304.00 feet; thence North 0 degrees 04 minutes 08 seconds East a distance of 176.00 feet to the north line of the South 185 feet of said Government Lot 3; thence South 89 degrees 51 minutes 32 seconds West, along said north line, a distance of 304.00 feet to the point of beginning.

Together With

That part of Government Lots 3 and 4 of Section 19, Township 102 North, Range 39 West, City of Worthington, Nobles County, Minnesota, described as follows:

Commencing at the West Quarter corner of said Section 19; thence on an assumed bearing of South 0 degrees 04 minutes 08 seconds West, along the west line of said section, a distance of 1318.35 feet to the point of beginning of the tract to be described; thence North 89 degrees 51 minutes 32 seconds East a distance of 304.00 feet; thence North 0 degrees 04 minutes 08 seconds East a distance of 176.00 feet to the north line of the South 185 feet of Government Lot 3 of said section; thence North 89 degrees 51 minutes 32 seconds East, along said north line, a distance of 478.40 feet; thence South 1 degree 30 minutes West a distance of 185.08 feet to the north line of Government Lot 4 of said section; thence North 89 degrees 51 minutes 32 seconds East, along said north line, a distance of 371.00 feet; thence South 0 degrees 00 minutes West a distance of 530.32 feet the north line of a tract as recorded in Doc. No. A332109; thence North 86 degrees 43 minutes 41 seconds West, along said north line, a distance of 127.40 feet to the Northwest corner of said tract; thence South 2 degrees 45 minutes 04 seconds West, along the west line of said tract, a distance of 104.80 feet to the Southwest corner of said tract, located on the northeasterly right of way line of County State Aid Highway No. 35; thence North 67 degrees 48 minutes 07 seconds West, along said northeasterly right of way line, a distance of 987.58 feet; thence North 33 degrees 51 minutes 59 seconds West, along said northeasterly right of way line, a distance of 124.45 feet; thence North 67 degrees 48 minutes 08 seconds West, along said northeasterly right of way line, a distance of 35.62 feet to the west line of said section; thence North 0 degrees 04 minutes 08 seconds East, along said west line, a distance of 143.99 feet to the point of beginning.

Adoption of the proposed ordinance would change zoning for all 14.266 acres, and allow Alan Drost, who would acquire 13.20 acres of the subject property, to construct a self-storage development.

The motion was made by Council Member Harmon, seconded by Council Member Sankey and unanimously carried to give a second reading to the proposed ordinance.

NOMINATING COMMITTEE RECOMMENDATIONS

The Nominating Committee met on Tuesday, March 17, 2015 to consider various vacancies on City Committees, and were making the following recommendations to City Council for appointment/reappointment:

Center for Active Living	Appoint Gary Hoffmann for a three year term to replace Paula Ausham who declined to serve a second term, term to expire December 31, 2017
Charter Commission	Appoint Marty Rickers for a first term, term to expire March 31, 2016
	Appoint Bob Demuth Sr. For a first term, term to expire March 31, 2016
	Appoint Mike Woll for a first term, term to expire March 31, 2016
	Appoint Zuby Jansen for a first term, term to expire March 31, 2016
	Appoint Melissa Elsing for a first term, term to expire March 31, 2016
	Appoint Glenn Thuringer for a first term, term to expire March 31, 2016 Appoint Angie Luna for a first term, term to expire March 31, 2016
Golf Advisory Board	Reappoint Paul Hoffmann for a second term, term to expire March 31, 2017
	Appoint Ken Moser for a first term, term to expire March 31, 2017
	Appoint Ryan McGaughey for a first term, term to expire March 31, 2017
Water and Light Commission	Reappoint Aaron Hagen for his first full three year term, term to expire March 31, 2018

During discussion it was noted that Gary Hoffmann already serves on the Water and Light Commission for the City, and on the Worthington Rediscovered Committee. In response to a comment from Council Member Harmon, the City Clerk noted that the City does not allow for membership on more than one of its committees at a time, other than to serve on the Charter Commission while on another committee. The opening on the Center for Active Living Committee will go back to the Nominating Committee for additional suggestions, and staff will review the Worthington Rediscovered Committee. The City Clerk also noted that the term expiration dates for the Charter Commission should be 2018 instead of 2016, to accommodate the staggered terms.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to approve the Nominating Committee recommendations for committee appointments/reappointments, excluding the appointment of Gary Hoffmann to the Center for Active Living Committee and to note the correction to the term date for the Charter Commission.

EMPLOYMENT CONTRACT WITH CITY ADMINISTRATOR APPROVED

Council considered the employment contract as negotiated by Dr. Richard Fursman of Brimeyer-Fursman between the City of Worthington and newly hired Administrator Steve Robinson. The contract was based on the standard contract of the International City Managers Association (ICMA) with the difference that it included 12 months of severance pay and benefits in the event that the employee is terminated by the employer during such time that the employee is willing and able to perform the duties of City Administration, instead of 6 months. Mr. Robinson's start date under the contract will be March 24, 2015.

The motion was made by Council Member Nelson, seconded by Council Member Harmon and unanimously carried to approve the employment contract with City Administrator Steve Robinson.

2015 DOCK APPLICATIONS APPROVED

The motion was made by Council Member Nelson, seconded by Council Member Janssen and unanimously carried to approve the following 2015 permits for installation of a private dock on public property:

1. Across from 1117 Lake Avenue - Rhonda Schmidt
2. Across from 610 West Lake Avenue - Evelyn Lambert
3. Across from 702 West Lake Avenue Paul Hoffman
4. Across from 920 West Lake Avenue - Dale Ryen
5. Across from 1977 South Shore Drive - Jennifer Andersen-Martinez

Steve Robinson, Public Works Director, noted that only these 5 of the renewals sent out had been received, and the others would be presented for Council approval when they were received.

TRANSITION PLAN FOR PUBLIC WORKS DEPARTMENT APPROVED

Steve Robinson, Public Works Director, said staff was requesting Council approval for proposed interim responsibilities within the Public Works Department that would commence when he assumes the position of City Administrator, and continue until such time as a permanent replacement for the Director of Public Works assumes those duties. His recommendation was that Todd Wietzema, Street Supervisor, take on added responsibilities and leadership for the Department, and that he receive an additional \$2 per hour during this time. Mr. Robinson will continue to assume some of the duties associated with the position.

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to approve the 2015 Public Works Department proposed transition plan.

RESOLUTION NO. 3585 ADOPTED RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENTS BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

Dwayne Haffield, Director of Engineering, presented a resolution for Council consideration that would declare the City's intent to bond for costs incurred in making public improvements, which must be done after significant costs have already been incurred for the project. The resolution pertains to the following improvement as approved at the February 23, 2015 Council meeting, but does not commit the City to the project:

<u>Project</u>	<u>Maximum Amount of Bonds Expected to be Issued for Project</u>
An improvement of that part 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	\$105,875
An improvement of C.S.A.H. 35 - from C.S.A.H. 5 to 1400 feet east, or portions thereof, by extension of the municipal water distribution system	\$201,575

Mr. Haffield said the maximum amount listed in the resolution is approximately 10% higher than the project estimate presented for the project ordered by Council.

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to adopt the following resolution declaring the City's intent to bond for the specified project:

RESOLUTION NO. 3585

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)

WORKFORCE HOUSING PROGRAM APPLICATION APPROVED - DOE WAH, 1736 PAULINE AVENUE

Brad Chapulis, Director of Community/Economic Development/Interim Administrator, said an application had been received from Doe Wah for a forgivable loan through the City's Workforce Housing program for eligible developer installed infrastructure improvements installed for the newly constructed house he is purchasing at 1736 Paulina Avenue. The public infrastructure for Morning View 2nd Addition was developer installed, which meets one of the established purposes of the program. Staff has determined the value of the eligible expenditures is \$18,664.01. Based on the program policy, the forgivable loan would be structured for 5 years and at an interest rate of 5%. After five years the loan is fully forgiven - should the applicant move or sell the house during the loan period, he would be responsible for the outstanding balance of the loan.

After reviewing the application, staff determined the applicant meets the eligibility criteria and is eligible for the forgivable loan.

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to approve the five-year forgivable loan in the amount of \$18,664.01 to Doe Wah, with an interest rate of 5%, and to authorize the Mayor to execute the loan document.

REQUEST APPROVED FOR CONSENT TO PROPOSED ASSIGNMENT AND SUBORDINATION - PRAIRIE HOLDINGS GROUP

The City received a request from Prairie Holdings Group (PHG) for the City to consent to a proposed assignments and subordination related to the Contract for Deed between the company and the City for the real estate transaction within the City's Bio Science Industrial Park last year. PHG was looking to transfer ownership of the real estate to another company under the PHG umbrella - Prairie Holdings Real Estate, LLC. In addition to the change in ownership, PHG was also looking to restructure its permanent financing of their Bioscience Drive development. Under the provisions

of the executed Contract for Deed, an assignment may only occur with consent from the City provided such consent is “not unreasonably withheld”. Brad Chapulis, Director of Community/Economic Development said the City Attorney had reviewed the documents related to the request and was recommending Council consent to the proposed assignment and subordination, and to authorize the Mayor and staff to execute the related documents.

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to consent to the proposed assignment and subordination, Prairie Holdings Group, and to authorize the Mayor and staff to execute the documents.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Wanted to comment that the Council work sessions between the Council meetings are a valuable tool - if Council has any ideas for discussion they should get them to staff. The Nuisance Ordinance will be discussed at the next work session, and he would also like to have a work session on the lake. Noted the League of Minnesota Cities Summer Conference is scheduled for June 24th-25th - and encouraged Council to attend. Council Members Nelson, Graber and Janssen are signed up to attend at this point.

Council Member Nelson - The HRA will be meeting this coming Wednesday, they did have a construction meeting - there is one building left to be built for the Rising Sun Estates project. They are still looking at June 1st to be ready to rent. Randy Thompson has a renter list started, and they also have a website. Work there is progressing on the eight 6-plex units.

Council Member Janssen - Attended the Oxford Street Redevelopment Committee meeting - very informational. They are looking at late June or early July for completion of their task. Cunningham will have a report to present at a joint meeting - work session.

Council Member Harmon - Water and Light Commission met on March 2nd - they approved a street project and the union contract. On March 5th he attended a Cable 3 meeting - they discussed an increase in staff by one person, and discussed their financials. Their next meeting will be April 2nd. The second Water and Light meeting of the month was cancelled as they were in Washington - met with Franken's and Klobuchar's staff, and Walz's staff to discuss the Lewis and Clark project. The federal government is \$140 to \$150 million in arrears. The Minnesota bills have moved through two committees so far. They also attended APPA meetings while there regarding emissions, railroad rates and tax increment bonding. Well levels remain up from 2014 and 2013. The Water and Light Commission will look at recommendations regarding a watering ban at their April 6th meeting.

Council Member Sankey - The Heron Lake Watershed District met March 17th and held an election of officers. Attended the Oxford Street Redevelopment Committee meeting on the 19th and reviewed options for streets. Also attended the Special City Council meeting. NEON met on Thursday the 12th and discussed their Broadband program.

CITY ADMINISTRATOR REPORT

Brad Chapulis, Director of Community/Economic Development/Interim Administrator, reminded Council that the WREDC BioScience Conference is scheduled for April 9th and 10th - Council should contact him or the secretary if they are interested in signing up. He testified at the legislature regarding workforce housing tax credits- they received a lot of attention. Representative Hamilton authored the bill, which continues to move forward and has been through two other committees.

**CLOSED SESSION UNDER MS § 13D.05, SUBD. 3 (B) - ATTORNEY CLIENT PRIVILEGE
- MEET WITH SPECIAL COUNSEL, JOSEPH BROMELAND OF WENDLAND SELLERS
BROMELAND, TO DISCUSS SCHEDULED MEDIATION**

Mayor Kuhle stated Council would be going into closed session under MS § 13D.05, Subd. 3 (B) - Attorney Client Privilege to discuss scheduled mediation.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to close the meeting at 7:51 p.m.

The motion was made by Council Member Janssen, seconded by Council Member Sankey and unanimously carried to re-open the meeting at 8:26 p.m.

ADJOURNMENT

The motion was made by Council Member Sankey, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 8:27 p.m.

Janice Oberloh, MCMC
City Clerk